

ROMCARBON S.A.

**INDEPENDENT ASSURANCE REPORT
AS OF
30 June 2017**

The Board of Directors
Romcarbon SA
Romania

Independent assurance report issued pursuant to the requirements of CNVM Regulation No.1/2006

Purpose of independent assurance report

Further to your request, we have performed procedures, enumerated below, on the Appendix 1 issued by Romcarbon SA ("the Company") to The Authority for Financial Surveillance (ASF), with regard to the contracts signed by Romcarbon SA with the administrators, employees, shareholders who retain control, as well as persons engaged with these reported under article 225 of Law no. 297/2004 with regard to the period January 1, 2017 to March 31, 2017 and article 82 of Law no.24/2017 with regard to the period April 1, 2017 to June 30, 2017. The Appendix 1 is the responsibility of the management of the Company ("Management").

Our engagement was undertaken in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Under this standard we perform sufficient procedures, in order to obtain limited assurance with respect to the objectives of the specific procedures enumerated below. Because such limited procedures are not considered an audit or review of the financial statements or any parts thereof due to their inherent limitations and accordingly we do not provide any such assurance.

The Company reported to ASF transactions that exceed and that are below 50,000 EUR concluded during the first semester of 2017 with affiliated parties.

Procedures performed

- 1) Obtain Appendix 1, detailing the list of transactions reported for 2017, select the transactions that in H1 2017 had value higher than 50,000 EUR and agree the details of the contracts reported in Appendix 1 to the underlying contracts.
- 2) Obtain and review the contracts to verify that these have been properly authorized by the contracting parties and to ascertain whether they provide for: the contracting parties, the contract date and nature, the description of the purpose, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- 3) Obtain an understanding, by discussing with Management, as to how the contractual relationship for the reported contracts was established.
- 4) Discuss with Management and comment on the company's internal policy with respect to transactions with its administrators, employees, shareholders that have control, as well as its related parties.

Results of procedures

- i. We obtained Appendix 1 signed by Management and we agreed the details of the contracts pertaining to the first half of 2017 reported in the Appendix 1 to the underlying contracts. Our procedures have been applied only to the Appendix 1. We have not performed any procedures to verify whether this list include all the transactions to be reported by the Company under the provisions of art. 225 of Law 297/2004 for the period January 1, 2017 – March 31, 2017 and article 82 of Law no.24/2017 with regard to the period April 1, 2017 to June 30, 2017. Our procedures were applied only to the transactions/contracts that exceeded 50,000 EUR during the 1st semester of 2017.
- ii. We obtained and reviewed the contracts and verified that these have been properly authorized by the contracting parties and verified whether they provided for the contracting parties, the contracts date and nature, the description of the purpose, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- iii. With respect to item (3) above, Management informed us that the price agreed between the parties were established as stated in point iv below.
- iv. With respect to item (4) above, we understand, based on our discussion with Management, that the Company has adopted the following pricing policies:
 - a) With respect to the contract 619/19.04.2010 on Appendix 1, space was rented to Living Jumbo Industry SA and the monthly rent paid by Living Jumbo Industry SA is similar with the monthly rent paid by Living Jumbo Industry when it was non-affiliated party. During the first half of 2017 no price changes were included in the contract.
 - b) With respect to the contract 353 dated 22.01.2016, photopolymer clichés were sold to Living Jumbo Industry. Management advised us that the prices for photopolymer foil are established in the contract's annex, being negotiated with Living Jumbo Industry SA and are similar to the prices used in transactions with non-affiliated customers.
 - c) With respect to the contract no 899 dated 04.02.2010 (Appendix 1), Polypropylene granules were sold to Living Jumbo Industry SA and the selling price is based on the acquisition cost from the supplier (including transport cost determined based on transport fee, EUR 16.5), plus a markup of 0.5%.
 - d) Electricity is sold to Living Jumbo Industry SA under contract no 2586/1/12.07.2005 (Appendix 1) at a selling price that is equal with the direct costs (electricity from suppliers and maintenance costs), indirect costs (losses) and general expenses with no markup added. The same pricing mechanism is used for both affiliated and non-affiliated parties.
 - e) With respect to the contract no 1841/29.12.2009 (Appendix 1) services for stations and trafo stations exploitation are provided by Energo Install to Romcarbom. The price is determined based on the number of employees, number of working hours and hourly rate plus monthly fixed expenses. The hourly rate is determined based on the average salaries of specialists involved. The fixed costs represent the equivalent of cleaning materials, inventory items, work equipment, training costs, gift vouchers and other expenses.
 - f) With respect to the contract no 1839/29.12.2009 (Appendix 1) services for water pump stations exploitation are provided by Energo Install to Romcarbom. The price is determined based on the number of employees, number of working hours and hourly rate plus monthly fixed expenses. The hourly rate is determined based on the average salaries of specialists involved. The fixed costs represent the equivalent of cleaning materials, inventory items, work equipment, training costs, gift vouchers and other expenses.
 - g) Romcarbon made acquisitions for restauration of equipment form Energo Install based on orders – the selling price is based on the estimation issued by Energo Install. The estimate comprises materials used, the number of hours worked multiplied with the hourly rate (RON 60/hour) plus the travel expenses.

Conclusion

Based on our work as described in this report, procedures 1-4, with respect to the contracts listed in Appendix 1 for the period January 1, 2017- June 30, 2017, nothing has come to our attention that causes us to believe that:

- a) The contract details noted in Appendix 1 reported to ASF, do not agree with the contract.
- b) The contract was not properly authorized by the contracting parties.
- c) The contract did not provide for the terms and conditions governing the contractual relationship between the related parties such as contracting parts, the contract date and nature, the description of the purpose, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- d) The price agreed between the parties was not mutually agreed based on the type of product and other terms and conditions.

Because the above mentioned procedures do not constitute an audit or a review performed in accordance with the International Audit Standards or International standards for review engagements we do not express any opinion regarding the Company's financial statements as result of the performed procedures. As consequence, this report refers only to the documents, financial information mentioned above and does not expend on any of the Company's financial statements as whole or in part.




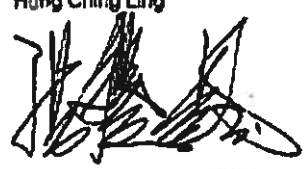


Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with the International Audit Standards or International standards for review engagements we might have had additional observations that we would have reported to you. Our work was limited to the procedures performed considering the information presented and our report refers to the related observations.

The procedures and observations from this report must be considered in the context of the scope for which these procedures were performed and, as consequence, they must not be used as sole basis for forming a conclusion.

The present report is addressed to the Company's management and Board of Directors. Our report has exclusively the scope presented in the paragraphs above and is not intended to be used by other persons than the ones that agreed the procedures to be performed and understand their sufficiency for their purposes. In the maximum limit allowed by the law we do not accept or do not assume the responsibility to any party other than the Company for our work or for the reported observations. The present report has been issued exclusively for the purpose presented in the first section and cannot be used or distributed for any other purpose or used as reference by any other external party except for the Company's internal purposes and the submission to The Authority for Financial Surveillance and Bucharest Stock Exchange (BSE).

For signature, please refer to the original Romanian version.

Deloitte Audit S.R.L.
Bucharest, Romania
July 27, 2017

	S.C. ROMCARBON S.A.		
Buzău - Romania J 10/83/1991, COD FISCAL 1158050 120013 Buzău, Str. Transilvaniei, nr. 132 Tel.: 0238/711.135, Fax: 0238/710.697 Internet: www.romcarbon.com			
Nr.193/30.01.2017			
RAPORT CURENT conform Regulamentului C.N.V.M. 1/2006			
Data raportului: 30.01.2017			
Denumirea entității emitente: S.C. ROMCARBON S.A. sediul social: Buzău, str. Transilvaniei nr. 132, județul Buzău			
Numărul de telefon: 0238/723.115			
Număr fax: 0238/710.697			
Codul unic de înregistrare: RO 1158050			
Număr de ordine în Registrul Comerțului: J 10/83/1991			
Capital social subscris și versat : 26.412.209,6 lei			
Plaja reglementată pe care se tranzacționează valorile mobiliare emise: BVB Categoria Standard			
Evenimente de raportat: Notificare tranzacții - conform art. 225 din Legea 297/2004			
Situajele tranzacții cu părți afiliate- realizat 2016 (Anexa 1) și estimat 2017 (Anexa 2), conform anexelor prezentului raport curent.			
Menționăm că actele juridice prezentate au fost încheiate cu respectarea intereselor societății în raport cu ofertele de același tip existente pe piață.			
Va stăm la dispoziție cu alte informații sau documente suplimentare.			
Cu deosebită stimă,			
Președintele Consiliului de Administrație Hung Ching Ling			
			
Director General Andrei Rașu			
			
			

Anexa nr.1

Tranzactii cu partile afiliate in anul 2016

Denumire societate	Vanzari 2016 (fara TVA)	Achizitii 2016 (fara TVA)
ECO PACK MANAGEMENT SRL	44.966	0
INFO TECH SOLUTION SRL BUZAU	22.507	475.256
LIVINGJUMBO INDUSTRY SA	25.167.343	1.353.987
NEXT ECO RECI.YNG S.A.	120.289	226.839
ROMCARBON DEUTSCHLAND EURO	0	33.476
RC ENERGO INSTALL SRL BUZAU	91.262	2.933.889
YENKI SRL BUZAU	2.261	0
Total	25.448.628	5.023.447

Creante reciproce la 25.01.2017

Denumire societate	Sold clienti	Sold furnizori
INFO TECH SOLUTION SRL BUZAU	2.570	71.863
LIVINGJUMBO INDUSTRY SA	6.311.200	309.323
RC ENERGO INSTALL SRL BUZAU	9.965	126.718
YENKI SRL BUZAU	22	0
Total	6.323.756	507.904

Director General,
Andrei Radu

Director Financiar,
Zalnescu Violeta Elena

Transactii privind achizitie - rabati contabile din 2017

Persoana	Categoria beneficiar	Punct	Celula	Descrierea operatiunii	Nr. Contabilitate	Procentaj	Tipul si valoarea de pret	Valoarea contabila din 2017 (euro TVA)	Data contabilitate	
SC Romcarbon SA	Locatar		Locatar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei in cont	10.879 lei	prelungire automata 1 an	
	Locatar		Locatar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei in cont	3.344 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	2.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	3.530,17 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	305,56 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Verificari instalatii sanitare pe baza de comanda	Comanda 01 din 18/04	0.05%	50.000 lei	258.888 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Comenzi servicii, servicii suportament IT pe baza de Comanda	Comanda Furnizor-IT8	0.05%	50.000 lei	308.000 lei	prelungire automata 1 an	
	Locatar		Beneficiar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei la preturile factur	45.848 lei	6.01.2018	prelungire automata 1 an
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	14.033,75 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	8.038,83 lei	prelungire automata 1 an	
SC Romcarbon SA	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	25.272,45 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	280.439 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	287.011 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Verificari instalatii sanitare pe baza de comanda	Comanda 01 din 18/04	0.05%	50.000 lei	43.078 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Comenzi servicii, servicii suportament IT pe baza de Comanda	Comanda Furnizor-IT8	0.05%	50.000 lei	3.781 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei la preturile factur	382.722 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	43.470 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	25.030 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	20.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Verificari instalatii sanitare pe baza de comanda	Comanda 01 din 18/04	0.05%	50.000 lei	4.000 lei	prelungire automata 1 an	
SC Romcarbon SA	Furnizor		Beneficiar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei la preturile factur	20.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	3.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	23.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	30.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Verificari instalatii sanitare pe baza de comanda	Comanda 01 din 18/04	0.05%	50.000 lei	20.000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Comenzi servicii, servicii suportament IT pe baza de Comanda	Comanda Furnizor-IT8	0.05%	50.000 lei	1.800,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
SC Romcarbon SA	Furnizor		Beneficiar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Verificari instalatii sanitare pe baza de comanda	Comanda 01 din 18/04	0.05%	50.000 lei	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Comenzi servicii, servicii suportament IT pe baza de Comanda	Comanda Furnizor-IT8	0.05%	50.000 lei	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Incalzirea aparta	18.04.2017	0.15%	30.000 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie termica	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - energie electrica	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	
	Furnizor		Beneficiar	Furnizare utilitat - apa	18.04.2017	0.15%	15.200 lei la preturile factur	4.000,000 lei	prelungire automata 1 an	

Compania/Bene- ficiar	Beneficiar	Exercitiul lucru-rii de plata/termenul de plata	Data	Valoare	Tip	Valoare	Tipul de plata
SC Remanent SA	Verzator/Prestat Compania Verzator/Prestat	Exercitiul lucru-rii de plata/termenul de plata	10.07.2015	8.400 lei	30 zile de la emiterea facturii	8.400 lei	Prima plata, cu deducerea automata a TVA-ului
SC Remanent SA	Verzator/Prestat Compania Verzator/Prestat	Exercitiul lucru-rii de plata/termenul de plata	10.07.2015	1.400.000 lei	30 zile de la emiterea facturii	1.400.000 lei	
SC Remanent SA	Verzator/Prestat Compania Verzator/Prestat	Exercitiul lucru-rii de plata/termenul de plata	10.07.2015	1.628.113 lei	30 zile de la emiterea facturii	1.628.113 lei	Prima plata, cu deducerea automata a TVA-ului
SC Remanent SA	Verzator/Prestat Compania Verzator/Prestat	Exercitiul lucru-rii de plata/termenul de plata	10.07.2015	1.628.113 lei	30 zile de la emiterea facturii	1.628.113 lei	Prima plata, cu deducerea automata a TVA-ului
SC Remanent SA	Verzator/Prestat Compania Verzator/Prestat	Exercitiul lucru-rii de plata/termenul de plata	10.07.2015	1.000 lei	30 zile de la emiterea facturii	1.000 lei	
SC Remanent SA	Verzator/Prestat Compania Verzator/Prestat	Exercitiul lucru-rii de plata/termenul de plata	10.07.2015	4.050 lei	30 zile de la emiterea facturii	4.050 lei	

Director General
Andrei Bala

Director Financiar,
Zilnesco Vinco Ionescu

