



S.C. ROMCARBON S.A.

Buzău – Romania
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120012 Buzău, Str.



Inregistration no ²⁵⁹⁰ /16.03.2016

To Board Administration,

We introduce and propose for approval the list of investments and argument on the opportunity to their perform according to estimation of each Profit Centre in part totaling EUR 1,864,628.00 euro.

Structure of proposed investments

No	INVESTMENT	2016 Investment Plan–Project		Estimation of financing sources euro	
		Value-EURO-	Value-Ron-	Credit /Leas- ing	Own sources
1	Special micrometer universal (Thick- ness measurement with pressing forces imposed)	€ 8,000.00	36,800 lei		€ 8,000.00
2	Spectrometer for heavy metals analysis	€ 35,000.00	161,000 lei		€ 35,000.00
	TOTAL Laboratory	€ 43,000.00	197,800 lei	€ 0.00	€ 43,000.00
3	Stripping applicator	€ 35,000.00	161,000 lei		€ 35,000.00
	TOTAL PROFIT CENTER 1	€ 35,000.00	161,000 lei	€ .00	€ 35,000.00
4	Rain chain Sunwell	€ 4,000.00	18,400 lei		€ 4,000.00
5	Mold 3 comp. Semiaut. Forming ma- chine	€ 8,000.00	36,800 lei		€ 8,000.00
	TOTAL PROFIT CENTER 5	€ 12,000.00	55,200 lei	€ .00	€ 12,000.00
6	Conveyors for reject materials Sutco	€ 40,000.00	184,000 lei	€ 28,000.00	€ 12,000.00
7	Homogenizer	€ 550,000.00	2,530,000 lei	€385,000.00	€ 165,000.00
	TOTAL PROFIT CENTER 7	€ 590,000.00	2,714,000 lei	€ 413,000	€ 177,000.00
8	Forklift with clamp 2t, 1 pcs	€ 35,000.00	345,000 lei	€ 24,500.00	€ 22,500.00
9	Vola	€ 50,000.00	230,000 lei	€ 35,000.00	€ 15,000.00
10	Shelves for PP bags warehouse	€ 6,000.00	27,600 lei		€ 6,000.00
11	Extension/Refurbish of warehouse for CP7	€ 100,000.00	460,000 lei		€ 100,000.00
12	Landscaping platform 7155 sqm	€ 275,000.00	1,265,000 lei		€ 275,000.00
	TOTAL Log	€ 466,000.00	2,143,600 lei	€ 59,500.00	€ 406,500.00
13	Repair of 2 pcs. Electrical Transforms point 6/0.4kV	€ 9,000.00	41,400 lei		€ 9,000.00
14	Video monitoring system restoring	€ 5,000.00	23,000 lei		€ 5,000.00
15	Repair of pumping station S1	€ 24,000.00	110,400 lei		€ 24,000.00

16	Restorative fountain Pav Admin	€ 1,000.00	4,600 lei		€ 1,000.00
17	Changing of hydrants	€ 12,000.00	55,200 lei		€ 12,000.00
18	Bathroom landscaping of Commercial Building	€ 9,140.00	42,042 lei		€ 9,140.00
19	Partial restoration of asphalt at Gate 2 (including the part of WWTS)	€ 10,969.00	50,458 lei		€ 10,969.00
20	Erection of two barriers restricting access to / from society.	€ 2,519.00	11,587 lei		€ 2,519.00
	TOTAL Ad-tiv	€ 73,628.00	338,687.00 lei	€ 0.00	€ 73,628.00
21	Arraging of semifinished warehouse-conversion to warehouse	€ 180,000.00	828,000 lei		€ 180,000.00
22	Arraging of finished product warehouse-extension with 400 sqm	€ 150,000.00	690,000 lei		€ 150,000.00
23	Warehouse LJI 900sqm*350 EURO /mp	€ 315,000.00	1,449,000 lei		€ 315,000.00
	TOTAL Rented spaces LJI	€ 645,000.00	2,967,000 lei	€ 0.00	€ 645,000.00
	TOTAL	€ 1,864,628.00	8,577,287 lei	€ 472,500.00	€ 1,392,128.00

Description of proposed investments

➤ PROFIT CENTER NO. 1

- Stripping applicator

- ✓ Estimated value of investment: : 35.000 euro

- ✓ Payback calculation was based on quantifying the reduction of labor for a filter FA-P2197 representative in this case which led to an estimated cost reduction of over 5%. This reduction was considered average applied to all types of filters with polyurethane and a reduction of cost of 13930 Euro / year. Considering this cost reduction in the condition envisaged in the 2016 annual budget the 35,000 Euro investment can be recovered in about 30 months (2.5 years).

➤ PROFIT CENTER NO. 5

- Rain chain Sunwell

- ✓ Estimated value of investment: 4.000 euro

- ✓ As a result of frequent wear spurs need to change the type of chain to a thermo-forming Sunwell with a type of chain similar to the one provided last thermo-forming Sunwell. Once this change will reduce waste of support the absorbent sheet with 15-20% (because the fingers bend sheet falls from the chain).

➤ PROFIT CENTER NO. 7

- Conveyors for reject materials Sutco

- ✓ Estimated value of investment 40.000euro

- ✓ Optical sorting of HDPE from a mixture of post-consumer packaging waste (HDPE / PP / PET / PVC / etc.) results a large volume of packaging rejected requiring taking and storing them in big bags at short intervals

(big bag- may be filled into the ~ 10 min.). With the acquisition of a waste conveyor system can be taken to the storage compartment immediately joined the line and hence compacted using baler.

- **Homogenizer**

- ✓ Estimated value of investment : 550.000 euro
- ✓ Because the sorted material on the separating line has characteristics physico-chemical in a wide range of values, homogenization will improve finished product quality and processing conditions with savings in the consumption of materials and energy.
- ✓ It is envisaged the acquisition of at least 3 homogenizing with capacity of 50 cubic meters which will be used both to mix batches of 24 tons as raw material and the finished product.
- ✓ A 10-year payback period reported in the annual budgeted amount for 2016, 6527 tons, the additional cost of amortization is 8.4 euro / t.

➤ **LABORATORY**

- **Special micrometer universal (Thickness measurement with pressing forces imposed)**

- ✓ Estimated value of investment : 8.000 euro
- ✓ Provision of this equipment is required to meet the requirements of the WOCO project, the existing one can not measure in terms of European standards.

- **Spectrometer for heavy metals analysis**

- ✓ Estimated value of investment : 35.000 euro
- ✓ Provision of such equipment is needed in order to observe environmental requirements for raw materials (plastic waste) and ROHS release statements on customer request.

➤ **LOGISTICS**

- **Forklift with clamp 2t – 1 pcs.**

- ✓ Estimated value of investment : 35.000 euro

- **Vola**

- ✓ Estimated value of investment : 50.000 euro
- ✓ Volume of discharges of raw materials, baled waste / bulk cargo and auxiliary will have an uptrend at 2016 especially for materials related to CP7; besides increasing bear in mind that bales of waste must download with fork lift equipped with clamp to move vertically and horizontally so that unloading and arranging them in the warehouse to perform effectively;

- ✓ RCB currently has a 2 BALKANCAR overloaded with clamps that services to the following sectors:

- Warehouse 27 - waste discharge
- The power section with waste FP7;
- Unloading / loading fiber BICO

- ✓ One forklifts is required to download prompt all carriers with waste and feed sectors.

- **Shelves for PP bags warehouse**

Estimated value of investment : 6.000 euro

By arranging these shelves will be enlarge and more efficient use of the storage space avoiding outside storage or other temporary locations.

- **Extension/Refurbish of warehouse for CP7**

- ✓ Estimated value of investment : 100.000 euro

Currently the warehouse is used 50% for agriculture and 50% semi-finished product or other auxiliary materials for CP 7. To use the warehouse for finished products and semi CP7 and to streamline logistics activities are necessary expansion works of ~ 100 sqm and recovery roof.

- **Landscaping platform 7155 sqm**

- ✓ Estimated value of investment : 275.000 euro

- ✓ Is required for storage of baled waste or for the covers constituting the raw material for the new washing line and the next line washing commissioning in 2016.

- **ADMINISTRATIVE**

- Repair of 2 pcs. Electrical Transforms point 6/0.4kV
- Video monitoring system restoring– required for surveillance inside the company
- Repair of pumping station S1 – due to advanced wear of pipes and pumps in the station
- Restorative fountain Pav Admin – for reasons of image and aesthetics industries
- Changing of hydrants– required operating parameters imposed by legislation
- Bathroom landscaping of Commercial Building – for reasons of efficiency and for delegates
- Partial restoration of asphalt at Gate 2 (including the part of WWTS)
- Erection of two barriers restricting access to / from society- systematization of the control for vehicles.

- ✓ Estimated value of investment : 73.628 euro

- **Rented spaces LJI**

- **Arranging of semifinished warehouse- conversion to warehouse**

Estimated value of investment : 180.000 euro

- **Arranging of finished product warehouse -extension with 400 sqm**

Estimated value of investment : 150.000 euro

Following the extension activity with the production of PET film and foil barrier is required setting up of warehouses for storage of raw materials, semi-processed and finished products. The space immediately adjacent to the barrier film production hall, the existing shed will be closed / refurbished / restructured turning into the warehouse with a total area of ~ 690 sqm.

For storage of finished products in the form of PET trays will expand warehouse arranged near thermoforming hall with about 400 square meters.

• Warehouse LJI 900 sqm

Estimated value of investment : 315.000 euro

To optimize storage space on the Romcarbon platform that are directly related to increasing production capacities we propose a warehouse for LivingJumbo Industry and releases of the space currently occupied by the deposits required Romcarbon.

- We kindly ask you to approve the proposed investments with value , according the offers , 1,864,628.00 euro and to empower the General Manager and Financial Manager to sign any necessary documents related to the fulfillment of the Administration Board's approval.

Elaborated,

Chief of Technical Investment Department

ch. Mihaela Budescu



Approved,

General Manager,

Eng. Andrei Radu



Financial Manager ,

Ec. Zainescu Viorica



Technical Manager,

Eng. Titi Mihai



SC ROMCARBON SA BUZAU

	INVESTMENT	2016 Investment Plan RCB		Estimation of financial source	
		Value-EURO-	Value-LEI-	Leasing /Credit	Own sources
1	Special micrometer universal (Thickness measurement with pressing forces imposed)	8.000 €	36.800 lei	0 €	8.000 €
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	TOTAL LABORATORY	43.000 €	197.800 lei	0 €	43.000 €
3	Stripping applicator	35.000 €	161.000 lei	0 €	35.000 €
	TOTAL PROFIT CENTER 1	35.000 €	161.000 lei	0 €	35.000 €
4	Rain chain Sunwell	4.000 €	18.400 lei	0 €	4.000 €
5	Mold 3 comp. Semiaut. Forming machine	8.000 €	36.800 lei	0 €	8.000 €
	TOTAL PROFIT CENTER 5	12.000 €	55.200 lei	0 €	12.000 €
6	Conveyors for reject materials Sutco	40.000 €	184.000 lei	28.000 €	12.000 €
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	TOTAL PROFIT CENTER 7	590.000 €	2.714.000 lei	413.000 €	177.000 €
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10	Shelves for PP bags warehouse	6.000 €	27.600 lei	0 €	6.000 €
11	Extension/Refurbish of warehouse for CP7	100.000 €	460.000 lei	0 €	100.000 €
12	Landscaping platform 7155 sqm	275.000 €	1.265.000 lei	0 €	275.000 €
	Total Logistics	466.000 €	2.143.600 lei	59.500 €	406.500 €
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	TOTAL ADMINISTRATIVE	73.628 €	338.687 lei		73.628 €
21	Arraging of semifinished warehouse- conversion to warehouse	180.000 €	828.000 lei		180.000 €
22	Arraging of finished product warehouse -extension with 400 sqm	150.000 €	690.000 lei		150.000 €
23	Warehouse LJI 900sqm*350 EURO /mp	315.000 €	1.449.000 lei	0 €	315.000 €
	TOTAL RENTED SPACES LJI	645.000 €	2.967.000 lei	0 €	645.000 €
	TOTAL INVESTMENT PRODUCTION AND ADMINISTRATIVE	1.864.628 €	8.577.287 lei	472.500 €	1.392.128 €

Technical Manager



Financial Manager



General Manager

