

Registration nr:8439/28.07.2017

OLTCHIM SA - in judicial reorganisation

INDEPENDENT ASSURANCE REPORT

AS OF 30 JUNE 2017

**INDEPENDENT ASSURANCE REPORT ISSUED PURSUANT
TO THE REQUIREMENTS OF CNVM REGULATION NO. 1/2006**

To shareholders of Oltchim SA – in judicial reorganisation

Purpose of independent assurance report

Further to your request, we have performed procedures, enumerated below, on the contracts concluded by Oltchim SA – in judicial reorganisation (“the Company”) with the administrators, employees, shareholders who retain control, as well as with their related parties, reported under article 225 of Law no. 297/2004 with regard to the period January 1, 2017 – March 31, 2017 and article 82 of Law no. 24/2007 with regard to the period April 1, 2017 - June 30, 2017 according to the Appendix 1. The preparation of Appendix 1 is the responsibility of the management of the Company (hereinafter the “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 conduct 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, we do not issue an audit opinion or a limited review thereon.

The Company reported to ASF 2 legal documents concluded during the first part of 2017 with related parties worth in excess of EUR 50,000.

Procedures performed

- 1) Obtain Appendix 1 detailing the list of transactions reported for the first half of 2017 and match the details of the contracts from the first half of 2017, reported in Appendix 1, with the underlying contract.
- 2) Obtain and review the contracts from the first half of 2017 in order to verify whether they have been properly authorized by the contracting parties and ascertain whether they provide for: the contracting parties, the contract date and nature, the description of the object, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- 3) Obtain a proper understanding, by discussing with the Management as to how the contractual relationship (price) for the reported contracts was established.
- 4) Discuss with the Management on the Company’s internal policies with respect to the transactions with its administrators, employees, controlling shareholders, as well as its related parties.

Results of procedures

1. We obtained Appendix 1 signed by the Management and we agreed on the details of the contracts pertaining to the first half of 2017 reported in Appendix 1 to the underlying contracts. Our procedures have been applied only to Appendix 1. We have not performed any procedures to verify whether this list includes all the transactions to be reported by the Company under the provisions of article 225 of Law no. 297/2004 for the period January 1, 2017 – March 31, 2017 and article 82 of Law no. 24/2007 for the period April 1, 2017 – June 30, 2017 according to Annex 1.
2. We obtained and reviewed the contracts and verified whether they have been properly authorized by the contracting parties and verified whether they provided for the contracting parties, the contract date and nature, the description of the object, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
3. With respect to item 3 above, the Management informed us that the prices agreed between the parties were established as stated in point 4 below.
4. With respect to item 4 above, we understand, based on our discussions with the Management, that the Company has adopted the following pricing policies:

Contract DA 17023/28802/06.02.2017 reported according to article 225 of Law no. 297/2004 for the period January 1, 2017 – March 31, 2017:

- a. The company has contracted from Sistemplast SA services regarding internal and external anticorrosive protection works for 15 tank transport wagons of soda-lye.
- b. The contract was awarded as result of a call for tender based on criteria that combine the financial and technical components. The call for tender was sent to 5 companies and a generic participation invitation was also presented on the company's web page.

Contract DA 17195/30201/16.06.2017 reported according to article 82 of Law no. 24/2007 for the period April 1, 2017 – June 30, 2017:

- a. The Company has contracted from Sistemplast S.A. the following:
 - maintenance and repair services of static machines, CF tank cars, safety valves, reinforcement, technological pipelines, restoration of thermal insulation
 - maintenance and repair services of dynamic machines
 - maintenance services for electro AMA equipment and air conditioning installations
 - maintenance, technical revisions and repairs of crane lifting machines, lifting mechanisms, elevators for vehicles and special lifting machines, passenger elevators, elevators for goods with internal command and skip.
- b. The contract was awarded as result of a call for tender based on criteria that combine the financial and technical components. The call for tender was sent to 12 companies and a generic participation invitation was also presented on the company's web page.

Conclusion

Based on our procedures described in this report 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 Oltchim SA has not complied in all material respects with the following:

- a) The contract details reported by the Management to the ASF, listed in Appendix 1, do not comply with the selected contracts.
- b) The contracts were not properly authorized by the contracting parties.
- c) The contracts do not provide for the terms and conditions governing the contractual relationship between the related parties, such as: contracting parties, the contract date and nature, the description of the object, the total value of the document, the mutual debts, guarantees, payment terms and deadlines.
- d) The prices agreed between the parties were 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 a result of the performed procedures. Consequently, this report refers only to the documents and financial information mentioned above and does not extend to any of the Company's financial statements in 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 findings that we would have reported to you. Our work was limited to the procedures performed considering the information presented and our report refers to factual findings.

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

This report is addressed to the Company's management and shareholders. Our report has exclusively the scope presented in the paragraphs above and is not intended to be used by persons other than those who agreed on the procedures to be performed and understand their sufficiency for their purposes. To the maximum extent permitted by law, we do not accept or do not assume responsibility to any party other than the Company for our work or for the reported findings. 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 for submission to the Financial Supervision Authority and the Bucharest Stock Exchange (BVB).

For signature, please refer to the original Romanian version.

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

Appendix 1

Current report according to art.225 of Law 297/2004 and N.S.C Regulation no.1/2006

Date of report: February 20, 2017

Name of the company: Oltchim S.A. Rm. Vâlcea

Fax number: 0250/735030/736188

Phone number: 0250/701200

Unique Registration Code:RO1475261

Trade Register Number: J38/219/1991

Subscribed and paid up capital: 34,321,138.30 lei

Regulated market where the issued securities are traded: BSE, Standard Category,market symbol OLT

Event to be reported:

Transactions of the type those mentioned in art.225 of Law 297/2004

Oltchim SA reports the conclusion of the following agreement with **Sistemplast SA Rm.Valcea**, where Oltchim holds 94.4% of the share capital:

Number and date of agreement	DA 17023 / 28802 / 06.02.2017
Nature of agreement	Provision of services
Term of agreement	From the date of signing up to the fulfillment of the obligations by the Parties
Scope of agreement	Performance of inner and outer corrosion protection for 15 tank cars for soda lye transportation
Estimated value, without VAT	301,053.60 lei
Guarantees	The Contractor guarantees the works for a period of 2 years from the date of signing the acceptance report. From the payment statements will be retained by the beneficiary 3% of the payment amount as performance guarantee which will be returned after 12 months from acceptance
Penalties	0.01% per day of delay calculated from the amount of the unexecuted or improperly executed obligation, starting with the following day after the maturity date. The amount of penalties will not exceed the total value of the unexecuted obligation
Terms and methods of payment	Payment order or offsetting within 60 days after the invoice date
Mutual claims on January 31, 2017	Oltchim SA owes to Sistemplast SA the amount of 644,680.13 lei Oltchim SA receivable from Sistemplast SA amounts to 1,999.90 lei

**Legal Administrator,
ROMINSOLV SPRL**

**Legal Administrator,
BDO BUSINESS RESTRUCTURING SPRL**

**Special Administrator,
Bogdan Stănescu**

**Deputy General Manager,
Victor Avram**

**Economic Manager,
Alin Smeu**

Current report according to art. 82 of Law 24/2017

Date of report: June 20, 2017

Name of the company: Oltchim S.A. Rm. Vâlcea

Fax number: 0250/735030/736188

Phone number: 0250/701200

Unique Registration Code: RO1475261

Trade Register Number: J38/219/1991

Subscribed and paid up capital: 34,321,138.30 lei

Regulated market where the issued securities are traded: BSE, Standard Category, market symbol OLT

Event to be reported:

Transactions of the type those mentioned in art.82 of Law 24/2017

Oltchim SA informs the shareholders and investors about an agreement with an estimated value exceeding 50,000 euro, concluded with Sistemplast SA Rm. Valcea in which it holds 94.4% of the share capital:

Number and date of the agreement	DA 17195/ 30201/16.06.2017
Nature of the agreement	Provision of services
Agreement term	01.07.2017-30.06.2018
Scope of the agreement	Provision of maintenance services, repairs of static machines, railway tanks, safety valves, fittings, technological pipelines and thermal insulation restoration; Provision of maintenance and repair services of dynamic machines; Provision of maintenance works for electro-measuring and automation devices and air-conditioning units; Provision of maintenance services, technical inspections and repairs to lifting equipment -cranes, lifting mechanisms, elevators for vehicles and special-purpose lifting machines, passenger elevators, goods elevators with internal control and with skip.
Estimated value, without VAT	5,364,512 lei
Guarantees	The service provider guarantees 6 months from the date of acceptance for repair work and 12 months from the date of acceptance for new works(structures). The beneficiary will retain a 5% good performance guarantee from the value of each invoice, the guarantee following to be released after the expiry of the warranty period, provided that all the agreement provisions have been met by the service provider.
Penalties	0.01% per day of delay from the amount of the unfulfilled or delayed or incomplete obligation. The amount of the penalties will not exceed the amount of outstanding debt.
Payment terms and methods	Payment order or offsetting within 30 days from the receipt of the invoice.
Mutual claims on 31.05.2017	Oltchim SA owes to Sistemplast SA the amount of 525,683 lei Oltchim SA receivable from Sistemplast SA amounts to 4,407 lei

**Legal Administrator,
ROMINSOLV SPRL**

**Legal Administrator,
BDO BUSINESS RESTRUCTURING SPRL**

**Special Administrator,
Stănescu Bogdan**

**Deputy General Manager,
Avram Victor**

**Economic Manager,
Smeu Alin**