

## 1. THE PARTIES

This mandate contract (hereinafter referred to as „**the Contract**”) was concluded between:

- (1) The **General Meeting of the Shareholders of Antibiotice S.A.** based in Iasi, Str. Valea Lupului nr.1, Romania, registered with the Trade Register Office under no. J22/285/15.02.1991, having the tax registration number RO1973096, represented by Mr. Lucian Laurențiu Indrei as signatory of the majority shareholder - the Ministry of Health, hereinafter referred to as “**the Company**”, and
- (2) **Mr./Mrs.** \_\_\_\_\_, citizen of \_\_\_\_\_, with a residence in \_\_\_\_\_ street no. \_\_\_\_\_, holder of \_\_\_\_\_ series \_\_\_\_\_ no. \_\_\_\_\_, PIN \_\_\_\_\_, hereinafter referred to as “**the Administrator**”,

In consideration of:

- (i) the vacancy of a position as administrator of the Company,
- (ii) the provisions of Art. 1, 2 pt. 2 letter b, 29, 64, 64<sup>4</sup> of GEO no. 109/2011 on the Corporate Governance of Public Enterprises,
- (iii) the provisions of GD no. 722/2016 for the approval of the Methodological Norms for the application of certain provisions of the Government Emergency Ordinance no. 109/2011 on the Corporate Governance of Public Enterprises,
- (iv) the applicable provisions of Law no. 31/1990 republished, as subsequently amended and supplemented (“**Law of Commercial Companies**”,
- (v) that, following the selection and evaluation procedure carried out in accordance with the aforementioned normative acts, the Management Board of the company proposed, and the General Meeting of Shareholders, by Decision no. \_\_\_\_\_ on \_\_\_\_\_, appointed Mr./Ms. \_\_\_\_\_ as Non-Executive Administrator, for a period of 4 (four) years,

have concluded this Mandate Contract, with the following clauses:

## 2. THE DEFINITIONS

Under this Contract, the terms below will have the following meanings:

**„Articles of incorporation”** designates the Articles of Incorporation of the Company registered with the Trade Registry;

<b><i>„General Meeting of Shareholders“</i></b>	is the main deliberative and decisional body of the Company, having the attributions provided by the Law no. 31/1990 on the Commercial Companies, GEO no. 109/2011 on Corporate Governance of Public Enterprises and the Articles of Incorporation;
<b><i>“The Management Board”</i></b>	consists of all the managers of the company designated by the General Meeting of Shareholders, having supervisory and control functions of the Company, in accordance with the provisions of Law no. 31/1990 on the Commercial Companies, GEO no. 109/2011 on Corporate Governance of Public Enterprises and the Articles of Incorporation;
<b><i>“Performance Objectives and Criteria”</i></b>	designates the objectives and criteria set forth in Annex A of this Mandate Contract, which will measure and evaluate the performance of the Administrator in the implementation of the Management Plan;
<b><i>„Force Majeure“ and „Act of God“</i></b>	are the notions defined in Art. 1351 of the Civil Code;
<b><i>„Relevant Legislation“</i></b>	mainly designates GEO no. 109/2011 on the Corporate Governance of Public Enterprises, Law no. 31/1990 on Commercial Companies, Law no. 297/2004 regarding the capital market, the Articles of Incorporation, as well as any other legal provisions applicable to the company at any given moment;
<b><i>„Internal Regulations“</i></b>	designates the internal codes, regulations and procedures adopted at Company level in relation to the organization of the Company's work and the conduct of its staff.

### 3. THE APPOINTMENT OF THE ADMINISTRATOR

- (i) By the Decision no. \_\_\_\_\_ dated \_\_\_\_\_, the General Meeting of Shareholders appointed Mr./Mrs. \_\_\_\_\_ as Non-executive Administrator of the Company, for a period of 4 (four) years.
- (ii) Mr./Ms. \_\_\_\_\_, present at the General Meeting of Shareholders, expressly accepted his/her appointment as the Non-Executive Administrator of the Company.
- (iii) The Administrator declares and warrants to the Company by signing this Agreement that:
  - (i) has the legal capacity to conclude the Contract,

- (ii) is not in any of the incompatibility situations under the Relevant Legislation with respect to the performance of the Administrator's position,
- (iii) will comply with the requirements of the Relevant Legislation to hold such a position within the Company throughout the term of the Contract.

#### 4. **THE OBJECT OF THE MANDATE**

- (i) The Administrator is mandated to participate in the adoption by the Board as a whole of the Company's management decisions, under the terms of the Relevant Legislation and the present contract, within the Company's scope and with respect to the exclusive competencies provided by the legislation in force, as well as the recommendations contained in the applicable corporate governance guidelines and codes.

#### 5. **THE DURATION OF THE CONTRACT**

- (i) This Agreement enters into force on \_\_\_\_\_ 2018 and is valid for a period of 4 (four) years, i.e. until \_\_\_\_\_ 2022.

#### 6. **THE OBLIGATIONS AND RIGHTS OF THE ADMINISTRATOR**

- (i) The obligations of the administrator are, as follows:
  - a. The exercise of the mandate with the loyalty, caution and diligence of a good manager, in the exclusive interest of the Company,
  - b. the participation in a training program with a minimum duration of one week/year during which to undergo corporate governance and legal training sessions, as well as in any other areas chosen by the shareholders,
  - c. the rigorous preparation of the Board meetings, with the dedication of at least 3 working days to this end, the participation in the council meetings, as well as in the specialized committees,
  - d. the participation in one or more advisory committees set up at the Board level,
  - e. the declaration, in accordance with the Internal Regulations and Relevant Legislation, of any conflicts of interest and, in situations of conflict of interest, the refraining from decisions within the Council/Advisory Board (s) in the exercise of the duties of administrator,
  - f. the performing of the duties provided by the Relevant Legislation,
  - g. the adoption of policies and control systems provided by his/her duties,
  - h. the approval of the Company's budget
  - i. the achievement of the objectives and performance indicators set out in the Annexes to the Contract,

- j. the elaboration, together with the other administrators and the half-yearly submission of the reports on the activity of the Company and the stage of achievement of the performance objectives, as well as the information regarding the managers' mandate contracts,
- k. the selection, appointment, dismissal of managers, the evaluation of the activity and approval of their remuneration,
- l. the approval of the recruitment and the eventual revocation of the head of the internal audit and the reception from him/her, whenever required, of reports upon the activity of the Company,
- m. the participation in continuous professional development programs, in order to carry out an optimal activity within the Council,
- n. the elaboration of the management plan in collaboration with the Company's managers,
- o. the verification of the functioning of the internal managerial control system,
- p. the negotiation of the financial and non-financial performance indicators with the tutelary public authority and the shareholders of the Company,
- q. the monitoring and management of the potential conflicts of interest at the level of management and leadership bodies,
- r. establishes together with the other administrators the Company's main directions and strategies of activity and development and takes measures to ensure the financial and human resources necessary to achieve the Company's objectives,
- s. establishes, together with the other administrators, the accounting policies,
- t. establishes, together with the other administrators, the necessary measures for the implementation of the Company's Management Plan and for the fulfillment of the objectives and performance criteria by the administrators;
- u. analyzes, advises and monitors, together with the other administrators, the Management Component of the Management Plan of the Company, prepared and performed by the Company's Executive Administrator – the General Manager,
- v. analyzes and endorses, together with the other administrators, the management plans drawn up by the Company's Specialty Managers as part of the Management Component of the Management Plan,
- w. performs any other duties expressly provided by the Relevant Legislation and Internal Regulations.

(ii) The rights of the Administrator:

- a. the payment of a fee consisting of a fixed indemnity and a variable component under this contract and the legislation in force,

- b. the monthly payment of the fixed indemnity and of the variable component according to the contract,
- c. the reimbursement of the justified expenses incurred in the performance of the mandate,
- d. benefits, together with the other administrators, of specialized assistance for substantiating the decisions taken within the Council,
- e. benefits from professional liability insurance,
- f. receives, together with the other administrators, relevant reports and information from the Company Managers to substantiate decisions taken within the Board,
- g. has access to the Company's documents and records to the extent necessary to fulfill the obligations set forth in this Contract, in accordance with the confidentiality obligations and the Internal Regulations,
- h. upon the termination of the Contract as a result of the expiration of the term for which it was concluded or upon the termination of the Contract by agreement of the parties, the Administrator shall receive from the Company a bonus for confidentiality, consisting in the payment of a net amount equivalent to 12 (twelve) net fixed indemnities. The Privacy Bonus will be paid within 10 (ten) days of termination of the Contract.
- i. provided that the Administrator fulfills the objectives and performance criteria for at least 90% for each of the 4 (four) years of the Contract, upon the expiry date of the Contract, the Administrator shall receive from the Company an exit bonus from the Contract (bonus for the good execution of the Contract) consisting in the payment of a net amount equivalent to 12 (twelve) net fixed indemnities. The Bonus for the Good Contract Execution will be paid within 10 (ten) days of the termination of the Contract.
- j. if the Administrator is unjustly revoked, he/she shall receive from the Company damages which shall consist in the payment of an amount equivalent to the fixed indemnity and the variable indemnity owed by the Company until the expiry of the period stipulated in Art. 5. The compensation will be paid within 10 (ten) days upon the termination of the Contract unreasonably or within 10 days of the date of the act establishing the lack of a fair cause of cessation (court order or a final decision of state authorities).

## 7. **THE OBLIGATIONS AND RIGHTS OF THE COMPANY**

- (i) The Company has the following obligations:
  - a. to ensure the organizational and logistic conditions necessary for the Administrator to carry out his/her activity through the full activity in the exercise of his mandate,

- b. to pay to the Administrator the remuneration consisting of the monthly fixed indemnity and the variable component, according to this Contract and in compliance with the legislation in force,
- (ii) The Company has the following rights:
  - a. to request the Administrator and to receive from him/her periodic reports on the exercise of the mandate and the evaluation of the activity,
  - b. to monitor and evaluate the activity of the Administrator
  - c. to reward or sanction the Administrator, observing the Relevant Legislation
  - d. to suspend and/or revoke the Administrator's mandate, in compliance with the Relevant Legislation.

## 8. **THE REMUNERATION AND PAYMENT TERMS**

- (i) During the term of office, the Administrator shall receive from the Company remuneration made up of:
  - a. the monthly fixed indemnity equal to twice the average value over the last 12 months of monthly average earnings in the branch in which the Company operates, communicated by the National Institute of Statistics,
  - b. the variable indemnity, which will be granted annually, subject to the fulfillment of the Objectives and Performance Criteria contained in Annex A to this Agreement,
  - c. the amount of the fixed and variable indemnities and the calculation methodology shall be included in Annex B of this Agreement.
- (ii) The payment of the Remuneration shall be made as follows:
  - a. The fixed indemnity will be paid monthly on the 15th of the month for the month preceding that in which the payment is made;
  - b. The variable indemnity will be paid at the end of each financial year within 15 days from the date of approval of the financial statements by the General Meeting of Shareholders if the Objectives and Performance Criteria set out in Annex A to this Contract are met.
- (iii) The remuneration shall be paid by transfer to the Administrator's bank account specified by the Administrator or in cash through the Company's cashier.

## 9. **THE CONFIDENTIALITY**

- (i) The Administrator undertakes not to disclose and keep confidential the Company's business secrets as well as the data and information about the Company to which it has access in its capacity as Administrator.
- (ii) The obligations under this section do not apply to data and information in respect of which the Administrator can prove that:
  - a. are or have become publicly disclosed without violating this Contract by the Administrator; or

- b. must be disclosed following a legal request received from a court or from competent state bodies.
- (iii) the obligation set forth in this clause continues to have effect for a period of 5 (five) years after the termination of the Contract, regardless of the reasons for such termination.

## 10. **THE LIABILITY OF THE PARTIES**

- (i) Attracting the civil, administrative or criminal liability to the Administrator, as the case may be, for the non-performance or the improper performance of his/her obligations under this Contract shall be in accordance with the Relevant Legislation and the provisions of this Contract.
- (ii) Attracting the civil, administrative or criminal liability of the Company, as the case may be, for the non-performance or improper performance of its obligations under this Contract shall be in accordance with the Relevant Legislation and the provisions of this Contract.

## 11. **THE CASES OF TERMINATION AND SUSPENSION OF THE CONTRACT**

- (i) This Contract will terminate in one of the following situations:
  - a. Upon expiration of the Administrator's term of office; this Contract shall terminate by law at the time of the term of the Administrator's term if the General Meeting of the Shareholders fails to decide on the renewal of the mandate, in which case the Parties may conclude an addendum in this respect;
  - b. By agreement of the parties. The parties may jointly agree to terminate this Contract amicably by establishing, by written agreement, the terms of termination, the rights and obligations for each of them.
  - c. Upon the Administrator's initiative; the Administrator may at any time renounce his/her position by submitting his/her resignation, subject to a 45-day notice period;
  - d. (1) Upon the Company's initiative; the Company may revoke the mandate and terminate this Contract unilaterally in one of the following cases:
    - the failure of the Administrator to achieve the performance indicators,
    - the breach by the Administrator of the ethical criteria set out in the Internal Regulations,
    - the repeated and unjustified absences from the sessions of the Management Board of the Company; the solidity of the justifications will be analyzed by the members of the Council,
  - (2) The termination of the Contract at the initiative of the Company will be made by a decision of the General Meeting of Shareholders, based upon a report of the Management Board.

- e. Any other reasons qualified under the law as causes of the termination of the Administrator's mandate.
- (ii) If the Administrator is revoked or the Mandate Contract ceases independently of his/her will, before the expiry of the period provided by Art. 5, he/she shall be entitled to receive the fixed indemnity until the date of conclusion of the Contract, to which shall also be added the variable indemnity, calculated proportionally to the actual duration in which the Contract has produced its effects.
- (iii) This Contract is suspended by law if the criminal proceedings are commenced against the Administrator for one of the offenses referred to in Art. 6 of the Law no. 31/1990 on the commercial companies.

## 12. **FORCE MAJEURE. ACT OF GOD**

- (i) None of the Parties shall be held liable for the failure to perform in due time and/or for the improper performance – in whole or in part – of any obligations under this Contract if the failure to perform or the inadequate performance of that obligation was determined by the Force Majeure or an Act of God.
- (ii) The Party invoking the Force Majeure or the Act of God must notify the other Party within 5 days of the occurrence of Major Force or the Act of God and take all possible measures to limit the consequences thereof.
- (iii) If, within 30 (thirty) days of the occurrence of Force Majeure or the Act of God, it does not cease, the Party receiving the Force Majeure or the Act of God notification shall be entitled to terminate this Contract by providing written notice to the other Party. In such a case, the Contract shall terminate upon the expiry of a period of 45 (forty-five) days from the receipt of a notification to that effect by the Party to whom it is addressed, without the need for court intervention or other formalities. The party invoking the Force Majeure or the Act of God will not be held liable for damages to the other Party as a result of its failure to perform its obligations under this Contract if it is proven that such failure is caused by the Force Majeure or an Act of God.

## 13. **NOTIFICATIONS**

- (i) Any notices or other communications to be made in accordance with the provisions of this Contract shall be deemed to have been made in full if they are made in writing and are sent either personally, by fax, courier or by registered letter with acknowledgment of receipt.
- (ii) The communications shall be deemed to have been received upon the date indicated in the positive transmission report (in the case of fax communications) or in the acknowledgment of receipt (in the case of courier or registered mail), to the extent that the receipt takes place between 9:00 AM and 5:00 PM of a Business Day in Romania. Otherwise, the communication will be deemed received at 9:00 AM of the following business day.



14. **THE GOVERNING LAW AND DISPUTE RESOLUTION**

- (i) The provisions of this Contract will be governed by the Romanian law.
- (ii) The disputes arising out of the conclusion, signing, modification, execution, application, termination or interpretation of this Contract and not settled amicably shall be brought to the resolution of the competent courts of the territorial jurisdiction of the Company's headquarters.

15. **THE FINAL PROVISIONS**

- (i) If one or more of the provisions of this Contract are, for any reason, considered null and unlawful, illegal or unenforceable in any respect, this shall not affect any other provision of this Contract or any other provision of any other document, act or instrument and they are lawfully replaced by the applicable legal provisions.
- (ii) If any of the Parties breaches any of its obligations under this Contract, the failure by the other Party to exercise its rights to demand the fulfillment of the obligation or the adequate compensation for that failure shall not be construed as a waiver or acceptance of such of situations.
- (iii) This Contract and the obligations assumed by it may not be assigned or transferred in any way by the Administrator.
- (iv) The amendment of this Contract shall be performed only by means of additional written acts signed by the Contracting Parties and shall become an integral part of this Contract.
- (v) Nothing in this Contract shall be interpreted as generating or regulating the employment relationships between the Company and the Administrator.

This Contract was drafted and signed by the Parties in 3 (three) copies, today \_\_\_\_\_, 2018, of which 2 (two) for the Company and one for the Administrator; each copy is equally legally binding.

THE GENERAL MEETING OF S.C. ANTIBIOTICE S.A. IAȘI

Through the representative of the majority shareholder, the Ministry of Health,

Non-executive administrator,

## ANNEX A

TO THE MANDATE CONTRACT NO. \_\_\_\_\_ P / 25.09.2018

WITH THE ADMINISTRATOR'S PERFORMANCE OBJECTIVES AND CRITERIA

No.	Financial performance indicators for the period 01.10.2018 - 31.12.2018	UM	The degree of weighting	Planned
1	SALES INCOME	THOUSAND RON	5 %	118.982
2	GROSS PROFIT	THOUSAND RON	5 %	19.313
3	ARREARS	THOUSAND RON	5 %	0
4	TOTAL EXPENSES TO RON 1000 REVENUE	LEI	5 %	829

No.	Financial performance indicators for the period 01.10.2018 - 31.12.2018	UM	The degree of weighting	Planned
1	The implementation of governmental social policies (gender equality, equal work conditions, equal health conditions)	project	20 %	100 %
2	Establishment of risk management policies and risk monitoring	project	20%	100 %
3	The monitoring of the transparency and communication processes	project	20 %	100 %
4	The revision, assessment and report on the Administrator performance	project	20 %	100 %

This Annex was prepared in 3 (three) original copies, of which two for the Company and one for the Administrator.

THE GENERAL MEETING OF S.C. ANTIBIOTICE S.A. IAȘI

Through the representative of the majority shareholder, the Ministry of Health,

The administrator,

ANNEX B  
TO THE MANDATE CONTRACT NO. \_\_\_\_/25.09.2018  
INCLUDING THE CALCULATION OF THE REMUNERATION

**I. The fixed indemnity**

a. The average earnings on the „Manufacture of basic pharmaceutical products and pharmaceutical preparations” branch for the period August 2017 – July 2018, according to data provided by the National Institute of Statistics, is RON 5178.7.

b. In accordance with the provisions of Article 37 paragraph 2 of the GEO no. 109/2011 on the Corporate Governance of Public Enterprises („*The fixed indemnity can not exceed twice the average of the monthly average gross earnings for the last 12 months for the activity carried out according to the main object of activity of the Company at class level according to the classification of the activities in national economy, communicated by the National Institute of Statistics prior to the appointment*”) the gross fixed indemnity granted to the administrator during the term of office is  $2 \times \text{RON } 5178.7 = \text{RON } 10357.4 \text{ lei/month}$ .

**II. The variable component**

a. According to the provisions of art. 37 paragraph 2 of the GEO no. 109/2011 on the corporate governance of public enterprises („*The amount of the variable component of the non-executive members can not exceed a maximum of 12 monthly fixed indemnities*”) the gross amount of the variable component granted to the Administrator shall be 3 fixed indemnities (according to the fraction of the current fiscal year) will be paid conditioned by the meeting of the objectives and performance criteria set out in Annex A to the Mandate Contract as follows:

- if the Administrator fulfills his/her objectives and performance criteria less than 85%, the Company will not pay the variable component of the remuneration,
  - if the Administrator fulfills the performance objectives and criteria in a percentage equal to or greater than 85%, the Company will pay the variable component in a percentage equal to the percentage at which the objectives and performance criteria were met.
- b. the variable component will be paid either from the salary fund or from the net profit attributable to the employees' participation in the profit, in accordance with the provisions of the Government Ordinance no. 64/2001, as subsequently amended and supplemented and the Company is exclusively entitled to decide upon this matter.

This Annex was drawn up in 3 (three) original copies, of which two for the Company and one for the Administrator.

THE GENERAL MEETING OF S.C. ANTIBIOTICE S.A. IAȘI  
Through the representative of the majority shareholder, the Ministry of Health,

The administrator,