

THE DIVIDEND POLICY

According to art. 67 of the Law 31/1990, **the dividend** is a share of the benefit achieved by a company and attributed to each associate proportionally to his participation quota to the paid-up share capital.

Distributing dividends regularly implies a sound policy which is desirable to any commercial company, which results in loyal shareholders, who are satisfied with the steadiness and the number of dividends received and who will tend to keep the shares.

Decision on dividend payments

The decision to distribute the profit and pay the dividends is made during the Ordinary Annual General Meeting of Shareholders, upon the recommendation of the Management Board.

The recommendations on the value of the dividend and the method of payment are adopted at the Management Board's meeting to propose the distribution of profit based on the year-end results.

The Ordinary General Meeting of Shareholders is bound to discuss, approve or amend the annual financial statements, no later than 5 months after the end of the financial year, based on the reports presented by the management board, or, as the case may be, by the financial auditor, and set the dividend (art. 111 par. (2) Law 31/1990).

The GMS decision regarding the declaration and payment of dividends will provide details the following:

- The dividend value per share;
- The registration date and
- The dividend payment date;

The Ordinary General Meeting of Shareholders is bound, within 5 months from the end of the financial year, to discuss, approve or modify the annual financial statements upon the basis of the reports submitted by the Management Board, the Supervisory Board, by the auditors or, as the case may be, by the financial auditor and to set the dividend value (Article 111 of Law 31/1990).

The GMS decision on the declaration and payment of dividends will provide details on the following:

- Dividend value per share;
- Record date and
- Dividend payment date;

The calculation of dividends

The distribution of the remaining accounting profit after deducting the profit tax is carried out according to the provisions of the GO 64/2001, as amended and supplemented for determining the amounts that are the subject of distribution, as well as based on the OGMS Decision regarding the approval of the income and expenditure budget of Antibiotice SA Iasi. The dividend per share is a gross amount.

The dividends are distributed and paid out of the company's net profit, directly proportional to the number of shares owned by the shareholders.

The value of the dividend that can be paid per share is determined by dividing the total number of dividends by the total number of shares issued by Antibiotice SA Iasi. The fiscal regulations in force will be observed. The list of persons who have the right to receive dividends is drawn up based on the ATB Shareholders' Register, issued by the Depozitarul Central Bucuresti, on the registration date in accordance with the decision adopted by the General Meeting of Shareholders.

Payment of dividends

The dividends are paid on the date set by the General Meeting of Shareholders or, as the case may be, on the date set by special laws, but no later than 6 months from the date of approval of the annual financial statement related to the completed financial year.

The dividend tax due by the shareholders is calculated and withheld at source, at the rates provided by the legislation in force on the date of payment, and it is declared and transferred by the company to the state budget.

Starting with 2015, the distribution of dividends is centralized, utilizing the services of the Depozitarul Central, according to the provisions of the capital market legislation. The payment of the dividends distributed by Antibiotice Iasi is performed through the Depozitarul Central of Bucharest, to the Participants to the clearing-settlement and registry system (intermediaries according to Law 297/2004, art.2, pt. 14, who concluded a contract for participation in the Depozitarul Central system) and the paying agent (C.E.C. Bank).

I. The payment for shareholders individuals who do not have securities accounts open to participants (Section I - Depozitar Central).

1. Cash payments at the Paying Agent's Counters

For the shareholders individuals, the payment of dividends is made in cash, by providing the amounts due to the Paying Agent's counters.

For shareholders which are individuals who impersonate another person, the payment of the dividends is made to the person's empowered person.

2. The payments by bank transfer in accounts opened in lei at a bank in Romania

The Depozitarul Central makes available to all shareholders holding shares in Section I the option to cash any amount of money due, directly by bank transfer, to a bank account. Therefore, the individuals and legal persons in this category, who wish to pay dividends by bank transfer, may request and submit to the Depozitarul Central the documents necessary for the payment of the dividends.

The bank transfer requests together with the mentioned documents are sent to the Depozitarul Central, which verifies the documentation submitted by the shareholders, and if the documentation is not complete, it requests it to be completed by contacting the shareholder at the telephone number or e-mail address indicated in the documentation originally submitted.

- II. The payment for shareholders with securities accounts open to the participant - custodian banks or SSIF (Section II Depozitarul Central): transfer to the accounts of the participants.

For the individuals or legal persons who, at the date of registration, hold shares issued by Antibiotice Iasi, as evidenced in Section II of the Shareholders' Register, the dividends are automatically paid on the date of payment by bank transfer through the Depozitarul Central into the accounts of the respective Participants, without submitting additional documents.

For the non-resident shareholders who wish to apply the more favorable provisions of the Convention for the avoidance of the double taxation concluded between Romania and their country of residence or the more favorable provisions applicable to non-resident pension funds (as defined in the EU Member State's legislation or in one of the EFTA states), the documents are sent to Antibiotice headquarters in Iasi.

- III. The payment of dividends due to deceased shareholders

The dividends due to the deceased shareholders will be paid through the Paying Agent, only after the Depozitarul Central has registered the direct transfer of ownership as a successor, based upon the heirs' request.

The payment of dividends due to the shareholders of Antibiotice SA Iasi, is made upon the basis of a Dividend Distribution Procedure, which sets the payment methods thereof, to its securities holders.

- IV. The prescription of dividends

According to the company's policy, the dividends are available to the shareholders for 3 years from the date of their distribution and the payment date is established by the decision of the General Meeting of the Shareholders.

The dividends approved and unclaimed within 3 years from their due date may be proposed to be registered in the accounting of a company according to the legal provisions in force.

The payment of dividends is made to the shareholders of Antibiotice S.A. Iasi, registered in the Register of Shareholders on the date of registration approved by the General Meeting of Shareholders.

Antibiotice SA Iasi can change this policy if there are changes in the way in which Depozitarul Central coordinates this procedure. The company will publish the method, date and location of the dividend payment in accordance with the legal regulations in force in Romania.

Any shareholder of the company can contact the company to ask if he or she is on the list of the persons eligible for dividend payment, as well as to find out the method, date and location of dividend payment.

In this case, Antibiotice SA Iasi, through the Investor Relations Office, will adequately respond to the shareholder's requests.

The dividend payment procedure is disseminated on the Antibiotice SA Iasi website, on the page - Investors/Current Reports and Communications, to ensure the adequate notification of shareholders.

Consistent with our policies regarding the increasing of the turnover, the reducing of costs and putting new products on the market at more affordable prices, which will lead to savings both for the population and the state budget, we continue to pay special attention to the Investment Program.

Final provisions

This policy entered into force on 24.05.2018, the date of its approval by the Management Board.

In the situation where the legislation or the statute of the company changes, the provisions will also be modified to comply with the new regulations in force.