

Annex no. 2  
to GD no. 1200/1990

SC Antibiotice SA Iași  
J/22/285/1991  
TIN 1973096  
Unitary system

## **Articles of Association of Antibiotice Iasi amended in accordance with the Decisions of General Meeting of Shareholders dated 20.05.2020**

Amended and updated according to the provisions of Law no. 31/1990 on trading companies, amended, completed and republished, GEO no. 109/2011 on the corporate governance of public enterprises, amended and supplemented, corroborated with the provisions of art. 59 of the Methodological Norm no. 608/1998 on keeping the trade registers and recordings.

### **CHAPTER I** **NAME, LEGAL FORM, HEADQUARTERS, TERM**

#### **Art. 1 Name of the company**

The name of the company is „ANTIBIOTICE S.A.” Iași.

The name, legal form, registered office, trade register number and unique registration code must be mentioned in all documents, invoices, orders, offers, charges, informative brochures and other commercial documents issued by the company. This information will be also published on the official website.

#### **Art. 2 Legal form of the company:**

ANTIBIOTICE S.A trading company is a Romanian legal entity, having the legal form of a joint stock company. It operates in accordance with the Romanian law and the current Statute.

#### **Art. 3 Headquarters**

Company headquarters: Romania, Iași, Valea Lupului street no. 1, Iași county. The company may have branches, subsidiaries, area offices, agencies located in other towns/cities in the country and abroad.

#### **Art.4 Life duration**

The company's life is unlimited, starting with the date of its registration with the Trade Register, under the conditions stipulated by the law.

### **CHAPTER II** **PURPOSE AND OBJECT OF ACTIVITY**

#### **Art.5. Company's object of activity**

The purpose of the company is to manufacture products according to its field of activity and implement initiatives to manufacture medicines by biosynthesis and semisynthetic and other services.

#### **Art.6 Sector and scope of activity**

**The main activity** of the company, coded according to the CAEN (National classification of activities list, consists in:

2110 - Manufacture of basic pharmaceutical products / building code P10-8

The company also carries out other **secondary** activities as follows:

0119 - Growing of other non-perennial crops

0149 - Raising of other animals

0240 - Support services to forestry

1039 - Other processing and preserving of fruit and vegetables

1071 - Manufacture of bread; manufacture of fresh pastry goods and cakes

1089 - Manufacture of other food products

1396 - Manufacturing of other technical and industrial textiles

1412 - Manufacture of workwear

2015 - Manufacture of fertilisers and nitrogen compounds

2042 - Manufacture of perfumes and toilet preparations

2120 - Manufacture of pharmaceutical preparations / building code P1-US, P9-C, P11-PP, P13-Csp, P14-Csc, P15-CsN

2222 - Manufacturing plastic packing goods

2433 - Cold forming or folding

2511- Manufacture of metal structures and parts of structures

2512 - Manufacture of doors and windows of metal

2529 - Manufacture of other tanks, reservoirs and containers of metal

2561 - Treatment and coating of metals

2562 - Machining  
2592 - Manufacture of light metal packaging  
3250 - Manufacture of medical and dental instruments and supplies  
3311 - Repair of fabricated metal products  
3312 - Repair of machinery  
3314 - Repair of electrical equipment  
3319 - Repair of other equipment  
3320 - Installation of industrial machinery and equipment  
3700 - Sewerage  
3821 - Treatment and disposal of non-hazardous waste  
3831 - Dismantling of wrecks  
4221 - Construction of utility projects for fluids  
4321 - Electrical installation  
4322 - Plumbing, heat and air-conditioning installation  
4329 - Other construction installation  
4332 - Joinery installation  
4520 - Maintenance and repair of motor vehicles  
4631 - Wholesale of fruit and vegetables  
4638 - Wholesale of other food, including fish, crustaceans and molluscs  
4643 - Wholesale of electrical household appliances  
4646 - Wholesale of pharmaceutical goods / building code P7-D  
4647 - Wholesale of furniture, carpets and lighting equipment  
4648 - Wholesale of watches and jewellery  
4649 - Wholesale of other household goods  
4673 - Wholesale of wood, construction materials and sanitary equipment  
4675 - Wholesale of chemical products  
4676 - Wholesale of other intermediate products  
4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating  
4719 - Other retail sale in non-specialised stores  
4931 - Urban and suburban passenger land transport  
4939 - Other passenger land transport  
4941 - Freight transport by road  
4942 - Removal services  
5210 - Warehousing and storage / building code P5-D, P28-D, P29-D, P33-D  
5221 - Services activities incidental to land transportation  
5224 - Cargo handling  
5621 - Event catering activities  
5629 - Other food service activities  
5821 - Publishing of computer games  
5829 - Other software publishing  
6201 - Computer programming activities (customer oriented software)  
6202 - Computer consultancy activities  
6203 - Computer facilities management activities  
6209 - Other information technology and computer service activities  
6311 - Data processing, hosting and related activities

6612 - Security and commodity contracts brokerage  
6630 - Fund management activities  
6820 - Renting and operating of own or leased real estate  
7021 - Public relations and communication activities  
7022 - Business and other management consultancy activities  
7111 - Architectural activities  
7112 - Engineering activities and related technical consultancy  
7120 - Technical testing and analysis / building code P2-CC  
7211 - Research and experimental development on biotechnology / building code P21-MKP  
7219 - Other research and experimental development on natural sciences and engineering/building code P21-MKP  
7220 - Research and experimental development in social sciences and humanities  
7311 - Advertising agencies  
7312 - Media representation  
7320 - Market research and public opinion polling  
7430 - Translation and interpretation activities  
7490 - Other professional, scientific and technical activities n.e.c.  
7500 - Veterinary activities  
8020 - Security systems service activities  
8110 - Combined facilities support activities  
8211 - Combined office administrative service activities  
8219 - Photocopying, document preparation and other specialised office support activities  
8220 - Activities of call centers  
8292 - Packaging activities/ building codes P1-US, P9-C, P11-CC, P13-CsP, P14-CsC, P15-CsN  
8299 - Other business support service activities n.e.c.  
8532 - Technical and vocational secondary education  
8551 - Sports and recreation education  
8552 - Cultural education (foreign languages, music, theater, dance, plastic arts, etc.)  
8559 - Other education n.e.c  
8560 - Educational support activities  
8610 - Hospital activities  
8621 - General medical practice activities  
8622 - Specialist medical practice activities / building code P16-CEM-RA  
8623 - Dental practice activities  
8690 - Other human health activities  
8710 - Residential nursing care activities  
8720 - Residential care activities for mental retardation, mental health and substance abuse, excluding hospitals  
8730 - Residential care activities for the elderly and disabled  
9609 - Other personal service activities  
2020 - Manufacture of pesticides and other agrochemical products

## CHAPTER III SHARE CAPITAL

### Art.7 Share capital

The share capital is set at the amount of 67,133,804 lei, divided into 671,338,040 shares at a nominal value of 0.1000 lei each, the shares being nominative.

The ownership structure, corresponding to the number of shares and their holders, is the following:

- 1. Ministry of Health - 355,925,135 shares - 53.0173% amounting to 35,592,513.50 lei;**
- 2. Other shareholders (natural and legal persons) - 315,412,905 shares - 46.9827%, amounting to 31,541,290.50 lei.**

### Art.8 Shares

The nominative shares of the company will include all the elements provided by the law.

Preferred shares with priority dividends without voting rights may be issued. In the event of a delay in the payment of dividends, preference shares will acquire voting rights from the due date of the payment obligation for dividends to be distributed in the following year if the GMS decides the following year that dividends are not distributed, from the date of publication of that GMS decision until the actual payment of outstanding dividends. Preference shares and ordinary shares may be converted from one category to the other by resolution of the Extraordinary General Meeting of Shareholders.

The company is allowed to acquire its own shares, either directly or through a person acting in his own name but at the expense of the company in question, in compliance with the law. The nominal value of own shares acquired by the company, including those already in its portfolio, may not exceed 10% of the subscribed share capital. If shares are acquired to be distributed to the employees of the company, the shares thus acquired must be distributed within 12 months from the acquisition date. The Company may not make advances or loans nor provide guarantees for the subscription or acquisition of its own shares by a third party.

### **Art. 9 Reduction or increase of the share capital**

The share capital may be reduced or increased on the basis of the decision of the Extraordinary General Meeting of the Shareholders under the conditions and in compliance with the procedure provided by the law.

### **Art. 10 Rights and obligations relative to owning shares**

Each share subscribed and paid by shareholders gives them the right to a vote in the general meeting of shareholders, the right to vote and to be elected in the governing bodies, the right to participate in the distribution, according to the provisions of these statutes and the legal provisions, respectively other rights provided for in the Statute.

Owning the share implies adherence to the Articles of Association.

Rights and obligations related to shares follow the shares in the case of their transfer to other persons.

The company's liabilities are secured by its share capital, and the shareholders are liable within the limit of the value of the shares they hold.

The patrimony of the company cannot be burdened by debts or other personal obligations of the shareholders. The creditor of a shareholder may make claims on the share of the company's benefit to be distributed by the General Meeting of Shareholders or the share due in the liquidation of the company, performed under the terms of the Articles of Association.

### **Art. 11 Transfer of shares**

Shares are undivisible with respect to the company, which recognizes only one owner for each share.

The total or partial transfer of shares between shareholders or third parties is subject to the conditions and procedure laid down by law.

### **Art. 12 Share loss**

In the case of share loss, the provisions of the capital market legislation will apply.

**CHAPTER IV**  
**GENERAL MEETING OF SHAREHOLDERS**

**Art. 13 General Meeting of Shareholders**

The General Meeting of Shareholders is the governing body of the company, which decides on its activity and ensures its economic and commercial policy.

The General Ordinary and Extraordinary Meetings will usually be held at the headquarters of the company or in the place to be indicated in the convening notice.

**Art. 14 The Ordinary General Meeting of Shareholders** meets at least once a year, no later than 5 months after the end of the financial year. The Ordinary General Meeting of Shareholders has the following main attributions:

- a) to discuss, approve or modify the annual financial statements on the basis of the reports submitted by the Board and financial auditor and to establish the value of a dividend;
- b) to elect and revoke the members of the Management Board, to appoint and set the minimum duration of the financial audit contract and to revoke the financial auditor;
- c) to set the remuneration due for the current year to the members of the Management Board;
- d) to decide on the administration of the Management Board;
- e) to establish the Income&Expenditure Budget and, where appropriate, the work program for the following financial year;
- f) to decide on the pledging/mortgaging, renting or dissolve one or more units of the company.;
- g) decides to initiate liability proceedings against the administrators, financial auditors and directors, with the majority provided by law.

**Art. 15 Extraordinary General Meeting of Shareholders** gathers every time it is necessary to take a decision on:

- a) changing the legal form of the company;
- b) relocation of the company's headquarters;
- c) changing the object of activity of the company;
- d) establishment or dissolution of secondary offices: branches, agencies, area offices or other such units without legal status, unless otherwise provided in the Articles of Incorporation;
- e) prolonging the duration of the company;
- f) increase of the share capital;

- g) reduction of the share capital or its reintegration through the issuance of new shares;
- h) merger with other companies or division of the company;
- i) early dissolution of the company
- i<sup>1</sup>) the conversion of nominative shares into bearer shares or bearer shares in nominative shares;
- j) converting shares from one category to another;
- k) conversion of a bond category into another category or into shares;
- l) issuance of bonds;
- m) any other amendment to the Articles of Association or any other decision for which the approval of the Extraordinary General Meeting of Shareholders is requested.

The provisions related to the exercise of the duties stipulated in the previous paragraphs shall be completed with the legal provisions regarding the trading companies.

#### **Art. 16 Convening the General Meeting of Shareholders**

The GMS is convened by the Management Board or whenever necessary.

The term of the meeting may not be less than 30 days after publishing the convocation in the Official Gazette of Romania, Part 4. The convocation is also published in one of the wide-spread newspapers in the town where the company is based or in the nearest town/locality.

The Convening Notice will be submitted to the Autonomous Registry of the Official Gazette for publication within 5 days from the date of adoption by the Management Board of the decision to convene the General Meeting of Shareholders.

#### **Art. 17 Agenda of the General Meeting of Shareholders**

The Convening Notice will include the place and time of the GMS as well as the agenda, with an explicit mention of all the issues that will be the subject of the debates.

If the agenda includes the appointment of the administrators, the Convening Notice will mention that the list containing information on the name, domicile and professional qualification of the persons proposed for the position of administrator is available for shareholders and can be consulted and filled in by them. When the agenda includes proposals for amendments to the Articles of Incorporation, the Convening Notice will have to include the full text of the proposals.



One or more shareholders representing, individually or together, at least 5% of the share capital have the right to ask for the addition of new items on the agenda. Applications shall be submitted to the Board no later than 15 days after the publication of the Convening Notice, with a view to publishing and notifying them to the other shareholders.

If the appointment of the administrators is on the agenda and the shareholders want to make nominations, the application will include information on the name, place of residence and professional qualifications of the persons proposed for the respective positions. The agenda, completed with the items proposed by the shareholders after the convocation, must be published with the fulfillment of the requirements stipulated by the law for convening the GMS at least 10 days before the session of the General Meeting of Shareholders, on the date mentioned in the initial Convening Notice.

The annual financial statements, the annual report of the Board, as well as the proposal on the distribution of dividends are made available to shareholders at the company's headquarters starting with the date of convening the General Meeting of Shareholders. Upon request, copies of these documents will be issued to shareholders.

In the notice of the first General Meeting of Shareholders, the date and time of the second meeting will be set, in the event that the former cannot be held.

#### **Art. 18 Publishing the convening notice on the internet**

If the company owns a website, the Convening Notice and any other item added to the agenda at the shareholders' request, as well as the documents referred to in the previous paragraph, shall also be published on the website for the free access of the shareholders.

Each shareholder may address written questions to the Board on the company's activity prior to the date of the General Meeting of Shareholders to be answered during the session of the General Meeting of Shareholders.

If the company owns a website, the answer is deemed to be given if the requested information is published on the company's website in the FAQ section.

#### **Art. 19 Convocation of the General Meeting of Shareholders at the shareholders' request**

The Management Board immediately convenes the General Meeting, at the request of the shareholders representing individually or jointly, at least 5% of the share capital, and if the request includes provisions that fall within the attributions of the GMS. The General Meeting of the Shareholders shall be convened within no more than 30 days and shall meet no later than 60 days from the date of receipt of the request.

**Art. 20 Exercise of shareholders' voting rights**

Shareholders exercise their voting rights in the General Meeting of Shareholders in proportion to the number of shares they hold.

**Art. 21 Setting the reference date**

The Management Board will set a reference date for shareholders entitled to be notified and vote in the General Meeting. This date will remain valid also in the case the General Meeting of Shareholders is convened again due to the non-meeting of the quorum.

The reference date thus established will be after publication of the Convening Notice and will not exceed 60 days before the date on which the General Meeting is convened for the first time.

**Art. 22 Setting the deadline to identify the shareholders entitled to dividends**

The date on which the identification of the shareholders to benefit from dividends or other rights and on whom the effects of the decisions of the General Meeting of Shareholders are reflected, will be established by the GMS.

This date will be at least 10 working days after the date of the General Meeting of Shareholders.

**Art. 23 Deliberations of the Ordinary General Meeting of Shareholders**

For the validity of deliberations of the Ordinary General Meeting of Shareholders, the presence of shareholders holding at least  $\frac{1}{4}$  of the total number of voting rights is required.

The decisions of the Ordinary General Meeting of Shareholders shall be taken by a majority of the votes cast.

If the Ordinary General Meeting of Shareholders may not take place due to not meeting the conditions laid down in paragraph 1, the meeting which will be convened the second time may deliberate on the items on the agenda of the first session, regardless of the quorum, by taking decisions by a majority of the votes cast.

**Art. 24 Deliberations of the Extraordinary General Meeting of Shareholders**

For the validity of the deliberations of the Extraordinary General Meeting of Shareholders, the presence of shareholders holding at least

¼ of the total number of voting rights is necessary at the first convocation, and at the following convocations, the presence of shareholders representing at least 1/5 of the total number of voting rights.

#### **Art. 25 Charging of shares**

If encumbrances are created on the shares, the voting right belongs to the owner of the shares.

#### **Art. 26 Representation of shareholders in General Meeting of Shareholders**

Shareholders may participate and vote in the General Meeting of Shareholders by representation, according to the law, on the basis of a power of attorney. The Powers of attorney will be submitted in original 48 hours before the GMS under the penalty of losing the exercise of the voting right in that meeting. Powers of attorney will be kept by the company, being mentioned in the minutes.

Members of the Board, directors or employees of the company cannot represent the shareholders, subject to the nullity of the decision, if, without their vote, the required majority would not be obtained.

Shareholders who are members of the Management Board cannot vote on the basis of the shares they hold, either in person or through a proxy on issues in which their administration would be under debate (such as the discharge from administration).

Those individuals may vote on the annual financial statement if the majority provided by the law or by the Articles of Association cannot be formed.

#### **Art. 27 Conducting the General Meetings of Shareholders**

The General Meeting of Shareholders is chaired by the President of the Management Board and, in his/her absence, by the Vice-President of the Management Board.

The General Meeting elects from the present shareholders 2 secretaries who will check the attendance list of the shareholders indicating the share capital represented by each of them, the minutes drawn up by the technical secretary and the fulfillment of all the formalities required by the law and Articles of Association for the conduct of GMS.

The President of the Board appoints from among the employees of the company a secretary to draw up the minutes.

The Minutes of the GMS will be written in a sealed register. The Minutes shall be signed by the person who chaired the meeting and by the secretary who drafted it.

The employees' representatives may also be invited to the ordinary and extraordinary sessions of the General Meeting of Shareholders, in which issues regarding the labor relations with the company's staff are debated.

#### **Art.28 Exercising the voting right in the General Meeting of Shareholders**

Decisions of the General Meeting of Shareholders are taken by open vote.

Shareholders vote according to the provisions of the capital market legislation.

Secret vote is mandatory for the election of Board members and internal auditors, for revocation and for making decisions on the liability of administrators, management and control of the company. The decisions of the General Meeting of Shareholders are mandatory even for the absent or unrepresented shareholders.

Upon request, each shareholder will be informed of the results of the vote, for decisions taken of the General Meeting. If the company has its own website, the results will also be published on this page within 15 days from the date of the General Meeting.

A Minutes signed by the President and the technical secretary, will ascertain the fulfillment of the convening formalities, date and place of the General Meeting, present shareholders, number of shares, summary of debates, decisions taken and, at the request of the shareholders, the statements made by them in the meeting.

The documents relating to the convocation as well as the attendance lists shall be attached to the minutes.

The Minutes will be recorded in the register of the General Meetings of Shareholders.

### **CHAPTER V MANAGEMENT BOARD**

#### **Art. 29 Composition of the Management Board**

The company is managed by the Management Board consisting of 5 members, natural or legal persons having experience in the administration/ of profitable public enterprises and/or profitable trading companies from the company's field of activity.

At least two members of the Management Board must have economic studies and at least 5 (five) years of experience in accounting, economic, financial or auditing fields.

Most members of the Board are non-executive, independent administrators.

For the appointment of an administrator to be legally valid, the named person must expressly accept it.

The members of the Management Board will conclude a professional liability insurance within the limits and under the conditions established by the General Meeting of Shareholders.

### **Art. 30 Limitations of the members of the Management Board**

No more than 2 members who are public officials or other staff within public authorities or institutions may be selected on the Management Board.

A person who held a management position, respectively a administrator and /or a director, and whose term of office ceased as a result of non-fulfillment of the performance and/or management objectives and criteria set in his / her task cannot be selected on the Board.

No individual may be selected on the Board who exercises at the same time more than 5 mandates of administrator and/or member of the Supervisory Board in joint stock companies / public enterprises whose headquarters are located in Romania.

### **Art. 31 Term of office of administrators**

Administrators are appointed by the Ordinary General Meeting of Shareholders for a maximum 4-year period.

The term of office of the administrators who have properly fulfilled their attributions may be renewed, for new periods, of maximum 4 years each.

The term of office of the administrators appointed as a result of the termination in any form of the term of office of the initial administrators shall coincide with the remaining term of office of the administrator who has been replaced.

### **Art. 32 Administrators' remuneration**

Administrators' remuneration is determined by the General Meeting of Shareholders, in accordance with the law, in direct relation to the importance of their activity as well as the activity profile and the results obtained by the company.

Remuneration and other benefits offered to administrators will be recorded in the annual financial statements and in the Annual Report of the Remuneration and Nomination Committee of the Board.

The Administrators' remuneration policy and criteria will be made public on the company's website under the supervision of the Board, unless otherwise provided by law.

### **Art. 33 Appointment of administrators**

Candidates for new administrator positions are nominated by the current members of the Board or by shareholders in accordance with legal and statutory provisions.

### **Art. 34 Mandates of the administrators appointed from among the employees**

During the term of office the administrators who have been appointed from among the company's employees, their individual employment contracts will be suspended.

### **Art. 35 Revocation of administrators**

Administrators may be revoked at any time by the Ordinary General Meeting of Shareholders.

If the revocation occurs unreasonably, the administrator is entitled to compensation for damages.

### **Art. 36 Vacant positions of administrators**

In case of vacancy of one or more of the positions of administrator, the Board appoints interim administrators until the session of the Ordinary General Meeting of the Shareholders.

If the above mentioned vacancy causes the number of administrators to fall below the legal minimum, the remaining administrators immediately convene the Ordinary General Meeting of Shareholders to complete the number of members of the Management Board.

If the directors do not fulfill their obligation to convene the General Meeting, any interested party may apply to the court to appoint the person in charge of convening the Ordinary General Meeting of Shareholders, to make the necessary appointments.

### **Art. 37 President and Vice-President of the Management Board**

The Management Board elects from among its members a President and a Vice-President of the Board. The President and Vice-President may also be appointed by the Ordinary General Meeting. The President and the Vice-President shall be appointed for a term not exceeding their term of office as administrators.

The President and the Vice-President may be revoked only by the Management Board. If the President or the Vice-President have been appointed by the General Meeting of Shareholders, they may be revoked only by the General Meeting of Shareholders.

The President coordinates the work of the Board and report thereon to the General Meeting of Shareholders. He/she supervises the activity of the company. The President represents the Management Board in relation with third parties. The Management Board may delegate other duties to the President.

The Vice President replaces the President of the Management Board when he / she is missing.

### **Art.38 Main responsibilities of the President and Vicepresident**

The President/Vice-President convenes the Board, whenever necessary, no less than once every three months; conducts the meetings of the Board, ensuring compliance with the procedures provided by the laws, the company's Articles of Association and regulations of the Bucharest Stock Exchange; maintains a close and constructive relationship with the executive directors of the company; issues proposals for the establishment of the Board's Committees, their composition and agenda of the meetings.

### **Art. 39 Committees of the Management Board**

The Board shall appoint committees made up of its members.

The Nomination and Remuneration Committee and the Audit Committee will be mandatorily created and will operate within the Management Board. These committees have an advisory role. At least one member of these committees has to be an independent non-executive administrator, within the meaning of Law no. 31/1990, on companies.

### **Art. 40 Nomination and Remuneration Committee**

The members of the Nomination and Remuneration Committee are elected upon the proposal of the President / Vice-President.

The President or Vice-President of the Management Board is included in the composition of the Committee, but he/she cannot be the President of this committee.

The Nomination and Remuneration Committee has the following attributions:

- formulates proposals for the positions of administrators, draws up and proposes to the Board the selection procedure of candidates for the positions of director and for other management positions, recommends to the Board candidates for the listed positions, formulates proposals on the remuneration of directors and other management positions;
- evaluates, at least once a year, the independence of the Management Board's members;
- verifies the number of mandates held by the members of the Management Board in other companies;
- performs other tasks in connection with the appointment or revocation of the members of the Management Board of Directors, in accordance with the Board's instructions;
- makes proposes to the Management Board on candidates to be appointed, reappointed or revoked in / from the position of member of the Board. The Committee may reject candidates who do not meet the criteria for holding the position of the Board member;
- makes sure that candidates applying for membership of the Board have the necessary training and experience to carry out their duties;
- prepares an annual report on the remuneration and other benefits granted to the administrators and directors during the financial year, a report that will be submitted by the Management Board to the General Meeting of Shareholders which approves the annual financial statements.

The annual report will be made available to shareholders, including on the company's website, and will include at least the following information on:

- the structure of remuneration, explaining the share of the variable and the fixed component;
- the performance criteria that substantiate the variable component of remuneration, the ratio between the achieved performance and remuneration;
- considerations that justify any scheme of annual bonuses or non-cash benefits;
- possible supplementary or early retirement schemes;



- information on the duration of the contract, the negotiated notice period, the amount of damages for revocation without a just cause.

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The Nomination and Remuneration Committee fulfills any other attributions established by the current Articles of Association, the law in force or the decisions of Management Board.

#### **Art. 41 Audit Committee**

The Audit Committee has mainly the attributions provided by art. 47 of GEO no.90/2008, ensuring that the company maintains adequate financial reporting, internal control audit, compliance and risk management systems.

At least one member of the audit committee must have experience in applying accounting principles or in financial audit.

The President of the Management Board cannot be the President of the Audit Committee.

The President of the Committee must have the necessary experience and expertise to monitor the audit and risk management issues.

During the mandate, the members of the Committee shall not hold any office or capacity incompatible with the Committee's mission.

#### **Main duties and responsibilities of the Audit Committee:**

- examines and verifies the soundness of the annual and interim consolidated financial statements of the company and any other financial reporting before they are submitted to the Board for approval;
- analyzes and makes recommendations to the Board regarding the appointment, reappointment or revocation of external auditors;
- evaluates periodically the efficiency, independence and objectivity of the external auditor and monitors the relationship with him/her;
- makes proposals to the Board on specific areas where additional verifications may be required by the external auditor;
- analyzes and approves the scope of competence of the Internal Audit Department;
- monitors and reviews the work of the Internal Audit Department to ensure that it operates objectively and independently;

- monitors the staff changes in the Internal Audit Department.

#### **Art. 42 How the Committees operate**

The Management Board may also create other advisory committees in charge of conducting investigations and elaborating recommendations for the Board in the fields of interest for the company's activity.

At least one of their members has to be an independent non-executive administrator.

The Advisory Committees regularly submit reports to the Management Board on their work.

Within all advisory committees, decisions will be taken by a majority of the votes cast. The Advisory Committees shall meet at the headquarters of the company whenever necessary, at least every three months, at the request of any of its members.

At each meeting the minutes of the meeting will be drawn up, which will include the names of the participants, order of the deliberations, decisions taken, number of votes cast and the separate opinions. For the validity of the decisions adopted within the Advisory Committees, at least half of the members of the committee concerned must be present.

Members of the Advisory Committees may be represented at committee meetings only by other members of that committee. A present member may represent only one absent member.

The minutes will be signed by the meeting's President and by at least one other administrator, member of the committee.

Participation in meetings of the Board and meetings of advisory committees may take place through the means of distance communication, respectively through the use of the Internet.

#### **Art. 43 Management Board**

The Management Board meets at least every three months or whenever necessary, the remuneration being made monthly.

The President or Vice-President convenes the Management Board, sets the agenda, makes sure that the members of the Board are adequately informed of the items on the agenda and chairs the meeting.

The Board is also convened at the reasoned request of at least 2 of its members or of the Director General. In this case, the agenda is established by the authors of the request. The President is obliged to comply with such a request.

Minutes will be drawn up at each meeting and will include the names of the participants, order of deliberations, decisions taken, number of votes cast and the separate opinions.

For the validity of decisions of the Management Board, at least half of the members must be present. Members of the Management Board may be represented at Board meetings only by other Board members. A present member may represent only one absent member. The minutes are signed by the President and by at least one other administrator.

In exceptional cases, justified by the urgency of the situation and the interest of the company, the decisions of the Management Board may be taken by unanimous written vote of the members, without the need for a meeting of the Management Board.

This procedure cannot be used for decisions of the Board on annual financial statements or on authorized capital.

The Board may, by unanimous agreement of the administrators, empower some of the administrators to conclude certain operations or certain types of operations.

The Management Board may use experts and advisers to study and solve certain problems.

#### **Art. 44 Main attributions of the Management Board**

The Board is responsible for carrying out all the necessary and useful actions in order to achieve the objective of the company's activity, except for those reserved by the law for the General Meeting of Shareholders.

The Board has the following core competencies, which cannot be delegated to directors:

- setting the main units/directions of activity and development of the society;
- the establishment of accounting policies and the financial control system, as well as the approval of financial planning;
- contracting credits, refinancing and guaranteeing them with assets of the company within 20% of the value of the company's patrimony (20% of the total assets, less the receivables), drawing up addenda to credit agreements, all these decisions being subject to ratification in the first GMS meeting;
- nomination and revocation of directors and their remuneration;
- surveillance of directors' activity;
- preparation of the annual report, organization of the general meeting of shareholders and implementation of its decisions;
- the introduction of the application for the opening of the insolvency procedure of the company, according to the law no. 85/2014 on insolvency and insolvency prevention procedures;

- other tasks required by law, the Articles of Incorporation and the Board's Regulations.

#### **Art. 45 Other Duties of the Management Board**

The Management Board approves, as appropriate, monthly, quarterly or yearly the marketing policy policies, depending on the peculiarities of the internal and external market.

The Management Board represents the company in relation to third parties and in justice through the President or Vice-President. The Management Board retains the responsibility of representing the company in relations with directors.

The Board shall register with the Trade Registry the names of the persons empowered to represent the company. They submit to the Trade Registry signature specimens.

Members of the Board will exercise their mandate with loyalty, in the interest of society, according to the law.

Administrators are responsible for fulfilling all obligations, in accordance with the law.

#### **Art. 46 The alienation / acquisition of the company's assets by the administrators**

Administrators may, in their own name, acquire or acquire goods to or from the company with a value of more than 10% of the net assets of the company only after obtaining the approval of the Extraordinary General Meeting, where shareholders holding at least 2/3 of the total voting rights were present.

The provisions of paragraph 1 also apply to rental or leasing operations.

### **CHAPTER VI** **COMPANY MANAGEMENT**

#### **Art. 47 Company Management**

The members of the Board are appointed by the General Meeting of Shareholders, upon proposal of the Management Board in office or upon proposal of the shareholders. The Management Board delegates the management of the company to one or more directors, appointing one of them as General Director, on the basis of mandate contracts.

The General Director of the joint stock company is only the person to whom management powers have been delegated. Any other

person, irrespective of the technical name of their position within the company shall be excluded from the application of the legal rules regarding the directors of the joint stock company.

Directors can be appointed from the employees who are not part of the Management Board or from among the administrators who then become executive directors.

In any case, the selection of directors will be done in compliance with the legal provisions in force and will take into account the specificity of the field and complexity of the company's activity.

If the directors to whom the management powers of the company have been delegated are appointed from among the company's employees, their individual employment contracts shall be suspended during the term of office.

#### **Art. 48 Activity of directors**

Directors are responsible for taking all measures related to the management of the company, within the scope of the company's business activity and respecting the exclusive competencies reserved by the law or by the Board and the General Meeting of Shareholders.

The procedure of organizing the activity of the directors is established by decision of the Board.

The directors will regularly and comprehensively inform the Board of the operations undertaken and the operations envisaged for the future.

The Management Board shall register with the Trade Register the names of persons authorized to represent the Company, stating whether they act together or separately. They submit signature specimens to the Trade Register Office.

The persons who according to the law cannot be founders, cannot be neither administrators nor directors.

#### **Art. 49 Remuneration of directors**

Directors' remuneration is set by the Management Board.

The remuneration of directors is determined according to the law, directly related to the importance of their activity as well as to the activity profile and results obtained by the company.

Remuneration and other benefits to directors will be recorded in the annual financial statements and in the Annual Report of the Remuneration and Nomination Committee of the Board of Directors. The Directors' remuneration policy and criteria will be made public on the company's website through the Management Board, unless otherwise provided by law.

## **CHAPTER VII** **COMPANY MANAGEMENT**

### **Art. 50 Statutory Financial Audit. Internal Audit**

The company is audited by a statutory financial auditor, a natural or legal person, under the conditions provided by law.

The company will organize the statutory audit according to the legal norms in force.

Subject to and in compliance with the statutory financial regulations, the statutory financial auditors are appointed by the General Meeting of Shareholders for a period of at least one year. The company will contract the services of the statutory financial auditor in compliance with the legal provisions.

Statutory financial auditors are required to supervise the management of the company, verify that the financial statements are legally compiled and consistent with the books, that they are held regularly and the valuation of the assets is in accordance with the rules established for the preparation and presentation of the financial statements. For all of this, as well as the proposals it deems necessary regarding the financial statements and the distribution of profits, the auditors will present a comprehensive report to the General Meeting.

The general meeting may approve the annual financial statements only if they are accompanied by the report of the statutory financial auditors.

The company will conduct the internal audit in accordance with the applicable legal provisions in force. Internal auditors shall report directly to the Management Board.

Internal auditors will notify the members of the Board on any inconsistencies in the administration and violations of legal provisions and the provisions of the Articles of Association they find, and the more important cases will be brought to the attention of the general meeting.

Any shareholder has the right to refer to/claim from the internal auditors the facts they believe should be verified and the results will be recorded by the internal auditors in a report that will be communicated to the Board or the GMS.

## **CHAPTER VIII** **COMPANY ACTIVITY**

### **Art. 51 Staff**

Rights and obligations of directors are set by mandate contracts.

The rights and obligations of staff are set by the collective and individual labor agreement, as per the labor code and job description.

**Art. 52 Depreciation of funds**

The Management Board establishes, in accordance with the law, the method of depreciation of assets.

**Art. 53 Accounting and balance sheet**

The company will keep the accounting records, in lei, will draw up the annual Balance Sheet and Profit & Loss Account, taking into account the Methodological Norms elaborated by the Ministry of Finance.

The Balance Sheet and the Profit & Loss Account will be published in the Official Gazette, according to the law.

**Art. 54 Calculation and distribution of profit**

The company's profit is determined on the basis of the balance sheet approved by the General Meeting of Shareholders. Taxable profit is established under the law.

The distribution of profit will be in accordance with the legal provisions in force.

**Art. 55 Company registers**

The company keeps the registers as provided by law.

**CHAPTER IX**  
**CHANGING THE LEGAL FORM, DISSOLUTION,**  
**LIQUIDATION, LITIGATIONS**

**Art. 56 Changing the legal form of the company**

The company may take another legal form by decision of the General Meeting of Shareholders.

The change in the legal form of the company, the extension of its duration or other changes in the Articles of Incorporation do not lead to creating a new legal person.

The Articles of Association may be amended by a decision of the Extraordinary General Meeting of Shareholders.

**Art.57 Company dissolution**

The company is dissolved under the conditions provided by the legislation in force.

**Art.58 Company liquidation**

In case of dissolution, the company will be liquidated.

Liquidation of the company and distribution of the patrimony are made under the conditions and in compliance with the procedure provided by law.

**Art.59 Litigations**

The litigations of the company with Romanian natural or legal persons are within the competence of the Romanian courts.

Disputes arising from contractual relations between the company and Romanian legal persons may also be settled by arbitration under the law.

**CHAPTER X  
FINAL DISPOSITIONS**

**Art.60** The provisions of the current Articles of Association are completed with the legal dispositions referring to trading companies.

**President of the Management Board,**

**Dan Octavian Alexandrescu**



**Annex no. 1**

**Administrators of the trading company Antibiotice S.A.lași**

1. NANI Ioan - birth date: 27.11.1959, domiciled in: City of Iași,  
[REDACTED].
2. CALIȚOIU Elena - birth date: 30.03.1963, domiciled in: City of Craiova,  
[REDACTED]
- [REDACTED] STOIAN Nicolae - birth date: 04.10.1956, domiciled in: City of Craiova,  
[REDACTED]
- [REDACTED] ALEXANDRESCU Dan-Octavian - birth date: 27.11.1974,  
domiciled in: City of Urziceni, [REDACTED]
5. TIMOFTICIUC Lucian - birth date: 24.07.1974, domiciled in:  
[REDACTED], Vaslui County.

**President of the Management Board,**

**Dan Octavian Alexandrescu**

**Annex no. 2**

We certify that the audit activity of Antibiotice Iași is conducted by:

- Accounting, Expertise & Accounting Consultancy Company - SOCECC Ltd.  
headquartered in Bucharest, 90 - 96 Mihai Bravu St., Entrance C, Apt. 114,  
Sector 2

Phone: 021-315 54 64  
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E-mail : [office@socecc.ro](mailto:office@socecc.ro)

**President of the Management Board,**

**Dan Octavian Alexandrescu**

**Annex no. 3**

**Directors of SC Antibiotice SA - Iași :**

**Nani Ioan - General Director - Date and place of birth: 27.11.1959,**



**President of the Management Board,**

**Dan Octavian Alexandrescu**