

1.7. Determining the remuneration for the Management Board members according to the provisions of GEO no. 51/2013 with reference to amending and supplementing GEO no.109/2011 on corporate governance of public enterprises

According to the GEO no. 51/2013, article 38, paragraph 1, "Directors' remuneration is set by the Management Board and cannot exceed the level established for the executive members of the Management Board. It is the only form of remuneration for the executives who also fulfill the role of administrators.

In accordance with the provisions of GEO no. 51/2013 regarding the amendment and completion of the GEO no. 109/2011 on the corporate governance of the public enterprises, the Ordinary General Meeting of Shareholders held on 14.08.2013 approved the setting of the fixed and variable remunerations for the Management Board members provided that these members meet performance criteria and are involved in the working groups set up in the company.

According to the GEO no. 51/2013, article 37, paragraph (3) "The monthly fixed remuneration for the non-executive members cannot exceed the average over the last 12 months of the gross average wage from the branch in which the company operates, communicated by the National Institute of Statistics prior to appointment."

Variable remuneration will be annually granted depending on the percentage of performance objectives achieved by each member of the Management Board and on their involvement in the working groups formed within the company.

Level of annual fixed remuneration of the Management Board members:

LEI 3,490/month x 4 x 4 months = LEI 55,840 during the period January-April 2016.

Because in April, for two members of the Management Board, the four-year term will expire the fixed remuneration for the new members will be calculated according to the average of the indices included in the official statements of the National Institute of Statistics with reference to the gross average wage in the branch "manufacture of basic pharmaceutical products and pharmaceutical preparations" between December 2014 - November 2015.

LEI 3,877/ month x 2 x 8 months = LEI 62,032 - the fixed remuneration for the new members of Management Board for the period May - December 2016

LEI 3,490 / month x 2 x 8 months = LEI 55,840 - the fixed remuneration for the members with contracts in force between May-December 2016.

The total fixed remuneration for the members of the Management Board is LEI 173,712.

Variable remuneration for the members of the Management Board is LEI 109,344.

Vice-President of Management Board
Ioan NANI

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