

Annex no. 2  
to GD no. 1200/1990  
Unitary system

SC Antibiotice SA Iași  
J/22/285/1991  
Registration code 1973096

**Articles of Association of Antibiotice Iași  
amended as per the Resolutions of the GMS on April 18<sup>th</sup>, 2019**

Modified 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 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 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:

- 0149 - Growing other animals
- 0240 - Services relative to forestry
- 1039 - Processing and preservation of fruit and vegetables non-classified anywhere else
- 1071 - Manufacture of bread; manufacture of cakes and fresh pastry products
- 0119 - Cultivating other plants from nonpermanent cultures
- 1089 - Manufacture of other foods
- 1396 - Manufacturing technical items and industrial articles made of textiles
- 1412 - Manufacture of work apparel
- 2015 - Manufacture of nitrogen fertilizers and products
- 2042 - Manufacture of perfumes and cosmetics (toiletries)
- 2120 - Manufacture of Pharmaceutical Preparations / building code P1-US, P9-C, P11-PP, P13-Csp, P14-Csc, P15-CsN
- 2222 - Manufacturing plastic packaging items
- 2433 - Production of cold-cast profiles
- 2511- Manufacture of metal structures and parts of metal structures
- 2512 - Manufacture of metal doors and windows
- 2529 -Manufacture of tanks and metal containers
- 2561 -Treatment and coating of metals
- 2562 Operations of general mechanics
- 2592 - Manufacture of light metal packaging
- 3250 - Manufacture of medical and dental and medical devices and and instruments
- 3311 - Repair of articles made of metal
- 3312 - Repair of machinery
- 3314 - Repair of electrical equipment
- 3319 - Repair of other equipment
- 3320 - Installation of machinery and industrial equipment
- 3700 - Collection and treatment of waste water
- 3821 - Treatment and disposal of non-hazardous waste
- 3831 - Disassembly/dismantling of end-of-life machinery and equipment for the recovery of materials
- 4221 - Construction work of utility projects for fluids

4321 - Electrical installation works  
4322 - Plumbing, heating and air-conditioning works  
4329 - Other construction works  
4332 - Carpentry and joinery  
4520 - Maintenance and repair of motor vehicles  
4631 - Wholesale of fruit and vegetables  
4638 - Wholesale of other food, including fish, crustaceans and mollusks  
4643 - Wholesale of electrical household appliances, radio and television apparatus  
4646 - Wholesale of pharmaceutical products / building code P7-D  
4647 - Wholesale of furniture, carpets and lighting equipment  
4648 - Wholesale of watches and jewelry  
4649 - Wholesale of other household goods  
4673 - Wholesale of wood materials and building materials and sanitary equipment  
4675 - Wholesale of chemicals  
4676 - Wholesale of other intermediate products  
4711 - Retail sale in non-specialized stores, with predominant sales of food, beverages and tobacco  
4719 - Retail sale in non-specialized stores, with predominantly non-food products  
4931 - Urban, suburban and metropolitan passenger transport  
4939 - Other land transport  
4941 - Road freight transport  
4942 - Moving services  
5210 - Storage / building code P5-D, P28-D, P29-D, P33-D  
5221 - Supplementary services activities for land transport  
5224 - Handling  
5621 - Catering activities for events  
5629 - Other food services  
5821 - Publishing of computer games  
5829 - Publishing activities of other software  
6201 - Custom software development activities (customer oriented software)  
6202 - Information technology consultancy activities  
6203 - Management (management and exploitation) of computing assets  
6209 - Other information technology service activities  
6311 - Data processing, web site management and related activities  
6612 - Financial intermediation activities  
6630 - Fund management activities  
6820 - Renting and letting of own or leased real estate  
7021 - Public relations and communication consultancy activities  
7022 - Business and management consultancy activities  
7111 - Architectural activities  
7112 - Engineering and related technical consultancy activities  
7120 - Testing and technical analysis / building code P2-CC  
7211 - Research and development in biotechnology / building code P21-MKP  
7219 - Research-development in other natural sciences and engineering/building code P21-MKP  
7220 - Research and development in social sciences and humanities  
7311 - Advertising agency activities  
7312 - Media representation services  
7320 - Market research and opinion polling

7430 - Written and oral translation (interpreters)  
7490 - Other professional, scientific and technical activities  
7500 - Veterinary activities  
8020 - Security services activities  
8110 - Combined support service activities  
8211 - Combined secretarial activities  
8219 - Photocopying, drafting documents and other specialized secretarial activities  
8220 - Activities of call centers  
8292 - Packaging / building codes P1-US, P9-C, P11-CC, P13-CsP, P14-CsC, P15-CsN  
8299 - Other business support activities  
8532 - Secondary, technical or vocational education  
8551 - Sports and recreation education  
8552 - Cultural education (foreign languages, music, theater, dance, fine arts, etc.)  
8559 - Other forms of training  
8560 - Support services to education  
8610 - Hospital care activities  
8621 - General nursing activities  
8622 - Specialized care / building code P16-CEM-RA  
8623 - Dental care activities  
8690 - Other activities related to human health  
8710 - Activities of health care centers  
8720 - Activities of psychological and detoxication centers, excluding hospitals  
8730 - Activities of old people's homes and dormitories for persons unable to care for themselves  
9609 - Other services

### 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 owns 355,925,135 shares or 53.0173%, amounting to 35,592,513.50 lei;**
- 2. Other shareholders (natural and legal persons) own 315,412,905 shares or 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 of the acquisition date. The company may not make advances or loans or provide collateral/warranty 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 shareholders' meeting 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 undividable 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**  
**THE GENERAL MEETING OF SHAREHOLDERS**

**Art.13 the 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 shall meet 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 the financial auditor and to establish the value of a dividend;
- b) to elect and revoke the members of the Board of Directors, 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 Board of Directors;
- d) to decide on the administration of the Management Board;
- e) to establish the revenue and expenditure budget and, where appropriate, the work program for the following financial year;
- f) to decide on the pledging/mortgaging, renting or dismantling/tearing apart one or several units of the company;
- g) shall decide the action against the administrators, financial auditors and directors, with the majority provided by the law.

**Art. 15 The 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 office 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 convocation will be submitted to the Autonomous Registry of the Official Gazette for publication within 5 days since the adoption by the Board of Directors of the decision of the General Meeting of the Shareholders.

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

The convocation 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 convocation shall 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. When the agenda includes proposals for amendments to the constitutive act, the convocation 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 convocation 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 put forward proposals for applications, the application will include information on the name, the place of residence and the professional qualifications of the persons proposed for the respective posts. The agenda,

completed with the points 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 General Shareholders' Meeting, on the date mentioned in the initial convocation.

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, shareholders will be issued copies of these documents.

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**

If the company owns a website, the convocation and any other point added to the agenda at the request of the shareholders, 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 which shall be answerable during the meeting.

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 request of shareholders**

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 Exercising the vote by shareholders**

Shareholders exercise their voting rights in the General Shareholders' Meeting as per the number of shares they hold.

**Art. 21 Setting the reference date**

The Board will set a reference date for shareholders entitled to be notified and vote in the General Meeting, date valid even if the General Meeting is convened again due to failure to meet the quorum.

The reference date thus established will be after publication of the 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 will be set on which the identification of the shareholders to receive dividends or other rights and on whom the effects of the General Meeting of Shareholders decisions will have an impact. This date is subsequent by at least 10 days to the date the GMS was held.

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

For the validity of deliberations of the Ordinary General Meeting of Shareholders it is necessary to have shareholders holding at least  $\frac{1}{4}$  of the total number of voting rights. 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 meeting, whatever the quorum, by taking decisions by a majority of the votes cast.

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

To validate the deliberations of the Extraordinary General Meeting of Shareholders is required to ensure the presence of shareholders holding at least  $\frac{1}{4}$  of the total number of voting rights and for the following convocations, the presence of shareholders representing at least  $\frac{1}{5}$  of the total voting rights.

**Art. 25 Shares released from duty**

If the shares have real estate warranty, the voting right belongs to their owner.

**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 filed originally 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 Board cannot vote on the basis of the shares they own, neither by their staff nor by the trustee, the discharge of their management duty or a problem in which their person or administration is in question.

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

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

The General Meeting of Shareholders is chaired by the Chairman of the Board, and in the absence thereof by the Vice-Chairman of the Management Board.

The General Meeting will elect from among the shareholders present 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 the Articles of Association for the GMS.

The Chairman of the Board shall designate from among the employees of the company a secretary to draw up the minutes. The Minutes of the shall 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.

At the ordinary and extraordinary meetings of the General Shareholders Meeting, where the issues concerning the working relations with the employees of the company are discussed, employees' representatives may also be invited.

**Art.28 Exercising the voting right in the general meeting of shareholders**

Decisions of the 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 directors, management and control of the company. The decisions of the general meeting are mandatory even for the absentees or unrepresented shareholders.

Upon request, each shareholder will be informed of the results of the vote, for decisions taken at the general meeting. If the company owns a website, the results will also be published on this page within 15 days from the date of the general meeting.

A report, signed by the Chairman and the technical secretary, will establish the fulfillment of the convening formalities, the date and place of the general meeting, the shareholders present, the number of shares, the summarized debates, the decisions taken and, at the request of the shareholders, the statements made by them in the meeting.

The minutes relating to the convocation as well as the attendance lists shall be annexed to the minutes. The minutes will be indicated in the general meetings register.

**CHAPTER V  
MANAGEMENT BOARD**

### **Art. 29 Structure 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 companies in the company's field of activity.

At least two members of the Board must have at least 5 (five) years of economic or legal experience and experience in the following sectors: economic, legal, accounting, auditing or financial matters.

Most members of the Board are non-executive and independent directors/administrators. For the appointment of an administrator to be legally valid, the named person must explicitly accept it. Members of the Board will enter a professional liability insurance within the limits and under the conditions set by the General Meeting of Shareholders.

### **Art. 30 Limitations concerning membership of the Board of Directors**

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 office ceased as a result of non-fulfillment of the objectives and performance and/or management 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 board of directors in joint stock companies / public undertakings whose headquarters are located in Romania.

### **Art. 31 The term of office of administrators**

Administrators are appointed by the Ordinary General Meeting of Shareholders for a maximum period of four years. The term of office of the directors who have duly fulfilled their duties may be renewed for new periods of up to four years each. The term of office of the directors appointed following any termination of the original directors' mandate shall coincide with the remaining of the term of office of the administrator who was 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 through the Board, unless otherwise provided by law.

**Art. 33 The appointment of administrators**

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

**Art.34 Mandates of the directors appointed from among the employees**

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

**Art. 35 The 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 damages.

**Art. 36 The vacant positions of administrators**

In case of vacancy of one or more of the positions of administrator, the Board proceeds to appoint temporary administrators, until the meeting 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 Board.

If the directors do not fulfill their obligation to convene the General meeting, any interested party may address to the court to designate the person charged with convening the Ordinary General Meeting of Shareholders to make the necessary appointments.

**Art. 37 The Chairman and Vice-Chairman of the Board**

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

The Chairman and the Vice-President may be revoked only by the Board. If the President or the Vice-President were appointed by the GMS, they may be revoked only by the General Meeting.

The Chairman/President will coordinate the work of the Board and report thereon to the General Meeting of Shareholders. He supervises the activity of the company. The Chairman represents the Board of Directors in relation with third parties. Other powers may be delegated to him by the Board of Directors. The Deputy Chairman shall replace the Chairman of the Board of Directors when he / she is missing.

**Art.38 Main responsibilities of the Chairman and Vicepresident**

The President, respectively the Vice-President, shall convene the Board, whenever necessary, no less than once every three months; he conducts the meetings of the Board, ensuring compliance with the procedures provided by the laws, the company statute and the 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 the establishment of the agenda of the meetings.

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

The Board shall appoint Committees made up of its members. Within the Board, the Nomination and Remuneration Committee and the Audit Committee will be created, committees with an advisory role, at least one member of which is an independent non-executive director, within the meaning of Law no. 31/1990 on trading companies.

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

Members of the Nomination and Remuneration Committee will be elected upon proposal of the President / Vice-President.

The Committee will include the President or Vice-Chairman of the Board of Directors, but he will not be the chairman of the Committee. The Nomination and Remuneration Committee has the following tasks:

- formulates proposals for the positions of administrators, draws up and proposes the procedure for the selection of candidates for the positions of director and for other managerial positions, recommends to the Board candidates for the listed positions, formulates proposals on the remuneration of directors and other managerial positions.
- evaluate, at least once a year, the independence of the members of the Board of Directors;
- controls the number of mandates held by the members of the Board of Directors in other companies;
- full other tasks in connection with the appointment or revocation of the members of the Board of Directors, according to its instructions;
- proposes to the Board of Directors candidates to appoint, reward or revoke them in / from the position of member of the Board. The Committee may reject candidates who do not meet the criteria for holding Board membership;
- ensure that candidates for membership of the Board have the necessary training and experience to carry out their duties;
- receives an annual report on remuneration and other benefits to directors and directors during the financial year, a report to be submitted by the Board of Directors to the General Meeting of Shareholders approving 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 component and the fixed component;
- the performance criteria behind the variable remuneration component, the ratio of performance to remuneration;
- considerations that justify any scheme of annual bonuses or non-profit benefits;
- annual supplementary or anticipated pension schemes;
- information regarding the duration of the contract, the negotiated notice period, the amount of the damages for unjustified revocation. The Nomination and Remuneration Committee shall carry out any other duties assigned to it under this document by law or decision of the Board.

#### **Art. 41 The 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 systems, internal audit, compliance and risk management systems.

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

The Chairman of the Board will not be the Chairman of the Audit Committee. The Chairman of the Committee will have the necessary experience and expertise to monitor 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:

- examine and verify 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, recounting or revocation of external auditors;
- evaluate periodically the efficiency, independence and objectivity of the external auditor and monitor the relationship with him/her;
- makes proposals to the Board on specific areas where additional audits may be required by the external auditor;
- analyzes and approves the scope of competence of the Internal Audit department;
- monitor and review the work of the Internal Audit Department to ensure that it operates objectively and independently;

- monitor the changes that occur at the level of the Internal Audit department staff.

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

The Board may also create other advisory committees in charge of conducting investigations and drafting recommendations to the Board in areas of interest for the company's activity.

At least one member thereof shall be a non-executive independent administrator. The Advisory Committees will regularly report to the Board of on their work. Within all consular committees, decisions shall be taken by a majority of the votes cast. The Advisory Committees shall meet at the headquarters of the Society 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, the order of the deliberations, the decisions taken, the 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 shall be signed by the meeting chairman and by at least one other member of the board.

Participation in meetings of the Board and meetings of advisory committees may take place either by means of a remote means of communication or by using the Internet.

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

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

The Chairman or Vice-Chairman shall convene the Board of Directors, shall set the agenda, shall ensure that the members of the Board are adequately informed of the items on the agenda and shall chair the meeting.

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

At each meeting a record of the participants' names, the order of the deliberations, the decisions taken, the number of votes cast and the separate opinions shall be drawn up.

For the validity of decisions of the Board of Directors, at least half of the members must be present. Members of the Board of Directors may be represented at Board

meetings only by other members. A present member may represent only one absent member.

The minutes are signed by the chair of the meeting 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 Board of Directors can be taken by unanimous vote of the members, without the need for a meeting of the Board of Directors.

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 directors, empower some of the directors to conclude certain operations or certain types of operations. The 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 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 payables), drawing up addenda to credit agreements, all these decisions being subject to ratification in the first GMS meeting;
- nomination and appointment 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 Board**

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

The Board of Directors represents the company in relation to third parties and in



justice through the President or Vice-President. The Board of Directors 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 administrator**

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 (administrators), appointing one of them as General Manager, on the basis of mandate contracts. The General Manager/CEO 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 outside 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 the 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 employees, their individual employment contracts shall be suspended during the term of office.

**Art. 48 The 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 The 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 Amortization of funds**

The Management Board determines the amortization 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 the account of benefits and losses, taking into account the Methodological Norms elaborated by the Ministry of Finance.

The balance sheet and the profit and 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 the 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, LEGAL SUITS**

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

The company may take another legal form (by decision of the GMS 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 constitutive act may be modified by the decision of the extraordinary general meeting.

**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. The liquidation of the company and the repartition of the patrimony shall be done under the conditions and in accordance with the procedure provided by the law.

**Art.59 Litigations**

The litigations of the company with Romanian natural or legal persons are the jurisdiction of 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,**

**General Director,  
Ec. Ioan Nani**

**Annex no. 1**  
**Antibiotice Administrators Iași**

1. **NANI Ioan - President of the Management Board and General Director**  
Birth date: 27.11.1959. Domiciled in: Iași, Aleea Voinești no. 14, Iași county.

2. **CALIȚOIU Elena** - Birth date: 30.03.1963. Domiciled in: Craiova, T. Vladimirescu Street, no.156, Dolj county.

3. **STOIAN Nicolae** - Birth date: 04.10.1956. Domiciled in: Mun. Craiova, Dâmbovița Street, no. 16, bl. A13, sc. 1, ap. 1, Dolj county.

4. **ALEXANDRESCU Dan Octavian** - Birth date: 27.11.1974. Domiciled in: Urziceni, Postei Street, no. 42, Ialomița county.

5. **GRASU Cristian Vasile**, - Birth date: 06.05.1960. Domiciled in: București, Ardeleni street, no. 17A, 2<sup>nd</sup> district.

**President of the Management Board,**

**General Director,  
Ec. Ioan Nani**

**Annex no. 2**

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

- Accountancy, Expertise & Accounting Consultancy Company - SOCECC Ltd.  
Bucharest - București, str. Mihai Bravu, no. 90 - 96, sc. C, ap. 114, 2<sup>nd</sup>  
district.

Tel: 021/3155464

Fax: 021/3155465

E-mail: office@socecc.ro

**President of the Management Board,**

**General Director,**

**Ec. Ioan Nani**

**Annex no. 3**

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

**Nani Ioan - General Director - Date and birth date: 27.11.1959, Uricani, Iași.  
Domiciled in: Mun. Iași, Aleea Voinești nr. 14, jud. Iași.**

**President of the Management Board,**

**General Director,  
Ec. Ioan Nani**