

Legal and Corporate Governance Department
July 26th, 2021

Approved,
General Director,
Econ. Ioan NANI

Substantiation note
on the items 2, 3, 4, 5, 6 and 7 on the agenda of the OGMS of August 26th, 2021

1. Ms. Elena CALIȚOIU and Mr. Nicolae STOIAN, directors of the company appointed by the GMS on April 9th, 2021, presented their resignations from the positions of directors to the board of directors, starting with June 1st, 2021.

2. According to the Art. 11 (i) lit. c from the Mandate Agreement the quality of director ceases by the resignation of the director.

3. In accordance with the provisions of the Art. 137² of the Law no. 31/1990 on commercial companies "(1) *In the event of a vacancy of one or more director positions, the board of directors shall appoint temporary directors unless otherwise provided in the articles of incorporation, until the ordinary general meeting of shareholders is convened. (2) If the vacancy mentioned in par. (1) determines the decrease of the number of directors below the legal minimum, the remaining directors shall immediately convene the ordinary general meeting of shareholders, in order to complete the number of members of the board of directors.*"

and

the art. 36 from the Articles of Incorporation of Antibiotice S.A. "*In the event of vacancy of one or more director positions, the board of directors shall appoint temporary directors until the ordinary general meeting of shareholders is convened. If the vacancy mentioned above causes the number of directors to fall below the legal minimum, the remaining directors shall immediately convene the ordinary general meeting of shareholders to supplement the number of members of the board of directors.*"

given the proposals made by the significant shareholder SIF Oltenia

The Board of Directors of Antibiotice S.A. met on June 2nd, 2021 and appointed two temporary directors convening at the same time the GMS on August 26th, 2021 for the shareholders to appoint the directors according to the applicable legal provisions (art. 111 par. 2 letter b of the Law no. 31 / 1990, article 29 of the GEO No. 109/2011 and the article 14 letter b of the Articles of Incorporation of Antibiotice S.A.)

4. In order to complete the composition of the board of directors, according to art. 111 par. 2 lit. b of the Law no. 31/1990 regarding the commercial companies and art. 29 of GEO no. 109/2011 on the corporate governance of public enterprises, the GMS is competent to appoint two permanent directors who will receive mandates for the period between the date of appointment and April 18th, 2021, the date until which the resigning directors were mandated (art. 28 par. 7 of GEO No. 109/2011 establishes that "*The mandate of the directors appointed as a result of the termination, in any form, of the term of office of the initial directors coincides with*

the remaining term of office of the director who has been replaced”).

5. By debating and voting on items 2,3,4,5,6 and 7 on the agenda, the shareholders of the company are fully informed of the resignations of the two directors and of the decisions of the board of directors on the appointment of interim directors, and the GMS may decide in an informed manner to appoint new directors and sign the related mandate contracts.

We attach to the present Substantiation note:

- the resignations submitted to the board of directors by the directors Ms. Elena CALIȚOIU și Mr. Nicolae STOIAN
- the decisions of the board of directors on the appointment of two interim directors
- the mandate contract proposed for conclusion with the company's directors who will be appointed by the OGMS on august 26th, 2021

Legal and Corporate Governance Director
Livia VATAVU

Legal and Corporate Governance Department
July 26th, 2021

Approved,
General Director,
Econ. Ioan NANI

Substantiation note
on the items 1 on the agenda of the EGMS of August 26th, 2021

1. The COVID-19 pandemic caused a number of restrictions on the organization of meetings attended by a larger number of people. For this reason, during 2020, the organization of the General Meetings of Shareholders for Antibiotice S.A. was achieved with some logistical difficulties, as the Articles of Association and the Law no. 31/1990 on companies establish the obligation for shareholders to be present at the meeting and to express their votes directly.

As there is a premise that the restrictions on movement and organization of meetings attended by a large number of people to be updated in the current health context, the board of directors proposes the amendment of the Articles of Association of the company to the shareholders, by supplementing the art. 17 with a new paragraph containing clauses designed to ensure that the company has the opportunity to convene and conduct meetings of the General Meeting of Shareholders by electronic means at a distance, when necessary.

2. We attach the Articles of Association of the company to the present Substantiation Note, in the form proposed for approval, respectively the one including the art. 17 supplemented by a new paragraph with the following content:

(2) "In duly justified cases, the General Meeting of Shareholders may be held by electronic means of direct distance communication, such as teleconferencing or videoconferencing, subject to the secrecy of the vote, where appropriate, and the right to vote by mail.

Electronic means for distance communication must meet the technical conditions necessary to allow:

a) compatibility with the most common fixed or mobile access technologies, with as many operating systems as possible and connection with public fixed or mobile electronic communication networks;

b) identifying the participants and their effective participation in the meeting;

c) continuous and real-time transmission of the general meeting, recording and archiving it;

d) real-time two-way communication, so that shareholders/associates can remotely address the general meeting;

e) expressing the vote during the general meeting and recording it;

f) subsequent verification of the manner in which the vote was taken during the assembly.

The President of the Board of Directors or the Vice-President in the absence of the former, or the person empowered by one of them or by the shareholders, together with a secretary appointed according to the articles of association or, in his/her absence, a designated employee, shall draw up minutes of the meeting indicating:

a) compliance with the convening formalities;

b) the decision of the competent statutory body to convene the meeting regarding its organization by electronic means;

c) presence quorum at the opening of the meeting and when adopting each decision in the meeting, taking into account also the votes cast by correspondence;

d) debates in the assembly;

e) the decisions taken and the number of votes cast for each voting option on each item on the agenda that is put to the vote and, where applicable, the manner in which the shareholders voted on each item on the agenda;

f) acționarii care au votat contra unor hotărâri și au solicitat să se menționeze aceasta în procesul-verbal al adunării.

The President of the Board of Directors or the Vice-President in the absence of the former, or the person mandated by the shareholders will draw up and sign the decisions of the general meeting of shareholders, which will include all the items on the agenda approved in the general meeting, with handwritten or extended electronic signature.”

Legal and Corporate Governance Director,
Liviu Vatavu