

**ARTICLES OF INCORPORATION**  
**Of Farmaceutica REMEDIA S.A. Stock Company**  
**Trade register no.: J20/700/1991**  
**Sole registration code: 2115198, Fiscal attribute: RO**  
**Office address: Romania, Deva, 2, Blvd. NICOLAE BĂLCESCU (former 43 Dorobanților Street),**  
**Hunedoara County**  
**(updated as of December 4<sup>th</sup> 2019 according to the Decision of EGMS no.....)**

**CHAPTER I**  
**NAME, LEGAL STATUS, OFFICE ADDRESS AND OPERATION TERM**

ARTICLE 1 – NAME OF THE COMPANY

**1.1.** The Company's name is "Farmaceutica REMEDIA"

**1.2.** In all invoices, delivery notes, deeds, publications and documents issued by the Company, in addition to the name followed by the wording "Stock Company" or the abbreviation S.A., the registered office, the Trade Register number, the sole registration code and the share capital subscribed and paid-up according to the latest approved balance sheet shall be mentioned.

ARTICLE 2 – LEGAL STATUS OF THE COMPANY

**2.1.** The Company is a Romanian legal entity, incorporated as an **open** stock company, and its operation is regulated by the **legal** provisions **in force and** other applicable provisions of the Romanian legislation and by the provisions of these Articles of Association.

**2.2.** The corporate obligations are guaranteed by the Company's registered estate. Shareholders are liable only up to the concurrence of their contribution to the share capital of the Company.

ARTICLE 3 – OFFICE ADDRESS

**3.1.** The registered office of the Company is in **Romania, Deva, Blvd. 2, NICOLAE BĂLCESCU, (former Deva, 43 Dorobanților Street), Hunedoara County.**

**3.2.** The registered office of the Company may be moved to any other address in Romania, based on a resolution of the Extraordinary General Meeting of Shareholders or a resolution of the Board of Administrators, as applicable, in compliance with the procedure and publicity requirements established by the Romanian law.

**3.3.** The Company may open subsidiaries and branches, agencies, working facilities and representative offices at any address of Romania and from abroad, in compliance with the procedure and publicity requirements established by the Romanian law.

ARTICLE 4 – OPERATION TERM

**4.1.** The Company is incorporated for an unlimited time period, starting from the date of its registration with the Trade Register Office.

**CHAPTER II**  
**SCOPE OF ACTIVITY**

ARTICLE 5 - THE COMPANY'S SCOPE OF ACTIVITY

**5.1.** The Company's scope of activity is as follows:

- **Main activity area of the Company:** NACE code 477- Retail sale of other goods in specialized stores"
- **Main scope of activity:** NACE code 4773 – Retail sale of pharmaceutical products in specialized stores.

**5.2. Company will perform also secondary activities, as follows:**

- NACE code 4729 - Other retail sale of food in specialized stores
- NACE code 4771 - Retail sale of clothing in specialized stores
- NACE code 4772 - Retail sale of footwear and leather goods in specialized stores
- NACE code 4765 - Retail sale of games and toys in specialized stores
- NACE code 4764 - Retail sale of sporting equipment in specialized stores
- NACE code 4645 - Wholesale of perfume and cosmetics
- NACE code 4646 - Wholesale of pharmaceutical goods
- NACE code 4761 - Retail sale of books in specialized stores
- NACE code 4774 - Retail sale of medical and orthopedic goods in specialized stores
- NACE code 4775 - Retail sale of cosmetic and toilet articles- in specialized stores
- NACE code 4778 - Retail sale of other new goods, in specialized stores
- NACE code 4791 - Retail sale via mail order houses or via Internet
- NACE code 4941 - Freight transport by road
- NACE code 5210 - Warehousing and storage
- NACE code 6201 - Computer programming activities
- NACE code 6820 - Renting and operating of own or leased real estate
- NACE code 7022 - Business and other management consultancy activities
- NACE code 9609 - Other personal service activities n.e.c.
- NACE code 0240 - Support services to forestry
- NACE code 2120 - Manufacture of pharmaceutical preparations
- NACE code 2660 - Manufacture of irradiation, electromedical and electrotherapeutic equipment
- NACE code 3101 - Manufacture of office and shop furniture
- NACE code 3250 - Manufacture of medical and dental instruments and supplies-
- NACE code 3299 - Other manufacturing n.e.c.
- NACE code 3313 - Repair of electronic and optical equipment
- NACE code 3314 - Repair of electrical equipment
- NACE code 3320 - Installation of industrial machinery and equipment
- NACE code 4619 - Agents involved in the sale of a variety of goods
- NACE code 4690 - Non-specialized wholesale trade
- NACE code 4789 - Retail sale via stalls and markets of other goods -
- NACE code 4799 - Other retail sale not in stores, stalls or markets
- NACE code 4942 - Removal services
- NACE code 5520 - Holiday and other short-stay accommodation
- NACE code 5590 - Other accommodation
- NACE code 5821 - Publishing of computer games
- NACE code 5829 - Other software publishing
- NACE code 5920 - Sound recording and music publishing activities
- NACE code 6202 - Computer consultancy activities-
- NACE code 6209 - Other information technology and computer service activities
- NACE code 6399 - Other information service activities n.e.c.
- NACE code 6832 - Management of real estate on a fee or contract basis
- NACE code 7021 - Public relations and communication activities -
- NACE code 7211 - Research and experimental development on biotechnology
- NACE code 7219 - Other research and experimental development on natural sciences and engineering
- NACE code 7220 - Research and experimental development on social sciences and humanities -
- NACE code 7311 - Advertising agencies
- NACE code 7312 - Media representation -
- NACE code 7320 - Market research and public opinion polling
- NACE code 7410 - Specialized design activities
- NACE code 7490 - Other professional, scientific and technical activities n.e.c.
- NACE code 7711 - Renting and leasing of cars and light motor vehicles-
- NACE code 7740 - Leasing of intellectual property and similar products, except copyrighted works-
- NACE code 7911 - Travel agency activities
- NACE code 7912 - Tour operator activities
- NACE code 7990 - Other reservation service and related activities-
- NACE code 8110 - Combined facilities support activities
- NACE code 8230 - Organization of conventions and trade shows

- NACE code 8291 – Activities of collection agencies and credit bureaus
- NACE code 8292 – Packaging activities
- NACE code 8299 – Other business support service activities n.e.c.
- NACE code 8560 – Educational support activities

**5.3.** Also, the *Company* shall perform import-export activities, according to its scope of activity.

## **CHAPTER III**

### **SHARE CAPITAL AND OTHER ASPECTS RELATED TO SHARES**

#### ARTICLE 6 - SHARE CAPITAL

##### **6.1**

(1) The share capital of the Company is of RON 10.608.980, fully subscribed and paid-up.

(2) The share capital of the Company consists of an in-cash contribution of RON 9.698.082, and of a contribution from mergers of RON 573.887,30, and the initial contribution of the Romanian state, which is the founding shareholder, of RON 337.010,70.

(3) **The share capital is divided into 106.089.800 dematerialized nominative shares, having a nominal value of RON 0,1 / 1 share.**

**6.2.** The consolidated synthetic structure as of the date of 10.09.2019 of holders of financial instruments issued by Farmaceutica REMEDIA S.A., symbol RMAH, according to the Register of Financial Instrument Holders communicated by Depozitarul Central S.A., is as follows:

(1). **65,5055 %** of the fully subscribed and paid-up share capital, representing **69.494.616** shares, in an aggregate **nominal** value of RON **6.949.461,60**, is held by **Valentin-Norbert TARUS**, an Austrian citizen.

(2). **24,2477 %** of the share capital, fully subscribed and paid-up, representing **25.724.330** shares, in an aggregate **nominal** value of RON **2.572.433**, is held by **Pavel Ionica-Mirela**, Romanian citizen.

(3). **4,7615 %** of the share capital, fully subscribed and paid-up, representing **5.051.482** shares, in an aggregate **nominal** value of RON **505.148,20**, is held by **Other Individual Shareholders**.

(4). **5,4853 %** of the share capital, fully subscribed and paid-up, representing **5.819.372** shares, in an aggregate **nominal** value of RON **581.937,20** is held by **Other Legal-Entity Shareholders**.

**6.3.** The Company shall keep track of all shares and shareholders with Depozitarul Central S.A. or with other independent private register company.

**6.4.** (1) The shares of Farmaceutica REMEDIA S.A may be traded, in full or in part, through Bucharest Stock Exchange.

(2) Based on a resolution of the General Meeting of Shareholders, the Company may change its option related to the organized market for trading its shares.

**6.5.** (1) All shares shall have an equal nominal value and shall confer equal rights and obligations, including a right to participate in the distribution of dividends, a right to vote, and a right to be elected or appointed in specific positions with the Company.

(2) Each paid share shall confer to its holder a right to one vote in the General Meeting of Shareholders.

(3) The exertion of the voting right and of all other rights shall be suspended in case of shareholders who fail to fulfill their obligation to pay the subscribed shares, according to the provisions of the Romanian law and of these Articles of Association.

(4) Dividends shall not be paid for subscribed shares that are not paid by shareholders.

#### ARTICLE 7 – PARTICIPATION OF SHAREHOLDERS TO BENEFITS AND LOSSES

**7.1.** Shareholders shall participate to the profits and losses of the Company based on their contribution to the share capital.

**7.2.** Any creditor, of any shareholder, may raise claims only against the part of the profit of the Company that will be distributed to a shareholder as dividend by the Ordinary General Meeting of Shareholders or for the estate share due to such shareholder in case of liquidation of the Company, as per the provisions of the law and of these Articles of Association. The rights and obligations deriving from the holding of shares shall be transferred to assignees at the moment of acquisition of the relevant shares.

**7.3.** (1) Dividends, if such exist, shall be declared and paid only for the net profit obtained by the Company.

(2) The distribution of the net profit and the setting of dividends shall be proposed by the Board of Administrators and shall be approved by the General Meeting of Shareholders. Dividends that are not claimed within a time interval of three years as from the distribution date shall be barred by limitation and shall become revenues of the Company.

#### ARTICLE 8 – SHARE CAPITAL INCREASE OR DECREASE; OBLIGATIONS

**8.1.** (1) Any share capital increase has to be decided by the Extraordinary General Meeting of Shareholders.

(2) The Extraordinary General Meeting of Shareholders may authorize an increase of the Company's share capital up to a maximum level. Within the limits of the set level, the Board of Administrators of the Company may decide, as a result of delegation of prerogatives, the share capital increase.

**8.2.** A resolution on increasing or decreasing the share capital shall be registered with the Trade Register and shall be published in the Official Gazette. Decisions of the Company's Board of Administrators issued in exerting the prerogatives delegated by the Extraordinary General Meeting of Shareholders shall have the same status as the resolutions of the General Meeting of Shareholders in terms of their publicity and the possibility to challenge them in court.

**8.3.** (1) Based on a decision of the Board of Administrators and within the limits set by the Extraordinary General Meeting of Shareholders, the share capital may be increased by new in-cash or in-kind contributions of shareholders, in compliance with the publicity procedures and requirements established by the Romanian law.

(2) The share capital may not be increased, and new shares may not be issued if the previous share capital increase was not paid in full.

(3) A share capital increase by an in-cash contribution may be done by issuing new shares, which are offered for subscription:

a) – to holders of a preference right and to shareholders existing as of the registration date who did not dispose of their shares during the trading time period, or to those who acquired them during the trading time period;

b) – to investing public, provided that the new shares were not subscribed in full during the time period while the preference right was exerted, unless the Company decides on their cancellation in the Extraordinary General Meeting of Shareholders.

(4) The Extraordinary General Meeting of Shareholders may decide on the trading of preference rights under the terms of the law and of the regulations **and other applicable legal provisions**.

(5) The provisions of this Art. 8.3 shall be supplemented with **the legal provisions and regulations of the authorized bodies for this purpose**.

**8.4.** The share capital may be decreased only by the Extraordinary General Meeting of Shareholders and only after two months expired from the publication of the General Meeting of Shareholders' resolution in the Official Gazette.

**8.5.** Such resolution has to comply with the minimum legal capital, to show the reasons for such decrease and the procedure to be followed in decreasing the capital.

**8.6.** The share capital shall be decreased in accordance with the legal provisions.

**8.7.** The Company may launch corporate bond public offers in compliance with the provisions of NSC Regulation no. 1/2006, as amended, and of all the legal rules applicable during the offer.

#### ARTICLE 9 – TRANSMISSION OF SHARES

**9.1.** The shares are indivisible to the Company, which recognizes only a single owner for each share.

**9.2.** (1) Shares may be transferred freely among shareholders and to third parties.

(2) Transfers of shares have to be registered with Depozitarul Central S.A. or with other private independent register company.

**9.3.** Under the procedure established for information and control exertion, shareholders may request the following documents:

a) published periodical and annual financial results;

b) the revenue and expenditure budget;

c) current reports transmitted to **competent bodies**;

d) resolutions of the Ordinary and Extraordinary General Meetings.

## **CHAPTER IV COMPANY'S MANAGEMENT BODIES**

### **ARTICLE 10 - COMPANY'S MANAGEMENT AND EXECUTIVE BODIES**

**10.1.** (1) The Company's management and executive bodies are the General Meeting of Shareholders, the Board of Administrators, and the Managers.

(2) The General Meeting of Shareholders is the ultimate decisional body of the Company, which decides on all matters of interest for the Company. General Meetings are ordinary and extraordinary. These shall be held at the venue indicated in the convening notice.

(3) The Board of Administrators, as body having decision and control prerogatives, shall always observe the resolutions of the General Meeting of Shareholders, which shall be strictly implemented by it. The Board of Administrators shall be organized and shall operate according to the law and to these Articles of Association.

### **ARTICLE 11 - CONVENING OF GENERAL MEETINGS OF SHAREHOLDERS**

**11.1.** Ordinary General Meetings shall be convened at least once a year, within maximum 4 months after the end of the Company's financial year, while extraordinary ones shall be organized whenever this is necessary.

**11.2.** (1) A General Meeting of Shareholders may be convened by the Chairman of the Board of Administrators or by the Board of Administrators, as well as upon request by shareholders holding individually or together at least 5% of the share capital.

(2) A General Meeting of Shareholders is convened by the Chairman of the Board of Administrators within maximum 30 days as from receipt of a request, and shall be held within maximum 60 days after such date.

(3) The effective convening procedure shall be conducted in compliance with the applicable legal provisions. The convening notice shall meet all the validity requirements set by law.

(4) The General Meeting of Shareholders shall be held at least 30 days after the publication of the convening notice in the Official Gazette of Romania.

### **ARTICLE 12 - ORGANIZATION OF GENERAL MEETINGS**

**12.1.** A General Meeting of Shareholders shall be chaired by the Chairman of the Board of Administrators or, in case of impossibility, by other person appointed by the Chairman of the Board of Administrators.

**12.2.** (1) The General Meeting of Shareholders shall elect a secretariat comprising between 1 and 3 shareholders, who shall verify the shareholders' attendance list, by indicating the share capital represented by each of them.

(2) The Chairman may appoint one or more technical secretaries from among the Company's employees to participate in the performance of the operations mentioned above, and who would prepare a minutes of the meeting, which shall record: the fact that the convening formalities were met, the date and venue of the general meeting, the attending or represented shareholders, the number of shares held by each shareholder, a summary of debates, adopted resolutions and, upon request by shareholders, their statements during the meeting.

(3) The General Meeting of Shareholders may decide that the operations mentioned above be supervised or performed by a notary public, at the expense of the Company.

**12.3.** (1) Each share gives the right to one vote in the General Meeting of Shareholders.

(2) Shareholders may be represented in the General Meeting of Shareholders also by other persons, based on a special power of attorney.

(3) Members of the Board of Administrators, managers or officers of the Company may not represent the shareholders.

**12.4.** An Ordinary General Meeting of Shareholders is deemed validly held and may make decisions if shareholders representing at least 1/2 out of the total number of voting rights participate upon the first convening. Resolutions can be validly adopted based on a majority of the expressed rights.

**12.5.** If the legal quorum requirements are not met upon the first convening, a second Ordinary General Meeting may be convened, which shall be legally held if any part of the share capital represented in the meeting is met. Resolutions shall be validly adopted based on a majority of the expressed rights.

**12.6.** An Extraordinary General Meeting of Shareholders is deemed validly held and may make decisions if shareholders representing at least 1/2 out of the total number of voting rights participate upon the first convening. Resolutions can be validly adopted based on a majority of the expressed rights.

**12.7.** If the legal quorum requirements are not met upon the first convening, a second Extraordinary General Meeting, which shall be legally held if shareholders representing at least 40% of the share capital of the Company attend. Resolutions shall be validly adopted based on an absolute majority of the expressed votes.

**12.8.** Decisions on changing the Company's main scope of activity, on decreasing or increasing the share capital, on changing the Company's legal status, on the Company's merger, spin off or winding up shall be made based on a majority of 2/3 (two thirds) of the voting rights held by attending or represented shareholders.

**12.9.** Resolutions made in compliance with the quorum requirements and the majority required by these Articles of Association are binding to missing shareholders who were legally convened, and also to shareholders who voted against or refrained from voting.

**12.10.** Within 15 days after the date of the General Meeting of Shareholders, adopted resolutions shall be filed with the Trade Register, **shall be transmitted to the other authorized bodies** and shall be published in the Official Gazette of Romania.

**12.11.** Resolutions of General Meetings adopted in breach of the legal provisions or of these Articles of Association may be appealed in court within 15 days as from their publication in the Official Gazette, by any of the shareholders who did not attend the General Meeting of Shareholders or who voted against them and requested this aspect to be recorded in the minutes of the meeting.

#### ARTICLE 13 – PREROGATIVES OF GENERAL MEETINGS OF SHAREHOLDERS

**13.1.** The Ordinary General Meeting of Shareholders has the following main prerogatives:

- a) to discuss, approve or amend the annual financial statements based on reports presented by the Board of Administrators or the financial auditor, and to set the dividend;
- b) to establish the revenue and expenditure budget and, as applicable, the activity schedule for the next financial year;
- c) to elect and revoke the administrators;
- d) to appoint and set a minimum term of the financial audit agreement, and to revoke the financial auditor;
- e) to decide upon the management of the Board of administrators;
- f) to decide to pledge, lease or dissolve one or more of the Company's units;
- g) to decide to sue administrators or financial auditors for damages caused to the Company, by appointing a person in charge of filing such action with the court.

**13.2.** The Extraordinary General Meeting of Shareholders has the following prerogatives:

- a) to change the legal status of the Company;
- b) to decrease or restore the share capital by issues of new shares;
- c) to increase the share capital; -
- d) to merge with other companies or to spin off the Company;
- e) to early dissolve the Company;
- f) to issue bonds and to convert a category of bonds into a different one or into shares;
- g) to convert shares of one category into another;
- h) to convert nominative shares in bearer shares or bearer shares into nominative shares;
- i) any other amendments to the Articles of Association or any other resolution in respect of which an approval from the Extraordinary General Meeting of Shareholders is required;
- j) to delegate the share capital increase prerogative to the Board of Administrators for a time period of maximum one year. Such delegation may be renewed for time periods of maximum one year each, within the limit set by the Extraordinary General Meeting of Shareholders.

#### ARTICLE 14 – MANAGEMENT AND REPRESENTATION OF THE COMPANY

**14.1.** (1) The Company is managed by a Board of Administrators composed of minimum 3 administrators, jointly liable to the Company, irrespective of their citizenship or nationality.

(2) The number of administrators shall always be uneven.

(3) Administrators shall be elected by the General Meeting of Shareholders for a time period of maximum 4 years. Their mandate may be renewed for a time period established by the Ordinary General Meeting of Shareholders.

(4) Administrators may be revoked at any time by a resolution of the Ordinary General Meeting of Shareholders.

(5) The majority of members of the Board of Administrators shall be composed of non-executive administrators.

(6) One member of the Board of Administrators may be represented in the meetings of the Board of Administrators only by other member of the Board of Administrators, based on a special power of attorney.

(7) Administrators have the obligation to submit their signature specimens with the Trade Register within 15 days after their appointment.

(8) The administrators' powers, liability and remuneration shall be regulated by the decision of the General Meeting of Shareholders whereby they are appointed.

**14.2.** (1) A vacancy means the inability of a Administrators to fulfill his/her prerogatives.

(2) In case of vacancy, the other administrators have to elect one or more temporary administrators, as applicable, until the General Meeting of Shareholders that elects the new administrators who will occupy such vacancies shall be convened as per Art. 137<sub>2</sub> of Law no. 31/1990, as republished and amended.

(3) In case of resignation of the Chairman, the other administrators shall elect a temporary Administrator and a new Chairman until the convening of the General Meeting of Shareholders.

**14.3.** Administrators have to conclude a professional liability insurance.

**14.4.** (1) During the fulfillment of their mandate, administrators may not conclude an employment agreement with the Company.

(2) In situations where administrators were nominated from among the Company's employees, their individual employment agreements shall be suspended during the mandate term.

**14.5.** (1) Administrators shall not hold positions of administrators with any company competing with the Company, or with any company having a scope of activity similar to that of the Company without the approval of the General Meeting of Shareholders.

(2) Administrators shall not get involved in activities falling under the Company's scope of activity or in competing areas either on their own behalf or on behalf of other individuals or legal entities without having an approval from the General Meeting of Shareholders.

(3) In case of breach by any of the administrators of the aforementioned restrictions, he/she shall be revoked from his/her position and shall be held liable for any damages that would result from such breach.

**14.6.** (1) The Board of Administrators may delegate the management of the Company to one or more managers, by appointing one of them as Managing Director. The Chairman of the Board of Administrators may be appointed also as Managing Director.

(2) Managers may not be appointed from among the administrators or from outside the Board of Administrators.

(3) Managers are in charge of taking all steps related to the management of the Company, within the limits of its scope of activity, by observing the exclusive prerogatives reserved by law or by these Articles of Association to the Board of Administrators and to the General Meeting of Shareholders.

**14.7.** Managers, as well as members of the Board of Administrators have the obligation to participate in the Company's General Meetings of Shareholders.

**14.8.** The Company has the obligation to provide members of the Board of Administrators and Managers with mandate contracts, by recording expenses of up to EUR 5.000 per year.

#### ARTICLE 15 – CONVENING AND ORGANIZATION OF MEETINGS OF THE BOARD OF ADMINISTRATORS

**15.1.** (1) Each director shall have one vote in the Board of Administrators.

(2) The Board of Administrators shall meet at least once in 3 months or whenever this is necessary, based on a convening by the Chairman or based on a justified request of at least 2 of its members or of the Managing Director.

**15.2.** (1) The Board of Administrators shall be chaired by the Chairman.

(2) The Board of Administrators is validly gathered in the presence of the majority of its members, and may decide based on an absolute majority of the attending members.

(3) The meeting secretary or secretaries, elected by the Board of Administrators prior to the commencement of debates included in the agenda for each meeting, shall prepare the minutes of the relevant meeting, in which they shall record the date and venue of the meeting, the fact that the convening procedure was complied with, names of the attending members, the agenda, a summary of debates, separate opinions and adopted decisions, by mentioning the obtained voting majority.

(4) Such minutes shall be signed both by the meeting Chairman and by at least one other director.

**15.3.** (1) The Chairman of the Board of Administrators shall have a decisive vote in case of vote parity. The Chairman of the Board of Administrators who is at the same time Manager of the Company may not have a decisive right.

(2) If the Chairman in office of the Board of Administrators is unable or prohibited to participate in the voting, the other members may elect a meeting chairman having the same rights as the Chairman in office.

(3) In case of vote parity and if the Chairman does not have a decisive vote, the proposal subject to voting is deemed rejected.

**15.4.** (1) Meetings of the Board of Administrators may be held also by teleconference or via internet, provided that all members participating in the meeting have a physical possibility to participate in the discussions, to hear all the matters included in the working agenda and to vote validly, and on an informed basis.

(2) A written document shall have to be signed within maximum 15 days after the meeting is held, mentioning the deliberations, the adopted decisions, the number of votes and the separate opinions of administrators.

#### ARTICLE 16 – PREROGATIVES OF THE BOARD OF ADMINISTRATORS AND OF THE CHAIRMAN OF THE BOARD OF ADMINISTRATORS

**16.1.** The prerogatives of the Board of Administrators are the following:

- a) to set the main directions of activity and development of the Company;
- b) to establish the accounting and financial control system and to approve financial planning;
- c) the Board of Administrators may delegate the management of the Company to one or more managers, by appointing one of them as Managing Director. The organization of the activity of managers shall be established by a decision of the Board of Administrators;
- d) to appoint and revoke managers and to set their remuneration;
- e) to set the additional remuneration of members of the Board of Administrators in charge of specific functions, within the general limits set by the General Meeting of Shareholders;
- f) to supervise the activity of managers (the Board of Administrators represents the Company in its relations with the managers);
- g) to prepare the annual report, to organize the General Meeting of Shareholders and to implement its resolutions;
- h) to file an application for the initiation of insolvency proceedings against the Company under Law no. 85/2006 on Insolvency Proceedings;
- i) to change the office address of the Company;
- j) to change the Company's scope of activity, except for the main activity area and scope of the Company;
- k) to incorporate and dissolve secondary offices: branches, agencies, representative offices or other such units without legal personality;
- l) to increase the share capital and to establish the procedure to be followed in compliance with these Articles of Association and the laws in force, within the limits established by the Extraordinary General Meeting of Shareholders;
- m) to conclude documents referring to the acquisition, disposition, exchange or creation of guarantees over assets belonging to the category of fixed assets of the Company the value of which does not exceed, individually or cumulatively, 20% of the total fixed assets, except for receivables, during the term of a financial year. In the event that such value exceeds, individually or cumulatively, 20% of the total fixed assets, except for receivables, during the term of a financial year, the documents listed under this paragraph shall be concluded by the administrators or managers of the Company only based on a prior approval by the Extraordinary General Meeting of Shareholders;
- n) to review and discuss the report of the Managing Director and of the other managers;
- o) to elect the Chairman of the Board of Administrators;
- p) to approve the marketing tactics and strategy, the Company's development policy and the sales policy;
- q) to organize the Company's own control;
- r) to approve the conclusion of legal documents by the Company with third parties for the attainment of the Company's scope of activity; to approve the contracting of bank loans up to an amount of EUR 1.000.000,--;



s) to comply with and fulfill all transparency and reporting requirements established by the legal rules in force, including those issued by NSC, and by the operators of regulated markets in which the securities issued by the Company are traded.

**16.2.** The Chairman of the Board of Administrators has the following prerogatives:

a) to convene the General Meeting of Shareholders based on proposals by the Board of Administrators or on requests from shareholders individually or cumulatively holding at least 5% of the share capital;

b) to run the meetings of the Board of Administrators and the General Meetings of Shareholders;

c) may represent the Company in its relations with third parties in the absence of the Managing Director.

**16.3.** (1) The Chairman of the Board of Administrators shall be appointed by the Board of Administrators, a body having also the right to revoke him/her from his/her position.

(2) The Chairman of the Board of Administrators may be appointed also as Managing Director.

#### **16.4. GENERAL DIRECTOR**

The Managing Director has the following prerogatives and obligations:

a) to represent the Company in its relations with shareholders, third parties and employees' representatives under the law and these Articles of Association;

b) to hire and fire the staff of the Company, based on approvals by the Board of Administrators in respect of managers;

c) to endorse the job descriptions and salaries of all employees of the Company, based on approval by the Board of Administrators in respect of managers;

d) to propose to the Board of Administrators to amend the organizational chart of the Company;

e) to approve sanctions to the Company staff, based on approval by the Board of Administrators in respect of managers;

f) to propose the bonus system for the Company staff to the Board of Administrators;

g) to propose the persons to have a signature right with the bank, as well the limits of such right to the Board of Administrators;

h) in the absence of a resolution of the General Meeting of Shareholders or of the Board of Administrators, the Managing Director may commit the Company within the limits of an amount representing a maximum RON equivalent of EUR 500.000, but no more than 20% of the total fixed assets, except for receivables, for financial operations calculated individually or cumulatively during a financial year;

j) to report to the Board of Administrators;

k) is liable for exceeding his/her prerogatives;

l) **may delegate its powers to other Directors by internal decision.**

## **CHAPTER V ACCOUNTING**

### ARTICLE 17 – ACCOUNTING TIME PERIOD; INTERNAL AUDIT; EXTERNAL AUDIT

**17.1.** (1) The financial & accounting year (the accounting term) of the Company starts on 1 January and ends on 31 December of each year.

(2) The first accounting terms starts on the date of the Company's incorporation and ends on 31 December of the current year.

(3) The Company may open bank accounts with Romanian or foreign banks of Romania, in RON or in foreign currency.

**17.2.** (1) Each year, the Company, by courtesy of the administrators, has to prepare its balance sheet, profit and loss account, and to keep records on its economic and financial activities in compliance with the legislation in force.

(2) For the fulfillment of the legal publicity formalities, the Company has the obligation to file with the institutions established by law – on paper support and in electronic format or only in electronic format, having attached an extended electronic signature – copies of the annual financial statements, accompanied by the report of the administrators, the report of the financial auditors, as well as the minutes of the General Meeting of Shareholders, in compliance with the terms set by Accounting Law no. 82/1991, as republished, and by Art. 185 of Law no. 31/1990, as republished, within 15 days after the date of the General Meeting of Shareholders.

**17.3.** (1) The Company's financial statements shall be audited by natural person or legal entity financial auditors, under the terms set by law.

(2) The Company shall organize the internal audit according to the norms drafted by the Romanian Chamber of Financial Auditors.

(3) The main tasks of the internal auditors shall be as follows:

a) to control the manner in which the Company is managed and run;

b) to verify whether the balance sheet and the profit and loss account have been prepared in compliance with the legal provisions and with the registrations existing in the accounting records and books of the Company; to verify whether the registers of the Company are kept properly and whether the company's assets have been assessed as per the regulations on the preparation of balance sheets;

c) to verify, unannounced, on a monthly basis, the management of the Company's funds and the existence of guarantees and securities held by the Company or received by it as pledge, deposit or collateral;

d) to convene the Ordinary and Extraordinary General Meeting of Shareholders when this is not convened by the Board of Administrators;

e) to take part, without a voting right, in the sessions of Ordinary and Extraordinary General Meetings and to include in their agenda matters deemed of interest;

f) to verify the conclusion in due time of insurance policies for professional liability by the administrators;

g) to secure compliance with the provisions of the law and of the Articles of Association by the administrators and by appointed liquidators;

h) to perform any other tasks resting upon them under the law.

(4) Internal auditors shall be held jointly liable to the Company for any damages caused to it or for the improper fulfillment of the duties resting upon them under the law and these Articles of Association.

(5) The reports of the Company's external auditors, their rights, duties and the manner of exerting their activities are those regulated by the applicable law.

**17.4.** The manner and procedure under which internal auditors report to the General Meeting of Shareholders shall be established in compliance with the minimal norms drafted by the Romanian Chamber of Financial Auditors.

**17.5.** Internal auditors shall inform the members of the Board of Administrators on management irregularities and on breaches of the legal provisions and of the provisions of the Articles of Association identified by them, and the most important cases shall be notified to the General Meeting of Shareholders.

#### ARTICLE 18 – CALCULATION AND DISTRIBUTION OF PROFITS

**18.1.** (1) The profit of the Company is established in accordance with the legal requirements and is approved by the Ordinary General Meeting of Shareholders.

(2) Taxable profits are established as being the difference between the total revenues and the expenses made by the Company for the obtention of such revenues in the relevant fiscal year, to which non-deductible expenses are added and non-taxable revenues are deducted.

**18.2.** A reserve fund no lower than 5% of the gross profit has to be created until it reaches 20% of the share capital of the Company.

**18.3.** Shareholders are entitled to dividends proportionally to the shares held by them, calculated on the basis of the earned net profit.

**18.4.** (1) The distribution of dividends and any other decisions on the allocation of the net profit shall be decided by the Ordinary General Meeting of Shareholders.

(2) If losses exist, the General Meeting of Shareholders shall review the causes for such losses and shall discuss the methods for recovering them.

### **CHAPTER VI**

#### **CHANGE OF THE COMPANY'S LEGAL STATUS, COMPANY DISSOLUTION AND DISPUTES**

#### ARTICLE 19 – CHANGE OF THE COMPANY'S LEGAL STATUS

**19.1.** The Company may be changed into a different type of company based on a resolution of the General Meeting of Shareholders, in compliance with the law.

**19.2.** Except for situations where the aforementioned resolution provides otherwise, the new company has to have a share capital at least equal to that of the old company and the same shareholders.

**19.3.** In order to be incorporated, the new company shall observe the legal formalities required for the incorporation of companies in terms of registration and publicity.

#### ARTICLE 20 – DISSOLUTION, MERGER AND SPIN OFF OF THE COMPANY

**20.1.** Dissolution, merger and spin off shall be performed according to the legal provisions.

**20.2.** (1) The following events shall result in the Company's dissolution:

- (a) impossibility to attain the Company's scope of activity;
  - (b) insolvency and bankruptcy of the Company;
  - (c) reduction of the share capital below the legal minimum limit or in situations where, as a result of losses, net assets represent less than ½ of the share capital, and the General Meeting of Shareholders does not decide to restore the share capital;
  - (d) in any other situations, based on an anonymous approval by the General Meeting of Shareholders.
  - (e) in any other situations set by law.
- (2) Dissolution of the Company has to be registered with the Trade Register and published in the Official Gazette.

#### ARTICLE 21 – LIQUIDATION OF THE COMPANY

**21.1.** (1) Once dissolved, the Company has to be liquidated.

(2) Liquidation shall be performed according to the legal provisions.

#### ARTICLE 22 - DISPUTES

**22.1.** Any dispute between shareholders of the Company arising in respect of the conclusion and execution of these Articles of Association falls under the jurisdiction of the ordinary law court having territorial jurisdiction at the office address of the Company.

**22.2.** Disputes of the Company with its staff employed based on an employment agreement shall be settled in accordance with the labor legislation of Romania.

### **CHAPTER VIII**

#### **FINAL PROVISIONS**

#### ARTICLE 23 – GOVERNING LAW

**23.1.** The aspects that are not addressed by these Articles of Association shall be supplemented by the Romanian legislation in force or by resolutions of the General Meeting of Shareholders.

#### ARTICLE 24 – AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

**24.1.** These Articles of Association may be amended by observing the content and form requirements established by the Romanian law for the conclusion of articles of association.

**24.2.** Any amendments to the Articles of Association shall be subject to approval by the General Meeting of Shareholders and shall be registered with the Trade Register, under the law.

#### ARTICLE 25 – COMPANY'S ESTATE

**25.1.** Assets acquired by the Company after its incorporation shall become its property as from the moment of its incorporation.

**These Articles of Incorporation were updated in compliance with Extraordinary General Meeting of the Shareholders Decision no. ....**

Signed today, 4.12.2019, in 4 original counterparts.

**Commercial Society Farmaceutica REMEDIA S.A. - by:**

**Chairman of the Board of Administrators**

**„TARUS” - Valentin Norbert TARUS e.U”**