

Policy of Transactions with Companies Having Strong Relationships with Farmaceutica REMEDIA SA Worth 5% or More of the Net Assets

This policy shall apply to transactions with any of the companies having strong relationships worth 5% or more of the net assets of Farmaceutica REMEDIA SA, insofar as such transactions are classified as events subject to reporting requirements.

DEFINITIONS

- A. Administrators – are members of the Board of Administrators (Board) of Farmaceutica REMEDIA SA as stipulated in the Memorandum of Association of the company;
- B. Superior Executive Management – is carried out by the General Director and the directors subordinated directly to him/her, according to the organizational chart of the company.
- C. Significant Shareholders – shareholders holding a threshold of shares of 5%;
- D. Related Party – a person or entity that, by virtue of its positions, authority, participations or relationship with the company, may influence directly or indirectly the decision-making process of the company;

The International Financial Reporting Standards provide, in the International Accounting Standard 24 (IAS24), a widely accepted definition of the term of "related party": "A related party shall mean a person or entity that is related to the entity that prepares its financial statements (hereinafter referred to as the "reporting entity").

- (a) A person or close member of the respective person's family is related to a reporting entity if the respective person:

- ▶ (i) controls or is under common control with the reporting as defined by the Law 297/2004 on the capital market;
- ▶ (ii) has a significant influence over the reporting entity;
- ▶ (iii) is part of the key management staff of the reporting entity or of a parent company of the reporting entity.

- (b) An entity is related to a reporting entity if it fulfils any of the following requirements:

- ▶ (i) The entity and the reporting entity are members of the same group (this means that every parent-company, subsidiary and branch of the same group is related to the other entities);
- ▶ (ii) An entity is an entity related or jointly controlled of the other entity (or entity associated or jointly controlled of a member of the group to which the other entity belongs);
- ▶ (iii) Both entities are entities jointly controlled by the same third party;

- ▶ (iv) One entity is an entity jointly controlled by a third entity and the other entity is an entity associated to the third entity;
- ▶ (v) The entity is a plan of post-employment benefits for the employees of the reporting entity or of an entity related to the reporting entity. In case the reporting entity itself represents such a plan, the sponsor employees are related to the reporting entity as well;
- ▶ (vi) The entity is controlled or jointly controlled by a person identified at point (a);
- ▶ (vii) A person identified at point (a) (i) has a significant influence over the entity or is a member of the key management staff of the entity (or of a parent-company of the entity).

Close members of the family of an individual are those members of the family that have up to 3rd degree family relationships with the respective individual, who may be expected to influence or be influenced by the respective individual in their dealings with the entity. They may include:

- (a) the individual's children, spouse or domestic partner;
- (b) the children of the spouse/domestic partner of the respective individual; and
- (c) dependents of the respective individual or of the individual's spouse/domestic partner.

Key management personnel members are those persons having authority and responsibility for planning, managing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or not) of the entity.

Significant influence is the power to participate to the financial and operational policy of an entity, but does not grant control over the respective policies. Significant influence may be obtained by shareholding, statute or contracts.

E. Unrelated parties – In the context of the IAS24, the following parties are not related:

- (a) two entities, just because they have a director or another key management staff member in common or because a member of the key management staff of one entity has a significant influence over the other entity;
- (b) two associates simply because they share joint control over a joint venture;
- (c) Other entities:
 - (i) providers of finance
 - (ii) trade unions,
 - (iii) public services, and
 - (iv) government departments and agencies that do not have joint control nor significant influence over the reporting entity, just by virtue of their normal dealings with an entity (although they might affect the freedom of action of an entity or the participation to the decision-making process within the entity);
 - (d) a customer, supplier, franchisor, distributor or general agent with whom the entity has a significant volume of transactions, just by virtue of the resulting economic dependence.

TRANSACTIONS

A transaction with a related party is essentially a transaction bringing a financial benefit for a related party. Financial benefits may be generated by different transactions such as investments, granting of loans, purchase of goods or contracts of service provision.

PRINCIPLES

As regards the transactions with any of the companies having strong relationships worth 5% or more of the net assets of Farmaceutica REMEDIA SA, insofar as these transactions are classified as events subject to reporting requirements, Farmaceutica REMEDIA SA shall apply the following principles:

1. Framework for Pointing Out the Interests and Identification and Notification of Conflicts:

In order to identify the transactions with related parties, the individuals belonging to the "superior management" shall be requested to make declarations regarding the relationship with such parties. These declarations are analyzed in order to identify the transactions with the related parties. The transactions with a value above 5% of the net assets of the company shall be subject to the endorsement by the Audit Committee and shall be compared with similar transactions with other unrelated entities. A registry shall be set up including all related parties and their interests.

The administrators and executive management members shall notify immediately the company in case they or their family members have a significant interest in a transaction with the company.

The declarations of affiliation shall be reviewed and analyzed by the Audit Committee on a yearly basis. The registry of related entities shall be updated at least once a year and as soon as new information appears.

2. Delegation of Authority for Transactions with Related Parties:

The threshold above which the transactions with related parties require prior approval by the Audit Committee, Board and shareholders, as the case may be, shall be set on a yearly basis by the Board of Administrators upon the proposal of the Audit Committee.

3. Limiting the Related Parties' Capacity to Participate to Decision-Making:

The management staff members whose related parties have an interest in the transaction under scrutiny shall not participate to the discussions, deliberations or the process of decision making regarding the transactions, other than to communicate the directly requested information, in order to facilitate the decision making.

4. Approval by the Board of the Transactions with Related parties Based on Qualified Majority:

The transactions with related parties shall be approved based on the unanimous agreement of the administrators.

5. Need of Independent Consultancy:

Farmaceutica REMEDIA SA develops procedures in order to request independent external consultancy intended to facilitate the analysis of transactions with related parties. Such consultancy may, for instance, focus

on the assessment of the related party's interest in the transaction or on establishing the market value of the assets involved in the transaction, including based on the transfer pricing.

6. Monitoring:

Transactions with related parties whose value exceeds 5t% of the net assets of the company shall be monitored by the Internal Audit Department that shall prepare a periodical report of these transactions and present it to the Audit Committee.

7. Conflicts of Interests:

Any potential conflicts of interests arising from the use of company's goods, association with related companies, use of information received in the context of fulfilling the obligations at the level of the "superior management" or the conclusion of transactions with related parties shall be submitted to the Audit Committee by the director of every department of Farmaceutica REMEDIA SA.

8. Preferential Treatment:

Agreements shall be concluded based on the principle that no shareholder shall benefit of preferential treatment compared to other shareholders regarding the transactions and agreements between the company and the shareholders and their related parties.

9. Reporting and Disclosure of Information Regarding the Related Parties:

Any transaction carried out by the company with any company it has strong relations with and whose value represents 5% or more of the net assets of the company (according to the latest financial report), approved by the Board based on a mandatory opinion expressed by the Audit Committee shall be disclosed in a correct manner to the shareholders and potential investors, if such transaction is classified as an event which is subject to reporting.

10. Objectivity:

All transactions with related parties shall be assessed objectively, based on their own merits so as to ensure independence and protection of the company's interests, in compliance with the restrictions set by the legislation and presented in a correct manner to the shareholders and potential investors.

Chairman of the Board of Administrators,

„TARUS” – Valentin Norbert TARUS e.U.

Valentin – Norbert TARUS

Endorsed by,

General Director
Robert Mihail PELOIU

Date:

December 14, 2015