

**ORGANIZATION AND FUNCTIONING REGULATIONS
OF THE AUDIT COMMITTEE OF THE BOARD OF ADMINISTRATORS
Farmaceutica REMEDIA S.A.**

Chapter 1 - GENERAL DISPOSITIONS

The Audit Committee is mandatory for all public interest entities in accordance with the following regulations:

- Law on commercial companies no. 31/1990, with subsequent amendments and completions;
- The Articles of Associations of the company Farmaceutica REMEDIA SA;
- Law no. 162/2017 regarding the statutory audit of the annual and consolidated statements;
- Corporate Governance Code of BVB.

Chapter 2 - ATTRIBUTIONS

- a) - guides the financial reporting process and sends recommendations or proposals to ensure its integrity;
- b) - guide the effectiveness of the entity's internal quality control systems and risk management systems and, as the case may be, of the internal audit regarding the financial reporting of the audited entity, without violating its independence;
- c) - guides the statutory audit of the unconsolidated and consolidated annual financial statements, especially its performance, taking into account the findings and conclusions of the competent authority, in accordance with art. 26 par. (6) of Regulation (EU) no. 537/2014;
- d) - informs the members of the Board of Administrators of the audited entity, as the case may be, about the results of the statutory audit and explains how the statutory audit contributed to the integrity of the financial reporting and what was the role of the audit committee in this process;
- e) - evaluates and monitors the independence of financial auditors or audit firms in accordance with art.21 -25, 28 and 29 of Law no.162 / 2017 and with art.6 of Regulation (EU) no.537 / 2014 and, in particular, the opportunity to provide non-audit services to the audited entity in accordance with art. 5 of the respective regulation;
- f) - is responsible for the selection procedure of the financial auditor or audit firm and recommends to the General Meeting of Shareholders and / or members of the Board of Administrators the financial auditor or audit firm (s) to be appointed in accordance with Article 16 of the Regulation (EU) no. 537/2014, unless art. 16 paragraph 8 of Regulation (EU) no. 537/2014 applies.

Chapter 3 - MISSION AND OBJECTIVES OF THE AUDIT COMMITTEE

The role of the Audit Committee is to assist the Board of Administrators in fulfilling its attributions regarding the financial reporting process, the effectiveness of the internal

quality control system and of the risk management system and of the internal audit regarding the financial reporting.

The Audit Committee aims to monitor:

- the financial reporting process;
- statutory audit of financial statements;
- evaluation of the independence of the statutory auditor;
- the effectiveness of the risk management activity;
- the activity of the internal audit regarding the financial reporting;

Chapter 4 – AUTHORITY OF THE AUDIT COMMITTEE

The Audit Committee is authorized to:

- Ask the external consultants, the financial auditor, the internal auditors, or other persons / specialists / experts, opinions or assistance for carrying out an investigation;
- Request any necessary information from employees or interested third parties;
- Organize and conduct meetings with employees, the financial auditor, internal auditors or consultants, as appropriate.

Chapter 5 – DUTIES OF THE AUDIT COMMITTEE

The Audit Committee has the following main attributions:

- Approves the Internal Audit Charter;
- Approves the annual internal audit plan;
- Approves the internal audit reports and the recommendations formulated by the internal auditors;
- Analyzes and makes recommendations to the Board of Administrators regarding the appointment, renaming and dismissal of external auditors, which must be approved by the shareholders;
- Periodically evaluates the efficiency, independence and objectivity of external auditors;
- Monitors the relationship with the statutory auditor as follows:
 - a) makes recommendations regarding the remuneration of the external auditor, both for the audit services and for other services provided, as the case may be, ensuring that the level of fees charged allows an adequate audit to be performed;
 - b) organizes regular meetings with the statutory auditor, especially in the planning, execution and reporting stages of the audit;
 - c) reviews the conclusions of the audit performed by the statutory auditor;
 - d) discuss any essential issues that arise;
 - e) develops and implements a policy regarding the provision of any other services besides the audit ones by the statutory auditor, taking into account any ethical recommendation in this respect;
- Monitors the financial reporting process paying attention to the following aspects:
 - a) compliance with the accounting standards and with the requirements provided by the laws and regulations in force;
 - b) the extent to which the financial statements are affected by any significant transactions made during the year and the manner in which these transactions are reported;
 - c) the methods used to justify significant or unusual transactions, when several approaches are possible:
 - clarity, completeness and adequacy of reporting;
 - any significant adjustments proposed by the statutory auditor;
 - the consistency of the accounting policies and any changes brought to them.
- Monitors the statutory audit of the annual financial statements;
- Monitors the effectiveness of internal control and risk management systems;
- Review annually its own performance and terms of reference to ensure that it operates

with maximum efficiency. Following this evaluation, the Audit Committee will propose to the Board of Administrators for approval any changes it deems necessary;

Chapter 6 – ORGANIZATION AND FUNCTIONING OF THE AUDIT COMMITTEE

The Audit Committee of Farmaceutica REMEDIA SA consists of at least two members appointed by the Board of Administrators.

At least one member of the Audit Committee is independent and non-executive and must have competencies in the field of statutory accounting and auditing, proven by qualification documents for the respective fields.

During the exercise of the mandate, the members of the Audit Committee will not hold positions, qualities and will not carry out transactions that could be considered incompatible with the mission of the Audit Committee.

In case of termination of membership, the Board of Administrators will propose to the Chairman the appointment of another member to fill the vacancy.

The termination of the membership in the Audit Committee takes place by revocation, by resignation, respectively at the fulfillment of the mandate.

The Committee is chaired by a Chairman, elected by a simple majority of votes from the members, during the first meeting, for a mandate equal to that of the Board of Administrators approved by the General Meeting of Shareholders.

If the President can no longer exercise his term of office, the members of the Committee shall elect a new Chairman under the same conditions as provided in the preceding paragraph. Presedintele The Audit Committee has the following responsibilities:

- establishes the date of the ordinary and extraordinary meetings of the committee, the order during the day, convenes its members and chairs the meetings of the committee;
- signs the correspondence received and / sent by the Committee.
- participates in the meetings organized by the management of Farmaceutica REMEDIA, at the request of the General Director, to express the opinion of the committee on the issues under debate. The Audit Committee will meet periodically, at least four times a year, as well as exceptionally, if appropriate.

The meetings of the Audit Committee will be convened by mutual agreement by the two members of the committee, who will also establish the agenda.

Chapter 7 - FUNCTIONAL RELATIONS

In carrying out its duties and improving the activities it analyzes, approves, monitors, the committee collaborates with:

- a) The Economic management, including the services within its structure;
- b) Internal audit department;
- c) The financial management control department;

The management, with the representatives of the functional structures within Farmaceutica REMEDIA S.A.

In order to be valid, the decisions of the Audit Committee will have to fulfill, cumulatively, the following conditions:

- The decision to be taken in the presence of the majority of the members of the Audit Committee;
- The decision to be voted with the majority of the votes cast.

At each meeting of the Audit Committee, a meeting report will be drawn up which will include the name and surname of the members present, the decisions taken, the number and type of votes cast by each decision, and, upon request, the separate opinions. The minutes are signed by the members of the Audit Committee who participated in the meeting.

Based on the minutes of the meeting, the Note of the Audit Committee is issued, which will include all the proposals taken on the occasion of each meeting and will be submitted to the Board of Administrators.

The Audit Committee prepares an annual Report on the activity carried out which it submits to the Board of Administrators.

Chapter 8 – CONFIDENTIALITY AND PROFESSIONAL SECRET

The members of the Audit Committee have the responsibility to maintain the confidentiality regarding the data, facts, situations or documents of which they become aware within the activity of the committee.

FINAL DISPOZITION

The provisions of these Internal Regulations are reviewed and supplemented by law with all the regulations regarding the activity of the Audit Committee, at the proposal of the Audit Committee and with the approval of the Board of Administrators.

Board of Administrators,

President,

„TARUS” – Valentin Norbert TARUS e.U.

Member,

Valentin – Norbert TARUS

Adrian-Marcel PARVU

11.09.2020