

PROCEDURE
on the exercise of voting rights by the shareholders of BIOFARM S.A. Company
within the General Meetings of Shareholders

GENERAL FRAMEWORK

The company elaborated and approved the following procedure rules on the organisation and conduct of the GMS, the participation and rights of shareholders within the General Meetings of Shareholders of BIOFARM S.A. Company, in compliance with the following legal provisions:

- Companies Law 31/1990, republished;
- Law 297/2004 on capital market;
- Law 24/2017 on issuers of financial instruments and market operations;
- FSA Regulation No. 5/2018 on issuers of financial instruments and market operations
- Articles of Incorporation of BIOFARM S.A.

GENERAL MEETINGS OF SHAREHOLDERS

The management bodies of the company are:

- General Meeting of Shareholders
- Board of Directors

The General Meeting of Shareholders is the supreme decision-making body of the Company. General Meetings are ordinary and extraordinary.

ATTRIBUTIONS OF THE GENERAL MEETINGS OF SHAREHOLDERS

The Ordinary General Meeting of Shareholders has the following main attributions:

- a) to discuss, approve or modify the annual financial statements, based on the reports presented by the Board of Directors, the Chairman of the Board of Directors or, as appropriate, by the financial auditor, and to fix the dividend;
- b) to establish the income and expenses budget;
- c) to choose and to revoke the members of the Board of Directors;
- d) to decide on the management of the Board of Directors;
- e) to fix the general limits of all the remunerations of the members of the Board of Directors, managers, as well as the additional remunerations of the BD members and any other advantages;
- f) to decide the pledge, lease or dissolution of one or more units of the company;
- g) to decide the prosecution of directors for the damages caused to the Company, also appointing the person in charge to exercise it;
- h) to appoint or dismiss the financial auditor and to fix the minimum duration of the financial audit contract.

The Ordinary General Meeting meets at least once a year, within maximum 5 months from the conclusion of the fiscal year.

The Extraordinary General Meeting of Shareholders exclusively has the following main attributions:

- a) change of the legal form of the Company;
- b) reduction of the share capital or its replenishment by issuing new shares;
- c) merger with other companies or Company spin-off;
- d) early dissolution of the Company;
- e) issuance of bonds and conversion of one category of bonds into another or into shares;



- f) conversion of shares from one category to another;
- g) conversion of registered shares into bearer shares or of bearer shares into registered shares;
- h) any other amendment of the Articles of Incorporation or any other decision for which the approval of the Extraordinary General Meeting is required;
- i) delegation to the Board of Directors of the power to increase the share capital within the limit established by the Extraordinary General Meeting of Shareholders for 1 year.

CONVENING AND ORGANISING THE GENERAL MEETINGS OF SHAREHOLDERS

The General Meeting of Shareholders can be convened both by the Board of Directors, and upon request of shareholders who hold individually or cumulatively at least 5% of the share capital.

The convening of the General Meeting of Shareholders is carried out by the Board of Directors within maximum 30 days and shall meet within maximum 60 days from the date of receipt of the request.

The convening shall be submitted to Regia Autonomă Monitorul Oficial (*Official Gazette*) for publication, within maximum 5 days from the date of adoption by the Board of Directors of the decision to convene the General Meeting.

The term of the meeting cannot be less than 30 days from the publication of the convening in the Official Gazette of Romania, Part IV.

Each share entitles to one vote within the General Meeting of Shareholders.

Validity of resolutions of general meetings (quorum)

The Ordinary General Meeting of Shareholders is considered validly constituted and can make decisions if at the first convening, shareholders holding at least 40% of the total number of voting rights are present.

Decisions can be made in a valid manner with the simple majority of the votes expressed.

If at the first convening, the quorum legal conditions are not met, a second Ordinary General Meeting of Shareholders can be convened that will be legally constituted under the conditions of the gathering of any part of the share capital represented in the meeting. The decisions will be made in a valid manner with the majority of votes expressed.

The Extraordinary General Meeting of Shareholders is considered validly constituted and can make decisions if, at the first convening, shareholders representing 40% from the total number of voting rights are present.

If, at the first convening, the legal quorum conditions are not met, a second Extraordinary General Meeting shall be convened that will be legally constituted, provided that shareholders holding 20% of the total number of voting rights are present.

The decisions are made with the majority of votes held by the present or represented shareholders. The decision to modify the main object of activity of the company, to reduce or increase the share capital, to change the legal form, to merge, divide or dissolve the company is made with a majority of at least two thirds from the voting rights held by the present or represented shareholders. If the applicable legislation shall provide for larger majorities to make a certain decision, the legal provision shall prevail.

The decisions made in compliance with the conditions of quorum and majority previously mentioned, as well as by those of the Articles of Incorporation are compulsory both for absent shareholders, but legally convened, and for shareholders who voted against or abstained.



Within 15 days from the date of the General Meeting, the decisions of the General Meeting of Shareholders shall be submitted with the Trade Register Office, following to be published in the Official Gazette of Romania as well.

The decisions of the General Meetings made in violation of the legal provisions or of this procedure and of the Articles of Incorporation can be challenged in court, within 15 days from the date of their publication in the Official Gazette, by any of the shareholders who did not take part in the Meeting or who voted against and requested for this to be inserted in the meeting protocol.

In all cases, if the applicable commercial companies or capital market legislation shall provide for issues other than those considered in the wording of this Procedure, the legislative provision shall prevail.

INTRODUCTION OF NEW ITEMS ON THE AGENDA AND PRESENTATION OF DRAFT DECISIONS FOR THE ITEMS INCLUDED OR PROPOSED TO BE INCLUDED ON THE AGENDA OF THE ORDINARY GENERAL MEETINGS OF SHAREHOLDERS

Pursuant to the provisions of art. 117¹ para. (1) of Law No. 31/1990, republished and of art. 105 para. (3) of Law No. 24/2017, republished, one or more shareholders representing individually or together at least 5% from the share capital of the Company, may request the Board of Directors of the company to introduce new items on the agenda of the G.M.S. and/or to submit draft decisions for the items included or proposed to be included on the agenda of the G.M.S., in compliance with the following conditions:

i. In the case of natural persons shareholders, the requests must be accompanied by the copies of shareholders' identity deeds, which must allow their identification in the company shareholders' register, kept by the Depozitarul Central S.A..

ii. The shareholder quality, as well as, in the case of legal persons shareholders or of entities without legal personality, the quality of legal representative is found based on art. 194 (1) from Regulation No. 5/2018, on the basis of the following documents presented to the issuer by the shareholder:

a) the account statement from which the quality of shareholder and the number of shares held result;

b) documents attesting the registration of the information on the legal representative with the Depozitarul Central/respective participants.

In all cases, the documents attesting the quality of legal representative drafted in a foreign language, other than English language, shall be accompanied by a translation performed by a sworn translator in Romanian language or in English language.

iii. To be accompanied by a justification and/or a draft decision proposed for adoption;

iv. The proposals regarding the introduction of new items on the agenda and of draft decisions proposed for the approval of the General Meeting of Shareholders must be sent/submitted and registered within the deadline and at the Company office that are specified in the notice to attend of the G.M.S., in original, signed by the shareholders or by their legal representatives, mentioning on the envelope in print and in capital letters: «FOR THE GENERAL MEETING OF SHAREHOLDERS OF _____».

The proposals of applications for vacant director positions can be performed in writing, until the date specified in the notice to attend – date of shipment – on the address specified in the notice to attend. The list comprising information regarding the name, domicile locality and professional qualification of the persons proposed for the position of director shall be put at the shareholders' disposal, on the website, in the section dedicated to the G.M.S.



The list comprising information regarding the name, domicile locality and professional qualification of the persons proposed for the position of director will be at the shareholders' disposal, being able to be consulted (both on the Company's website: www.biofarm.ro, and at the Company office) and filled-in by them.

The data regarding the domicile locality and professional qualification shall be available on the company's internet page, Corporate Governance/Relations with Investors section, G.M.S. sub-section, as they are transmitted to the company.

ASKING QUESTIONS, IN ACCORDANCE WITH ART. 198 OF REGULATION NO. 5/2018, REGARDING THE ITEMS ON THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS

Each shareholder may ask questions to the company on the items on the agenda of the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders, until the date and time established and announced in the notice to attend, by a document that will be submitted/transmitted and registered at the Company office, in original, signed by the shareholder or by its legal representative, mentioning on the envelope in print and in capital letters: «FOR THE GENERAL MEETING OF SHAREHOLDERS OF».

The same identification requirements as in the case of introduction of new items on the agenda and submission of draft decisions for the items included or proposed to be included on the agenda, proposals of candidates for the position of director (if the case may be) shall be also applicable to the shareholders/legal representative of shareholders who asks questions regarding the items on the agenda of the General Meeting of Shareholders.

The company may formulate a general answer for the questions with the same content that will be available on the internet page of the company in the Corporate Governance/Relation with Investors section, Frequently Asked Questions sub-section, in question-answer format.

MODALITIES TO EXERCISE THE VOTING RIGHTS

Shareholders may exercise their right to vote by mail, by a representative or directly.

VOTE BY MAIL WITHIN THE GENERAL MEETINGS OF SHAREHOLDERS

Company's shareholders, natural or legal persons, registered on the reference date for the G.M.S. in the shareholders' register issued by the Depozitarul Central S.A., which cannot or do not want to attend the Meeting in person or by representative, have the possibility to vote by mail, before the General Meeting of Shareholders, by the use of ballots by mail made available by the company.

In order to ensure the possibility to all interested shareholders to express in relation to the issues proposed on the agenda of the General Meetings of Shareholders, the Board of Directors shall elaborate and post on the company website the forms of ballots by mail to be used at each General Meeting of Shareholders. The forms of ballot by mail will be available in Romanian and English languages, at the Company office, and on its internet page. The forms of vote by mail shall be sent free of charge to shareholders, following a request submitted with the company registry.

The form of ballot by mail, in Romanian language or in English language, filled-in, signed, in a written format and the accompanying deeds must be submitted/sent and recorded at the company office specified in the notice to attend, in original, until the date and time specified in



the notice to attend, in a sealed envelope, with the written mention in print and in capital letters: «FOR THE GENERAL MEETING OF SHAREHOLDERS OF» or sent on the e-mail addresses indicated in the notice to attend, until the same date and time, with embedded extended electronic signature, according to Law No. 455/2001 on electronic signature, republished, under the sanction of loss of the voting right.

On the ballot, all shareholders' identification data will be found, respectively the name and surname/name of the legal entity, as the case may be, domicile/registered office, personal identification number of the natural person, the registration number in the special records of legal persons (order number with the trade register or the registration number from the legal persons register), unique registration code for legal persons, as well as the number of shares held and their afferent voting rights, in relation to the total number of shares with voting rights of the company.

In the case of legal persons shareholders, the ballot shall be signed in person by the legal representative of the legal person, pursuant to the Articles of Incorporation and/or the decisions of statutory bodies, the signatory assuming full and exclusive responsibility for the authenticity of the quality and signature.

In the case of vote by mail of legal persons shareholders or of entities without legal personality, the quality of legal representative is found based on the shareholders' list from the reference date received from the Depozitarul Central SA. If the shareholders' register does not contain data regarding the quality of legal representative or they are not updated, this quality is proved with a confirmation of company details in original or in certified true copy, issued by the Trade Register or any other document, in original or in certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a seniority of maximum 3 months in relation to the date of publication of the notice to attend of the general meeting, allowing the identification of the legal representative. The documents attesting the quality of legal representative drafted in a foreign language, other than English language, shall be accompanied by a translation performed by a sworn translator in Romanian language or in English language.

Vote by mail can be expressed by a representative only in the situation where it received from the shareholder that it represents a special/general empowerment which is submitted to the issuer, in compliance with art. 105 para. 14 of Law No. 24/2017, as further amended and supplemented.

Natural persons shareholders shall sign the ballot in person, the signatories assuming full and exclusive responsibility for the quality of shareholder and signature authenticity. In the case of vote by mail of natural persons shareholders, forms of ballot by mail must be accompanied by the copies of shareholders' identity deeds, who must allow their identification in the company shareholders' register kept by the Depozitarul Central S.A., and, if the case may be, copies of the identity deeds of legal representatives (in the case of natural persons without legal competence or with limited legal competence), together with the proof of the quality of legal representative.

The forms of ballots by mail shall be updated if proposals will be made to complete the agenda by shareholders, by candidates to the position of director (if directors' election is recorded on



the agenda) or by directors' election by the cumulative voting method (under the conditions of art. 85 of Law 24/2017 on the issuers of financial instruments and market operations).

Shareholders who vote by mail must correctly exercise their voting right, so that for each subject recorded on the agenda and in the ballot, their voting option to expressly and clearly result. If in one or more subjects from those recorded on the ballot there will be several options, they are illegible or are conditionally expressed, or other forms of ballot were used, the votes afferent to those items shall be considered null, for the reason of vitiated expression of consent, but they shall be taken into consideration for the quorum, according to the legislation in force.

The voting forms that are not received at the Company office until the dates and times mentioned in the notice to attend shall not be taken into consideration to determine the quorum and the majority in the General Meeting of Shareholders.

In the event that the shareholder who expressed his vote by mail attends the G.M.S. in person or by representative, the vote expressed by mail shall be cancelled. In this case, only the vote expressed in person or by representative shall be taken into consideration. If the person representing the shareholder by personal participation to the G.M.S. is different from the one that expressed its vote by mail, then, for the validity of its vote, it shall present at the G.M.S. a written revocation of the vote by mail signed by the shareholder or by the representative that expressed the vote by mail. This is not necessary if the shareholder or its legal representative is present at the General Meeting.

In order to process the ballots, the Board of Directors shall issue a decision to designate the nominal composition of the members of the *Commission responsible for centralising and keeping record of the votes expressed by mail, of the special and general empowerments*. The Commission shall centralise all the documents received by mail/courier or submitted at the office mentioned in the notice to attend, having the responsibility to ensure the correctness and confidentiality of votes/empowerments sent and processed until the time of voting on each item on the agenda.

REPRESENTATION BASED ON GENERAL EMPOWERMENT OR SPECIAL EMPOWERMENT (POWER OF ATTORNEY) AT THE GENERAL MEETINGS OF SHAREHOLDERS

Shareholders may be represented at the G.M.S. through other persons, based on a special or general empowerment.

For this type of vote, the forms of special empowerment (power of attorney) must be used (in Romanian language or in English language) in compliance with the provisions of the applicable legislation, which will be made available by the Board of Directors of the company or a general empowerment, drafted in compliance with the provisions of Art. 202 from the Regulation No. 5/2018.

Legal persons shareholders or entities without legal personality attending the G.M.S. through a person other than the legal representative shall compulsorily use a special or a general power of attorney, under the conditions previously specified.





REPRESENTATION BASED ON A GENERAL EMPOWERMENT

Shareholders may grant a general empowerment valid for a period of time that will not exceed 3 (three) years, allowing the appointed representative to vote in all the aspects under the debate of the General Meetings of Shareholders of the Company, provided that the general empowerment (power of attorney) is granted by the shareholder, as the client, to an intermediary defined according to art. 2 para. (1) point 19 of Law No. 24/2017, or to an attorney.

In the case of general empowerments, the person acting as a representative must not present at the General Meeting of Shareholders any proof regarding vote expression of the represented persons.

The general empowerment must contain at least the following information:

- a. shareholder's name/designation;
- b. representative's name/designation (the one who is granted the empowerment);
- c. date of the empowerment, as well as its validity period, in compliance with the legal provisions; the empowerments bearing a later date have the effect of revoking previously dated empowerments;
- d. specifying that the shareholder authorizes the representative to attend and vote on his/her behalf by the general empowerment at the G.M.S. for the entire holding of the shareholder on the reference date, with express specification of the company(ies) for which the respective general empowerment is used.

The general empowerment shall terminate by:

- (i) a revocation written by its principal shareholder, sent to the issuer no later than the deadline for submitting the empowerments, applicable to an extraordinary or ordinary general meeting, held within the mandate, drafted in Romanian language or in English language; or
- (ii) loss of the quality of shareholder of the principal on the reference date applicable to an extraordinary or an ordinary general meeting of shareholders, organised within the mandate; or
- (iii) loss of the quality of intermediary or of attorney of the representative.

The general empowerment shall be signed by the shareholder and accompanied by a statutory declaration given by the legal representative of the intermediary or by the attorney who received the power of representation by the general empowerment, showing that:

- (i) the empowerment is granted by the respective shareholder, as the customer, to the intermediary or, where appropriate, to the attorney;
- (ii) the general empowerment is signed by the shareholder, including by attaching an extended electronic signature, as the case may be.

The declaration provided above must be submitted with the Company in original, signed, without meeting other formalities in relation to its form. The declaration is submitted together with the general empowerment.

Shareholders cannot be represented in the General Meeting of Shareholders based on a general empowerment by a person that is in a situation of conflict of interests, in compliance with the provisions of art. 105 para. 15 of Law No. 24/2017, republished.



General empowerments before their first use, are submitted with the Company 48 hours before the General Meeting, in copy, comprising the mention of compliance with the original under the representative's signature or sent on the e-mail addresses specified in the notice to attend of the G.M.S., until the same date and time, with embedded extended electronic signature, in compliance with Law No. 455/2001 on electronic signature, republished. Certified copies of the general powers of attorney (empowerments) are retained by the Company, mentioning this in the minutes of the General Meeting of Shareholders.

If the person empowered by general empowerment is a legal person, it may exercise its received mandate through any person who is part of the administration and management bodies, or by any of its employees, presenting documents that attest their quality, in original or in certified true copy.

In all cases, natural persons empowered by general empowerment shall be identified with the identity deed at the General Meetings of Shareholders.

REPRESENTATION BASED ON A SPECIAL EMPOWERMENT (POWER OF ATTORNEY)

Forms of special power of attorney will be available in Romanian language and in English language, starting with the date specified in the notice to attend, at the Company office and on its internet page. If a shareholder appoints, by special power of attorney, as a proxy, another person, the form of special power of attorney for natural persons or for legal persons will be used, as the case may be.

i. In the case of natural persons shareholders, special powers of attorney will be accompanied by the copies of the identity deeds of shareholders, which must allow their identification with the company shareholders' register, kept by the Depozitarul Central S.A..

ii. The quality of legal representative of the person who signed the power of attorney is found based on the list of shareholders from the reference date received from the Depozitarul Central S.A.. If the shareholders' register does not contain data regarding the quality of legal representative or they are not updated, this quality is proved with a confirmation of company details in original or in certified true copy, issued by the Trade Register or any other document, in original or in certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a maximum period of 3 months in relation to the date of publication of the notice to attend of the general meeting that allows the identification of the legal representative.

Shareholders shall fill-in and sign the special powers of attorney (empowerments) in three original copies: one for the shareholder, one for the representative and one for the company. The copy for the company, filled-in and signed, shall be submitted in person or shall be transmitted to the Company office specified in the notice to attend of the G.M.S., until the date and time specified in the notice to attend, in a sealed envelope, with the written mention in print and in capital letters: «FOR THE GENERAL MEETING OF SHAREHOLDERS OF » or sent to the e-mail addresses indicated in the notice to attend, until the same date and time, with embedded extended electronic signature, pursuant to Law No. 455/2001 on electronic signature, republished, under the sanction of loss of the voting right.

A shareholder is forbidden to express different votes based on the shares held by it at the same company.



A shareholder gives within the form of special power of attorney specific voting instructions to the person representing it, for each item on the agenda of the general meeting of shareholders. If by empowerment, several alternate representatives are appointed, the order in which they will exercise their mandate will be established.

A person acting as a representative may represent several shareholders, the number of shareholders thus represented not being limited. If a representative holds different empowerments conferred by several shareholders, it is entitled to vote for a shareholder differently as compared to the vote for another shareholder. The person representing several shareholders based on empowerments expresses the votes of persons represented by totalling the number of votes «for» and «against» without compensating them (for example, in point x from the agenda I represent «a» votes «for» and «b» votes «against»). In the case of special empowerments, the votes thus expressed are validated based on copy 3 of the special power of attorney (empowerment).

Special powers of attorney shall be updated if proposals shall be made to complete the agenda by shareholders, by candidates to the position of director (if on the agenda, the election of directors is included) or for the election of directors through the cumulative voting method (under the conditions of art. 85 of Law 24/2017 on the issuers of financial instruments and market operations).

In all cases, natural persons empowered by special power of attorney shall be identified with the identity deed at the meeting of the General Meeting of Shareholders.

DIRECT VOTE WITHIN THE GENERAL MEETINGS OF SHAREHOLDERS

The shareholders of BIOFARM S.A. Company are invited to appear on the day, time and at the location announced in the notice to attend at the General Meeting of Shareholders, within due time to be able to be identified and to have the possibility to express their vote for all the items on the agenda.

The access of shareholders entitled to attend the G.M.S. is allowed by the simple proof of their identity, made in the case of natural persons shareholders with the identity deed or, in the case of represented legal persons and natural persons shareholders, with the empowerment given to the natural person representing them – except for the legal representative (which is also to present the identity deed), in compliance with the applicable legal provisions and the provisions contained in the notice to attend.

In the case of legal persons shareholders or entities without legal personality, the quality of legal representative is found based on the list of shareholders from the reference date, received from the Depozitarul Central. If the shareholders' register on the reference date does not contain data regarding the quality of legal representative or they are not updated, this quality shall be evidenced by a confirmation of company details issued by the Trade Register, submitted in original or in certified true copy, or any other document, in original or in certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, attesting the quality of legal representative.

The documents attesting the quality of legal representative of the legal person shareholder shall be issued no later than 3 months before the date of publication of the notice to attend of the General Meeting of Shareholders.



Shareholders who do not have legal competence, as well as legal persons may be represented by their legal representatives, who, in turn, may issue an empowerment to other persons.

GENERAL RULES REGARDING THE CONDUCT OF MEETINGS OF THE GENERAL MEETINGS OF SHAREHOLDERS

Within the General Meeting of Shareholders, each shareholder is free to express its point of view regarding the materials afferent to the agenda and to ask for explanations where there are ambiguities. Also, any shareholder may request that the discussions be recorded in the minutes of the General Meeting of Shareholders.

On the day and at the time shown in the convening, the Meeting session will be opened by the Chairman of the Board of Directors or by its substitute. The General Meeting will choose one to three secretaries among the present shareholders, the Chairman being also able to appoint, among the company officers, one or more technical secretaries.

The appointed Commission shall centralise all the votes arrived by mail, the general empowerments and special powers of attorneys (empowerments), and, upon the beginning of the works of the General Meeting, it shall submit to the secretariat the situation of votes by mail that will be considered upon establishing the total quorum afferent to the works of the General Meetings (shareholders present/represented at the works, to which the number of shareholders that voted by mail is added).

The Commission shall hand over the centralised situation of the votes expressed to the secretariat elected by the General Meeting of Shareholders, in compliance with Art. 129 of Law 31/1990, republished, as voted for each item in the notice to attend/ballot, to establish the general result of the votes expressed (votes expressed by the shareholders that were present or represented – by empowerment/power of attorney, to which votes by mail are added).

Upon establishing the legal and/or statutory quorum necessary for carrying out the works of each General Meeting of Shareholders, only ballots by mail, special powers of attorney (empowerments) and general empowerments will be taken into account, as the case may be, which were expressed in compliance with the procedure established by these regulations, and which were transmitted to the company office within the deadlines established by the notice to attend.

CONCLUSIONS

The provisions of this Procedure do not represent derogations from the legal provisions in force, the Issuer being obliged to comply with the applicable legislation in the case of occurrence of discrepancies between the legal provisions and those of this Procedure.

BIOFARM S.A. elaborated this Procedure that is posted on the company's website www.biofarm.ro at the Corporate Governance/Relation with Investors section – <<Policies>> Subsection. The purpose of its adoption is to ensure the transparency of the conduct of the General Meetings of Shareholders and to indicate the shareholders the rights provided by the legislation in force.

This procedure was updated on 10.11.2022, in compliance with the legislative modifications that occurred from the time of approval until now.

BIOFARM S.A. Company
Chairman of the Board of Directors
Hrebenciuc Andrei

