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## CONVENING

The Board of Directors of BIOFARM S.A. with tax identification number 341563 and order number with the Trade Register J40/199/1991, share capital LEI 98,537,535.00 fully subscribed and paid-up, website [www.biofarm.ro](http://www.biofarm.ro), convenes in compliance with Law 31/1990 on companies, republished, Law 297/2004 on capital market, Law 24/2017 on issuers of financial instruments and market operations, the FSA Regulation No. 5/2018 on issuers of financial instruments and market operations, **the Ordinary General Meeting of Shareholders on 23.04.2019, at 12 o'clock p.m.**, at the company office of Bucharest, Str. Logofatul Tautu nr. 99, sector 3.

In case the Meeting will not be held due to quorum non-fulfilment, the second convening is on **24.04.2019**, at the same time, at the same place and with the same agenda.

At the Ordinary General Meeting of Shareholders, the shareholders registered in the Shareholders' Register held by Depozitarul Central S.A. are entitled to attend and vote at the end of **12.04.2019 - considered the reference date**.

On the date of convening the Ordinary General Meeting of Shareholders, the share capital of Biofarm S.A. is of lei 98,537,535.00 divided in 985,375,350 shares with a nominal value of lei 0.10 /share.

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

There are no different classes of shares.

There are no voting rights suspended on the date hereof.

**The Ordinary General Meeting of Shareholders on the agenda the adoption of the following points:**

1. Approval of individual financial statements for the year concluded on 31 December 2018 drafted in compliance with IFRS adopted by the European Union, based on the reports presented by the Board of Directors and by the financial auditor.

2. Approval of the discharge from administration for 2018.

3. Approval of the net profit distribution realised in 2018 and of **the gross dividend of 0,010 lei/share**.

4. Approval of dividends distribution starting with **05.09.2019, which is the payment date** - in compliance with the provisions of Art. 86 (2) of Law No. 24/2017 and Art. 178 (2) from the FSA Regulation No. 5/2018, shareholders bearing the distribution expenses, as well as setting the deadline for keeping the dividends at the shareholders' disposal.

5. Empowerment of the Board of Directors to choose the payment agent and to establish the dividends distribution procedure, in compliance with the legal provisions in force.

6. Approval of the income and expenses budget on 2019.

7. Approval of a performance bonus for the period 01.01.2018 - 22.06.2018 for the activity as General Manager of Mr. Danut Vasile in the amount of 25.000 euro net in LEI at the NBR's exchange rate on the date of payment.

8. Approval of a net budget of maximum 1% from the operating profit to reward the members of the Board of Directors for meeting the budget of 2019, as well as the approval of delegation to the B.D. of the competence to allocate the amounts.

9. Approval of the management and investment program on 2019.

10. Approval of the registration to other reserves of dividends unclaimed by shareholders afferent to the financial year of 2014.



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11. Appointing the external financial auditor and establishing the minimum duration of its contract, following the expiry of the external financial auditor contract.
12. Choosing a number of two (2) members in the Board of Directors for a period equal to the difference of mandate that remained to be executed by the Board of Directors in operation.
13. Empowering the Board of Directors to identify new company development opportunities by acquiring local pharmaceutical companies or local brands that would lead to market share growth and the development of Biofarm's portfolio of products and / or international pharmaceutical companies, for the company's development on the international plan.
14. Approval of the date of **20.08.2019 as registration date** in compliance with the provisions of Art. 86 (1) of Law No. 24/2017.
15. Approval of the date of **19.08.2019 as ex-date** in compliance with the provisions of Art. 176 (1) from the FSA Regulation No. 5/2018 and Art. 2 (2) letter l from the FSA Regulation No. 5/2018.
16. Approval of the mandating of Mr Andrei Hrebenciuc – Chairman of the Board of Directors for signing all documents issued following the Ordinary General Meeting of Shareholders.

#### A. Introducing new items on the agenda and presenting draft resolutions for the items included or proposed to be included on the agenda of O.G.M.S.

Pursuant to the provisions of art. 117<sup>1</sup> line (1) from Law no. 31/1990, republished and of art. 92 line (3) from the Law No. 24/2017, one or more shareholders representing individually or jointly 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 O.G.M.S. / E.G.M.S. and/or to present draft resolutions for the items included or proposed to be included on the agenda of O.G.M.S./E.G.M.S., under the following conditions:

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

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

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

b) documents certifying the information registration regarding the legal representative with the depozitarul central/respective participants.

In all cases, documents certifying 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 or in English language.

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

iv. The proposals regarding the introduction of new items on the agenda and of draft resolutions proposed for the approval of the Ordinary General Meeting of Shareholders shall be sent / submitted and registered at the company's registered office in Bucharest, Str. Logofatul Tautu nr. 99, sector 3, zip code 031212, **until the end of 03.04.2019**, in original, signed and, where appropriate, stamped\* by the shareholders or their legal representatives, mentioning on the envelope in print and in capital letters: "FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 23/24.04.2019».

\* In compliance with Art. V from the Government Ordinance no. 17/2015, natural persons, private legal persons, as well as entities without legal personality, are not obliged to apply the stamp on documents or on any other deeds issued in the relationship between them, the compulsoriness being only under the responsibility of state institutions.



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In compliance with the provisions of art. 137<sup>1</sup> para. (2) of Law No. 31/1990, the current members of the Board of Directors or shareholders are entitled to nominate the candidates for the positions of director.

The proposals on candidates for the position of director will be sent at the company office in Bucharest, str. Logofatul Tautu, nr. 99, sector 3, postal code 031212, in a sealed envelope, with the mention written in print and in capital letters: «FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 23/24.04.2019» and will be accompanied by information regarding the name, domicile locality and professional qualification of the persons proposed for the position of director, as well as by the documents accompanying the proposals on the introduction of new items on the agenda / draft decision for the items included or proposed to be included on the agenda of the Ordinary General Meeting of Shareholder.

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 website [www.biofarm.ro](http://www.biofarm.ro), and at the Company office) and filled-in by them.

The deadline until which the shareholders can formulate **proposals of candidatures is the end of 03.04.2019**. The data on the domicile locality and professional qualification will be available on the company internet page, section Corporate Governance/Investors, GMS subsection, as they are transmitted to the company.

#### **B. Asking questions, in compliance with art. 198 from Regulation No. 5/2018, on the items on the agenda of the O.G.M.S.**

Each shareholder can ask questions to the company by a document that will be submitted/sent and registered at the registered office of the company from Bucharest, str. Logofatul Tautu, nr. 99, sector 3, zip code 031212, **until the end of 20.04.2019**, in original, signed and, if necessary, stamped by the shareholders or their legal representatives, mentioning on the envelope in print and in capital letters: "FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 23/24.04.2019».

The same identification requirements specified in letter A from this convening notice ("Introduction of new items on the agenda and presentation of draft resolutions for the items included or proposed to be included on the agenda") shall be also applicable for shareholders/shareholders' legal representative who is asking questions regarding the items on the agenda of the General Meeting of Shareholders.

The company may formulate a general answer to the questions with the same content that will be available on the company website in the Frequently asked questions section, in question-answer format.

#### **C. Voting**

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

##### **C.1. Direct voting within the O.G.M.S.**

The access of shareholders entitled to attend the general meeting of shareholders is allowed by simply proving their identity, made in case of natural person shareholders with the identity document or, in case of represented legal person shareholders and natural person shareholders, with the empowerment given to the natural person representing them – except for the legal representative (who also is to present



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his/her identity document), in compliance with the applicable legal provisions and with the provisions contained in this convening notice.

In case of legal person shareholders or of entities with no legal personality, the quality of legal representative is found based on the shareholders' list from the reference date received from the Depozitarul Central S.A.. In case 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 a certified true copy, issued by the Trade Register or any other document, in original or in a certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a period of maximum 3 months in relation with the date of publication of the convening notice of the General Meeting, which would allow identifying the legal representative.

The documents certifying the quality of legal representative of the legal person shareholder shall be issued no more than 3 months before the publication date of the convening notice of the general meeting of shareholders.

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

## **C.2. Representation based on power of attorney at the O.G.M.S.**

Shareholders can be represented in the O.G.M.S. by other persons based on a special power of attorney or on a general power of attorney (empowerment).

For this type of vote, the special power of attorney forms shall be used (in Romanian 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 by a general power of attorney drafted in compliance with the provisions of Art. 202 from regulation No. 5/2018.

Legal person shareholders or entities with no legal personality attending the O.G.M.S. through another person than the legal representative, shall necessarily use a special or a general power of attorney, under the conditions specified above.

### **a. Representation based on a special power of attorney**

The forms of special power of attorney will be available in Romanian and English language **starting with 22.03.2019, at 5 o'clock p.m.**, at the company office and on the company website, [www.biofarm.ro](http://www.biofarm.ro). In case a shareholder assigns by special power of attorney, as a proxy another person, the form of special power of attorney for natural persons or legal persons shall be used, if necessary.

i. In case of natural person shareholders, special powers of attorney shall be accompanied by the copies of the identity documents of shareholders, who must allow their identification in the company's shareholders' register held 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 shareholders' list from the reference date received from the Depozitarul Central S.A.. In case 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 a certified true copy, issued by the Trade Register or any other document, in original or in a certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a period of maximum 3 months in relation with the date of publication of the convening notice of the General Meeting, which would allow identifying the legal representative.

Shareholders shall fill in and sign the special powers of attorney in three original counterparts: one for the shareholder, one for the representative and one for the company. The copy for the company,



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filled in, signed, and if necessary stamped, as well as the accompanying documents, are submitted in person or sent at the office of BIOFARM S.A. of Bucharest, Str. Logofatul Tautu nr. 99, sector 3, zip code 031212, **until 21.04.2019, at 12 o'clock p.m.**, in a sealed envelope, with the mention in print and in capital letters: « FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 23/24.04.2019» or sent to the e-mail addresses [mihaela.ion@biofarm.ro](mailto:mihaela.ion@biofarm.ro) or [roxana.stanciu@biofarm.ro](mailto:roxana.stanciu@biofarm.ro) until the same date and time, with the extended electronic signature in compliance with Law no. 455/2001 on the electronic signature - republished, under the sanction of losing the voting right.

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

A shareholder gives within the special power of attorney form specific voting instructions to the person representing him/her, for each item on the agenda of the General Meeting of Shareholders.

If by the empowerment, several alternate representatives are appointed, the order in which they will exercise their mandate will be established as well.

A person acting as the representative may represent several shareholders, the number of shareholders thus represented being unlimited. If a representative holds different empowerments conferred by several shareholders, he/she 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 the represented persons by summing up the number of votes "for", "against" and "abstention" without compensating them (for example, in item x from the agenda, I am representing "a" votes "for", "b" votes "against" and "c" "abstention"). In the case of special empowerments, the votes thus expressed are valid based on copy 3 and the special empowerment.

Special powers of attorney shall be updated in case proposals to complete the agenda shall be made by shareholders or by candidates to the position of director.

In all cases, natural persons empowered by special power of attorney will be identified with the identity deed at the O.G.M.S.

#### **b. Representation based on a general power of attorney (empowerment)**

Shareholders may issue a general power of attorney (empowerment) valid for a period of time that must not exceed 3 (three) years, allowing the assigned representative to vote in all the aspects under debate of the Company's General Meeting of Shareholders, provided that the general power of attorney (empowerment) is issued by the shareholder, as the customer, to an intermediary as defined in art. 2 line (1) point 20 of Law No. 24/2017, or to an attorney-at-law.

In the case of general empowerments, the person acting as the representative shall not present in the general meeting of shareholders any proof regarding the vote of the represented persons.

The general empowerment must contain at least the following information:

- a. the shareholder's name;
- b. the representative's name (the person whom the power of attorney is granted to);
- c. the date of the empowerment, as well as its validity period, complying with the legal provisions; empowerments bearing a later date have the effect of revoking the powers of attorney previously dated;
- d. specifying that the shareholder authorizes the representative to attend and vote on his/her behalf by the general empowerment at the General Meeting of Shareholders for the entire holding of the



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shareholder on the reference date, with express specification of the company/companies 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) losing 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) losing the quality of intermediary or of attorney-at-law 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-at-law who received the power of representation by the general empowerment, showing that:

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

The declaration provided above must be submitted to the Company Biofarm in original, signed and, where appropriate, stamped, without fulfilling other formalities in relation to its form. The declaration shall be submitted with the general empowerment.

Shareholders cannot be represented in the General Meeting of Shareholders based on a general power of attorney (empowerment), by a person being in a situation of conflict of interests, in compliance with the provisions of art. 92 para. 15 of Law No. 24/2017.

General powers of attorney (empowerments), before their first use, shall be submitted to the company 48 hours before the General Meeting, in copy, containing the mention of true copy under the signature of the representative or sent to the e-mail addresses [mihaela.ion@biofarm.ro](mailto:mihaela.ion@biofarm.ro) or [roxana.stanciu@biofarm.ro](mailto:roxana.stanciu@biofarm.ro) until the same date and time, with the extended electronic signature in compliance with Law no. 455/2001 on the electronic signature - republished, under sanction of losing the voting right. Certified copies of the general powers of attorney (empowerments) are retained by the company, a mention being made in this regard in the O.G.M.S. protocol.

In case the person empowered by general power of attorney (empowerment) is a legal person, he/she may exercise his/her mandate received through any person who is part of the administration and management bodies, or through any of his/her employees, presenting documents proving their quality, in original or in a certified true copy.

In all cases, legal persons empowered by general power of attorney (empowerment) shall be identified with the identity document at the O.G.M.S.

### C.3. Vote by mail within the O.G.M.S.

The shareholders of the Company S.C. BIOFARM S.A. registered **at the reference date of 12.04.2019**, in the shareholders' register issued by Depozitarul Central S.A. have the possibility to vote by mail, before the Ordinary General Meeting of Shareholders, by using ballots by mail made available by the company.

The forms of ballots by mail shall be available in Romanian and English language, starting with the date of **22.03.2019, at 5 o'clock p.m.**, at the Company office, and on the company website, [www.biofarm.ro](http://www.biofarm.ro).





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i. In case of vote by mail of natural person shareholders, the voting forms by mail shall be accompanied by the copies of shareholders' identity documents, which must allow their identification in the company's shareholders' register, held by Depozitarul Central S.A. and, if the case may be, copies of the identity documents of legal representatives (in the case of natural persons without legal competence or with limited legal competence), together with the proof of legal representative;

ii. In case of vote by mail of legal person shareholders or of entities with no legal personality, the quality of legal representative is found based on the shareholders' list from the reference date received from the Depozitarul Central S.A.. In case 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 a certified true copy, issued by the Trade Register or any other document, in original or in a certified true copy, issued by a competent authority from the state in which the shareholder is legally registered, with a period of maximum 3 months in relation with the date of publication of the convening notice of the General Meeting, which would allow identifying the legal representative.

Documents that certify 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 or in English language.

Voting by mail can be expressed by a representative only when he/she received from the shareholder whom he/she represents a special/general empowerment, which is submitted to the issuer, in compliance with art. 92 para. 14 of Law No. 24/2017.

The ballot by mail form, in Romanian or in English language, in a written format, as well as accompanying deeds shall be submitted/sent and registered at the office of BIOFARM S.A. Company of Bucharest, str. Logofatul Tautu, nr. 99, sector 3, zip code 031212, in original, filled in, and, if necessary, stamped, **until 21.04.2019, at 12 o'clock p.m.**, in a sealed envelope, with the mention in print and in capital letters: "FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF 23/24.04.2019» or sent to the e-mail addresses [mihaela.ion@biofarm.ro](mailto:mihaela.ion@biofarm.ro) or [roxana.stanciu@biofarm.ro](mailto:roxana.stanciu@biofarm.ro) until the same date and time, with the extended electronic signature in compliance with Law no. 455/2001 on the electronic signature - republished, under sanction of losing the voting right.

Forms of ballots by mail shall be updated in case proposals to complete the agenda shall be made by shareholders or by candidates at the position of director.

Shareholders who vote by mail shall correctly exercise their right to vote, so that for each subject on the agenda and in the ballot to expressly and clearly result his/her vote option. In case in one or more subjects from those recorded on the ballot there will be several options, they are illegible, or conditionally cast or other ballots forms were used, the votes afferent to those items shall be considered void, for the reason of vitiated expression of the consent.

Voting forms which are not received at the office of the Company BIOFARM S.A. until the dates and times above mentioned shall not be taken into consideration for establishing the quorum and the majority in the Ordinary General Meeting of Shareholders.

If the shareholder who cast his/her vote by mail personally attends or attends through a representative the O.G.M.S., the vote cast by mail shall be cancelled. In this case, only the vote cast in person or by the representative shall be considered. If the person representing the shareholder by participation in person at the O.G.M.S. is another person than the one who cast his/her vote by mail, then for the validity of his/her vote, he/she shall present at the O.G.M.S. a written revocation of the vote by mail signed by the shareholder or by the representative who cast the vote by mail. This is not necessary if the shareholder or his/her legal representative is present at the General Meeting.



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**Starting with 22.03.2019, at 5 o'clock**, the documents, information materials, draft resolutions in relation with the Ordinary General Meeting of Shareholders, under the legislation in force, can be inspected and obtained by the shareholders from the Company's website, [www.biofarm.ro](http://www.biofarm.ro) or from the Legal Office – Ownership, at the Company's office, during business days between 10 o'clock a.m. – 4 o'clock p.m..

Further information can be obtained at the office of BIOFARM S.A. or at the telephone number 021.301.06.87, during business days, between 10 o'clock a.m. – 4 o'clock p.m..

All the documents for the Ordinary General Meeting of Shareholders can be submitted at the Company office during the business days between 10 o'clock a.m. – 4 o'clock p.m..

**B.D. CHAIRMAN**

HREBENCIUC Andrei