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Bucharest 3, Romania

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*Translation from Romanian
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CURRENT REPORT
pursuant to the R.N.S.C. Regulation no. 1/2006
Date of report: 29.06.2017

Name of the commercial company: BIOFARM S.A.
Registered office: Bucharest, no. 99 Logofatul Tautu Street, 3rd City District
Telephone no.: 021/301.06.87
Fax no.: 021/316.52.48
Website: www.biofarm.ro
Tax registration number: RO 341563
Order no. with the Trade Register: J40/199/1991
Fully paid-up share capital: 98.537.535 lei
The market on which company securities are traded – Bucharest Stock Exchange, BIO symbol

Important event to report:

Procedure for the payment of dividends afferent to the financial year of 2016 to the shareholders of Biofarm S.A. according to the O.G.M.S. Decision 76/26 April 2017

The Board of Directors of BIOFARM S.A. informs the company shareholders on the fact that the **dividends afferent to the financial year of 2016 will be distributed during the period 01.09.2017 (the payment date) – 31.08.2020** to the shareholders registered in the Shareholders' Register of BIOFARM S.A. on **the registration date 18.08.2017 (17.08.2017 ex data)**.
The value of the gross dividend/share is of **lei 0.017**.

The modalities and deadlines of payment are the following:

Chapter I. Payment of dividends in the Participants' account (in the settlement bank accounts whose clients are the Participants)

For shareholders natural persons, legal persons or other entities, who, on the registration date, hold shares emphasized in Section II of the Shareholders' Register of Biofarm S.A. in the account opened at the Participant, the dividends will be paid automatically by bank transfer through the Depozitarul Central in the settlement bank accounts, whose clients are the Participants on the payment date, if the respective shareholders have not expressed and communicated their payment option postponed to the Participant, and the Participant failed to communicate it to the Depozitarul Central within the reporting from the registration date.

The postponed payment date is applicable only to non-resident shareholders who do not have an account opened at the Participant and who opts for payment postponement at a later date than the payment date, in order to be able to benefit from the more favourable provisions of the Conventions for the avoidance of double taxation and represent the deadline set in relation with the relevant tax provisions, until the payment of dividends to shareholders who exercised this payment option is postponed.

The payment option is the option expressed by non-resident shareholders who have an account opened at the Participant and it is communicated to the Depozitarul Central by the Participant within the reporting from the registration date carried out in compliance with the applicable legal regime, regarding:



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- a) the payment of dividends with withholding of tax on dividends at the standard rate provided by the Romanian Tax Code, in force at the date of payment;
- b) the payment of dividends with the dividends tax rate duly retained, according to the Conventions for the avoidance of double taxation, under the complete and correct tax documentation, submitted in advance by the shareholder, until 24.08.2017;
- c) postponement of the payment of dividends for a date subsequent to the payment date during 2017, for granting to shareholders the possibility to benefit from the more favourable tax provisions of the Conventions for the avoidance of double taxation, after transmission of the complete and correct tax documentation. The payment of net dividends will be carried out in no more than ten business days from the date of receipt by Biofarm S.A. of the complete and correct supporting documents and of possible requested clarifications. In the case of shareholders for which Participants have not submitted the supporting documents until 31.10.2017, the payment of dividends will be carried out on 15.11.2017, withholding the standard dividend tax rate in force provided by the Romanian Tax Code.

Non-resident shareholders, which have an account opened at the Participant (Custodian Bank or Broker), who want to apply the more favourable provisions of a Convention for the avoidance of double taxation concluded between Romania and their country of residence, must submit through the Participant the tax residence certificate for the year in which dividends payment takes place, within the validity period, in original or in a legalised copy, apostilled/supralegalised, if appropriate, accompanied by a sworn translation, as well as the contact details for possible clarifications on tax residence certificates.

- until 24.08.2017, if they did not opt for Deferred payment of dividends at Biofarm S.A. address of Bucharest, str. Logofatul Tautu, nr. 99, Sector 3, postal code 031212, to the attention of the Financial Department. Biofarm S.A. is not responsible for not applying the more favourable tax treatment mentioned above, in lack of submission within the mentioned deadline of the documentation and/or of the requested clarifications;
- until the latest on 31.10.2017, if they opted for Deferred payment of dividends at the Biofarm address mentioned above.

In the case of non-resident shareholders represented by a Participant, Biofarm S.A. will withhold the dividend tax from the gross dividend in the standard rate in force provided by the Romanian Tax Code if:

- they did not opt for deferred payment and did not send the tax residence certificate and possible requested clarifications until 24.08.2017;
- they opted for deferred payment, but did not send at the latest until 31.10.2017 the tax residence certificate (including the documents regarding the non-resident pension funds) and possible requested clarifications.

Chapter II. Payments by bank transfer (in lei, in accounts opened with a bank in Romania)

Starting with **18.08.2017 (registration date)**, shareholders natural persons and legal persons not represented by the Participant who want the payment of dividends by bank transfer, may request and transmit to the Depozitarul Central the documents necessary for the payment of dividends, as follows:

1. Shareholders not represented by the Participant, natural persons, in person or by legal or conventional representative, will present the Depozitarul Central the collection form IBAN code signed by hand, in which the bank and the account (IBAN code) will be specified, opened on the name of the Financial Instruments Holder (the model available on the Depozitarul Central website - www.depozitarulcentral.ro), accompanied by:

- copy of the valid identity document, in which the personal identification number to be legible – certified by the holder as a “certified true copy”.



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- account statement or a document issued by the bank (signed and stamped) by which the existence of the account on the name of the Financial instruments holder is confirmed, specifying the IBAN code, in original;
- copy of the documents attesting the quality of the signatory of the legal or conventional representative request, if appropriate – certified by the holder as a “certified true copy”;
- proof of payment of the fee;

2. Shareholders not represented by the Participant, legal persons, by legal or conventional representative, shall submit to the Depozitarul Central the collection form IBAN code signed by hand and stamped (if appropriate), in which the bank and the account are specified (IBAN code), opened on the name of the Financial instruments holder (the model is available on the website of the Depozitarul Central www.depozitarulcentral.ro), accompanied by:

- copy of the certificate of incorporation (URC) – certified by the holder as a “certified true copy”;
- copy of the document attesting the quality of legal representative of the company (confirmation of company details issued by the Trade Register Office/equivalent entity – for entities with a foreign nationality) – certified by the holder as a “certified true copy”;
- copy of the documents attesting the quality of conventional representative of the request signatory, if appropriate – certified by the holder as a “certified true copy”;
- account statement or a document issued by the bank (signed and stamped) by which the existence of the account on the name of the holder is confirmed – legal person, with the specification of the IBAN code, in original;
- proof of payment of the fee;

In the case of Pension Funds:

- copy of the identity document of the legal representative of the fund management company, within its validity
- identity card/bulletin with PIN for Romanian citizens or passport with identification number for foreign citizens
- copy of the confirmation of company details of the fund management company / another equivalent document, not older than 3 months, which mentions the legal representative of the fund management company
- copy of the certificate of incorporation / another equivalent document for the fund management company
- copy of the decision of the regulatory authority certifying the authorization of the fund management company and of the pension fund
- in the case of non-resident pension funds: tax residence certificate in original or in a legalised copy, apostilled/supralegalised, if appropriate, accompanied by the sworn translation in Romanian language, a statutory declaration of the legal representative of the fund management company that certifies that the authorisation of the fund management company and of the pension fund is valid on the date of payment, if they represent pension funds as they are defined in the legislation of the member state of the European Union or in one of the AELS states, and, if available, information regarding the official website of the regulatory authority from the origin country, where the pension fund status can be checked.

In the case of Investment funds without legal personality:

- copy of the identity document of the legal representative of the fund management company, within its validity
- statutory declaration in original drafted by the legal representative of the management company from which to explicitly result that the investment fund has no legal personality



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- copy of confirmation of company details of the fund management company / another equivalent document, not older than 3 months, which mentions the legal representative of the fund management company
- copy of the certificate of incorporation / another equivalent document for the fund management company
- copy of the regulatory authority decision certifying the authorization of the fund management company.

Chapter III. Cash payments

For shareholders natural persons not represented by the Participant and who did not request payment into a bank account, payment of dividends will be carried out cash, by making available by BIOFARM S.A. of the appropriate sums of money to the CEC BANK S.A. agencies/branches, through the Depozitarul Central S.A., starting with **01.09.2017**.

The schedule for receiving dividends falls within the working hours of CEC Bank S.A.

Shareholders will be able to receive their dividends from any of the CEC Bank S.A. agencies/branches from all over the country during its working hours.

Dividends can be received by shareholders in person or by legal or conventional representative as follows:

- 1.** Any payment carried out at the counter will be confirmed through signature by the person that actually receives the Sums of money on the receipt afferent to the respective payment.
- 2.** In the case of Holders not represented by the Participant, **resident natural persons** who come in person at the counter, the payment of the Sums of money is realised based on an identity document, having inscribed its personal identification number (P.I.N.). Identification of Holders not represented by the Participant in the File will be realised based on the information found in the field reserved for P.I.N..
- 3.** In the case of Holders not represented by the Participant, **non-resident natural persons** who will come in person at the counter, the payment of the Sums of money is realised based on the passport whose series and number must correspond with those from the File.
- 4.** In the case of Holders not represented by the Participant, **natural persons under the age of 14**, the payment of the Sums of money is realised to the legal representative in question - tutor / parent of the minor, based on the following documents: birth certificate of the Holders not represented by the Participant that must have inscribed the P.I.N. + 1 certified photocopy for compliance with the original (photocopy is retained), legal document establishing the guardianship in the case of the guardian who is not one of the parents + 1 photocopy certified for compliance with the original (photocopy is retained) and identity document of the guardian/parent + 1 photocopy certified for compliance with the original (photocopy is retained).
- 5.** In the case of Holders not represented by the Participant, **natural persons having established the conservatorship**, the payment of the Sums of money is carried out through the curator of that respective person, based on the following documents: the identity document of the Holders not represented by the Participant that must have inscribed the P.I.N. + 1 photocopy certified for compliance with the original (photocopy is retained), the legal deed establishing conservatorship + 1 photocopy certified for compliance with the original (photocopy is retained) and the identity document of the curator + 1 photocopy certified for compliance with the original (photocopy is retained).
- 6.** In the case of Holders not represented by the Participant, **natural persons who do not come in person at the counter, but they mandate in this respect another person**, the payment of the Sums of money is carried out to the representative of the respective person based on the following documents: special power of attorney authenticated at the notary which comprises the empowerment to receive the Sums of money issued with no more than 3 years prior to the date of payment, unless the empowerment has a validity term



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longer than 3 years and is valid on the date on which payment is carried out + 1 photocopy certified for compliance with the original (photocopy is retained) and the identity document of the representative + 1 photocopy certified for compliance with the original (photocopy is retained).

7. The documents presented in a foreign language will be accompanied by the legalised translation in Romanian language, and if they are issued by a foreign authority, they must be apostilled or supralegalised, as appropriate.

8. For natural persons, the sums of money greater than lei 10,000 will be transferred to the bank account according to Chapters I and II from the Procedure.

Chapter IV. Non-resident natural/legal persons

In compliance with Law 227/2015 (and with the Methodological Norms for the enforcement of Law No. 227/2015 on the Tax Code), for the agreements for the avoidance of double taxation on income and capital taxes for the application of the provisions on the common tax code for resident shareholders of EU or AELS member states, the non-resident is obliged to submit/send at the BIOFARM S.A. office the tax residence certificate, in original, issued by the competent authority from its state of residence. The tax residence certificate will be submitted in person at the Register from BIOFARM S.A. office of Bucharest, str. Logofatul Tautu, nr. 99, Sector 3 (from Monday until Friday within the hourly interval 9.00 – 17.00) or it can be sent by mail or any form of delivery with acknowledgement of receipt at the same address. If the shareholder does not present the tax residence certificate, the withheld tax will be calculated by applying the applicable share of resident shareholders in force.

The requests for transferring the dividends in the bank account will be sent to the address: Depozitarul Central S.A. – Bucharest, Bulevardul Carol I, nr. 34 - 36, sector 2, etaj 8, postal code 020922, telephone 021.408.58.56 / 021.408.59.23, according to those specified in Chapter II points 1-2.

All the requests above will contain including the e-mail and the phone number to which shareholders or intermediaries can be contacted, as appropriate, in the event of clarifications.

We mention that, following the analysis of dividends payment requests and of the received documents, the Depozitarul Central S.A. and BIOFARM S.A. (for tax residence certificates) reserves the right to request additional documents.

Chapter V. Shares held in co-ownership

In the case of shares held in co-ownership, the payment of dividends will be realised according to the following particularities:

In the case of payments by bank transfer, the dividends due to co-owners will be transferred into the account indicated by all co-owners based on the common request addressed to the Depozitarul Central.

In the case of cash payments, payments will be realised cash provided that all co-owners to come to the Payment Agent of CEC Bank S.A., in person or by legal and/or conventional representative and submit the documents provided above for cash payments.

In the case of payments to those that have an account open with the Participant, dividends due to co-owners will be transferred to the Participant whose clients are.

If co-owners request both the registration by the Depozitarul Central of the direct ownership transfer on financial instruments as an effect for severance of the joint tenancy, in compliance with the applicable Legal regime, as well as direct payment to each of the co-owners, according to the number of instruments acquired in exclusive property, the Depozitarul Central will block the payment of dividends, the payment following to be realised to each former co-owner, according to this procedure.



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Chapter VI. In the case of deceased shareholders, dividends will be paid upon the request of successors by bank transfer or cash, only after previously, the heirs have requested S.C. Depozitarul Central S.A. and the registration was performed in the shareholders' register of the transfer of shares as an effect of the succession.

Chapter VII. Any modification of the data from the shareholders' register (change of name, address, identity data etc.) is realised only by the Depozitarul Central S.A., with registered office in Bucharest, B-dul Carol I, nr. 34-36, sector 2, et. 3, 8 and 9, upon request of the shareholder/entitled person.

B.D. CHAIRMAN,

Danut VASILE

(Illegible signature and stamp)