

The image features a background of a pharmaceutical production line with rows of red, round pills. A vertical metal rod is visible on the left side. The text 'Antibiotice' is in black, and the logo 'at' is in red. A purple banner at the bottom contains the title in white.

Antibiotice **at**

**CORPORATE GOVERNANCE CODE
OF ANTIBIOTICE SA**

PREAMBLE

Antibiotice S.A. is a trading company established and regulated by Law no. 31/1990 on trading companies and a public enterprise to which G.E.O. no. 109/2011 on corporate governance of public enterprises has been implemented.

Since 16 April 1997 the company has been listed on the Bucharest Stock Exchange (BVB) in the Premium Category, with its shares admitted to trading on the capital market regulated by Law no. 297/2004 on the capital market. In the latter capacity, the company adheres to the corporate governance rules proposed by the BVB with the aim of creating an internationally attractive capital market in Romania, based on the best practices, transparency and trust.

I. ADMINISTRATION AND RESPONSIBILITIES

1. The company is managed under the unitary system of administration by a Board of Directors consisting of 5 members. The manner of establishment, the revocation of directors, the term of office, the powers, and the role of the board are clearly defined in the Articles of Incorporation of the company, in Law no. 31/1990 on companies and in GEO no. 109/2011 on corporate governance of public companies.

2. (1) On the basis of rigorous and transparent procedures established pursuant to GEO No. 109/2011 on corporate governance of public companies, the members of the board shall be appointed by the general assembly of shareholders on the proposal of the board of directors in office or of the shareholders. The candidates proposed by the Board of Directors shall be evaluated or pre-selected and recommended by the Nomination Committee of the Board of Directors and/or by an independent expert specialized in human resources recruitment. Candidates proposed by the supervisory authority on behalf of the majority shareholder will be pre-selected by an independent expert specialized in human resources recruitment.

(2) The criteria for the selection and evaluation of the directors proposed by the public supervisory authority shall be established by the members of the nomination committee and the independent expert, based on the Letter of Expectation of the public supervisory authority, in compliance with the provisions of GEO no. 109/2011 on corporate governance of public companies and the methodological rules for its implementation.

(3) A system of governance shall be in place within the company which ensures that a clear demarcation is established between the powers and duties of the general assembly of shareholders, the board of directors and the executive management. To this end, this Corporate Governance Code sets out the powers of the Board as distinct from those of the general assembly and the directors of the company. Also, according to the provisions of Article 35 para. 3 of GEO no.109/2011, the Chairman of the Board of Directors cannot be appointed as General Manager.

3. The Board is structured so that it can carry out its tasks efficiently. An independent audit committee and a remuneration and nomination committee, as well as such other advisory committees as the board or the general assembly of shareholders may deem necessary, shall be mandatory in the composition of the board.

4. The composition of the Board and its committees shall have an appropriate balance in terms of competence, experience, gender diversity, knowledge and independence of the members that shall enable them to carry out their duties and responsibilities effectively. All board members must be able to allocate sufficient time to the company to carry out their duties properly.

5. The Board of Directors has its own rules of operation, which are annexed to this Corporate Governance Code. The rules of the Board include the terms of reference, the responsibilities of the Board and the key management functions of the Company. The internal rules of the Board also indicate how directors are assessed and conflicts of interest are managed.

6. The majority of the members of the Board of Directors must be non-executive. At least two members of the Board shall be independent within the meaning of Article 1382 of Law No. 31/1990. (he/she is not an administrator of the company or of a company controlled by it and has not held such a position in the last 5 years; he/she has not been an employee of the company or of a company controlled by it or had such an employment relationship in the last 5 years; he/she does not receive or has not received from the company or from a company controlled by it any additional remuneration or other benefits than those corresponding to his/her capacity as a non-executive director; he/she is not a significant shareholder of the company; does not have or has not had in the last year any business dealings with the company or a company controlled by it, either personally or as a partner, shareholder, director, administrator or employee of a company who has such dealings with the company, if such dealings are of such a substantial nature as to affect his objectivity; not be or have been within the last 3 years financial auditor or salaried partner of the current financial auditor of the company or of a company controlled by it; not be a director of another company in which a director of the company is a non-executive director; not have been a non-executive director of the company for more than 3 terms of office; not have a family relationship with a person in one of the situations referred to in letters a) and d).

7. The Company has a regulation for the evaluation of directors and administrators of the Company, which is annexed to this Corporate Governance Code. The evaluation rules include the purpose, criteria and frequency of the evaluation process.

8. The annual corporate governance statement of the company shall also include the following information:

- whether an evaluation of the Board has taken place under the management of the President or the Nominating Committee and, if so, will summarize the findings,
- the number of board and committee meetings held during the past year, the attendance of directors, and a report from the board and committees on their activities,
- the exact number of independent members of the Board of Directors,

9. The Company has and will maintain a policy on forecasting at all times by issuing a management plan for at least 4 years. The forecast policy and management plan may be public or confidential by resolution of the Board or the General Manager.

II. RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

1. The Company conducts internal audits to independently assess, on a regular basis, the safety and effectiveness of its risk management and internal control system and corporate governance practices.

2. Internal Audit is organized as an independent and distinct entity in terms of organisational structure.

3. In order to ensure that the core functions of internal audit are accomplished, it must report functionally to the board through the audit committee. For administrative purposes and as

part of management obligation to monitor and mitigate risks, internal audit must report information specific to these assignments to the General Manager.

4. The external auditor will be present at the general assembly of shareholders when its reports are presented at these assemblies.

5. Annually, the Board shall present to the general assembly of shareholders a brief assessment of the existence and effectiveness of internal control and significant risk management systems.

6. The company has implemented a risk management and internal control system. The main purpose of risk management is to help understand and identify the risks to which the company is exposed, so that they can be anticipated and managed effectively.

7. The Risk Management Structure develops and implements working procedures to ensure early identification of risks and the necessary measures for their proper management.

8. The risk management process is carried out through the following steps:

- a. risk identification
- b. risk evaluation
- c. establishing the risk management strategy
- d. monitoring the implementation of control measures and their effectiveness;
- e. regular review and reporting of the risk situation.

9. On a semi-annual basis, the Risk Management Structure initiates risk self-assessment within all company structures, providing support in identifying and assessing risks and establishing risk mitigation measures. Identified risks are recorded in the Risk Register for the activity of each structure.

10. The Risk Management Structure prepares the Risk Register at company level and prepares a Report on the progress of the risk management process by integrating the information/data/aspects contained in the risk registers of the company structures.

11. The report on the risk management process at company level together with the Risk Register shall be submitted to the General Manager and the Audit Committee for approval.

III. FAIR REWARD AND MOTIVATION

1. The Company aims to provide a level of remuneration sufficient to attract, retain and motivate competent and experienced individuals on the Board and in management. The Board will ensure transparency with regard to remuneration by providing shareholders with relevant information on the principles applied by the company with regard to its remuneration policy, which is based on fair reward and motivation.

2. The remuneration policy, the rules and principles that define it are those established by the Articles of Incorporation of the company, G.E.O. no. 109/2011 on corporate governance of public

companies and the methodological rules for its implementation, respectively by reference to the achievement of the financial and non-financial objectives assumed by the directors and executives through the mandate agreements.

3. The remuneration of the directors shall be approved, under the conditions established by G.E.O. no. 109/2011 on corporate governance and the Articles of Incorporation of the company, by the general assembly of shareholders and the remuneration of the administrators with mandate agreements shall be approved, under the same conditions, by the board of directors.

4. The company will publish the remuneration policy on its website and include in the annual report a statement on the implementation of the remuneration policy during the annual period under review.

IV. COMPANY SECRETARY

1. The Board of Directors appoints by direct and open vote a Company Secretary or a Secretariat team, responsible for supporting the work of the Board in corporate governance matters. The company secretary/secretariat must enjoy the confidence of all members of the Board of Directors.

2. The Company Secretary/Secretariat is a person/structure distinct from the Secretary of the Board of Directors with duties relating to the organization and maintenance of the corporate governance system within the Company.

3. The Company Secretary/Secretariat also has the role of supporting the Board of Directors and Administrators, acting as their advisor on regulatory matters, listing rules and corporate governance legislation.

4. The Company Secretary/Secretariat may identify shortcomings in the areas specified and propose solutions to the Board of Directors/General Manager to remedy them.

5. The Secretary/Secretariat of the Company may be removed from office by the Board of Directors on the proposal of any of the members or the General Manager.

V. INVESTOR RELATIONS. TRANSPARENCY.

1. No shareholder may be given preferential treatment.

2. The Company will make every effort to ensure that its shareholders participate in general assemblies, encouraging the use of electronic means of communication to the extent of its technical availability and the permissibility of applicable regulations.

3. The rules for the organisation of general assemblies of shareholders shall in no way limit the participation of shareholders and the exercise of their rights. Any changes to the rules will take effect at the earliest from the following shareholders' meeting.

4. Any specialist, consultant, expert or financial analyst may attend the general assembly of shareholders on the basis of a prior invitation by the board or by one of the shareholders holding at least 10% of the total number of shares. Journalists accredited by the company may also attend the general assembly of shareholders with the prior consent of the board of directors.

5. The company has and will maintain in its organisation chart a separate structure with specific tasks for the correct relationship with shareholders and regulators, and publishes on its website the name and contact details of the responsible person.

6. In addition to the information required by law, the company includes on its website a section dedicated to investor relations, in Romanian and English, containing relevant information about the company, namely: the articles of incorporation, procedures for general assemblies of shareholders, professional CVs of directors and administrators, other professional commitments of board members including executive and non-executive positions on boards of directors of companies or non-profit institutions, current reports and periodic reports (quarterly, half-yearly and annual) including current reports with detailed information on non-compliance with this code, information relating to general assemblies of shareholders (agenda and information materials, procedure for election of board members, shareholders' questions on agenda items and the replies of the company, including adopted resolutions), information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of a shareholder's rights, including deadlines and the principles applied to such transactions.

7. Transactions of the company with any of its affiliates will be approved in advance by the Board, based on the issuance of a binding opinion of the Audit Committee.

ANNEX NO. 1

*ORGANIZATION AND OPERATION REGULATION
OF THE BOARD OF DIRECTORS*

I. PRINCIPLES OF REGULATION

1. The Board of Directors (the Board) is organized and operates in accordance with the provisions contained in the articles of incorporation of Antibiotice, in the Law no. 31/1990 on companies and in the G.E.O. no. 109/2011 on the corporate governance of public companies and the methodological rules for its implementation.

2. The Board consists of 5 members, elected by the general assembly of Shareholders for a term of office of up to 4 years, which may be renewed in accordance with the provisions contained in the normative deeds indicated in point 1 above. The term of office of directors appointed following the termination, in whatever form, of the term of office of the original directors shall coincide with the remaining term of office of the director who has been replaced.

3. The Board elects, by open ballot, a Chairperson and a Vice-Chairperson from among its members, to whom it shall determine their duties. The Board shall appoint by decision a Secretary of the Board, who may be a Trustee or a person outside the Board.

4. The Board delegates the management of the company to one or more administrators, appointing one of them as General Manager. The administrators may be appointed from outside the board of directors or from among the directors, who thus become executive directors, in compliance with the selection procedure laid down in GEO 109/2011 on corporate governance and the methodological rules for its implementation.

5. The Board shall have the power to perform all acts of administration necessary for the company, except those reserved by law for the General Assembly of Shareholders and those delegated by the directors to the administrators of the company. A director of the company, within the meaning of these regulations, is only a person to whom the board of directors has delegated the management of the company by a mandate agreement.

6. The Directors shall exercise their duties with the utmost diligence, ensuring the implementation of the management plan and the achievement of the performance indicators approved by the General Assembly of Shareholders.

7. The Directors are obliged to respect the confidentiality of any information, data, acts and/or facts concerning the activity of the company, of which they become aware directly or indirectly as directors, with the exception of information of a public nature. The duty of confidentiality also includes the obligation to ensure and maintain the confidentiality of Board meetings, related minutes including discussion of materials received for approval and those received for information.

Confidentiality obligations continue for five years after termination of the directorship of company. The directors shall be released from liability for confidentiality obligations in cases where confidential and privileged information to which they have had access becomes public by lawful means beyond the control of the directors. Failure to comply with the confidentiality obligations constitutes a serious breach of the Rules of Procedure of the Board and constitutes just and proper grounds for the revocation of the mandate agreement. In the event of non-compliance with confidentiality obligations by the directors, the company reserves the right to sue them for damages equivalent to the material or image damage suffered and to refer the matter to the state bodies responsible for applying the sanctions provided for by the legislation in force.

8. Directors are required to be aware of and abide by the Code of Ethics of the company, managing any conflicts of interest in accordance with the procedures detailed therein.

9. During their term of office, the members of the Board of Directors shall not hold any office or position and shall not engage in any transaction that could be considered incompatible with the mission of the Board. Incompatibilities will be assessed by the Board members with reference to the applicable legislation and the internal regulations of the company (Code of Ethics, Code of Corporate Governance) as well as the Letter of Expectations, the Declaration of Intent and the Management Plan approved by the General Assembly of Shareholders.

II. MEETINGS OF THE BOARD OF DIRECTORS

1. The Board shall meet in meetings to be held at the registered office of the company or at the place indicated in the notice of meeting or to be held online, in which case each director shall be connected by video and/or online computer means from a location of his choice that fully ensures the confidentiality of the discussions.

2. Meetings will be held at least once every three months.

3. Meetings shall be convened by the Chairman of the Board or by the General Manager. The notice of meeting must be sent to each director by e-mail/fax/post by the Secretary of the Board, must include the proposed agenda, the place, date and time of the meeting and must be accompanied by the documentation relating to the items on the agenda. As a rule, the notice of meeting and the documentation will be communicated to the directors at least three days before the meeting. In well-justified cases, notice and documentation may also be given to the directors at shorter notice. The meetings may also be held without notice if the directors are present and expressly accept this.

4. The agenda shall be established by the Chairman of the Board or the General Manager and shall indicate separately the materials to be submitted for Board approval and those presented for Board information. Any of the directors may request that the agenda be supplemented by other items of the Board competence, which they consider to be of interest. The request shall include a reasonable justification for the addition to the agenda and shall be sent by e-mail to office@antibiotice.ro to the attention of the Chairperson of the Board and the General Manager no later than one day before the date specified in the notice convening the meeting.

5. The Board of Directors shall also be convened at the reasoned request of at least two of its members. In this case, the agenda is set by the applicants.

6. In well-justified cases, meetings may also be held online by computer with video and/or audio connections. If for technical reasons one of the directors cannot be connected audio/video to participate in the online meeting, he/she may submit his/her views and vote by electronic mail (e-mail). The Secretary of the Board shall record in the record book of the meetings the attendance and voting record of each Director. In the case of meetings held by computer, Board members are required to ensure that, throughout the duration of the meeting to which they are connected, they are in a suitable place to which they do not have direct or indirect access by third parties and which allows strict respect for the confidentiality of all discussions. The directors are strictly prohibited from recording or facilitating the recording, by any means, of discussions and debates during Board meetings. Breach of this obligation constitutes an abuse of the office of director and entitles the board of directors to impose sanctions consisting of: notifying the company's shareholders and requesting the removal of the director for unauthorized concealment or disclosure of trade secrets or privileged information that may jeopardize the sustainability of the business, prohibiting the director from attending board meetings until the date on which the general assembly decides on the request for removal, referring the matter to the capital market regulatory authorities, other measures provided for by applicable law.

7. The Board shall be legally convened if at least three of the directors are present at the meeting.

8. Meetings of the Board shall be chaired by the Chairman of the Board or, in his absence, by the General Manager - Chief Executive.

9. Decisions of the Board are made by a majority vote of those present.

10. The secretariat of the meetings shall be provided by the Secretary of the Board, who shall carry out all the necessary operations, including the drawing up of minutes and meeting reports, mentioning the names of the participants, the order of deliberations, the decisions made, the number of votes cast and the separate opinions. Minutes and meeting reports shall be signed by all directors present and shall be kept by the Secretary of the Board in the records of the Company for an unlimited period of time.

11. Rules on drawing up, signing, communicating and keeping the meeting reports.

11.1 Drawing up reports

The Secretary of the Board shall be required to be present at Board meetings and to keep an accurate record of the proceedings relating to the agenda and of any other matters relating to the duties of the Board specifically requested by the Directors during the meetings.

At the end of each meeting, the Secretary of the Board shall submit to the Directors present a minute (handwritten or electronic in word format) containing at least the following information, summarized as follows:

- date and place of the meeting,
- agenda,

- the list of directors present or absent and the reason for absence,
- list of present guests,
- for each item on the agenda, the person who presented it at the meeting and the Board's decision on that agenda item shall be shown, with a clear indication of how each director voted and the separate opinions.

The minutes of the meeting shall be signed by all the directors present at the meeting and by the Secretary of the Board. Within 3 working days from the date of the meeting, the Secretary of Board shall draft the minutes of the meeting, supplementing the information contained in the minutes with a detailed presentation of the debates and views expressed by the Directors, as noted by the Secretary during the meeting or recorded electronically when the Directors have approved the recording of a meeting. The minutes will be sent by electronic mail to the directors who attended the meeting to validate or complete them where necessary. The directors may, within 2 working days, submit to the secretary duly justified requests for the minutes to be supplemented. If the directors do not submit comments within the time limit, the Secretary shall consider the minutes accepted as submitted. At the following meeting of the Board, the Secretary will submit the minutes to the Directors present for their signature.

Reports and minutes of Board meetings will be kept by the company for an unlimited period of time.

11.2 Recording of meetings

In cases where the importance of the items on the agenda so requires, or in other cases where the directors deem it necessary, meetings of the Board of Directors may be video and/or audio recorded. The proposal for the registration of the meeting shall be made in writing or orally by any of the directors at any time before the beginning of the meeting, and the decision of the Board shall be made by a majority vote of the present directors. The Secretary of the Board shall record in the minutes of the meeting and subsequently in the report the information concerning the director who made the request for registration of the meeting, the reason for the request and the votes cast on the request for registration as well as the separate opinions.

The records of the meetings shall be kept by the company through the secretary of the board, who shall be responsible for archiving the materials in such a way as to ensure their confidentiality and to prevent access to them by any other person. The records will be kept under the same conditions and for the same period as minutes and reports are kept.

11.3 Transmission of documents to directors

Depending on the agenda, the Secretary of the Board will draw up a list of materials and information to be made available to the Directors. As the company handles information classified as business and trade secrets, prior to transmission to the Directors, the list will be endorsed by the Manager of the Information Security Department and approved by the General Manager.

In cases where they consider that, for the analysis of the items on the agenda, information/data/documents other than those provided by the Secretary of the Board are necessary, any of the non-executive directors may request that the documentation received be supplemented.

The request must be made in writing by e-mail to office@antibiotice.ro to the General Manager (being the executive director to whom the Board has delegated the management of the company), indicating the information/documentation required and the reasonable justification for the request, i.e. the correlation between the information requested and the items on the agenda.

The Executive Director will examine the request received and depending on its merits will make one of the following decisions:

- give a favorable opinion on the request and designate the person in the company who will forward the information/data/documents to the Secretary of the Board for communication to the directors;

- reject the request and inform the Board at the first meeting, stating the reason for rejection.

For the analysis of documents and information classified as trade secrets as defined and established by Internal Decision No. 144/2019 as supplemented by Internal Decision No. 52/2020, the company shall make available to non-executive directors a data room where information is available in paper format (in one copy) and/or on computer-secured computers to eliminate the possibility of data transmission, and the copying, duplication or electronic transfer of any information classified as a trade secret is prohibited.

The directors shall exercise due diligence in protecting the interests of the company and shall not request access to information that by its nature constitutes inside information according to Law no. 24/2017 on issuers of financial instruments and market operations (*inside information means information of a precise nature, which has not been made public, which directly or indirectly relates to Antibiotice S.A. and which, if made public, could significantly influence the share price*).

Directors shall also exercise due diligence and refrain from any act that could lead, directly or indirectly, to the misuse of inside information (*according to Law no. 24/2017 on issuers of financial instruments and market operations, the misuse of inside information occurs when a person in possession of inside information uses this information to acquire or dispose of shares in the company, in his own name or in the name of a third party, directly or indirectly*).

The malicious violation of the above provisions and the unjustified request of information classified as business or trade secrets by directors, copying on paper or electronic devices, photographing or transmitting by any means documents without the express consent of the company shall constitute abusive exercise of the director's office and entitles the board of directors to impose sanctions consisting of: notifying the shareholders of the company and requesting the measure of revocation of the director's office for the unauthorized disclosure of trade secrets or privileged information that may jeopardize the sustainability of the business, establishing a ban on attending board meetings until the date on which the general assembly decides on the request for revocation of the mandate, referring the matter to the capital market regulatory authorities, other measures provided by the applicable legislation.

III. COMMITTEES OF THE BOARD OF DIRECTORS

1. The Board of Directors will establish advisory committees of at least two directors, who

will review the activities of the Company and develop recommendations to the Board in the areas of:

- the selection and remuneration of directors and administrators,
- audit,
- trade policies.

2. The Board will give the advisory committees specific tasks, which will at least transpose the tasks laid down in GEO 109/2011 to the Board, namely:

a) the management of the company by overseeing the operation of prudent and effective control systems to assess and manage risk;

b) approving the development strategy of the company, ensuring the existence of the financial and human resources necessary to achieve the strategic objectives and supervising the executive management of the company;

c) ensuring that the company accomplishes its legal obligations to stakeholders.

e) monitoring the performance of the executive management;

f) ensuring that the financial information produced by the company is accurate and that financial control and risk management systems are effective;

g) determining and approving the remuneration of the administrators and accomplishing the obligations laid down by law regarding the recruitment, appointment, evaluation and, where appropriate, dismissal of the other administrators of the company with whom the company has concluded mandate agreements;

h) the drafting of annual reports and other reports, in accordance with the law.

3. The Board establishes and delegates at the beginning of each calendar year, usually in January, the tasks of the Advisory Committees for the current year.

4. A Committee shall act and perform diligently the duties assigned to it, bringing the results of its activities to the attention of the Board of Directors in a correct and complete manner, by means of periodic reports in which they make proposals for action or proposals for the improvement or remedy of aspects judged to be inadequate.

5. The Board remains collectively responsible for the decisions and actions of any of its Committees, and the reports and proposals of the Committees are not directly applicable but only by decision of the Board.

6. The activities which, according to Law no. 31/1990, must be carried out by the Board cannot be delegated to a Committee (establishment of the main directions of activity and development of the company; establishment of accounting policies and financial control system, as well as approval of financial planning; appointment and dismissal of directors and determination of their remuneration; supervision of the directors' activity; preparation of the annual report, organization

of the general assembly of shareholders and implementation of its resolutions; filing of the petition for the opening of the company insolvency proceedings, powers received by the Board of Directors from the general assembly of shareholders except those concerning the selection of directors). Any other tasks which are or will be established in the exclusive task of the Board by other legal regulations cannot be delegated to the advisory committees.

7. The Advisory Committees, at the beginning of each calendar year - usually in January - draw up a quarterly calendar of work that they submit to the Board of Directors for endorsement.

8. Requests for information/data/documents necessary for the performance of specific tasks according to the approved work schedule shall be made by the Chairperson of the Advisory Committee according to the procedure laid down in Chapter II Article 11.3 of these Rules of Procedure.

9. The Advisory Committees are required to draw up activity reports on their activities, which they submit to the Board of Directors for endorsement.

IV. THE NOMINATION AND REMUNERATION COMMITTEE

1. The Board of Directors will establish a Nomination and Remuneration Committee, consisting of non-executive directors of which at least one must be an independent director. At its first meeting, the Committee shall elect from among its members, by open ballot, a Chairperson and appoint a Secretary of the Committee who may be a person outside the Board of directors.

2. The Chairman of the Nomination Committee will be an independent non-executive director.

3. During their term of office, members of the Nomination and Remuneration Committee shall not hold any office or position that could be considered incompatible with its mission. Incompatibilities will be assessed by the Board members with reference to the applicable legislation and the internal regulations of the company (Code of Ethics, Code of Corporate Governance) as well as the Letter of Expectations, the Declaration of Intent and the Management Plan approved by the General Assembly of Shareholders.

4. The duties and responsibilities of the Nomination and Remuneration Committee are mainly as follows:

- makes proposals for directorships, manages on behalf of the Board the selection procedure for candidates proposed by the public supervisory authority when the Board is expressly mandated by the general assembly of Shareholders, draws up and proposes to the Board the selection procedure for candidates for directorships, recommends candidates for the listed positions to the Board of Directors,

- makes proposals for the remuneration of the company directors and administrators,
- that the obligation to draw up annual reports and other reports is accomplished, in accordance with the law,

- will evaluate, at least once a year, the independence of the members of the Board of Directors,

- will monitor the number of directorships held by members of the Board of Directors in other companies,
- shall perform other duties in connection with the appointment or removal of members of the Board of Directors, upon its instructions,
- will make sure that the persons standing for election to the Board have the necessary training and experience to perform their duties; the Committee may make proposals for the rejection of candidates who do not meet the criteria for Board membership,
- prepare an annual report on the remuneration of directors and administrators appointed by the Board and other benefits granted to them, to be submitted by the Board to the General Assembly of Shareholders.

5. The Nomination and Remuneration Committee will meet as often as necessary but at least once every three months. Meetings of the Committee shall be convened at the request of the Chairperson of the Committee. The Chairperson of the Committee will specify the agenda of the meetings. The Committee will also meet if two members request a meeting.

6. The Secretary of the Committee shall notify each member of the Nomination and Remuneration Committee of the meeting notice by e-mail/sms/fax/post, including the proposed agenda, place, date and time of the meeting and the documentation relating to the items on the agenda. As a rule, the notice of meeting and the documentation will be communicated at least two days before the meeting. In well-justified cases, notice and documentation may also be given at shorter notice. Meetings may also be held without notice if the members of the Committee are present and expressly accept this.

7. The Committee may invite any director, administrator or any other employee of Antibiotice S.A. to its meetings.

8. The quorum requirement shall be deemed to be met and the Committee shall meet validly when at least two members are present.

9. The Committee will adopt decisions by common agreement. If no agreement is reached, decisions will be made by a simple majority of the votes of the present members.

10. The secretariat of the meetings shall be provided by the Secretary of the committee, who shall carry out all the necessary operations, including the drawing up of meeting reports, mentioning the names of the participants, the order of deliberations, the decisions made, the number of votes cast and the separate opinions. The meeting reports shall be signed by all members of the Committee and kept by the Secretary of the Board in the records of the company.

V. AUDIT COMMITTEE

1. The Board of Directors will establish an Audit Committee, consisting of non-executive directors of which at least one must be an independent director. At its first meeting, the Committee shall elect from among its members, by open ballot, a Chairperson and appoint a Secretary of the Committee who may be a person outside the Board of directors.
2. The Chairman of the Audit Committee will be an independent non-executive director. The Chairman of the Board of Directors will not be able to be the Chairman of the Audit Committee
3. During their term of office, members of the Audit Committee shall not hold any office or position that could be considered incompatible with its mission. Incompatibilities will be assessed by the Board members with reference to the applicable legislation and the internal regulations of the company (Code of Ethics, Code of Corporate Governance) as well as the Letter of Expectations, the Declaration of Intent and the Management Plan approved by the General Assembly of Shareholders.
4. At least two members, including the chairperson of the committee, must have demonstrated that they have appropriate qualifications relevant to the positions and responsibilities of the committee.
5. At least one member of the Audit Committee must have proven and appropriate audit or accounting experience.
6. The Audit Committee shall monitor the financial reporting process, monitor the effectiveness of the internal control of the company, internal audit, where applicable, and risk management systems, monitor the statutory audit of the annual financial statements, review and monitor the independence of the statutory auditor or audit firm and, in particular, the provision of additional services to the audited entity.
7. The Audit Committee ensures that the necessary internal regulatory framework for the management of the company is in place by overseeing the operation of prudent and effective systems of control to assess and manage risks and monitor the performance of executive management.
8. The audit committee provides assurance to the board that the financial information produced by the company is accurate and that the financial control and risk management systems are effective.
9. The Audit Committee ensures that the company meets its legal and stakeholder obligations.
10. As part of its responsibilities, the Audit Committee carries out an annual assessment of the internal control system. The assessment should consider the effectiveness and comprehensiveness of the internal audit function, the adequacy of risk management and internal control reports presented to the audit committee, the timeliness and effectiveness with which executive management addresses deficiencies or weaknesses identified through internal control, and the presentation of relevant reports to the Board of Directors.

11. The Audit Committee manages potential conflicts of interest in relation to the transactions of company and its subsidiaries with related parties¹ within the meaning of the tax code.

12. The Audit Committee shall monitor the implementation of legal standards and generally accepted internal auditing standards.

13. The Audit Committee shall receive and evaluate the reports of the Internal Audit Team.

14. In exercising its primary duties and responsibilities, the Audit Committee shall carry out at least the following activities:

a. review and verify the accuracy of the annual and interim consolidated financial statements of the company and any other financial reports before they are submitted to the Board for approval;

b. review and make recommendations to the Board on the appointment, reappointment or dismissal of external auditors;

c. regularly assess the effectiveness, independence and objectivity of the external auditor and monitor the relationship with the external auditor;

d. will make proposals to the Board on specific areas where further verification by the external auditor may be required;

e. review and endorse the remit of the Internal Audit Office and monitor its work to ensure that it acts objectively and independently.

15. The Audit Committee will meet on a regular basis, at least once every quarter, as well as whenever necessary.

16. Meetings of the Committee shall be convened at the request of its Chairman, or by the Chairman of the Board or the General Manager. The Committee shall also meet if two of its members request a meeting. The Secretary of the Committee shall notify each member of the Audit Committee of the meeting notice by e-mail/sms/fax/post, including the proposed agenda, place, date and time of the meeting and the documentation relating to the items on the agenda. As a rule, the notice of meeting and the documentation will be communicated at least two days before the meeting. In well-justified cases, notice and documentation may also be given at shorter notice. Meetings may also be held without notice if the members of the Committee are present and expressly accept this.

17. The Committee may invite any director, administrator or any other employee of Antibiotice S.A. to its meetings.

18. The Internal Auditor of the Company shall attend all meetings without the right to vote, unless the Chairman of the Committee considers and expressly communicates that his participation is not necessary.

19. The quorum requirement shall be deemed to be met and the Committee shall meet validly when at least two members are present.

20. The Committee shall adopt decisions by a majority of the votes of the present members.

21. The secretariat of the meetings shall be provided by the Secretary of the committee, who shall carry out all the necessary operations, including the drawing up of meeting reports, mentioning the names of the participants, the order of deliberations, the decisions made, the number of votes cast and the separate opinions. The meeting reports shall be signed by the Chairman of the Board, copied to each Director and kept by the Secretary of the Board in the records of the Company.

1 According to the provisions of the tax code in force at the date of approval of this Regulation, a person is affiliated if his relationship with another person is defined by at least one of the following:

- a) a natural entity is associated to another natural entity if they are including husband/wife or extended family;*
- b) a natural entity associated to a legal entity, if the natural entity directly or indirectly owns, including the possessions of associated persons, minimum 25% of the value/number of equity investments or of the vote rights of a legal entity or, if it directly controls the legal entity;*
- c) a legal entity is associated to another legal entity, if at least it directly or indirectly owns, including the possessions of associated persons, minimum 25% of the value/number of equity investments or of the vote rights to the other legal entity or effectively controls that legal entity;*
- d) a legal entity is associated to another legal entity, if an entity directly or indirectly owns, including the possessions of associated persons, minimum 25% of the value/number of equity investments or of the vote rights to that legal entity or, if it effectively controls that legal entity.*

VI. TRADE POLICY COMMITTEE

1. The Board of Directors will establish a Business Policy Committee, consisting of three directors of which at least one must be an independent non-executive director. At its first meeting, the Committee shall elect from among its members, by open ballot, a Chairperson and appoint a Secretary of the Committee who may be a person outside the Board of directors.

2. During their term of office, members of the Trade Policy Committee shall not hold any office or position that could be considered incompatible with its mission. Incompatibilities will be assessed by the Board members with reference to the applicable legislation and the internal regulations of the company (Code of Ethics, Code of Corporate Governance) as well as the Letter of Expectations, the Declaration of Intent and the Management Plan approved by the General Assembly of Shareholders.

3. The Business Policy Committee supports the Board of Directors in carrying out the management plan by translating it into appropriate business policies.

4. Insofar as the composition of the Board allows, when appointing the members of the Trade Policy Committee, it will be taken into account that they have relevant experience and practice in at least one of the areas of domestic sales, international sales, financial-accounting, marketing, promotion, as well as a good knowledge of the legislation applicable to the activities of the company.

5. The guiding principles that coordinate the work of the Trade Policy Committee are:

- a. the principle of legality, which implies compliance by the company with all legal provisions applicable in relations with partners and authorities, as well as with internal rules and procedures approved by the directors,

b. the principle of optimizing commercial policies, which involves establishing those marketing and promotional actions designed to stimulate the company business and ensure its medium and long-term sustainability,

c. the principle of rational use of production capacity,

d. the principle of territorial expansion, which involves establishing trade policies aimed at identifying new business opportunities in international trade.

6. The Business Policy Committee provides support to the Board in carrying out its duties in approving the development strategy of the Company, ensuring that the necessary financial and human resources are in place to achieve the strategic objectives and overseeing the executive management of the Company.

7. The Business Policy Committee reviews the business policies, including marketing and promotion policies, by which the Management Plan of the Company and the Management component of the Management Plan are implemented. In order to carry out these duties, the committee members will receive reports from the administrators of the company at board meetings and whenever they so request.

8. The Business Policy Committee will meet on a regular basis, at least once every quarter, as well as whenever necessary.

9. Meetings of the Committee shall be convened at the request of its Chairman, or by the Chairman of the Board or the General Manager. The Committee shall also meet if two of its members request a meeting. The Secretary of the Committee shall notify each member of the Committee of the meeting notice by e-mail/sms/fax/post, including the proposed agenda, place, date and time of the meeting and the documentation relating to the items on the agenda. As a rule, the notice of meeting and the documentation will be communicated at least two days before the meeting. In well-justified cases, notice and documentation may also be given at shorter notice. Meetings may also be held without notice if the members of the Committee are present and expressly accept this.

10. The Business Policy Committee may invite any director, administrator or other employee of Antibiotice S.A. to its meetings.

11. The quorum requirement shall be deemed to be met and the Committee shall meet validly when at least two members are present. The Committee shall adopt decisions by a majority of the votes of the present members.

12. The secretariat of the meetings shall be provided by the Secretary of the committee, who shall carry out all the necessary operations, including the drawing up of meeting reports, mentioning the names of the participants, the order of deliberations, the decisions made, the number of votes cast and the separate opinions. The meeting reports shall be signed by the Chairman of the Board, copied to each Director and kept by the Secretary of the Board in the records of the Company. The Trade Policy Committee will prepare and submit to the Board of Directors, on a quarterly basis, a centralized report on its work, in which it will present its conclusions and make any recommendations it deems necessary.

VII. CONFLICT OF INTERESTS

1. Directors' conflicts of interest will be managed in accordance with the provisions of the Code of Ethics of company.

2. The Directors are obliged to inform the Board immediately of any conflict of interest in which they are or may be involved.

This Regulation has been adopted by the Board of Directors of S.C. Antibiotice S.A., in the meeting of 26 January 2017 and updated in the meeting of 28.10.2021.

ANNEX NO. 2

EVALUATION REGULATION OF THE DIRECTORS OF ANTIBIOTICE S.A.

PREAMBLE

1. The corporate governance of the company is carried out through the Board of Directors, which ensures that Antibiotice S.A. management team acts in the best interests of the shareholders of the company.

2. One of the tools that can help the Board of Directors to maximize the efficiency of its work is the Board evaluation exercise.

3. Through the results of these assessments, the shareholders of the company can find out whether the Board members are acting effectively, loyally and with integrity, both individually and collectively, and are solely pursuing the interests of the company.

4. The main objectives of the evaluation of the members of the Board of Directors are:

- to improve the work of the Board in relation to the objectives and strategies of the company,
- identifying the Board strengths and areas for improvement,
- identifying risks and vulnerabilities in the work of the board as a whole and of individual directors,
- analysis of the professional integrity of directors,
- identifying the measures needed to correct any shortcomings,
- raising awareness among the Board members of the role of this body,
- strengthening collaborative relations between Board members.

1. EVALUATION METHODOLOGIES

1.1 The work of evaluating members of the Board of Directors can be carried out in two ways:

- self-assessment
- external assessment

1.2 In the case of the self-assessment method, the members of the Board of Directors will be assessed by means of a methodology and questionnaire designed by the members of the Board and/or an interview, with each Board member having a discussion with the Chairman of the Board and/or the Nomination and Remuneration Committee on the activities carried out within this body.

1.3 The result of the assessments may be verified and endorsed by Antibiotice S.A. external auditor, in which case he will specify this in the annual audit report together with his observations.

1.4 In the case of external assessment, this is carried out by an independent natural or legal entity specializing in human resources recruitment.

1.5 The assessment procedure is carried out by means of a questionnaire designed by the expert and/or an interview, with each member of the Board having a discussion with the expert on the activities carried out within this body.

1.6 Whichever assessment method is chosen, it is important that it is governed by principles such as:

- confidentiality
- objectiveness
- respect for the interests of company
- credibility

2. ASSESSMENT OF BOARD MEMBERS

2.1 The Board of Directors will decide on the method of assessment of its members, i.e. self-assessment or external assessment.

2.2 The assessment parameters of the members of the Board of Directors are:

- developing company strategies and business plans,
- the implementation of robust procedures and policies appropriate to the company business the composition, structure and experience of Board members,
- oversight of financial reporting, risk management and internal audit procedures,
- that the company ensures that directors do not represent a potential risk that may lead to the vulnerability of the company, for which purpose it considers whether they have maintained a good reputation, sufficient knowledge, skills and experience, are capable of acting with honesty, integrity and have an independent mind to evaluate management decisions,
- that the company ensures that directors can allocate sufficient time to carry out their specific duties,
- that the company ensures that directors represent the interests of shareholders and act in their best interests,
- that the company ensures that the relationship between directors and shareholders is representative and functional,
- the ability to invest time and effort in understanding the workings of the company,
- the ability to communicate with other Board members and the management team of the company.

2.3 The assessment of the performance indicators of the members of the Board of Directors cannot be subject to self-assessment, it will usually be carried out annually on the basis of the Activity Reports prepared and presented by the directors at the General Assemblies of Shareholders, after audit by the external auditor.

2.4 The assessment of the accomplishment of the obligations and expectations of the shareholders shall be made on the basis of this Regulation and the decisions of the Board, in accordance with the provisions of the Emergency Ordinance No. 109/2011 on the governance of public companies and the methodological rules for its implementation.

3. STAGES OF ASSESSMENT

3.1 The first stage of the assessment of Board members is to identify the objectives of the assessment.

3.2 The objectives of the assessment should be to determine the extent to which the work of the Board members contributes to the achievement of the company strategies, including in relation to shareholder expectations.

3.3 The questionnaires used in the assessment procedure for the members of the Board of Directors will answer, but are not limited to, the following questions:

- how has the Board contributed to the development of the strategies of company?
- what has been the Board contribution to the development of risk management policies?
- what contribution has the Board made to the establishment, implementation and evaluation of the internal control systems of company?
- does the composition of the Board and Committees ensure that the objectives of the company are achieved?
- are the directors diligent in their work, attending all Board meetings and General Assemblies of Shareholders? In the assessments, for attendance at Board meetings and general assemblies, the director will be scored differently for 100% attendance, for attendance between 90-99%, for attendance between 80-89%, and so on.
- how has the Board reacted to problems that have arisen in the course of its work?
- the directors have acted honestly and fairly in their work and in their dealings with the company and shareholders?
- how well do Board members communicate with the management team of the company?
- in their work, do managers comply with applicable legal provisions and ethical rules?
- how effective are the Board Committees? In the assessments, directors will be assessed on a differentiated basis for their work on board committees, taking into account their individual degree of involvement, the proposals made and their applicability to the company business.

3.4 In the second stage of the assessment, the standard questionnaires filled by the members of the Board of Directors and/or the reports drawn up during the discussions held with them by the Chairman of the Board will be submitted to the Nomination/Remuneration Committee which, after analyzing them, will draw up a report containing its conclusions. The report will be presented to the full Board. Directors may seek the opinion of the external auditor on the self-assessment carried out, as well as that of the shareholders on whose proposals they have been appointed as directors.

3.5 Following the assessment and presentation of the report of the Nomination/Remuneration Committee to the Board of Directors, the members of the Nomination/Remuneration Committee may develop an action plan aimed at remedying any deficiencies identified by the Nomination/Remuneration Committee and/or taking appropriate action.

3.6 In order to keep the assessment procedure up to date and in line with legislative changes, it may be amended annually following proposals and recommendations made by Board members.

This Regulation has been adopted by the Board of Directors of S.C. Antibiotice S.A., in the meeting of 26 January 2017 and updated in the meeting of 28.10.2021.

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