

**PRESS RELEASE**

**On the procedure of distribution of dividends to Zentiva SA company shareholders following the decision of the General Ordinary Meeting of Shareholders as of April 27<sup>th</sup> 2017**

According to the decision of the General Ordinary Meeting of Shareholders as of April 27<sup>th</sup> 2017, the distribution of amount of RON 65,000,000 RON from the net profit of 2016 for granting of dividends (gross dividend has a gross value of RON 0.155890 /share) has been approved.

Dividends shall be paid on **June 9, 2017 (payment date)** both in case of bank transfers and of cash payments, to shareholders registered in Zentiva S.A. Shareholders' Registry at the registration date of May 17<sup>th</sup> 2017. The *ex date* is May 16<sup>th</sup>, 2017.

Dividend taxation shall be calculated and withheld by Zentiva SA from the gross dividend, according to the legal applicable provisions.

Dividends' payment methods and terms are the following:

**I. Cash payments**

In case of natural persons shareholders not represented by the Participant, that do not request and/or do not send the documents necessary for the payment through bank transfer, the payment of dividends may be done in cash, Zentiva S.A. making available the due amounts at CEC Bank SA pay desks all over the country, by means of the trade company Depozitarul Central S.A., starting with *June 9, 2017*.

Natural persons shareholders may present to CEC Bank SA pay desks all over the country. The dividends collection timescale corresponds to CEC Bank SA pay desks' working hours.

Dividends may be collected by the shareholders in person or through legal or conventional representative as follows:

1. In case of Holders not represented by the Participant, resident natural persons presenting at the pay desk in person, the payment of the amounts of money shall be done based on the ID on which the personal identification number (P.I.N.) appears. The identification in the File of the Holders not represented by the Participant shall be done based on the information in the P.I.N. field.
2. In case of Holders not represented by the Participant, nonresident natural persons presenting at the pay desk in person, the payment of the Amounts of money shall be done based on the passport whose series and number must correspond to the ones recorded at the File.
3. In case of Holders not represented by the Participant, natural persons below 14 years of age, the payment of the Amounts of money shall be done to the concerned legal representative – minor child's guardian/parent, based on the following documents: certificate of birth of the Holders not represented by the Participant that must provide the P.I.N. + 1 true copy (which shall be retained) thereof, the legal document setting the guardianship in case the guardian is not one of the parents + 1 true copy (which shall be retained) thereof and the ID of the guardian/parent + 1 true copy (which shall be retained) thereof.
4. In case of Holders not represented by the Participant, natural persons on which trusteeship has been set up, the payment of the Amounts of money shall be done through the trustee of that person, based on the following documents: ID of the Holders not represented by the Participant that must provide the P.I.N. + 1 true copy (which shall be retained) thereof, the legal document setting the guardianship + 1 true copy (which shall be retained) thereof and ID of the trustee + 1 true copy (which shall be retained) thereof.
5. In case of Holders not represented by the Participant, natural persons that do not present in person at the pay desk, but who mandate another person in this respect, the payment of the Amounts of money shall be

done to the mandate of that person based on the following documents: special power of attorney authenticated by the notary public including the authorization to collect the Amounts of money, issued not more than 3 years previous to the payment date, except for the case the power of attorney has a validity longer than 3 years and is valid at the date of the payment + 1 true copy (which shall be retained) thereof and ID of the authorized person + 1 true copy (which shall be retained) thereof.

6. The documents presented in a foreign language shall be accompanied by a notarized translation in Romanian language and if issued by a foreign authority, they must be apostilled or super-legalized, as the case may be.

The fee related to the payment in cash of the dividend shall be borne by the shareholder.

## **II. Payments through bank transfer (in accounts opened in lei at a Romanian bank)**

As of the date of this official notification, natural persons and legal entities shareholders not represented by the Participant, who wish to be paid the dividends by means of bank transfer, may request and send the necessary documents to Depozitarul Central S.A., the payment of dividends being made by Depozitarul Central through bank transfer on **June 9, 2017**, after the receipt and verification of the documents, as follows:

**1. Natural persons holders of financial instruments, personal or through legal or conventional representative**, shall present to Depozitarul Central the collection form IBAN code, mentioning the bank and the account (IBAN code) opened on the name of the Holder of financial instruments (the model is available on Depozitarul Central website - [www.depozitarulcentral.ro](http://www.depozitarulcentral.ro)), accompanied by:

- Copy of the valid ID clearly providing the personal identification number – certified by the holder “true copy”;
- Statement of account or a document issued by the bank (signed and stamped) confirming the existence of the account on the name of the Holder of financial instruments, also mentioning the IBAN code, in original;
- Copy of the documents certifying the quality of legal or conventional representative of the person signing the application, if applicable - certified by the holder “true copy”;
- Proof of fee payment.

**2. Legal entities holders of financial instruments, through legal or conventional representative**, shall present to Depozitarul Central the collection form IBAN code, mentioning the bank and the account (IBAN code) opened on the name of the Holder of financial instruments (the model is available on Depozitarul Central website - [www.depozitarulcentral.ro](http://www.depozitarulcentral.ro)), accompanied by:

- Copy of the certificate of registration – certified by the holder “true copy”;
- Copy of the document certifying the quality of legal representative of the company (confirmation of company details issued by the trade registry/equivalent entity – in case of foreign entities) – certified by the holder “true copy”;
- Copy of the documents certifying the quality of conventional representative of the person signing the application, if applicable – certified by the holder “true copy”;
- Statement of account or a document issued by the bank (signed and stamped) confirming the existence of the account on the name of the holder – legal entity, also mentioning the IBAN code, in original;
- Proof of fee payment.

**3.** In case of shareholders natural persons, legal entities or other entities who, at the date of registration, hold any shares provided at Section II of Zentiva S.A. Shareholders Registry, in the account opened at the Participant, dividends shall be paid automatically into Participants’ accounts at the payment date, if the concerned shareholders have not expressed or communicated to the Participant their delay payment option, and if the Participant has not communicated this option to Depozitarul Central within the report provided at the registration date.

The delay payment date only applies to non-resident shareholders who have an account opened at the Participant and who opt for a delayed payment at a date further to the payment date, in order to be able to benefit from the more favorable provisions of the Conventions for avoidance of double taxation, and represents the established deadline, reported to the relevant fiscal provisions, until which the payment of dividends to the shareholders that have exercised this payment option can be postponed.

The payment option is the option expressed by non-resident shareholders that have an account opened with the Participant and communicated by the Participant to Depozitarul Central within the report as of the registration date made according to the applicable legal Regime, concerning:

a) the payment of dividends, by withholding the standard share of the tax on dividends provided by the Romanian Fiscal Code, effectual at the payment date;

b) the payment of dividends with the properly withheld share of the tax on dividends, according to the Convention for the avoidance of double taxation, based on the complete and accurate fiscal documentation previously sent by the shareholder;

c) the delay of dividend payment at a date further to the payment date, however during the year 2017, so that shareholders may benefit from the more favorable fiscal provisions of the Conventions for the avoidance of double taxation, after the submission of the complete and accurate fiscal documentation. The payment of net dividends shall be done within at most ten working days as of the receipt by Zentiva S.A. of the complete and accurate supporting documents and of the possible clarifications requested. In case of shareholders for which the Participants have not submitted the supporting documents within the deadline, the payment of dividends shall be done by withholding the standard effectual share of the tax on dividends provided by the Romanian Fiscal Code.

Non-resident shareholders who have an account opened with the Participant (Guardian Bank or Broker), who wish to be applied the more favorable fiscal provisions of the Conventions for the avoidance of double taxation concluded between Romania and their country of residence, must submit through the Participant the certificate of fiscal residence for the year in which the dividends are paid, which must be valid, in original or legalized copy, apostilled/super-legalized, if applicable, accompanied by an authorized translation, as well as contact information for possible clarifications on the certificates of fiscal residence. The documents shall be sent to Zentiva SA secondary office in Bucharest, 4 Gara Herastrau street, building B, 8<sup>th</sup> floor, 2<sup>nd</sup> district, in attention of the Financial Department. Zentiva S.A. shall not be liable for the non-application of the above mentioned favorable fiscal treatment in absence of this documentation and/or of the requested clarifications.

If opting for the delayed Payment of dividends, the documents shall be sent until the latest November 22, 2017, at Zentiva SA secondary office's address mentioned above.

In case of non-resident shareholders represented by one Participant, Zentiva S.A. shall withhold the tax on dividends from the gross dividend, in the standard effectual share provided by the Romanian Fiscal Code, if:

➤ They have not opted for the delayed payment and have not sent the certificate of fiscal residence and the possible requested clarifications.

➤ They have opted for the delayed payment, but have not sent the certificate of fiscal residence (including the documents referring to non-resident pensions funds) and the possible requested clarifications until the latest November 22, 2017.

The requests concerning the transfer of dividends in the bank account shall be sent to the address: Depozitarul Central SA – Bucharest, 34-36 Carol I Blvd., 3<sup>rd</sup> floor, 2<sup>nd</sup> district,

*All above requests shall include the e-mail and telephone number of the shareholders or their intermediaries/representatives, as the case may be, in case of need of clarifications.*

The fee shall be borne by the shareholder.

#### **4. Non-resident natural persons/legal entities**

According to the Law no. 571/2003 updated (and to the Methodological Norms for the application of the Law no. 571/2003 on Fiscal Code), in case of agreements for avoidance of double taxation as concerns the taxes on income and capital, for the application of the provisions on common fiscal regime for resident shareholders of certain EU or EFTA member states, non-resident persons have the obligation to submit/send to Zentiva S.A. office the original copy of the certificate of fiscal residence issued by the relevant authority of the country of residence. The certificate of fiscal residence shall be personally submitted to the registry office of Zentiva SA secondary office in Bucharest, 4 Gara Herastrau street, building B, 8<sup>th</sup> floor, 2<sup>nd</sup> district (Monday to Friday between 9.00 – 17.00) or may be sent by mail or any other courier with acknowledgment of receipt, at the same address. If the shareholder does not present the certificate of fiscal residence, withheld tax shall be calculated by applying the effectual share applicable to resident shareholders.

#### **5. Jointly held shares**

In case of jointly held shares, the payment of dividends shall be done according to the following specifics:

- In case of payments through bank transfer, dividends due to co-owners shall be transferred into the account mentioned by all co-owners in a joint request.
- In case of payments in cash, they shall be made on condition that all co-owners present to CEC, personally or by legal and/or conventional representative and that they present the documents provided above for cash payments.
- In case of payments to those that have an account opened with the Participant, dividends due to co-owners shall be transferred to the Participant whose clients they are.
- If the co-owners request both the registration by Depozitarul Central of the direct ownership transfer over the financial instruments as result of severance of the joint tenancy according to the applicable legal Regime, as well as the direct payment to each of the co-owners depending on the number of acquired dividends in exclusive ownership, Depozitarul Central shall block the payment of dividends, the payment following to be made to each former co-owner according to this procedure.

**III.** Documents presented in a foreign language shall be accompanied by a notarized translation in Romanian language and if issued by a foreign authority, they must be apostilled or super-legalized, as the case may be.

**IV.** In case of deceased shareholders, dividends are to be paid at the request of their successors through bank transfer or in cash only after the inheritors have requested Depozitarul Central S.A. and after there has been recorded the transfer of shares to the inheritor(s) by means of inheritance.

**V.** Any change of the information in shareholders registry (change of name, address, identity information, etc.) shall be done only by Depozitarul Central S.A., headquartered in Bucharest, 34-36 Carol I Blvd., 2<sup>nd</sup> district, floors 3, 8 and 9, at the request of the authorized shareholder/person.

Date: 06.06.2017

**Zentiva SA**