



ZENTIVA SA  
50 Th. Pallady Blvd., 3<sup>rd</sup> district  
Registration number J40/363/1991  
CUI 336206  
fiscal attribute R

Updated on [●]

**ARTICLES OF INCORPORATION of  
ZENTIVA S.A.  
("The Company")**

**Preamble:**

*We, the Shareholders of S.C. ZENTIVA S.A., have agreed to conclude these ARTICLES OF INCORPORATION, as a sole written document and as the deed issued for the updating of the ARTICLES OF INCORPORATION of S.C. ZENTIVA S.A., without thus creating a new trade company. As result, we have agreed that the initial ARTICLES OF INCORPORATION of the Company and the addenda concluded and registered to-date with the Trade Register Office near Bucharest Tribunal will be replaced by these ARTICLES OF INCORPORATION, made up of ten chapters and setting forth the following provisions:*

**Definitions:**

*The concepts of "involved parties", "persons acting jointly" and "significant shareholder", as well as any other specific concepts used hereunder shall be considered to have the meaning provided by Capital Market Law 297/2004, as further amended ("Law 297/2004"), by the regulations of the National Securities Commission ("NSC"), by Company Law 31/1990, republished, as further amended and completed ("Law 31/1990") and the other applicable legal provisions, except if otherwise provided hereunder. Any references in the ARTICLES OF INCORPORATION to Capital Market Law 297/2004 and to Company Law 31/1990, republished, shall be replaced by the abbreviations defined in the Preamble.*

**CHAPTER I**

**NAME, LEGAL ORGANIZATION, REGISTERED OFFICE, TERM OF THE COMPANY**

**Art. 1 The name and emblem of the Company**

1.1. The name of the Company is "ZENTIVA" S.A (according to the proof of name reservation no. 759216 as of 15.12.2005).

1.2. All documents, invoices, advertisements, publications as well any other documents issued by the Company, shall contain the name of the Company, legal form, headquarters, sole registration code and the fiscal attribute, as well as the share capital, mentioning the actual paid up capital, according to the last approved financial statement.



1.3. The Company has an emblem consisting in the name “ZeNTIVA”, as reserved at the Bucharest’s Trade Registry Office under the number 11.043 from 13.01.2006.

## **Art. 2 The legal form of the Company**

The trade company “ZENTIVA” S.A. is a Romanian legal entity, being legally organized as a joint stock company admitted to trading on a regulated market according to the legal effectual provisions. The Company operates in accordance with the Romanian legal provisions regarding the issuers of securities, in accordance with the provisions of the Law 31/1990 and the provisions of these ARTICLES OF INCORPORATION.

## **Art. 3 The registered headquarters of the Company**

3.1. The registered headquarters of the Company are located in Romania, Bucharest, 50 Theodor Pallady Str., 3<sup>rd</sup> district. The registered headquarters of the Company can be relocated to any address in Romania, based on the decision of the General Meeting of Shareholders, according to the legal provisions.

3.2. The Company, based on the resolutions of the General Meeting of Shareholders can establish branches, representative offices, agencies located in Romania and/or abroad.

## **Art. 4 The term of the Company**

The term of the Company is unlimited, as of the date of the registration thereof with the Bucharest Trade Registry Office.

## **CHAPTER II**

### **COMPANY’S OBJECT OF ACTIVITY**

#### **Art.5 Company’s object of activity is:**

5.1. The main field of activity of the Company is:

NACE 211 – Manufacture of basic pharmaceutical products.

5.2. The main activity of the Company is:

NACE 2120- Manufacture of Pharmaceutical Preparations.

5.3. The secondary activities of the Company are:

NACE 1089 – **Manufacture of other food products n.e.c.**

NACE 0240 - Support services to forestry

NACE 1721 – Manufacture of corrugated paper and paperboard and of containers of paper and paperboard

NACE 1729 - Manufacture of other articles of paper and paperboard

NACE 1812 – Other printing

NACE 1813 - Pre-press and pre-media services

NACE 2059 – Manufacture of other chemical products n.e.c.

**Zentiva SA** - Bdul Theodor Pallady nr. 50 - 032266, sector 3 , Bucuresti - Romania

tel. (+40) 21.304.71.29 - fax (+40) 21.345.40.04,

Registrul Comertului : J40/363/1991 - Cod Unic : RO 336206 - IBAN RO65FTSB6448700041001RON in RON, BNP Paribas – sucursala Bucuresti

- NACE 2110 - Manufacture of basic pharmaceutical products
- NACE 2319 – Manufacture and processing of other glass, including technical glassware
- NACE 2611 - Manufacture of electronic components
- NACE 3250 – Manufacture of medical and dental instruments and supplies
- NACE 3312 - Repair of machinery
- NACE 3319 - Repair of other equipment
- NACE 3320 - Installation of industrial machinery and equipment
- NACE Code 3511
- NACE 3521 - Manufacture of gas
- NACE 3522 - Distribution of gaseous fuels through mains
- NACE 3523 Trade of gas through mains
- NACE 3831 Dismantling of wrecks
- NACE 3832 Recovery of sorted materials
- NACE 4321 Electrical installation
- NACE 4322 Plumbing, heat and air-conditioning installation
- NACE 4329 Other construction installation
- NACE 4511 Sale of cars and light motor vehicles
- NACE 4519 Sale of other motor vehicles
- NACE 4520 Maintenance and repair of motor vehicles
- NACE 4618 Agents specialised in the sale of other particular products
- NACE 4619 Agents involved in the sale of a variety of goods
- NACE 4636 Wholesale of sugar and chocolate and sugar confectionery
- NACE 4638 Wholesale of other food, including fish, crustaceans and molluscs
- NACE 4639 Non-specialised wholesale of food, beverages and tobacco
- NACE 4645 Wholesale of perfume and cosmetics
- NACE 4646 Wholesale of pharmaceutical goods
- NACE 4675 Wholesale of chemical products
- NACE 4676 Wholesale of other intermediate products
- NACE 4741 Retail sale of computers, peripheral units and software in specialised stores
- NACE 4742 Retail sale of telecommunications equipment in specialised stores
- NACE 4753 Retail sale of carpets, rugs, wall and floor coverings in specialised stores
- NACE 4759 Retail sale of furniture, lighting equipment and other household articles in specialised stores
- NACE 4764 Retail sale of sporting equipment in specialised stores
- NACE 4765 Retail sale of games and toys in specialised stores
- NACE 4771 Retail sale of clothing in specialised stores
- NACE 4773 Dispensing chemist in specialised stores
- NACE 4774 Retail sale of medical and orthopaedic goods in specialised stores
- NACE 4776 Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores
- NACE 4777 Retail sale of watches and jewellery in specialised stores
- NACE 4778 Other retail sale of new goods in specialised stores
- NACE 4779 Retail sale of second-hand goods in stores



NACE 4939 Other passenger land transport n.e.c.  
NACE 4941 Freight transport by road  
NACE 4942 Removal services  
NACE 5210 Warehousing and storage  
NACE 5221 Service activities incidental to land transportation  
NACE 5224 Cargo handling  
NACE 5229 Other transportation support activities  
NACE 5320 Other postal and courier activities  
NACE 5811 Book publishing  
NACE 5812 Publishing of directories and mailing lists  
NACE 5813 Publishing of newspapers  
NACE 5814 Publishing of journals and periodicals  
NACE 5819 Other publishing activities  
NACE 5821 Publishing of computer games  
NACE 5829 Other software publishing  
NACE 5920 Sound recording and music publishing activities  
NACE 6010 Radio broadcasting  
NACE 6020 Television programming and broadcasting activities  
NACE 6190 Other telecommunications activities  
NACE 6201 Computer programming activities  
NACE 6202 Computer consultancy activities  
NACE 6203 Computer facilities management activities  
NACE 6209 Other information technology and computer service activities  
NACE 6311 Data processing, hosting and related activities  
NACE 6312 Web portals  
NACE 6420 Activities of holding companies  
NACE 6492  
NACE 6820 Renting and operating of own or leased real estate  
NACE 6920 Accounting, bookkeeping and auditing activities; tax consultancy  
NACE 7010 Activities of head offices  
NACE 7021 Public relations and communication activities  
NACE 7022 Business and other management consultancy activities  
NACE 7111 Architectural activities  
NACE 7112 Engineering activities and related technical consultancy  
NACE 7120 Technical testing and analysis  
NACE 7311 Advertising agencies  
NACE 7312 Media representation  
NACE 7320 Market research and public opinion polling  
NACE 7490 Other professional, scientific and technical activities n.e.c.  
NACE 7711 Renting and leasing of cars and light motor vehicles  
NACE 7733 Renting and leasing of office machinery and equipment (including computers)  
NACE 7820 Temporary employment agency activities  
NACE 7830 Other human resources provision  
NACE 8020 Security systems service activities  
NACE 8110 Combined facilities support activities

Zentiva SA - Bdul Theodor Pallady nr. 50 - 032266, sector 3 , Bucuresti - Romania  
tel. (+40) 21.304.71.29 - fax (+40) 21.345.40.04,

Registru Comertului : J40/363/1991 - Cod Unic : RO 336206 - IBAN RO65FTSB6448700041001RON in RON, BNP Paribas – sucursala Bucuresti



NACE 8211 Combined office administrative service activities  
NACE 8219 Photocopying, document preparation and other specialised office support activities  
NACE 8220 Activities of call centres  
NACE 8230 Organisation of conventions and trade shows  
NACE 8291 Activities of collection agencies and credit bureaus  
NACE 8299 Other business support service activities n.e.c.  
NACE 8560 Educational support activities  
NACE 9101 Library and archives activities  
NACE 9511 Repair of computers and peripheral equipment

### **CHAPTER III**

#### **REGISTERED SHARE CAPITAL, SHARES**

##### **Art. 6 The registered share capital**

- 6.1. The registered capital of the company ZENTIVA S.A. is of RON 69,701,704 and it consists of in kind and cash contributions.
- 6.2. The Company's share capital is divided into 697,017,040 nominal shares of RON 0.1 each.
- 6.3. The new structure of the fully subscribed and paid up share capital of the Company is the following:
- the shareholder Zentiva Group a.s., headquartered in Czech Republic, Prague 10, Dolní Měcholupy, U Kabelovny 130, postal code 10237, holds 668,778,101 shares totalling RON 66,877,810.1 representing 95.9486% of Company's share capital;
  - other natural and legal persons holding 28,238,939 shares, totalling RON 2,823,893.9, representing 4.0514% of Company's share capital.

##### **Art. 7 The shares**

The shares issued by the Company are nominal, indivisible, equal in value, dematerialised, freely negotiable and fully subscribed and paid up and shall be numbered by the Independent Registry company contracted by the Company for the purpose to maintain the shares evidence in the Shareholder's Registry.

##### **Art. 8 The increase and the decrease of share capital**

###### **8.1 The increase of the share capital**

8.1.1. Company's share capital can be increased based on the decision of the General Extraordinary Meeting of Shareholders, in accordance with the legal provisions in force and of the present ARTICLES OF INCORPORATION.

8.1.2 The Company can increase its share capital, under the provisions of these ARTICLES OF INCORPORATION and of the legal provisions in force, by issuing new shares or increasing the nominal value (par value) of the existing shares in exchange of new contributions in cash or in kind or by incorporating the reserves (except for the legal reserves), as well as the benefits or issue premiums. The increase of the Share Capital can also be carried out by any other methods allowed by the law.



8.1.3 Company's share capital can include only the competitive assets necessary for the performance of Company's object of activity. If the share capital increase is done by contributions in kind, the General Extraordinary Meeting of Shareholders shall appoint one or several independent experts to assess these contributions, in accordance with the legal provisions.

The number of shares to be allocated following the contribution in kind to the share capital will be determined as a ratio between the value of the contribution in kind, according to the above mentioned expertise report and the highest of the market value for one share, the value per share computed based on the accounting net assets or the nominal value (par value) of a share, according to the law.

8.1.4. The shareholders benefit from the right of first refusal for the subscription of the new shares issued for the increase of the share capital, within the limits of their contribution to Company's share capital.

8.1.5 The General Extraordinary Meeting of the Shareholders can bar the pre-emption right of the shareholders to the subscription of the new shares, if the following conditions are cumulatively met:

- in the presence of at least  $\frac{3}{4}$  of the holders of the share capital;
- by the vote of the shareholders owning at least 75% of the rights to vote within the meeting.

## **Art 8.2 The decrease of the share capital**

8.2.1 The General Extraordinary Meeting of the Shareholders shall decide on the decrease of the share capital of the Company. The share capital can be decreased due to well-grounded reasons and only up to the minimum limit stipulated by the law.

8.2.2. The decrease of the Share capital can be performed only after the elapse of two months as of the date when the resolution of the General Extraordinary Meeting is published in the Official Gazette of Romania.

## **Art. 9 The rights and obligations deriving from shares**

9.1. Each subscribed and paid up share grants to its holder a voting right during the General Meeting of the Shareholders, the right to elect and to be elected in the management bodies of the Company, the right to participate to the distribution of the Company's profits, according to the provisions of these ARTICLES OF INCORPORATION and the legal provisions, as well as any other rights forthcoming from the ownership over the shares within the limits set forth by these ARTICLES OF INCORPORATION and as provided by the law.

9.2 The rights, benefits and obligations that result from any or all shares owned by a shareholder, shall be transferred in the same time with the transfer of the ownership right over the shares, according to the law.

9.3 Each shareholder undertakes to observe the provisions of these ARTICLES OF INCORPORATION.

9.4. Company's obligations are secured by the assets thereof and Company's shareholders will be held liable for the performance of Company's obligations only within the limits of the share capital subscribed.

9.5. The Company's patrimony may not be encumbered by debts or other personal liabilities of the shareholders.



9.6 A creditor of a shareholder can formulate claims over that part of Company's profit distributed as dividends by the General Meeting of Shareholders or over the shareholder quota from the Company's assets following the liquidation procedure performed in accordance with the provisions of these ARTICLES OF INCORPORATION and the legal effectual provisions.

9.7 The shareholders must exercise their rights deriving from the shares in good faith and by observing the rights and legitimate interest of the other shareholders and the priority interest of the Company, otherwise being held liable for the inflicted damages.

9.8 The abusive use of the capacity of shareholder, following performance of unfair or fraudulent deeds (determined in accordance with the applicable law), which results in the restriction of the rights granted by the shares or damages inflicted to other shareholders is prohibited by the law and triggers the personal liability of the shareholders in accordance with the law.

#### **Art. 10 Transfer of shares**

10.1. Company's shares are indivisible.

10.2. When a nominal share falls into the indivisible ownership of several persons, the Independent Register Company in charge for the evidence of Company's shares is not obliged to register the ownership transfer until those persons appoint a sole representative for the purpose of exercising the right deriving from such nominal share.

As long as a share is indivisibly owned by several persons, those persons are jointly liable for the payment of such a share.

10.3. The partial or total assignment of the shares between shareholders or third parties shall be performed accordance with the Law no. 297/2004.

10.4. Company's shares may be traded according to the law, only on a regulated market designated by the General Meeting of Shareholders.

### **CHAPTER IV**

#### **GENERAL MEETING OF SHAREHOLDERS**

#### **Art 11. The General Meeting of Shareholders**

11.1. The General Meeting of Shareholders is the supreme managing body of the Company having a general capacity to decide in respect to its activity and its economic, trade and development policy.

11.2 The General Meeting of Shareholders can be Ordinary and Extraordinary. The resolutions of the General Meeting of Shareholders are adopted according to the law and the provisions of these ARTICLES OF INCORPORATION and are mandatory for all shareholders.

11.3. **The General Ordinary Meeting** will meet at least once a year, within at most 4 months after the end of the financial year for the following purposes:

- a) Debate, approve or modify the yearly financial statements approved by the Board of Directors, based on Directors' and Auditors' reports and establishes the value of the dividends and the deadline for their distribution,
- b) Identification of the shareholders eligible to receive dividends,
- c) Electing and revoking the directors, establishing their remuneration and the minimum value of the amount insured by the professional civil liability insurance, as well as the general limits for the remuneration of directors and managers, subject to the delegation of prerogatives for managing the Company;
- d) Appointment of the financial auditor as well of the authorised person to sign the services contract concluded with the auditor on behalf of the Company;
- e) Approval of directors' management report;
- f) Approval and amendment of the business plan, of the annual budget and the activity schedule of the Company, proposed for approval by the Directors ,
- g) Incorporation or dissolution of one or several of Company's subsidiaries, representative offices, agencies, or any other secondary establishments of the Company as well as the incorporation of Company's branches;
- h) Any other issue pertaining to its decisional competence.

11.4. **The General Extraordinary Meeting** shall be convened whenever necessary to make a decision related to:

- a. The change of Company's share capital
- b. The change of Company's object of activity
- c. The change of Company's organization form
- d. The relocation of Company's registered headquarters
- e. Merger with other companies or the division of the Company
- f. The anticipated dissolution of the company
- g. Issue of bonds
- h. The undertaking of long or short term loans whose value exceeds half of the accounting value of Company's assets as at the date of the execution of the relevant legal document;
- i. The approval of all legal instruments in connection with the acquisition, alienation, exchange or pledge of some of the immovable assets of the Company, whose value exceeds 20% of the value of the total immovable assets of the Company, considered individually, for each legal instrument, or cumulatively, during a financial year, minus the value of the receivables at the date of the execution of the relevant legal instrument;
- j. The approval of legal deeds concerning the rental of fixed assets of the Company for a period longer than 1 year, whose individual value exceeds 20% of the value of the total immovable assets of the Company, considered individually or cumulatively in relation to the same contracting party or to involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument.
- k. The approval of the association agreements concluded by the Company if they are concluded for a period longer than 1 year, whose value exceeds 20% of the value of the total immovable assets of the Company, considered individually or cumulatively in relation to the same contracting party or to involved persons or to persons coordinating their actions, minus the receivables at the date of the execution of the relevant legal instrument.
- l. The approval of any amendment to Company's ARTICLES OF INCORPORATION. In this case, prior to convening the General Extraordinary Meeting of Shareholders for the amendment of the ARTICLES OF INCORPORATION, the draft of the proposed amendments shall be sent to NSC and to securities market where the Company's shares are traded.





m. Pass any other resolution that needs the approval of the General Extraordinary Meeting of Shareholders in order to be enforced.

#### **Art 12. Convening of the General Assemblies**

12.1. The General Meeting of Shareholders shall be convened by the Board of Directors, pursuant to the decision thereof and in observance of the law.

12.2. The Ordinary General Meeting is held at least once a year, according to the provisions stipulated at art. 11.3, as well as whenever is necessary to approve a resolution of its own competence, according to the legal provisions in force and of these ARTICLES OF INCORPORATION.

12.3. The Board of Directors has the obligation to convene the General Extraordinary Meeting of Shareholders upon the request of shareholders representing at least 10% of the share capital, upon the request of financial auditors or if, further to the occurrence of loss, the value of the net assets determined as the balance between the total assets and the total liabilities of the Company is less than half of Company's share capital.

12.4. The General Meeting of Shareholders shall be called as provided under and in observance of the publicity conditions provided by NSC regulations and by Law 31/1990.

#### **Art 13. The organization of the General Meeting**

13.1. Shareholders can attend and vote during the General Meeting in person or through a representative appointed based on a power-of-attorney granted for the purpose of that General Meeting as a written document given under private signature. The shareholders who do not hold the capacity of exercise as well as legal entities can be represented by their legal representatives who, in their turn, can grant a power-of-attorney to other persons for that general meeting. The company will make available to the shareholders the standard form of the power-of-attorney at least 5 days before the first convening of the General Meeting and the shareholders will submit the original powers-of-attorney at least 48 hours before the Meeting, under the sanction of losing the right to vote within that Meeting. The powers-of-attorneys shall be kept by the Company, which will be mentioned in the minutes.

13.2. The General Meeting of Shareholders will be chaired by the Chairman of the Meeting, who will be the Chairman of the Board of Directors or, in his absence, another member of the Board of Directors appointed by the latter. The Chairman of the Meeting will appoint a meeting secretary among the present shareholders and one or more technical secretaries.

13.3. The meeting secretary will draft a minute mentioning the issues debated and the decisions made, which minute will be signed by the Chairman of the Meeting and by the Secretary and will be kept in a special register the pages of which are marked by serial numbers, kept by the Board of Directors.

## **Art 14. The exercise of the voting right during the General Meeting of Shareholders**

14.1. The resolutions of the General Meeting of Shareholders are usually adopted by open vote.

14.2. Upon the proposal of the President of the General Meeting or of a group of attending shareholders (present whether personally or by representatives) holding at least  $\frac{1}{4}$  of the registered share capital, secret voting may be decided upon.

14.3. The secret voting is mandatory for the election and revocation of the members of the Board of Directors and of the financial auditor and for making the decisions related to the activity and liability of the Directors.

14.4. The decisions of the Ordinary General Meeting are validly passed under the following conditions:

- at the first convening: the shareholders representing at least  $\frac{1}{2}$  of Company's share capital need to be present and the decisions need to be made based on the favourable vote of the shareholders holding the absolute majority of the share capital present or represented within the meeting;
- upon the second convening: decisions can be made regardless of the share capital present/represented within the meeting, based on the favourable vote of the majority of the share capital present or represented within the meeting.

14.5. The decisions of the Extraordinary General Meeting of the Shareholders of the Company are validly made under the following conditions:

- at the first convening: shareholders representing at least  $\frac{3}{4}$  of the share capital need to be present at the meeting, and decisions need to be made based on the favourable vote of the shareholders holding at least  $\frac{1}{2}$  of the share capital, except for the case provided under Article 8.1.5. above;
- at the second convening: shareholders representing at least  $\frac{1}{2}$  of the share capital need to be present and decisions need to be made based on the favourable vote of shareholders holding at least  $\frac{1}{3}$  of the share capital, which, in the case of the decisions for the amendment of company's main object of activity, for the decrease or increase of the share capital, for the change of the legal form, for merger, spin-off or dissolution of the Company, cannot be less than two thirds of the voting rights held by the shareholders present or represented within the Meeting.

14.6. The resolutions of the General Meetings of Shareholders adopted within the limits of the law and of the ARTICLES OF INCORPORATION, are mandatory even for the non-attending shareholders or those shareholders voting against them.

## **CHAPTER V**

### **THE BOARD OF DIRECTORS**

## **Art 15. Organization of the Board of Directors**

15.1. The company is managed by the Board of Directors consisting of 5 (five) directors, Romanian or/and foreign citizens, elected by the General Meeting of Shareholders. The members of the Board of Directors may also hold the position of Company shareholders.

15.2. Directors are elected for a 4 years' mandate and can be re-elected for new 4 years' mandates. The duration of directors' mandate can be changed by the decision of the General Meeting of Shareholders.

15.3. In case of vacancy of mandate of one or several directors, the Board of Directors will proceed to appointing provisional directors, until the Ordinary General Meeting of Shareholders which will appoint a final director for a duration equal to the period of time remaining until the expiry of the vacant mandate.

15.4. The members of the Board of Directors can be elected by cumulative vote procedure. Upon the request of a significant shareholder of the Company, the election of the Directors through the said procedure will become mandatory.

15.5. The Board of Directors is managed by a Chairman, a Romanian or foreign citizen, elected by the directors based on the majority vote of the directors.

15.6. The obligations and liabilities of the Directors are regulated by the rules applicable to mandates and, in addition, by the special rules applicable to the liabilities of the joint stock companies' Directors.

15.7. Directors will conclude a professional liability insurance policy for an insured amount whose minimum value whereof will be approved by the General Meeting

## **Art.16 Board of Directors' Meetings**

16.1. The Board of Directors will hold an Ordinary meeting at least once every three months and an Extraordinary meeting whenever necessary, at the Company headquarters or at another place provided in the notice to attend.

The meetings will be held by the physical presence of the directors at the place of the meeting or may be carried out by means of remote communication (e-mail, telephone, teleconferencing, videoconferencing, telefax).

16.2. The Board of Directors will be convened by the Chairman, unsolicited or upon the grounded request of at least two directors or of the General Manager, by any communication means likely to prove the reception of the notice to attend by the addressee: phone call followed by the written confirmation of the addressee, fax with confirmation of receipt, certified mail with confirmation of receipt, e-mail.

The notice to attend will indicate: the date, time and place of the meeting of the Board of Directors, the method of holding the meeting (physical presence or by distance communication means), as well as the agenda thereof.

If at least two of the directors oppose to holding the meeting of the Board of Directors by distance communication means, the meeting will be held by means of the physical participation of the directors. The opposition will be submitted within at most 2 business days as of the convening.

If the notice to attend to the meeting of the Board of Directors is sent, in accordance to this paragraph, less than 5 business days before the date established for holding the meeting, the documentation related to the issues registered on the agenda of board's meeting will be attached to the notice to attend, in full or excerpts thereof; in the other cases, the documents and information related to the issues on the agenda of the meeting shall be made available to the directors at least 5 business days before the date established for the meeting of the board.



If all the members of the Board of Directors are present and agree to hold the meeting of the board and to make decisions, the convening formalities are no longer needed.

16.3. The meetings of the Board of Directors are chaired by the Chairman of the Board and, in his absence, by a member of the Board of Directors appointed by him. The chairman appoints a secretary either from among the members of the board or from outside the board.

16.4 The Board of Directors can validly deliberate in the presence of at least three members and can make decisions with a majority of at least half plus one of the present members. In case of a tie, the chairman of the Board of Directors will have the casting vote, except if he is also a manager of the Company.

16.5. At the meetings of the Board of Directors, its members can only be represented by another member of the Board of Directors, based on a power-of-attorney given as a written document under private signature. A member of the Board of Directors can only represent another member of the Board of Directors.

16.6. The members of the Board participating to the meeting by any means of communication allowing their identification: phone, teleconference, videoconference, telefax, are also considered as present at Board's meeting.

16.7. The debates of the Board of Directors are registered in the special register of minutes of the meetings of the Board of Directors, drafted in accordance with the legal provisions. The minutes shall be signed by the Chairman of the meeting, by at least one other director and by the meeting secretary and, upon request, by the other members of the Board of Directors who have participated to the debates.

16.8. The Board of Directors can delegate to one or more of its members some of its prerogatives granting them a special power of attorney for one or more specific operations. The Board of Directors will delegate the management of the Company, in accordance with the applicable legal provisions, to one or more managers appointed from among the members of the Board or outside it, who will hold the capacity of managers commissioned for management as provided under Article 143 of Law 31/1990, hereinafter referred to as Executive Managers. One of them will be appointed General Manager. If the managers are appointed from among the directors, they will be executive directors, while the other members of the Board will be non-executive directors. The number of non-executive directors will always exceed the number of executive directors in the Board.

16.9. The Company will be represented and validly bound in relations with third parties by the Board of Directors, through the Chairman thereof. The power of representation will be delegated by the Board of Directors, by observing the legal provisions.

16.10. The Board of Directors has the obligation to make available to the shareholders and to the financial auditor, upon their request, Company's registers drafted according to the law and to issue, upon their request and at their expense, excerpts from such registers.

16.11. The Chairman and the members of the Board of Directors shall be jointly or severally liable, as the case may be, towards the company, for the damages resulting as a consequence of committing offences or of deviating from the legal provisions and/or from the provisions of these ARTICLES OF INCORPORATION,, as well as for the errors in the management of the Company. In such situations, the Directors could be dismissed by the resolution of the General Meeting of Shareholders.

16.12. The Company's trade union representatives can be invited to the meetings of the Board of Directors, where issues of professional, social or cultural interest for the employees are debated.

## **Art.17 Tasks of the Board of Directors**

17.1 The Board of Directors has the following main tasks:

- a. Prepares and updates Company's registers according to the legal provisions;
- b. Hires and dismisses Company managers, establishing their rights and obligations;
- c. Appoints the Chairman of the Board;
- d. Contracts the Independent Registry which keeps the record of Company's shares;
- e. Approves the accounting as costs of the unrecoverable debts amounting to up to 0.5% of the turnover;
- f. Approves the write-off of the fixed assets;
- g. Approves the calculation system of fixed assets' depreciation as required by the law,
- h. Approves the research and development program and allocates the necessary financial resources;
- i. Approves the annual investment plan of the Company;
- j. Annually, within 4 months as of the end of the financial (accounting) year, submits for approval of the General Meeting of Shareholders Company's activity report, Company's annual financial statement drafted for the previous year in accordance with the specific regulations of the Ministry of Finance and NSC as well the draft of Company's activity programme and the budget project for the current year;
- k. Approves the conclusion of association agreements by the Company, by observing the exclusive competencies of the General Meeting of Shareholders in this respect.
- l. Other tasks established by the law in its competency.

17.2 The Directors are obliged to immediately report to NSC any legal document entered into by the Company and its Directors, employees, shareholders which control the Company, or entered by the Company and the persons related to the aforementioned, whose value represents at least the RON equivalent of 50,000 Euro.

The reports drafted according to this paragraph should mention any other information deemed necessary to identify the legal effects of such acts in respect to the financial situation of the Company.

17.3. Under the supervision of the Board of Directors, the Company will ensure all the necessary facilities and information in order to allow the shareholders to exercise the right granted by the shares held.

In this respect the Board of Directors has the obligation, according to the law, to:

- inform the shareholders on the call of the General Meeting of Shareholders, by observing the provisions of these ARTICLES OF INCORPORATION;
- inform the public on the distribution and payment of dividends, on the issuance of new shares, including on the distribution, subscription, conversion waiving operation;
- appoint a financial institution as payment agent of the Company, through which the shareholders may exercise their financial rights, except for the situation when the Company could provide these services by itself.

17.4. The Company, through its General Manager, will ensure that the reports provided under the law are drafted and sent to NSC and to the regulated market on which Company's shares are traded.

## **CHAPTER VI**

### **EXECUTIVE MANAGERS. TECHNICAL MANAGERS. MANAGEMENT COMPANY**

#### **Art.18 Executive Managers. Technical Managers. Management Company**

18.1. The Board of Directors entrusts the management of the Company to one or several Executive Managers, according to Article 143 of Law 31/1990, among which one is appointed General Manager of the Company. The Executive Managers are granted the possibility to expressly mandate a part of such prerogatives to technical managers empowered as per the policies applicable at Company level. The performance of Company's operations can also be entrusted to a management company, upon the proposal of the General Manager, subject to the approval of the Board of Directors.

18.2. The General Manager and the other Executive Managers benefit from a general mandate for representing the Company in front of third parties observing the "Levels of Authority" internal procedure.

The Executive Managers can, in their turn, expressly delegate such prerogatives, within the limit of the next two levels of authority, observing the "Levels of Authority" internal procedure.

Company's technical managers will not be considered managers in the sense of Article 143 of Law 31/1990, but are only in charge with the performance of the activities. The technical managers are appointed based on the decision of the General Manager.

18.3. By concluding the Consultancy and Management Service Agreement with the Management Company, the latter and its representative or, as the case may be, the representatives appointed by the Management Company will acquire the capacity of manager within the Company. The relations between the Company and the management company and the representative thereof will be governed by the provisions of the consultancy and management service agreement and by the legal provisions.

## **CHAPTER VII**

### **MANAGEMENT OF THE COMPANY**

#### **Art. 19 Financial auditor**

19.1. The annual financial statements of the Company shall be audited by an external auditor, appointed by the General Meeting of Shareholders, according to the regulations regarding the financial audit.

19.2. The rights and obligations of the auditor shall be established by a services contract concluded between the Company and the auditor.

## CHAPTER VIII

### ACTIVITY OF THE COMPANY

#### **Art.20 The economic-financial year**

The economic-financial year starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year. The first financial year starts at the date the Company is registered and ends on the 31<sup>st</sup> of December of the same year.

#### **Art.21 Financial records**

The Company shall keep its accounting records in RON, shall annually draw up the financial statements according to the Romanian legislation in force.

#### **Art.22 Calculation and distribution of profit**

22.1. The profit or the loss of the Company shall be determined based on the annual financial statements drafted in accordance with the legal provisions and approved by the General Meeting of Shareholders. The Company shall annually allocate at least 5% of its profits for the reserve fund, up to a level equal with minimum 20% of the share capital. The General Meeting of Shareholders may decide to establish other reserve funds.

22.2. Out of the profit, the Company can establish funds allocated to modernization, research and development of new products, investments, repairs, and other destinations established by the General Meeting of Shareholders.

22.3. The distribution of the net profit shall be made in accordance with the legal regulations, subject to the approval of the General Meeting of Shareholders.

22.4. The shareholders entitled to collect dividends and other rights, subject to the resolutions of the General Meeting of Shareholders shall be identified by the General Meeting of Shareholders according to the legal provisions in force. This date should be at least 10 working days further to the date of the General Meeting of Shareholders.

Once the dividends are settled, the General Meeting of Shareholders will settle the date for their payment to the shareholders, which can not be more than 6 months since the date of the General Meeting of Shareholders.

## Chapter IX

### *CHANGE OF THE LEGAL FORM, DISSOLUTION, LIQUIDATION, DISPUTES*

#### **Art.23 Change of the legal form**

The legal form of the Company may be changed subject to the decision of the General Meeting of Shareholders.

## **Art. 24 The dissolution of the Company**

24.1. The Company will be dissolved in the following cases:

- a) The Incapacity to fulfil the main object of activity of the Company
- b) The cancellation (annulment) of the Company
- c) The bankruptcy and insolvency of the Company
- d) The decrease of the number of shareholders below the legal minimum number, if the remaining shareholders do not decide on the change of Company's legal form;
- e) As a consequence of a final, irrevocable and enforceable court decision;
- f) In any other circumstances according to the Law or the resolution of the General Meeting of Shareholders.

## **Art.25 The liquidation of the Company**

25.1 As a result of the dissolution, the Company will enter into the liquidation procedure.

25.2 One or more liquidators will perform the liquidation of the Company. At the date the liquidators are appointed, Directors' mandates cease thus no longer being entitled to act in the name of the Company.

25.3 The General Meeting of Shareholders appoints the Liquidators. The Court may appoint the liquidators if the shareholders do not agree upon their appointment.

25.4 Liquidators' activity is supervised by financial auditors.

25.5 Liquidators undertake all Directors' responsibilities. As soon as they are appointed, the liquidators along-side with the Directors, have to draw up an inventory, evaluate the assets of the Company, to draw up a balance sheet reflecting the exact status of Company's rights and obligations and sign all documents mentioned above.

25.6 The liquidators have the obligation to receive and to keep all records and assets of the Company, entrusted to them by the Directors and to keep a record containing all the liquidation operations in chronological order.

25.7 In order to fulfil the mandate entrusted by the General Meeting of Shareholders, the liquidators will take all the necessary steps in order to keep the pending activities of the Company in progress, will cash in all of Company's receivables, and shall pay Company's debts and will undertake any operations needed to liquidate the Company.

25.8 Liquidators can represent the Company in front of the Court and may conclude transactions with the creditors.

25.9 The amounts of money obtained from liquidation shall be used with priority to pay privileged creditors and consequently the other creditors. The liquidators shall draw up the liquidation balance sheet and shall forward proposals for the distribution of the financial results (profits and losses) between the shareholders proportionally to their contribution to the Share capital.





25.10 After the liquidation process is concluded, the liquidators shall take all the measures in order to cancel the Company from the Trade Registry.

#### **Art.26 Disputes**

26.1. The Disputes generated by the contractual relationships of the Company with third parties, legal or natural persons, shall be settled, as the case may be, by the Arbitration Courts or the Courts mentioned in the contracts the dispute is related to or by competent Romanian Courts.

26.2. Solving of the labour conflicts between the Company and its employees, related to the conclusion, performance, amendment, suspension and termination of the individual employment agreements or, if the case may be, related to the collective labour agreements will be settled by the competent jurisdiction according to the Labour Code provisions.

### **Chapter X**

#### ***FINAL PROVISIONS***

**Art. 27** The provisions of these ARTICLES OF INCORPORATION shall be supplemented by the provisions of: the Romanian Commercial Code, the Law 31/1990, the Law 297/2004 regarding capital markets, and the regulations issued by NSC as well as by any other current legal applicable provisions.

These up-dated ARTICLES OF INCORPORATION was drawn up in 4 counterparts, today, [●] 2023.

**ZENTIVA SA**  
by [●]  
Attorney-in-fact