



99 Logofătul Tăutu street
Bucharest 3, Romania

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<< Translation from **Romanian** >>
Output no. 1264/07.07.2015

CURRENT REPORT
pursuant to the R.N.S.C. Regulation no. 1/2006
Date of report: 07.07.2015

Name of the commercial company: S.C. BIOFARM S.A.
Registered office: Bucharest, no. 99 Logofatul Tautu Street, 3rd City District
Telephone no.: 021.301.06.87
Fax no.: 021.316.52.48
Website: www.biofarm.ro
Tax registration number: RO 341563
Order no. with the Trade Register: J40/199/1991
Fully paid-up share capital: 109,486,149.90 lei
The market on which company securities are traded – Bucharest Stock Exchange, BIO symbol

Important events to report:

1. Procedure for the payment of 2014 dividends to shareholders of Biofarm S.A.

The Board of Directors of BIOFARM S.A. informs the company shareholders on the fact that **dividends afferent to the financial year 2014 will be distributed during the period 10.07.2015 (which is the payment date) – 10.07.2018** to the shareholders registered with the Shareholders' Register of BIOFARM S.A. on **the registration date 23.06.2015 (22.06.2015 ex date)**. The value of gross dividend/share is of **0,015 lei**.

The modalities and terms of payment are as follows:

Chapter I. Payment of dividends to the account of Participants

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

Deferred payment date is applicable to non-resident shareholders who have an account opened at the Participant and who chose payment deferral on a date subsequent to the payment date in order to benefit from the more favourable provisions of the Conventions for the avoidance of double taxation and represents the deadline established in relation with the relevant tax provisions, up to which the payment of dividends is deferred for shareholders who exercised this payment option.

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



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a) payment of dividends with withholding of tax on dividends in the standard rate provided by the Romanian Tax Code, in force on the payment date;

b) payment of dividends with the tax rate on dividends properly withheld, according to Conventions for the avoidance of double taxation, based on the complete and correct tax documentation, previously transmitted by the shareholder, until 02.07.2015;

c) deferral of dividends payment for a period subsequent to the payment date during 2015, in order to grant shareholders the possibility to benefit from more favourable tax provisions of Conventions for the avoidance of double taxation, after transmitting the complete and correct tax documentation. Net dividends payment shall be carried out in maximum ten business days from the date of receipt by Biofarm S.A. of the complete and correct supporting documents and of possible required clarifications. In case of shareholders for which Participants did not submit supporting documents up to 15.09.2015, payment of dividends shall be carried out on 01.10.2015 with withholding of tax rate on standard dividends in force provided by the Romanian Tax Code.

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

➤ until 02 July 2015, in case they did not choose Deferred payment of dividends, at the address of Biofarm S.A. from Bucharest, no. 99 Logofatul Tautu Street, 3rd District, Postal code 031212, to the attention of the Financial Department. Biofarm S.A. is not responsible for failure to apply the more favourable tax treatment above mentioned, in case of failure to present within the mentioned deadline of the requested documentation and/or clarifications;

➤ no later than 15.09.2015, in case they have chosen Deferred payment of dividends, at the Biofarm address above mentioned.

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

➤ they did not choose deferred payment and did not transmit the tax residence certificate and possible requested clarifications up to 02 July 2015;

➤ they chose deferred payment, but they did not send until maximum 15.09.2015 the tax residence certificate (including documents related to non-resident pension funds) and possible requested clarifications.

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

Starting with 23.06.2015, natural and legal persons shareholders unrepresented by a Participant who want the payment of dividends by bank transfer, may request and transmit to the Depozitarul Central the documents necessary for the payment of dividends, as follows:

1. Shareholders unrepresented by a Participant, *natural persons*, appearing in person or by a legal or a conventional representative, will submit to the Depozitarul Central the IBAN code collection form signed by hand, in which the bank and the account will be specified (IBAN code) opened on the name of the Holder of financial instruments (the model is available on the website of Depozitarul Central - www.depozitarulcentral.ro), accompanied by:



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- valid copy of the identity card in which the personal identification number must be legible – certified by the holder as a „certified true copy”;
- account statement or a document issued by the bank (signed and stamped) by which the existence of the account on the name of the financial instruments Holder is confirmed, with the specification of the IBAN code, in original;
- copy of documents attesting the quality of the signatory of the request for legal or conventional representative, if the case may be – certified by the holder as a „certified true copy”;

2. Shareholders unrepresented by the Participant, legal persons, by legal or conventional representative, will submit to the Depozitarul Central the IBAN code collection form signed by hand and stamped, in which the bank and the account are specified (IBAN code) opened on the name of the financial instruments Holder (the model is available on the Depozitarul Central website www.depozitarulcentral.ro), accompanied by:

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

In case of Pension funds:

- copy of the identity deed of the legal representative of the fund management company, within the validity term
- card/ID bulletin with PIN for Romanian citizens or passport with identification number for foreign citizens
- copy of the confirmation of company details of the fund management company / another equivalent document, not older than 3 months, which mentions the legal representative of the fund management company
- copy of the registration certificate / another equivalent document for the fund management company
- copy of the decision of the regulatory authority attesting the authorisation of the fund and pensions fund management company
- in case of non-resident pension funds: tax residence certificate, in original or in a certified true copy, apostilled/superlegalised, if the case may be, accompanied by a sworn translation in Romanian language, an affidavit of the legal representative of the funds management company stating that the authorisation of the fund management company and of the pensions fund are valid on the payment date, if they represent pension funds such as they are defined in the legislation of the member state of the European Union or in one of the EFTA states, and if available, the information with regard to the official site of the regulatory authority from the country of origin, where the pensions fund status can be checked.



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Chapter III. Cash payments

For natural persons shareholders unrepresented by a Participant and who did not request bank account payment, dividends payment shall be carried out in cash, by making available by BIOFARM S.A. the appropriate moneys to the agencies/branches of CEC BANK S.A., through the Depozitarul Central S.A., starting with 10.07.2015.

The program for picking up dividends falls within the working hours of CEC Bank S.A.

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

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

1. Any payment made at the counter will be confirmed by the signature of the person who actually picks up the Moneys, on the receipt afferent to the respective payment.

2. In case of Holders unrepresented by the Participant, **resident natural persons** who appear in person at the counter, the payment of Moneys is made based on the identity card that contains the personal identification number (P.I.N.). The identification of Holders unrepresented by the Participant in the File is made based on the information found on the P.I.N. reserved field.

3. In case of Holders unrepresented by a Participant, **non-resident natural persons** who will appear in person at the counter, the payment of Moneys will be made based on the passport the series and number of which must be in compliance with those in the File.

4. In case of Holders unrepresented by a Participant, **natural persons under 14 years old**, payment of Moneys will be made to the respective legal representative - guardian/parent of the minor child, based on the following documents: birth certificate of the Holders unrepresented by a Participant that must contain the P.I.N. + 1 certified true copy (the copy is retained), the legal deed establishing the guardianship in the case of guardian who is not one of the parents + 1 certified true copy (the copy is retained) and the identity document of the guardian/parent + 1 certified true copy (the copy is retained).

5. In case of Holders unrepresented by a Participant, **natural persons with guardianship**, the payment of Moneys is made by the curator of the respective person, based on the following documents: identity deed of Holders unrepresented by a Participant that must contain the P.I.N. + 1 certified true copy (the copy is retained), the legal deed establishing the guardianship + 1 certified true copy (the copy is retained) and the identity deed of the curator + 1 certified true copy (the copy is retained).

6. In case of Holders unrepresented by a Participant, **natural persons who do not appear in person at the counter, but they mandate another person in this respect**, the payment of Moneys is carried out by the proxy of the respective person, based on the following documents: special power of attorney authenticated at the notary containing the empowerment to pick up the Moneys issued within maximum 3 years prior to the payment date, except for the case in which the empowerment has a validity term exceeding 3 years and is valid on the date on which payment is carried out + 1 certified true copy (the copy is retained) and the identity deed of the proxy + 1 certified true copy (the copy is retained).

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

8. For natural persons the Moneys over lei 10,000 will be transferred to the bank account according to Chapters I and II from the Procedure.



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Chapter IV. Non-resident natural/legal persons

In compliance with Law 571/2003 updated (and with Methodological norms for the application of Law no. 571/2003 regarding the Tax Code), for the agreements for avoidance of double taxation with regard to taxes on income and capital for the application of the provisions regarding the common tax regime for residents shareholders of a country which is a member of the EU or EFTA, the non-resident is obliged to submit / send the tax residence certificate to the office of BIOFARM S.A., in original, issued by the competent authority from its state of residence. The tax residence certificate will be submitted in person at the registry from the office of BIOFARM S.A. of Bucharest, no. 99 Logofatul Tautu Street, 3rd District (from Monday to Friday between 9 o'clock a.m. – 5 o'clock p.m.) or it can be sent by post or by any form of courier with acknowledgment of receipt at the same address. In case the shareholder does not present the tax residence certificate, the tax withheld will be calculated by applying the rate applicable to resident shareholders in force.

The requests for the transfer of dividends to a bank account will be sent to the following address: Depozitarul Central S.A. – Bucharest, no. 34 - 36 Carol I Bd., 2nd District, 8th floor, postal code 020922, telephone 021.408.58.56/021.408.59.23, according to those specified in Chapter II, points 1-2.

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

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

Chapter V. Shares held in co-ownership

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

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

In case of cash payments, payments will be carried out in cash provided that all co-owners must appear at the Payment Agent CEC Bank S.A., in person or by legal and/or conventional representative and to present the documents provided above for cash payments.

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

In case the co-owners request both the registration by the Depozitarul Central of the direct transfer of ownership on financial instruments as an effect of joint tenancy, in compliance with the applicable Legal regime, and the direct payment to each of the co-owners according to the number of instruments acquired in exclusive ownership, Depozitarul Central will block the payment of dividends, the payment following to be made to each ex-co-owner according to this procedure.

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

Chapter VII. Any modification of the data in the shareholders' registry (name changes, address, identity data etc.) is carried out only by the Depozitarul Central S.A., with registered office in Bucharest, no. 34-36 Carol I Bd., 2nd District, 3rd, 8th and 9th floors, upon request of the shareholder/entitled person.



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2. Litigation with A&G MED TRADING S.R.L. – file no. 17619/3/2015, pending before Bucharest Court – 7th Cjvjl Section, having as object insolvency procedure

S.C. Biofarm S.A. informs investors that it was filed a statement of claim in the insolvency file no. 17619/3/2015 before the Bucharest Court – 7th Cjvjl Section, debtor A&G MED TRADING S.R.L., requesting that the amount of 11.428.962,90 lei representing unpaid merchandise and 172.447,38 lei representing penalties for delayed payments, to be submitted in the preliminary table of the debtor debts.

A negotiation process is being conducted by the Parties to identify opportunities for collaboration and the recovery of the existing debts.

On the total volume of sales, we mention that A&G Med Trading S.R.L. is not among Biofarm's significant distributors. The balance of A&G Med Trading S.R.L., excluding VAT, in relation to the company's estimated sales for 2015 (according to the budget approved by the OGMS in April 23, 2015) is approximately 6.9%.

The term set by the Bucharest Court to solve the file is 15.10.2015.

**B.D. CHAIRMAN,
Danut VASILE**
(Illegible signature and stamp)