

**NOTE OF THE BOARD OF DIRECTORS OF MED LIFE S.A. REGARDING THE AUTHORIZATION TO  
INCREASE THE SHARE CAPITAL OF THE COMPANY  
(POINT 1 OF THE EGSM AGENDA FOR 13/14.09.2017)**

**1. THE PROPOSAL TO BE SUBMITTED TO THE SHAREHOLDERS' VOTE**

"1. Authorization of the Board of Directors of the Company to increase the share capital of the Company as follows:

1.1 Authorizing the Board of Directors of the Company to increase the share capital of the Company by cash contribution, with a maximum amount of 650,000 RON, through one or more issuances of new shares, without the total number of new shares exceeding 2,600,000, implicitly from the current value of 5,023,000 RON, up to the maximum amount of the share capital of 5,673,000 RON, for a period of 3 years from the date of the adoption of the resolution of the EGSM.

1.2 Amending the Articles of Association of the Company by adding a new article after Article 9.4, numbered 9.5 with the following content:

"The Board of Directors is authorized, by no later than September 13<sup>th</sup> 2020, to increase the Company's share capital by a maximum of 650,000 RON by issuing a maximum of 2,600,000 new shares, in exchange for contributions in cash, if the increase of the share capital will be made by the Board of Directors to the maximum allowed the share capital to be increased from the value of 5,023,000 RON to the value of 5,673,000 RON (authorized social capital)."

1.3 Delegation to the Board of Directors of all attributions in respect of the decision on the increase of the share capital and the implementation of the share capital increase referred to in point 1.1, including but not limited to:

- a) depending on the market conditions, determining the moment of the increase of the share capital, as well as the extent to which, within the limits of the granted authorization, one or more increases of the share capital are made;
- b) establishing the details of the share capital increase, such as the number of shares to be issued, the issue price, the exercise of the right of preference, the issue price in the placement to third parties etc.;
- c) determining the way of placing the remaining unsubscribed shares in the exercise of the right of preference, the subscription mechanism and approving the details of the subscription procedure, including but not limited to the content of the subscription form, the documents that must accompany the subscription, the persons to whom the shares will be offered, the date of payment of the subscribed shares, the number rounding mechanism of shares;

- d) drawing up the prospectus for the share capital increase, in accordance with applicable European and national legislation, and negotiating and contracting service providers who will assist the Company in the process of drawing up the prospectus and the related operations, the placement of new shares;
- e) the negotiation with/and contracting of the brokerage company that will assist the Company in the share issue process related to the increase of the share capital;
- f) carrying out all necessary or recommended formalities in connection with the implementation and registration of the share capital increase, including the drawing up and signing of any documents, the filing and receipt of any documents and information, the issuance of any statements and decisions, the representation of the Company before any institutions, For the purpose of implementing the share capital increase, including but not limited to: the Trade Registry, the Financial Supervisory Authority, the Central Depository SA, the Bucharest Stock Exchange S.A.;
- g) ascertaining and validating the results of the subscription of the newly issued shares and the determining the method of placement of the remaining unsubscribed shares/cancellation of unsubscribed shares, if any;
- h) approving the increase of the Company's share capital, within the limits of the valid subscriptions;
- i) approval of the changes in the Company's articles of association as a result of the increase of the share capital;
- j) updating the Articles of Association of the Company."

## **2. LEGAL BASIS**

Art. 113 para. 1 let. f), art. 114 para. 1 and 2, art. 220<sup>1</sup> of Law 31/1990 on companies, art. 85 of Law 24/2017 on issuers of financial instruments and market operations, art. 5.4. of the Article of Association of Med Life S.A..

## **3. THE FOUNDATION OF THE PROPOSAL**

Consistent with its growth strategy, Med Life SA ("MedLife" or the "Company") continues to focus its efforts on expanding service offerings and geographical coverage. MedLife is also concerned about the diversification of founding sources for organic growth and future acquisitions, in which context it is also envisaged the funding through an increase of the share capital.

MedLife constantly assesses various acquisition opportunities and in the event of materialization of some of them, funding must be easily accessible.

In this context, the Board of Directors considers that it is appropriate to have the option of a possible increase of the share capital that will partially fund the growth strategy (depending on the size of the acquired companies or the organic growth projects, and other financing opportunities that will be taken into account).

Since the realization of a share capital increase in a listed company is an operation requiring extensive documentation to provide sufficient information to investors and, as such, the duration over time is significantly higher than an unlisted company, the Board of Directors considers that the most appropriate option is for shareholders to authorize the Board of Directors to decide, within the maximum limit, the actual conditions for one or more increases of the share capital. This option optimizes not only the length of the process but it also allows the Board of Directors to assess the market conditions existing at the time of establishing the commercial conditions of one or more share capital increases and, implicitly, to optimize the financing parameters thus obtained. Therefore, if for example, the issue price is the result of a mix of factors including the market price of MedLife shares and the result of any market sounding procedures, setting the issue price approximately two months before the actual transaction for the hypothesis in which all the conditions of the increase are set by the extraordinary general shareholders meeting (i.e. one month for convening the meeting followed by the passing of the registration date and the publication of the decision in the Official Gazette of Romania) it may prove to not be a consistent approach with the prevailing interests of MedLife, given the dynamics and volatility of financial markets in general.

All the decisions of the Board of Directors on a possible share capital increase (subject to shareholders' approval of the proposal made by the Board of Directors) will be made public so that investors can make investment decisions on the basis of appropriate information.

Last but not least, a possible approval by the investors of the authorization to increase the share capital does not necessarily mean that it will be initiated by the Board of Directors, because the opportunity for the increase will be assessed according to the actual market conditions and the needs of MedLife.

At the same time, a possible share capital increase by the Board of Directors (subject to approval by the shareholders of the requested authorization) will have to be preceded by obtaining the contractual partners' agreements, if there are clauses that will require such approval.

As mentioned in the above consideration, the Board of Directors proposes to the shareholders that, in order to diversify the financing sources and support the growth strategy, to vote in favour of the approval of point 1 of the agenda of the extraordinary general shareholders meeting of MedLife convened for September 13<sup>th</sup>/14<sup>th</sup> 2017.

**MED LIFE S.A.**

Sediul social: București, Calea Griviței, nr. 365, sector 1, România  
Codul de înregistrare fiscală: 8422035  
Număr de ordine în Registrul Comerțului: J40/3709/1996  
Capital social subscris și vărsat: 5.023.000 RON



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**Mihail Marcu**

Chairman of the Board of Directors