

**NOTE OF THE BOARD OF DIRECTORS OF MED LIFE S.A. REGARDING THE BOND ISSUE  
(POINT 2 OF THE EGSM AGENDA FOR 13/14.09.2017)**

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

"2. Approval of a bond issue as follows:

- 2.1 Approval of the issuance by the Company of unsecured, non-convertible and unsubordinated, dematerialized corporate bonds with a maximum nominal value of 274,200,000 RON, in a dematerialized form, denominated in RON, with a fixed interest rate of maximum 4.9% per annum and a maturity of maximum 7 year to be offered to investors in Romania and/or other jurisdictions through private placement or through a public offer. The issue of the bonds can be made, depending on the market conditions and the financing needs of the Company, in a single issue or through several programs, within an offering programme.
- 2.2 Approval of admission to trading of bonds within the Regulated Market of Corporate Bonds (Main Segment) operated by the Bucharest Stock Exchange S.A. (BSE).
- 2.3 Empowering the Board of Directors of the Company to execute all operations and/or procedures relating to the implementation of paragraphs 2.1 and 2.2 above and the completion of one or more bond issue, subject to the terms and conditions approved by the EGSM, including but not limited to:
  - a) establishing the final terms and conditions of the issue of bonds (including the final value of the issue, interest, maturity, and face value per bond) subject to the maximum limits on the terms and conditions of the expressly approved bonds under point 2.1 above;
  - b) establishing the structure of the bond issue, i.e. whether it will be made in one tranche or in several tranches, depending on the needs of financing the Company's projects and market conditions;
  - c) drawing up, where appropriate (i) the prospectus or (ii) the base prospectus and the final terms, for admission to trading of the bonds in accordance with applicable European and national legislation and negotiating and contracting service providers that will assist the Company in the process of drawing up the prospectus and the related operations;
  - d) establishing the date of commencement of bond issuance, the placement method and subscription procedures, depending on the Company's financing needs;
  - e) the negotiation with and contracting of the brokerage company that will assist the Company in the bond issue and placement process as well as in the process of admission to trading within the Main Segment administered by BSE;
  - f) the adoption of any decision, the conclusion of all contracts, the payment of any fees or commissions, the approval of all documents and the issuance of any necessary or advisable

statements for the preparation and implementation of bond issues and their admission to trading within the Main Segment Managed by BSE;

- g) the negotiation, approval and signing of any documents required to be concluded/submitted with the entities involved in the issuance and admission to trading procedure of the bonds, but not limited to the BSE, the Financial Supervisory Authority and the Central Depository S.A.;
- h) the approval of any updates/modifications to the contents of bond documents and annexes, if necessary, complying within the maximum limits of the expressly approved bonds by EGSM in paragraph 2.1 of the agenda, and their submission to any relevant competent authority, if necessary;
- i) Conduct all required legal formalities and sign all necessary documents, including the empowerment of one and / or several persons, in order to carry out the decisions taken within the EGSM."

## **2. LEGAL BASIS**

Art. 113 para. 1 let. I), art. 167-176 of Law 31/1990 on companies, art. 8 of the Articles 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 one or several bond issues.

MedLife constantly assesses various acquisition opportunities and in the event of materialization of some of them, funding must be easily accessible. Moreover, even if the funding conditions may differ, credit-based financing such as bonds offers more flexibility to the issuer in defining contractual ratios than the assumption of a bank loan. Therefore, depending on the conditions of a possible bond financing, the Board of Directors could also consider including full or partial refinancing of existing loans from funds obtained as a result of the bond issuance.

In this context, the Board of Directors considers appropriate to have the option of financing by carrying out one or several bond issues, respecting the maximum limit included in the proposal submitted to the shareholders' vote.

Given the documentary procedure and approval procedure for the bond issue, the actual business conditions of possible bonds are to be determined, within the limits approved by the shareholders, by the

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



Board of Directors, which will be able to take into account all factors existing at the time of the issue and which will determine the cost of financing.

All information on a possible bond financing are to be communicated to investors in compliance with MedLife's disclosure obligations under the capital market legislation. Last but not least, if the shareholders approve the Board of Directors' proposal, it does not necessarily mean that bond issues will be carried out, and the opportunity will be assessed by the Board of Directors in relation to MedLife's prevailing interests, financing needs and the likely cost of funding.

The Bond issuances will be preceded by obtaining contractual partners' agreements, in the probability that any contractual clauses require such approval.

Referred to the above considerations, the Board of Directors proposes to the shareholders to vote in favour of approving point 2 of the agenda of the extraordinary general shareholders meeting of MedLife convened for September 13<sup>th</sup>/14<sup>th</sup> 2017, in order to diversify the sources of financing meant to support the growth strategy and to possibly refinance the existing loans.

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**Mihail Marcu**

Chairman of the Board of Directors