

## **Current Report no. 7/2014 of 28 May 2014.**

### **Notice of the Annual General Meeting of Farmacol S.A**

The Management Board of Farmacol S.A. with its registered office at ul. Rzepakowa 2, entered into the Register of Entrepreneurs of the National Court Register under the number 0000038158 acting pursuant to the art. 399 par. 1 and art. 402<sup>1</sup> par. 1 and 2 of the Code of Commercial Companies as well as par. 38.1.1 of the Minister of Finance's Regulation on current and periodic information (...) (Journal of Laws 2009, No. 39, item 259) hereby gives notice of the Annual General Meeting of Farmacol S.A., which will be held at 10 am on 24 June 2014 at the Company's registered office at ul. Rzepakowa 2 in Katowice.

#### Agenda:

1. Opening of the Annual General Meeting,
2. Appointment of the Chairperson of the Meeting,
3. Confirmation that the Meeting has been duly convened and has the capacity to adopt resolutions,
4. Approval of the agenda,
5. Election of the Ballot Counting Committee,
6. Presentation of the Supervisory Board's report on the assessment of the Directors' Report on the Company's operations, the financial statements for 2013, and the Management Board's proposal on allocation of profit.
7. Review of the Directors' Report on the Company's operations in 2013,
8. Review and approval of the Company's financial statements for 2013,
9. Review and approval of the consolidated financial statement of the Farmacol S.A. Capital Group for 2013,
10. Adoption of a resolution on allocation of profit for the financial year 2013,
11. Granting discharge to members of the Company's governing bodies in respect of performance of their duties in the financial year 2013,
12. Determination of the number of the Supervisory Board Members for the new term of office,
13. Adoption of a resolution on the election of the Supervisory Board Members for the new term of office,
14. Determination of the amount of remuneration payable to members of the Supervisory Board,
15. Closing of the Meeting.

In accordance with Art. 402<sup>2</sup> of the Commercial Companies Code, the Management Board of Farmacol S.A. publishes the information concerning participation in the Annual General Meeting of the Company:

Only persons who are shareholders of the Company **16 (sixteen) days before the date of the General Shareholders Meeting** (*record date* is the date of registering for participation in the General Shareholders Meeting) are entitled to participate in the General Shareholders Meeting of a public company.

The record date is **08 June 2014**. At the request of the shareholders the entity depositing securities shall issue a certificate in the person's name confirming their right to participate in

the Annual General Meeting within the period from the notice of Annual General Meeting to the first business day after the record day, i.e. 09 June 2014.

Persons eligible from registered shares and temporary certificates, lienors and users, with voting rights, may participate in the General Meeting, if their name is entered into the share ledger on Annual General Meeting Record Date.

The holders of bearer shares, which are in the form of a document, shall be eligible to participate in the General Meeting provided that the documents are submitted at the company not later than on the record date of the General Meeting and they are not reclaimed before the end of this day. Instead of shares, one may submit a certificate issued as evidence of submission of shares at a notary, in the bank or investment company that have their registered office or branch in the territory of the European Union or another State which is a party to the Agreement on the European Economic Area, indicated in the notice of General Meeting. The certificate shall state the numbers of share documents and confirm that the share documents shall not be reclaimed before the end of the General Meeting Record Date.

Pursuant to the information regarding registered shares, temporary certificates and bearer's shares in the form of a document submitted according to the above provisions, as well as the information received from the entity depositing securities in accordance with regulations governing trading in financial instruments, the Management Board determines the list of shareholders eligible to participate in the Annual General Meeting. The list shall be available three business days prior to the Meeting i.e. on 19-23 June 2014 from 10 am to 3 pm at the Company's registered office, in the Management Board's office.

Shareholders are entitled to participate in the General Meeting in person or through a proxy. The power of attorney may be granted in written or electronic form. Granting of power of attorney in the electronic form does not require a safe electronic signature verified by means of a valid qualified certificate. The Company does not require granting of power of attorney on a specific form. The Company may be notified about granting of power of attorney electronically by sending the information to the email address **wz@farmacol.com.pl**, together with the power of attorney granted attached as a separate document. The Company may request from the shareholder notifying the company in this form to fax to 32 202 24 97 copies of documents confirming the personal data of the shareholder and the proxy by electronic mail, i.e. in the case of a natural person a copy of their ID card or other document confirming identity, and in the case of a legal person or entity with no legal identity, an excerpt from the appropriate register, as well as require the production of the originals of such documents or their copies authorised by a notary public when drawing up the attendance list.

Any shareholder representing at least one twentieth of the Company's share capital is entitled to request placing of specific matters into the agenda of the nearest General Meeting. Such a request shall be submitted to the Company's Management Board no later than 21 days prior to the General Meeting. The request shall include a justification or a draft resolution relating to the proposed item of the agenda. Such a request may be submitted electronically.

The Management Board is obliged to immediately, no later than 18 days prior to the indicated General Meeting date, notify about any changes to the agenda, introduced at the request of the shareholders.

A shareholder or shareholders of the public company representing at least one twentieth of the Company's share capital are entitled to submit to the Company in writing or electronically projects of resolutions concerning matters placed in the agenda of the General Meeting or

matters which shall be placed into the agenda before the General Meeting date. The Company shall promptly include drafts of resolutions on the company's website. Any shareholder is entitled to submit projects of resolutions concerning the matters placed into the agenda during the General Meeting.

The Articles of Association does not provide for the possibility to participate in the General Meeting using electronic means of communication. The regulations of the General Meeting does not provide for casting votes in correspondence.

Motions and representations which may be submitted electronically by the shareholders before the date of General Meeting shall be sent by electronic mail to email address **wz@farmacol.com.pl**. Attachments to such motions, information or representations shall be in Word or PDF format.

Information about the General Meeting including the projects of resolutions is available on the company's website **www.farmacol.com.pl**. Furthermore, any shareholder may obtain the documentation to be presented to the Annual General Meeting as well as draft resolutions by sending such a request to **wz@farmacol.com.pl**. The documents are also available at the Management Board's office at the Company's office in Katowice, ul. Rzepakowa 2.

**Draft Resolutions of the Annual General Meeting of Farmacol S.A. convened  
for 24 June 2014.**

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on the election of the Chairperson of the Annual General Meeting

The Annual General Meeting with its registered office in Katowice resolves to elect  
.....as the Chairperson of the Annual General Meeting.

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on the election of the Ballot Counting Committee

The Annual General Meeting with its registered seat in Katowice resolves to elect the Ballot  
Counting Committee composed of:

- 1.....
- 2.....

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on the approval of the Directors' Report on the Company's operations in 2013,

Pursuant to Art. 395.2.1 of the Commercial Companies Code and Par. 11.1a) of the  
Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby  
approves the Directors' Report on the Company's operations for 2013.

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on the approval of the separate financial statement of the Company for 2013,

Pursuant to Art. 395.2.1 of the Commercial Companies Code and Par. 11 Point 1 Letter a) of  
the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby

approves the financial statement of the Company for 2013 financial year, subject to the independent auditor's opinion comprising:

- a) financial statement as of 31 December 2013 showing a balance-sheet total of PLN 2 157 809 thousand,
- b) income statement for the period from 1 January to 31 December 2013, showing total profit of PLN 81 679 thousand;
- c) statement on changes in share capital for the period from 1 January to 31 December 2013, showing increase in share capital by PLN 81 679 thousand;
- d) cash flow statement showing decrease in cash in the period from 1 January to 31 December 2013 by PLN 20 123 thousand;
- e) additional information on the accounting policies adopted and explanatory information.

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on approval of the annual consolidated financial statement of the Capital Group

Pursuant to Art. 395.5 of the Commercial Companies Code, the Annual General Meeting of Farmacol S.A. hereby approves the annual consolidated financial statement for 2013 financial year, subject to the independent auditor's opinion comprising:

- a) consolidated financial statement as of 31 December 2013 showing a balance-sheet total of PLN 2 177 765 thousand,
- b) consolidated income statement for the financial year from 1 January to 31 December 2013, showing total profit of PLN 125 466 thousand;
- c) consolidated statement on changes in share capital for the financial year from 1 January to 31 December 2013, showing increase in share capital by PLN 126 585 thousand;
- d) consolidated cash flow statement showing increase in cash for the financial year from 1 January to 31 December 2013 by PLN 31 841 thousand;
- e) - additional information on the accounting policies adopted and explanatory information.

RESOLUTION NO. ....

of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on allocation of net profit for the financial year 2013

Pursuant to Art. 395.2.2 of the Commercial Companies Code and Par. 11. Point 1 Letter c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. with its registered office in Katowice hereby resolves to allocate the net profit in the amount of PLN 81,678,571.56 (eighty-one million six hundred and seventy-eight thousand five hundred and seventy- one 56/100) to reserve capital.

**Grounds:** *The insecure geo-political situation in the neighbouring countries increases the risk of conducting business activity. Such unstable conditions could potentially give preferential treatment to entities with stable financial grounds and cash resources. Additionally, the consolidation of the wholesale sector and retail sale sector, as well as fierce competition from entities offering the same range of services that the Group signifies that the Company's expenses on improvement of the competitiveness of the Group's offer are higher. Potentially, it may require conducting some acquisitions aiming to strengthen the position of the Group and create value added for its shareholders. For this reason the Management Board of Farmacol S.A. proposes to its shareholders the allocation of the whole net profit to the increase of the reserve capital.*

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
President of the Management Board Mr Andrzej Smuga

Pursuant to Art. 395.2.3 and Art. 395.3 of the Commercial Companies Code in conjunction with Par. 11 Point 1 Letter a) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mr Andrzej Smuga in respect of performance of his duties as President of the Company's Management Board for the period from the first of January two thousand and thirteen (01-01-2013) to the tenth of July two thousand and thirteen (10- 07- 2013).

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to

Vice-president of the Management Board Ms Barbara Kaszowicz

Pursuant to Art. 395.2.1 and Art. 395.3 of the Commercial Companies Code in conjunction with Par. 11 Point 1 Letter a) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mrs Barbara Kaszowicz in respect of performance of her duties as Vice- President of the Company's Management Board for the period from the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013).

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
the Member of the Management Board Mr Krzysztof Sitko

Pursuant to Art. 395.2.1 and Art. 395.3 of the Commercial Companies Code in conjunction with Par. 11 Point 1 Letter a) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mr Krzysztof Sitko in respect of performance of his duties as a Member of the Company's Management Board for the period from the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013).

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
The Member of the Management Board Mr Kamil Kirker

Pursuant to Art. 395.2.3 and 395.3 of the Commercial Companies Code and Par. 11.1c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mr Kamil Kirker in respect of his duties as a Member of the Management Board for the period from the twelfth of August two thousand and thirteen (12-08-2013) to the thirty first of December two thousand and thirteenth (31-12- 2013).

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
The Chairperson of the Supervisory Board Mr Andrzej Olszewski

Pursuant to Art. 395.2.3 and 395.3 of the Commercial Companies Code and Par. 11.1c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mr Andrzej Olszewski in respect of his duties as the Chairperson of the Company's Supervisory Board for the period of the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013)

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
Vice-chairperson of the Supervisory Board Mrs Zyta Olszewska

Pursuant to Art. 395.2.3 and 395.3 of the Commercial Companies Code and Par. 11.1c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mrs Zyta Olszewska in respect of her duties as the Deputy Chairperson of the Company's Supervisory Board for the period of the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013)

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
On granting discharge to the Member of the Supervisory Board Mr Jan Kowalewski

Pursuant to Art. 395.2.3 and 395.3 of the Commercial Companies Code and Par. 11.1c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mr Jan Kowalewski in respect of his duties as a Member of the Company's Supervisory Board for the period of the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013)

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
the Member of the Supervisory Board Ms Anna Olszewska

Pursuant to Art. 395.2.3 and 395.3 of the Commercial Companies Code and Par. 11 Point 1 Letter c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Ms Anna Olszewska in respect of performance of her duties as a Member of the Supervisory Board for the period of the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013)

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on granting discharge to  
On granting discharge to the Member of the Supervisory Board Mr Maciej Olszewski

Pursuant to Art. 395.2.3 and 395.3 of the Commercial Companies Code and Par. 11.1c) of the Company's Articles of Association, the Annual General Meeting of Farmacol S.A. hereby grants discharge to Mr Maciej Olszewski in respect of his duties as a Member of the Company's Supervisory Board for the period of the first of January two thousand and thirteen (01-01-2013) to the thirty first of December two thousand and thirteen (31-12-2013)

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
determination of the number of the Supervisory Board Members for the new term of office,

The Annual General Meeting of Farmacol S.A. with its registered office in Katowice determines that the Supervisory Board for the new term of office shall be composed of 5 (five) people.

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on the election of the Supervisory Board Members for the new term of office,

Pursuant to Art. 385.1 of the Commercial Companies Code, the Annual General Meeting of Farmacol S.A. hereby appoints the following people to the Supervisory Board:.....

RESOLUTION NO. ....  
of the Annual General Meeting  
of Farmacol S.A. with its registered office in Katowice  
adopted on 24 June 2014  
on determination of the amount of remuneration payable to members of the Supervisory  
Board,

Pursuant to Art. 392.1 of the Commercial Companies Code, the Annual General Meeting of Farmacol S.A. with its registered office in Katowice hereby determines that for the participation in each of the meetings of the Supervisory Board the Board Members shall receive remuneration in the amount of ....., subject to Par. 13.5 and 5 of the Company's Articles of Association.

*Legal basis: Par 100.3 and 100.5 in conjunction with 38.1.1 and 38.1.3 of the Minister of Finance's Regulation of 19 February 2009 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.*

Signatures of duly authorised representatives of the company:

1. Barbara Kaszowicz – Vice-President of the Management Board

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2. Łukasz Grzesło - Vice-President of the Management Board

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