

**MED LIFE S.A. BOARD OF DIRECTORS' NOTE RELATED TO OWN SHARES BUYBACK  
(POINT NO. 2 ON THE AGENDA OF THE  
EGMS DATED 08 OCTOBER 2018)**

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

„2. The authorisation for the purpose of acquiring, by the Company itself or through a person acting in his own name but on behalf of the Company, of a maximum number of 868.000 own shares, for a maximum period of 18 months from the date of publication of the resolution in the Official Gazette of Romania, part IV, at a price per share between RON 10 and RON 50, the nominal value of its own shares thus acquired may not exceed the threshold of 10 % of the subscribed share capital of the Company. A maximum of 868,000 shares thus acquired will be offered to former or current members of the management or former or current employees of some of the Company's subsidiaries.”

**2. LEGAL BASIS**

Company Law no 31/1990 - Article number 103 and  
Act for the formation of MED LIFE S.A. - article 9.3 (k) and (l)

**3. ECONOMIC FUNDAMENTATION OF THE PROPOSAL**

MED LIFE's growth strategy has been defined, among other things, by inorganic growth through the acquisition of medical companies. Presently, Med Life holds important stakes in many medical facilities (detailed information about these stakes is found in Med Life's public reports). MED LIFE's acquisition strategy has been centered on encouraging the founders of the acquired company to remain actively involved, either by maintaining the status of founders - by keeping some minority holdings in the companies in question, or by continuing to work within them as employees or members of the board of directors of the companies concerned.

The Board of Directors considers it appropriate that MED LIFE consolidate its ownership in certain subsidiaries and an optimal choice for the attainment of this objective should be to achieve a trade-off between MED LIFE's own shares and shares held by minority shareholders in its subsidiaries (the "Transaction" ).

The principles underlying the trading parameter setting of the share exchange will focus on the ratio between the average purchase price of Med Life's own shares and the value of shares issued by subsidiaries and held by minority shareholders. The assessment of minority holdings in subsidiaries will be achieved by applying an EBITDA multiple (correlated with the size of that subsidiary, local or national reach of the subsidiary and the size of the minority stake) in line with the multiple used for purchases completed in previous years by MED LIFE.

The completion of the Transaction envisaged by the Board of Directors implies:

Stage I: Acquisition of own shares by Med Life through a redemption program;

Stage II: Offering its own shares acquired by MED LIFE in Stage I to current or former employees or current or former members of the management of the subsidiaries in question ("the Recipients of the Program") who are also shareholders / associates in these subsidiaries in exchange for the shares held by the Recipients of the Program in subsidiaries.

Granting MED LIFE shares to the Recipients of the Program in exchange for the shares held by the latter in MED LIFE's subsidiaries will have a twofold purpose, namely: (a) strengthening MED LIFE's majority shareholding position in subsidiaries doubled by the Recipients of the Program becoming MED LIFE's shareholders and (b) consistency with the group's acquisition strategy which acknowledges and promotes the contribution of the founders of the subsidiaries to the activity of those subsidiaries and – implicitly - to the integrated activity of MED LIFE group.

Given the level of complexity, scale and estimated time to implement the Transaction, the Board of Directors requests an additional level of flexibility from shareholders which would allow it to be able to decide to change the purpose of the redemption of shares, depending on the actual circumstances surrounding market evolution or based on considerations of commercial/legal nature that could impact the implementation of the Transaction and, in compliance with the powers of the general meeting of shareholders.

Referring to the above considerations, the Board of Directors proposes to shareholders, in order to strengthen MED LIFE's position in certain subsidiaries, to vote in favor of item 2 of the agenda of General Extraordinary Assembly Of Shareholders in 08.10.2018.

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Mihail Marcu  
Chairman of the Board of Directors