

**ANNOUNCEMENT
OF THE MANAGEMENT BOARD OF BIOTON SPÓŁKA AKCYJNA
ON CONVENING AN ORDINARY GENERAL MEETING**

The Management Board of BIOTON Spółka Akcyjna, having its registered office in Warsaw (“**Company**”), acting in accordance with Article 397, 399 § 1, in conjunction with Article 402(1), Article 402(2) of the Commercial Companies Code (“**CCC**”), hereby convenes an Ordinary General Meeting (“**AGM**”, “**Meeting**”) to be held on the Company’s premises in Macierzysz, ul. Poznańska 12, 05-850 Ożarów Mazowiecki, at **10:00 a.m.**, on **June 28th, 2019**.

Agenda:

The proposed agenda of the AGM:

1. Opening of the Meeting.
2. Election of the chairman of the Meeting (if the chairman is not appointed by the Company's Management Board) and preparation of the attendance list.
3. Confirmation of the correctness of convening the Meeting and its capacity to adopt resolutions.
4. Adoption of the agenda of the Meeting.
5. Adoption of a resolution on consideration and approval of the report of the Management Board on the activities of BIOTON S.A. and the financial statement of BIOTON S.A. for 2018.
6. Adoption of a resolution regarding the consideration and approval of the Management Board's report on the operations of the BIOTON S.A. Capital Group and the financial statement of the BIOTON S.A. Capital Group for 2018.
7. Resolution on the consideration and approval of the reports of the Supervisory Board of BIOTON S.A. for 2018.
8. Resolution on covering the net loss of BIOTON S.A. for 2018.
9. Adoption of resolutions on granting discharge to members of the Management Board of the Company for the duties carried out in 2018.
10. Adoption of resolutions on granting discharge to members of the Supervisory Board of the Company for the duties carried out in 2018.
11. Adoption of resolutions on determining the number of the Supervisory Board members of the Company and appointing members of the Supervisory Board in connection with the expiration of the term of office of the Supervisory Board of the Company on the day of the AGM.
12. Adoption of a resolution regarding the amendment of Statute of the Company regarding the extension of §6 of the Company’s Statute (the subject of the Company’s activity).
13. Adoption of a resolution regarding the adoption of the consolidated text of the Statute of BIOTON S.A. considering changes in the subject of the Company’s activity.
14. Adoption of a resolution on the Company’s further existence.
15. Closing the Meeting.

Proposed Amendments to the Statute

The Management Board of the Company announces the proposed amendments to the Company’s Statute by adding paragraph 54) as follows:

“54) scientific research and development in the field of biotechnology (PKD 72.11.Z)”

The existing wording of § 6 of the Company's Statute (the subject of the Company's activities):

„§ 6

The following shall constitute the company's scope of business, domestically or internationally, and for export and import purposes:

- 1) *Manufacture of homogenised food preparations and dietetic food (PKD 10.86.Z)*
- 2) *Book publishing (PKD 58.11.Z)*
- 3) *Publishing of newspapers (PKD 58.13.Z)*
- 4) *Publishing of journals and periodicals (PKD 58.14.Z)*
- 5) *Sound recording and music publishing activities (PKD 59.20.Z)*
- 6) *Other publishing activities (PKD 58.19.Z)*
- 7) *Other printing (PKD 18.12.Z)*
- 8) *Manufacture of other inorganic basic chemicals (PKD 20.13.Z)*
- 9) *Manufacture of other organic basic chemicals (PKD 20.14.Z)*
- 10) *Manufacture of pesticides and other agrochemical products (PKD 20.20.Z)*
- 11) *Manufacture of basic pharmaceutical products (PKD 21.10.Z)*
- 12) *Manufacture of drugs and pharmaceutical preparations (PKD 21.20.Z)*
- 13) *Manufacture of medical and dental instruments and supplies (PKD 32.50.Z)*
- 14) *Manufacture of soap and detergents, cleaning and polishing preparations (PKD 20.41.Z)*
- 15) *Manufacture of perfumes and toilet preparations (PKD 20.42.Z)*
- 16) *Manufacture of non-domestic cooling and ventilation equipment (PKD 28.25.Z)*
- 17) *Repair and maintenance of machinery (PKD 33.12.Z)*
- 18) *Installation of industrial machinery and equipment (PKD 33.20.Z)*
- 19) *Manufacture of irradiation, electromedical and electrotherapeutic equipment (PKD 26.60.Z)*
- 20) *Manufacture of office and shop furniture (PKD 31.01.Z)*
- 21) *Wholesale of perfume and cosmetics (PKD 46.45.Z)*
- 22) *Wholesale of pharmaceutical and medical goods (PKD 46.46.Z)*
- 23) *Wholesale of chemical products (PKD 46.75.Z)*
- 24) *Dispensing chemist in specialised stores (PKD 47.73.Z)*
- 25) *Retail sale of medical and orthopaedic goods in specialised stores (PKD 47.74.Z)*
- 26) *Retail sale of cosmetic and toilet articles in specialised stores (PKD 47.75.Z)*
- 27) *Buying and selling of own real estate (PKD 68.10.Z)*
- 28) *Renting and operating of own or leased real estate (PKD 68.20.Z)*
- 29) *Research and experimental development on other natural sciences and engineering (PKD 72.19.Z)*
- 30) *Market research and public opinion polling (PKD 73.20.Z)*
- 31) *Business and other management consultancy activities (PKD 70.22.Z)*
- 32) *Other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z)*
- 33) *Architectural activities (PKD 71.11.Z)*
- 34) *Engineering activities and related technical consultancy (71.12.Z)*
- 35) *Advertising agencies (PKD 73.11.Z)*
- 36) *Packaging activities (PKD 82.92.Z)*
- 37) *Water collection, treatment and supply (PKD 36.00.Z)*
- 38) *Sewage disposal and treatment (PKD 37.00.Z)*
- 39) *Collection of non-hazardous waste (PKD 38.11.Z)*
- 40) *Collection of hazardous waste (PKD 38.12.Z)*
- 41) *Treatment and disposal of non-hazardous waste (PKD 38.21.Z)*
- 42) *Treatment and disposal of hazardous waste (PKD 38.22.Z)*
- 43) *Manufacture of other food products not elsewhere classified (PKD 10.89.Z)*
- 44) *Wholesale of other food products (PKD 46.38.Z)*
- 45) *Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z)*

- 46) *Office administrative and support activities (PKD 82.11.Z)*
- 47) *Photocopying, document preparation and other specialised office support activities (PKD 82.19.Z)*
- 48) *Activities of collection agencies and credit bureaus (PKD 82.91.Z)*
- 49) *Other business support service activities not elsewhere classified. (PKD 82.99.Z)*
- 50) *Other non-school education not elsewhere classified (PKD 85.59.B)*
- 51) *Educational support activities (PKD 85.60.Z)*
- 52) *Other human health activities, not elsewhere classified (PKD 86.90.E)*
- 53) *Rental and lease of personal cars and delivery vans (PKD 77.11.Z)”*

The proposed wording of § 6 of the Company Statute (subject of the Company's activity):

„§ 6

The following shall constitute the company’s scope of business, domestically or internationally, and for export and import purposes:

- 1) *Manufacture of homogenised food preparations and dietetic food (PKD 10.86.Z)*
- 2) *Book publishing (PKD 58.11.Z)*
- 3) *Publishing of newspapers (PKD 58.13.Z)*
- 4) *Publishing of journals and periodicals (PKD 58.14.Z)*
- 5) *Sound recording and music publishing activities (PKD 59.20.Z)*
- 6) *Other publishing activities (PKD 58.19.Z)*
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- 8) *Manufacture of other inorganic basic chemicals (PKD 20.13.Z)*
- 9) *Manufacture of other organic basic chemicals (PKD 20.14.Z)*
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- 13) *Manufacture of medical and dental instruments and supplies (PKD 32.50.Z)*
- 14) *Manufacture of soap and detergents, cleaning and polishing preparations (PKD 20.41.Z)*
- 15) *Manufacture of perfumes and toilet preparations (PKD 20.42.Z)*
- 16) *Manufacture of non-domestic cooling and ventilation equipment (PKD 28.25.Z)*
- 17) *Repair and maintenance of machinery (PKD 33.12.Z)*
- 18) *Installation of industrial machinery and equipment (PKD 33.20.Z)*
- 19) *Manufacture of irradiation, electromedical and electrotherapeutic equipment (PKD 26.60.Z)*
- 20) *Manufacture of office and shop furniture (PKD 31.01.Z)*
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- 29) *Research and experimental development on other natural sciences and engineering (PKD 72.19.Z)*
- 30) *Market research and public opinion polling (PKD 73.20.Z)*
- 31) *Business and other management consultancy activities (PKD 70.22.Z)*
- 32) *Other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z)*
- 33) *Architectural activities (PKD 71.11.Z)*
- 34) *Engineering activities and related technical consultancy (71.12.Z)*
- 35) *Advertising agencies (PKD 73.11.Z)*

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- 40) *Collection of hazardous waste (PKD 38.12.Z)*
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- 42) *Treatment and disposal of hazardous waste (PKD 38.22.Z)*
- 43) *Manufacture of other food products not elsewhere classified (PKD 10.89.Z)*
- 44) *Wholesale of other food products (PKD 46.38.Z)*
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- 46) *Office administrative and support activities (PKD 82.11.Z)*
- 47) *Photocopying, document preparation and other specialised office support activities (PKD 82.19.Z)*
- 48) *Activities of collection agencies and credit bureaus (PKD 82.91.Z)*
- 49) *Other business support service activities not elsewhere classified. (PKD 82.99.Z)*
- 50) *Other non-school education not elsewhere classified (PKD 85.59.B)*
- 51) *Educational support activities (PKD 85.60.Z)*
- 52) *Other human health activities, not elsewhere classified (PKD 86.90.E)*
- 53) *Rental and lease of personal cars and delivery vans (PKD 77.11.Z)*
- 54) *scientific research and development in the field of biotechnology (PKD 72.11.Z)."*

Information for shareholders

The right to participate in the AGM

The Management Board of the Company declares that, in accordance with Article 406 (1) of the Code of Commercial Companies, the right to participate in the AGM is exclusively enjoyed by the persons who are the shareholders of the Company sixteen days prior to the date of the AGM, i.e. on June 12th, 2019 (the date of registration at the AGM, hereinafter referred to as the "**Registration Date**"), provided that they deliver to the entity which maintains their securities account a request for the issuance of a registered certificate confirming the right to participate in the AGM in the period from the AGM convocation announcement to the first business day after the Registration Date, i.e. until June 13th, 2019.

The list of shareholders authorized to participate in the AGM will be drawn up on the basis of a list provided by the entity maintaining the depository for securities (i.e. *National Depository for Securities S.A.*) and presented on the premises of the Management Board of the Company (Macierzysz, ul. Poznańska 12), between 10:00 a.m.- 4:00 p.m., on June 25th- 27th, 2019.

During three business days prior to the date of the AGM the shareholders of the Company may demand delivery of a list of shareholders, free of charge by electronic mail, provided they notify the Company of the address to which such list should be sent. The request should be made in writing, signed by the shareholder or persons authorized to represent the shareholder and sent via email to wza@bioton.com in a "*pdf*" file format or any other format allowing it to be read by the Company. The request should be accompanied by copies of documents confirming the identity of the shareholder of the Company and/or the persons authorized to represent the shareholder, including:

- (i) if the shareholder is an individual, a copy of the identification card, passport or any other official document confirming the shareholder's identity; or
- (ii) if the shareholder is not an individual, a copy of an extract from the relevant register or any other document confirming the authority of one or several individuals to represent the shareholder at the AGM (e.g. an unbroken sequence of powers of attorney); and
- (iii) if the request is given by a proxy, a copy of the power of attorney signed by the shareholder or by the persons authorized to represent that shareholder, with a copy of the identification card, passport or

any other official document confirming the proxy's identity or, if the proxy is not an individual, a copy of an extract from the relevant register or another document confirming the authority of one or several individuals to represent the proxy at the AGM (e.g. an unbroken sequence of powers of attorney) and an identification card, passport or any other official document confirming the identity of the one or several individuals authorized to represent the proxy at the AGM.

Selected AGM-related rights of shareholders

A shareholder or shareholders representing at least one-twentieth of the share capital of the Company are entitled to:

- (i) request the placement of specific matters on the agenda of the AGM. Such request should be delivered to the Company's Management Board no later than twenty-one days prior to the date of the AGM, i.e. by **June 7th, 2019**. The request should include justification or a draft resolution concerning a suggested item of the agenda. The request may be delivered via email to wza@bioton.com; or
- (ii) present to the Company in writing or via email to wza@bioton.com or, before the date of the AGM, written draft resolutions concerning issues placed on the agenda of the AGM or issues which are to be placed on the agenda.

The above requests should be accompanied by copies of documents confirming the identity of the shareholder of the Company and/or the persons authorized to represent the shareholder, including:

- (i) depository certificate issued by the entity which maintains the securities account in which the Company's shares held by the shareholder are registered, confirming that the person is in fact the shareholder of the Company and that he holds at least one-twentieth of the share capital of the Company;
- (ii) if the shareholder is an individual, a copy of the identification card, passport or any other official document confirming the shareholder's identity; or
- (iii) if the shareholder is not an individual, a copy of an extract from the relevant register or any other document confirming the authority of one or several individuals to represent the shareholder at the AGM (e.g. an unbroken sequence of powers of attorney); or
- (iv) if the request is given by a proxy, (A) a copy of the power of attorney signed by the shareholder or, by the persons authorized to represent that shareholder with a copy of the identification card, passport or any other official document confirming the proxy's identity or (B) if the proxy is not an individual, a copy of an extract from the relevant register or another document confirming the authority of one or several individuals to represent the proxy at the AGM (e.g. an unbroken sequence of powers of attorney) and an identification card, passport or any other official document confirming the identity of one or several individuals authorized to represent the proxy at the AGM.

At the AGM, each shareholder of the Company may present draft resolutions concerning the issues placed on the agenda.

The method of participation in the AGM and the method of exercising the voting right

A shareholder who is an individual may participate in the AGM and exercise the voting right either personally or through a proxy. Shareholders other than individuals may participate in the AGM and exercise the voting right through a person authorized to make representations of will on its behalf, or by proxy. A power of attorney should be made in writing or granted electronically. A power of attorney granted electronically does not require a secure electronic signature verified with the use of a valid qualified certificate.

One should notify the Company on granting the power of attorney in electronic form by sending the document in "*pdf*" format (or other format readable to the Company) signed by the shareholder or in case of shareholders other than natural persons, by persons authorized to represent the shareholder, or by e-mail to the address wza@bioton.com

For the purpose of identification of the shareholder granting the power of attorney, the notification on granting the power of attorney in electronic form should include (as an enclosure in "*pdf*" format or other format readable to the Company):

- (i) if the shareholder is an individual, a copy of the identification card, passport or any other official document confirming the shareholder's identity; or
- (ii) if the shareholder is not an individual, a copy of an extract from the relevant register or any other document confirming the authority of one or several individuals to represent the shareholder at the AGM (e.g. an unbroken sequence of powers of attorney).

In case of doubts as to the authenticity of the copies of the above mentioned documents, the Management Board of the Company reserves the right to demand that the proxy presents the following upon drawing up the attendance list:

- (i) if the shareholder is an individual, a true and correct copy of the original certified as such by a notary or an entity authorized to confirm that a copy of an identity card, a passport or any other official document confirming the identity of the shareholder is a true and correct copy of the original; or
- (ii) if the shareholder is not an individual, an original or a copy of the original certified as true and correct by a notary or another entity having the authority to confirm that a document is a true and correct copy of an extract from the relevant register or any other document confirming the authority of one or several individuals to represent the shareholder at the AGM (e.g. an unbroken sequence of powers of attorney).

In order to identify the proxy, the Management Board of the Company reserves the right to demand that the proxy presents the following upon drawing up the attendance list:

- (i) if the proxy is an individual, the original of the identity card, passport or any other official document confirming proxy's identity; or
- (ii) if the proxy is not an individual, an original or a copy of the original certified as true and correct by a notary or another entity having the authority to confirm as such a copy of an extract from the relevant register or another document confirming the authority of one or several individuals to represent the proxy at the AGM (e.g. an unbroken sequence of powers of attorney) and an identity card, passport or any other official document confirming the identity of one or several individuals authorized to represent the proxy at the AGM.

The forms referred to in Article 402 (3) § 1 item 5 of the CCC authorizing shareholders to exercise the voting right through a proxy are available on the Company's website www.bioton.com. The Company does not require that the power of attorney be granted on such form only.

Furthermore, the Management Board of the Company declares that if a shareholder grants a power of attorney with voting instructions, the Company will not verify if the proxies did exercise the voting rights in accordance with the instructions received from the shareholders. In the light of the above, the Management Board of the Company would like to emphasize that voting instructions should be delivered to the proxy only.

The Company makes a reservation that a shareholder using electronic means of communication bears the sole and exclusive risk related to the use of such means of communication. The notice of granting a power of attorney electronically and the written draft resolutions concerning the matters included in the agenda of the AGM or matters which are to be placed on the agenda should be delivered to the Company no later than by the end of the day preceding the date of the AGM. The Company cannot guarantee that it will be able to verify the identity of shareholders presenting draft resolutions or granting a power of attorney on the date of the AGM.

The Statute of the Company do not provide for the right to participate in the AGM, to take the floor at the AGM or to exercise voting rights via the use of means of electronic communication. The Statute of the Company do not provide for the right to exercise voting rights by post.

Materials pertaining to the General Meeting

Any person authorized to participate in the AGM may obtain, prior to the AGM, the full and complete text of the documentation which is to be presented at the AGM, including the draft resolutions or, if no resolutions have been proposed, the comments of the Management Board or the Supervisory Board of the Company relating to the issues on the agenda of the AGM or the issues which are to be put on the agenda, from the Company's website www.bioton.com or from the offices of the Company's Management Board (Macierzysz, ul. Poznańska 12) between hours 10:00 a.m. – 4:00 p.m. from Monday till Friday (except for public holidays).

Registration of attendance at the AGM

Persons authorized to participate in the AGM are requested to register and to collect a voting card directly in front of the meeting room half an hour before the start of the AGM session.

Further Information

All the information relating to the AGM will be available at the Company's website www.bioton.com. Moreover, the Management Board of the Company declares that any and all issues which are not covered by this announcement will be governed by the Code of Commercial Companies and the Statute of the Company. Therefore, the shareholders are asked to review the above regulations.

In case of any questions or doubts relating to participation in the General Meeting please contact e-mail: wza@bioton.com

Draft resolutions of the AGM

to point 5th of the agenda.

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

*on consideration and approval
of the report of the Management Board on the activities of BIOTON S.A.
and the financial statement of BIOTON S.A. for 2018*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 1 of the Code of Commercial Companies, after considering the report of the Management Board on the activities of BIOTON S.A. and the financial statement of the Company for the year ended December 31st, 2018, approves the report of the Management Board on the operations of the Company and the financial statement of BIOTON S.A., including:

1. the balance sheet prepared as at December 31st, 2018, which shows an amount of PLN 1 055 204 000 on the side of assets and liabilities (in words: one billion fifty five million two hundred and four thousand zlotys);
2. profit and loss account for the period from January 1st, 2018 to December 31st, 2018, showing a net loss in the amount of PLN 75 792 000 (in words: seventy five million seven hundred ninety two thousand zlotys);
3. the statement of comprehensive income for the period from January 1st, 2018 to December 31st, 2018 showing total negative total income in the amount of PLN 75 807 000 (in words: seventy five million eight hundred and seven thousand zlotys);
4. statement of changes in equity for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in equity of PLN 75 807 000 (in words: seventy five million eight hundred and seven thousand zlotys);
5. cash flow statement for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in cash by PLN 8 456 000 (in words: eight million four hundred fifty six thousand zlotys);
6. additional information, including information about the adopted accounting policy and other explanatory information.

§ 2

The resolution comes into force as on day of its adoption.”

to the 6th item on the agenda

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

regarding the consideration and approval of the Management Board's report on the operations of the BIOTON S.A. Capital Group and the consolidated financial statement of the BIOTON S.A. Capital Group for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 395 § 5 of the Code of Commercial Companies, after considering the Management Board report on the operations of the BIOTON S.A. Capital Group and the consolidated financial statement of the BIOTON S.A. Capital Group for the year ended December 31st, 2018, approves the Management Board report on the activities of the BIOTON S.A. Capital Group and the consolidated financial statement of the BIOTON S.A. Capital Group including:

1. consolidated balance sheet prepared as at December 31st, 2018, which shows an amount of PLN 1 010 026 000 on the side of assets and liabilities (in words: one billion ten million twenty six thousand zlotys);
2. consolidated profit and loss account for the period from January 1st, 2018 to December 31st, 2018 showing a net profit in the amount of PLN 26 088 000 (in words: twenty six million eighty eight thousand zlotys),
3. the consolidated statement of comprehensive income for the period from January 1st, 2018 to December 31st, 2018, showing a negative total income in the amount of PLN 12 140 000 (in words: twelve million one hundred forty thousand zlotys);
4. statement of changes in consolidated equity for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in equity of PLN 21 713 000 (in words: twenty one million seven hundred thirteen thousand zlotys);
5. consolidated cash flow statement for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in the net cash balance of PLN 30 942 000 (in words: thirty million nine hundred forty two thousand zlotys);
6. additional information, including information about the adopted accounting policy and other explanatory information.

§ 2

The resolution comes into force as on day of its adoption.”

to the 7th item on the agenda

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on the consideration and approval of the reports of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 382 § 3 and art. 395 § 5 of the Code of Commercial Companies and in accordance with the principle II.Z.10 "Good Practices of Companies Listed on the GPW" in the version effective from January 1st, 2016, approves after consideration the report for 2018 prepared by the Company's Supervisory Board, covering:

1. report on the activities of the Company's Supervisory Board in 2018;
2. report on the results of the assessment of: (i) report of the Board of the Company's activities in 2018, (ii) financial statement of the Company for fiscal year 2018, (iii) the report of the Management Board on the activities of the BIOTON S.A. Capital Group in 2018, (iv) consolidated financial statement of the BIOTON S.A. Capital Group for 2018 and (v) proposal of the Board on the coverage of losses for the fiscal year 2018;
3. assessment of the situation of the company in 2018, taking into account the evaluation of the internal control systems, risk management, the "compliance" rules and the internal audit function;
4. the assessment of the manner in which the Company fulfils its disclosure obligations regarding the application of corporate governance principles set out in the stock exchange regulations and regulations regarding current and periodic information provided by issuers of securities.

§ 2

The resolution comes into force as on day of its adoption."

REPORT OF THE SUPERVISORY BOARD OF BIOTON S.A. FOR 2018, INCLUDING:

- (I) REPORT ON THE ACTIVITY OF THE SUPERVISORY BOARD OF BIOTON SA FOR 2018;**
- (II) EVALUATION REPORT OF:**
 - **REPORT OF THE BOARD ON THE ACTIVITIES OF BIOTON S.A. AND FINANCIAL STATEMENT OF BIOTON S.A. FOR 2018,**
 - **REPORT OF THE BOARD ON THE ACTIVITIES OF THE CAPITAL GROUP BIOTON S.A. AND CONSOLIDATED FINANCIAL STATEMENT OF THE CAPITAL GROUP BIOTON S.A. FOR 2018,**
 - **THE BOARD'S REQUEST AS TO THE METHOD OF COVERING OF THE LOSS OF THE COMPANY FOR 2018;**
- (III) ASSESSMENT OF BIOTON SA SITUATION IN 2018, INCLUDING ASSESSMENTS OF INTERNAL CONTROL SYSTEMS, RISK MANAGEMENT, COMPLIANCE AND INTERNAL AUDITING FUNCTIONS;**
- (IV) THE ASSESSMENT OF HOW THE COMPANY MEETS ITS DISCLOSURE OBLIGATIONS FOR THE APPLICATION OF THE PRINCIPLES OF GOOD GOVERNANCE SET OUT IN THE REGULATIONS OF THE STOCK EXCHANGE AND RULES ON CURRENT AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF SECURITIES;**
- (V) RECOMMENDATIONS FOR BIOTON S.A.'S GENERAL MEETING OF SHAREHOLDERS.**
- (I) REPORT ON THE ACTIVITY OF THE SUPERVISORY BOARD OF BIOTON S.A. FOR 2018**
 1. Composition of the Supervisory Board and the Audit Committee of the Supervisory Board

Pursuant to §17 par. 1 the Statute of Bioton S.A., during the reporting period, covering the fiscal year from January 1st, 2018 to December 31st, 2018 (the "**Reference Period**"), the Supervisory Board consisted of not less than 5 and not more than 13 members appointed in accordance with the provisions of § 17 para. 2 of the Statute of the Company during the General Meeting.

On January 1st, 2018 the composition of the Supervisory Board was as follows:

- Mr. Jubo Liu (President of the Supervisory Board),
- Mr. Dariusz Trzeciak (Vice President of the Supervisory Board, fulfilling the criteria referred to in § 18 sec. 1 subsection 2 - 4 of the Company's Statute),
- Mr. Vaidyanathan Viswanath (Member of the Supervisory Board),
- Mr. Mark Ming-Tso Chiang (Member of the Supervisory Board),
- Mr. Paweł Borowy (Member of the Supervisory Board, fulfilling the criteria referred to in § 18 sec. 1 subsection 2 - 4 of the Company's Statute),
- Mr. Qi Bo (Member of the Supervisory Board),
- Mr. Gary He (Member of the Supervisory Board).

On March 22nd, 2018, the Supervisory Board chose Mr. Vaidyanathan Viswanath to perform the function of the Vice President of the Supervisory Board.

On March 22nd, 2018, the allocation of functions on the Supervisory Board looked as follows:

- Mr. Jubo Liu (President of the Supervisory Board),
- Mr. Dariusz Trzeciak (Vice President of the Supervisory Board, fulfilling the criteria referred to in the § 18 sec. 1 sub section 2 - 4 of the Company's Statute of Association),
- Mr. Vaidyanathan Viswanath (Vice President of the Supervisory Board),
- Mr. Mark Ming-Tso Chiang (Member of the Supervisory Board),
- Mr. Paweł Borowy - (Member of the Supervisory Board, fulfilling the criteria referred to in the § 18 sec. 1 sub section 2 - 4 of the Company's Statute of Association),
- Mr. Qi Bo (Member of the Supervisory Board),
- Mr. Gary He (Member of the Supervisory Board).

On November 5th, 2018, Mr. Paweł Borowy, Member of the Supervisory Board of the Company, resigned from the function of a Member of the Supervisory Board of the Company. On December 31st, 2018, the allocation of functions on the Supervisory Board looked as follows:

- Mr. Jubo Liu (President of the Supervisory Board),
- Mr. Dariusz Trzeciak (Vice President of the Supervisory Board, fulfilling the criteria referred to in the § 18 sec. 1 subsection 2 - 4 of the Company's Statute of Association),
- Mr. Vaidyanathan Viswanath (Vice President of the Supervisory Board),
- Mr. Mark Ming-Tso Chiang (Member of the Supervisory Board),
- Mr. Qi Bo (Member of the Supervisory Board),
- Mr. Gary He (Member of the Supervisory Board).

In the financial year 2018, the Audit Committee of the Company's Supervisory Board included:

- Mr. Dariusz Trzeciak – as Chairman of the Audit Committee of the Company's Supervisory Board from January 1st, 2018 to December 31st, 2018;
- Mr. Jubo Liu – as the Vice President of the Audit Committee of the Company's Supervisory Board from January 1st, 2018 to December 31st, 2018; Mr. Jubo Liu has knowledge and practical skills in the field of industry in which

the Company operates;

- Mr. Paweł Borowy - as Member of the Audit Committee of the Company's Supervisory Board from January 1st, 2018 to November 5th, 2018. Mr. Paweł Borowy has knowledge and skills in the field of accounting and/or auditing of financial statements.

All members of the Supervisory Board and the Audit Committee have appropriate qualifications as well as life and professional experience allowing for effective and reliable performance of the functions entrusted to them.

2. Principles and scope of activity of the Supervisory Board

The Supervisory Board of the Company worked in fiscal year 2018 in accordance with the provisions of the Code of Commercial Companies, the provisions of the Company Statute and rules of procedure of the Supervisory Board Regulations (determining the organization and the execution of the actions) and the Good Practices of Companies Listed on the Warsaw Stock Exchange. In the 2018 financial year until the date of 5.11.2018, the Supervisory Board of the Company included 2 Supervisory Board Members meeting the independence criteria referred to in section II.Z.4. of the "Good Practices of Companies Listed on the GPW".

In 2018, the Supervisory Board held a total of 5 Meetings and adopted a total of 12 resolutions (on 11.01.2018, 1 resolution was adopted at the Meeting, on 22.03.2018, 2 resolutions were adopted at the Meeting, on 15.05.2018, 1 resolution was adopted in an email voting covered by the protocol, on 07.06.2018, 1 resolution was adopted at the Meeting, on 06.07.2018, 1 resolution was adopted in an email voting covered by the protocol, on 13.09.2018, no resolution were adopted, on 26.09.2018, 2 resolutions were adopted in an email voting covered by the protocol, on 27.09.2018, 1 resolution was adopted in an email voting covered by the protocol, on 9.11.2018, 1 resolution was adopted in an email voting covered by the protocol, on 13.11.2018, 1 resolution was adopted in an email voting covered by the protocol, on 28.11.2018, no resolution were adopted, on 5.12.2018, 1 resolution was adopted in an email voting covered by the protocol).

The resolutions covered, among others:

- approving the budget for 2018;
- awards for the Management Board Members;
- appointment of the Vice President of the Supervisory Board;
- approving the choice of investor for SciGen and proving the consent to conclude a contract with the investor;
- giving opinion on the draft of resolution of Extraordinary General Meeting of Shareholders of BIOTON S.A. regarding the appointment of the auditor for special matters;
- giving opinion on the draft of confidentiality agreement which shall be concluded by the Company with the Members of the Supervisory Board;
- expressing opinion on the subject of the auditor's statement in the report on the review of the consolidated and individual report of BIOTON S.A. application with reservations;
- giving opinion on draft resolutions of the Extraordinary General Meeting of Shareholders of BIOTON S.A. regarding the further existence of the Company;
- giving the consent on conclusion of the loan agreement and agreements related with the loan agreement.

The subject of the Supervisory Board's Meetings was control and supervision over the current operations of the Company. The Supervisory Board issued opinions on the Company's current and planned activities, based on documents and information presented by the Management Board. The main priorities of the Supervisory Board were:

- implementation of statutory corporate governance obligations - in particular, supporting the Management Board in market analysis, building a plan for further development, strategic goals of the Management Board;
- supporting the Management Board in defining business priorities, financial plans and the Group's strategy;

- analysis of financial results and cost structure of the Company as well as individual Group companies;
- analysis of the sales strategy of selected assets of the Group identified as non-strategic assets;
- analysis of the Company's strategy in the area of development and acquisition of new products, including conducting development works on insulin analogues;
- the Company's relationships with major banks financing the Company;
- changes in the organizational structure of the Company.

In addition, the Supervisory Board as the advisory body, participated in consultations with the Management Board on matters relevant to the Company, including in particular:

- The letter from the Polish Financial Supervision Authority of February 15th, 2019. regarding a recommendation to adjust the intangible assets presented in the financial statement of BIOTON S.A and the BIOTON Capital Group for 2018. As part of the recommendations obtained by the Supervisory Board, the Management Board on April 24th, 2019 decided to adjust the amounts of capitalized expenditures on the development project of insulin analogues. The total value of expenditures included: (i) in the standalone profit and loss account amounted to PLN 31.2 million in 2018, PLN 15.9 million in 2017 (and PLN 57.2 million by changing the result of previous years), (ii) in the consolidated profit and loss account amounted to PLN 31.2 million in 2018, PLN 15.9 million in 2017 (and PLN 38.2 million by changing the result from previous years). Additional information are available in the current report 10/2019;
- Application by the Company to the objection of the statutory auditor of the auditing company PricewaterhouseCoopers Sp. z o.o., regarding recognition of revenues from one-off payments for licenses granted, indicated in the review report of the interim unit and consolidated financial statements of the Company and its Capital Group for 2018. The Management Board of the Company complied with the aforementioned objections in the financial statements for 2018. Additional information in the present case is available in the current report 12/2019.

In the discussed period, a total of 3 Meetings of the Audit Committee were held (March 22nd, 2018, June 5th, 2018, September 13th, 2018) with main purpose to discuss the financial results of the Company and its Capital Group. The members of the Audit Committee remained in touch on the issues discussed.

(II) REPORT ON THE ASSESSMENT OF BIOTON SA FINANCIAL STATEMENT AND BIOTON SA CAPITAL GROUP FOR YEAR 2018

In accordance with art. 382 § 3 of the Commercial Companies Code, the Supervisory Board assessed:

1. The Company's financial statements for the financial year ended on December 31st, 2018, including:
 - the balance sheet prepared as at December 31st, 2018, which shows an amount of PLN 1 055 204 000 on the side of assets and liabilities (in words: one billion fifty five million two hundred and four thousand zlotys);
 - profit and loss account for the period from January 1st, 2018 to December 31st, 2018, showing a net loss in the amount of PLN 75 792 000 (in words: seventy five million seven hundred ninety two thousand zlotys);
 - the statement of comprehensive income for the period from January 1st, 2018 to December 31st, 2018 showing total negative total income in the amount of PLN 75 807 000 (in words: seventy five million eight hundred and seven thousand zlotys);
 - statement of changes in equity for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in equity of PLN 75 807 000 (in words: seventy five million eight hundred and seven thousand zlotys);
 - cash flow statement for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in cash by PLN 8 456 000 (in words: eight million four hundred fifty six thousand zlotys);
 - additional information, including information about the adopted accounting policy and other explanatory information.

2. The report of the Management Board of the Company's activities in the financial year ending on December 31st, 2018;
3. An application of the Management Board to the Company's Ordinary General Meeting to cover the Company's net loss for the fiscal year 2018 in the amount of PLN 75 792 000 (in words: seventy five million seven hundred ninety two thousand zlotys), with profits from future periods;
4. The Consolidated Financial Statements of the BIOTON Capital Group for the financial year ended on December 31st, 2018, including:
 - consolidated balance sheet prepared as at December 31st, 2018, which shows an amount of PLN 1 010 026 000 on the side of assets and liabilities (in words: one billion ten million twenty six thousand zlotys);
 - consolidated profit and loss account for the period from January 1st, 2018 to December 31st, 2018 showing a net profit in the amount of PLN 26 088 000 (in words: twenty six million eighty eight thousand zlotys);
 - the consolidated statement of comprehensive income for the period from January 1st, 2018 to December 31st, 2018, showing a negative total income in the amount of PLN 12 140 000 (in words: twelve million one hundred forty thousand zlotys);
 - statement of changes in consolidated equity for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in equity of PLN 21 712 000 (in words: twenty one million seven hundred twelve thousand zlotys);
 - consolidated cash flow statement for the period from January 1st, 2018 to December 31st, 2018, showing a decrease in the net cash balance by PLN 30 942 000 (in words: thirty million nine hundred forty two thousand zlotys);
 - additional information, including information about the adopted accounting policy and other explanatory information.
5. The report of the Management Board of the Group's activities in the financial year ending on December 31st, 2018.

When analysing and assessing the reports and the application referred to above, the Supervisory Board used the opinion and reports of the statutory auditor appointed to audit the financial statements of the Company and the Group for 2018 (hereinafter referred to as "Statutory Auditor"), as well as the opinion of members of the Supervisory Board Audit Committee formulated after Meetings of the Audit Committee with the participation of the Company's Management Board and the Company's Statutory Auditor.

In his opinions, the Auditor stated that the financial statements of the Company and the Group for 2018, in all material aspects:

- provide reliable and clear information relevant to the assessment of the property and financial situation of the Company and the Group as at December 31st, 2018, as well as their financial results for the financial year from January 1st, 2018 to December 31st, 2018;
- have been prepared in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission, and in the scope not regulated in these standards - in accordance with the requirements of the Act of September 29th, 1994 on accounting (i.e. of January 30, 2018, Journal of Laws of 2018, item 395) ("Accounting Act") and executive regulations issued on its basis and on the basis of properly kept accounting books of the Company;
- are in compliance with the provisions of law affecting the content of financial statements, including the ones applicable for the Group and the provisions of the Company Statute.

The Auditor's opinion on the audit of the separate financial statements of the Company for the fiscal year 2018 contains a description of the types of risk of material misstatement under the form of:

- impairment of loans, shares and stocks in subsidiaries. The Company holds loans and shares in subsidiaries in the net amount of PLN 14 731 638,34 and PLN 177 436 239,43 respectively, which are subject to write-offs in previous periods;
- impairment of property, plant and equipment and intangible assets. In notes 8 and 9 of the separate financial statements as at December 31st, 2018, the Company presented information on the value of property, plant and equipment and intangible assets. In accordance with the requirements of IAS 36, as at December 31st, 2018, the Management Board analysed the conditions for permanent impairment, which included the preparation of the model future cash flows. As a result of the analysis, the Management Board did not find any permanent impairment of these assets. Tangible fixed assets and intangible assets account for 56 % of the Company's assets.

Supervisory Board approves the motion of the Management Board to the Company's Ordinary General Meeting to cover the Company's net loss for the fiscal year 2018 in the amount of PLN 75 792 000 (in words: seventy five million seven hundred ninety two thousand zlotys) with profits from future periods.

(III) EVALUATION OF THE COMPANY'S SITUATION IN 2018 WITH THE ASSESSMENT OF THE INTERNAL CONTROL SYSTEM, RISK MANAGEMENT, COMPLIANCE AND FUNCTION OF THE COMPANY'S INTERNAL AUDIT

Pursuant to Rule II.Z.10.1 of the "Good Practices of Companies Listed on the GPW 2016" in the wording effective from January 1st, 2016, the Supervisory Board of the Company after analysing the financial statements and results of the Company in 2018 and after hearing the Auditor's opinion after his revision of the Company's financial statements, positively evaluates the Company's financial situation in 2018.

In addition, the Supervisory Board, taking into account the development strategy pursued by the Management Board of the Company, positively assesses the Company's development prospects.

In the opinion of the Supervisory Board, the Company has a solid foundation for growth resulting primarily from concluded distribution agreements regarding the sale of the Company's insulins on key markets in the world and the possibility of selling the Company's insulins on subsequent markets, as well as growth of sale of wide medical products portfolio on Polish market.

For the establishment of an effective system of internal control and risk management in the company is the responsibility of the Management Board, what is verified by the Statutory Auditor appointed by the Company's Board of Directors, within the framework of the carried-out research reports.

In the opinion of the Supervisory Board, the system of internal control, risk management, known as "compliance" rules, as well as internal audit functions are adjusted to the size and profile of risk related to the current operations of the Company, and are subject to continuous improvement. The Company shall take appropriate action in order to implement the best practices, paying particular importance to manage currency risk, liquidity and systems integration, as well as ensure compliance with the requirements of the legal environment of the Company.

In view of the above, after taking into account the reviews of the Statutory Auditor and the opinions of the members of the Audit Committee, the Supervisory Board underlines the fact the involvement of the Board in issues related to internal control and welcomes its support in the development of solutions in this area. The Supervisory Board draws attention to the recommendation of the Audit Committee relating to the further strengthening of the internal control system and the management of risk material to the Company.

The Supervisory Board is of the opinion that the Company has the foundations and the potential to meet the new challenges posed by the development of the Company and the increase in the value of the Company.

The Supervisory Board points out the lack of the Company's policy regarding the company's sponsorship, charity or other activities of a similar nature due to the fact that it does not carry out the above-mentioned activities. operations by the Company.

(IV) THE ASSESSMENT OF HOW THE COMPANY MEETS ITS DISCLOSURE OBLIGATIONS FOR THE APPLICATION OF THE PRINCIPLES OF GOOD GOVERNANCE SET OUT IN THE REGULATIONS OF THE STOCK EXCHANGE AND RULES ON CURRENT AND PERIODIC INFORMATION PROVIDED BY ISSUERS OF SECURITIES

Pursuant to Rule II.Z.10.3 of the "Good Practices of Companies Listed on the GPW 2016" in the wording effective from January 1st, 2016, the Company's Supervisory Board has assessed how the Company complies with its disclosure obligations regarding the application of corporate governance rules set out in the Stock Exchange Rules and regulations current and periodic information provided by issuers of securities.

From January 1st, 2016, a set of corporate governance rules is in force, namely the "Good Practices of Companies Listed on the GPW 2016". Pursuant to § 29 para. 3 of the Stock Exchange Regulations, if the principle of detailed corporate governance is not applied permanently or is affected incidentally, the issuer is required to publish a report on such case. The report should be published on the issuer's official website and via the Electronic Information Base (EIB). The Company informed through the Current report EBI 1/2016 about the scope of non-application of the "Good Practices of Companies Listed on the GPW 2016".

In addition, the Regulation of the Minister of Finance of March 29th, 2018 regarding current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws from 2018 item 757) specifies what information should be included in the statement on the application of corporate governance constituting a separate part of the report on the issuer's activity in the annual report of the company.

Such a statement, forming part of the Management Board's Reports on the Company's and Group's operations, was forwarded by the Company to the public in the time limits set by law.

After reviewing the content of the report and the statement of the Management Board and the Company's practice, the Supervisory Board considered that the principle adopted by the Company for application have been made available by the Company, are in conformity with the requirements, reliably reflect the use of governance principles and represent stakeholders in a transparent and exhaustive way mechanisms of the Company. The company also provides communication with investors, shareholders and the media, in particular guided by the principle of equal and non-discriminatory access to disclosed information.

Given the above, the Supervisory Board gives a positive opinion on the manner in which the Company fulfils its disclosure obligations regarding the application of corporate governance principles set out in the stock exchange regulations and regulations regarding current and periodic information provided by issuers of securities.

(V) RECOMMENDATIONS FOR BIOTON S.A.'s GENERAL MEETING OF SHAREHOLDERS

Conclusions of the Supervisory Board to the General Meeting of the Company's Shareholders regarding the financial statements of the Company and the Group for financial year 2018:

As a result of the assessment of the Company and Group financial statements, the Supervisory Board has decided to recommend the Company's Ordinary General Meeting of Shareholders:

1. approval of the Company's financial statement for the financial year ended on December 31st, 2018:
2. approval of the report of the Management Board of the Company's activities in the financial year ending on

December 31st, 2018;

3. approval of the consolidated financial statement of the Group for the year ending on December 31st, 2018,
4. approval of the report of the Management Board of the Group's activities in the financial year ending on December 31st, 2018;
5. adopting of a resolution on covering the Company's net loss for the fiscal year 2018 in the amount of PLN 75 792 000 (in words: seventy five million seven hundred ninety two thousand zlotys) with profits from future periods;
6. granting to all Members of the Management Board and the Supervisory Board of the Company, performing these duties in the financial year 2018, a discharge for performing their duties in the financial year ended on December 31st, 2018;
7. Opinion of the Company's Supervisory Board on draft resolutions of the Ordinary General Meeting of Shareholders of the Company:

In order to submit to the Ordinary General Meeting of the Company, the Supervisory Board of the Company, acting on the basis of the "Good Practices of Companies Listed on the GPW", after consideration, decides to give a positive opinion on draft resolutions of the Ordinary General Meeting of the Company.

to the 8th item on the agenda

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on covering the net loss of BIOTON S.A. for 2018

„§1

1. The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 395 § 2 section 2 of the Code of Commercial Companies, decides to adopt a resolution to cover the Company's net loss for the fiscal year 2018 from January 1st, 2018 to December 31st, 2018 in the amount of PLN 75 792 003,84 (in words: seventy five million seven hundred ninety two thousand three zlotys 84/100) with profits from future periods.
2. The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 395 § 2 section 2 of the Code of Commercial Companies, decides that the net loss which amounted to PLN 306 050,00 (in words: three hundred six thousand fifty zlotys 00/100), from the previous years recognized on January 1st, 2018 as the effect of the amendment of International Financial Reporting Standard (IFRS 9), shall be covered from the profits from future periods.
3. The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 395 § 2 section 2 of the Code of Commercial Companies, decides that the net loss from the previous years for the fiscal year 2016, recognized on December 31st, 2016 is PLN 46 364 210,17 (in words: forty six million three hundred sixty four thousand two hundred ten zlotys 17/100) and for the fiscal year 2017, recognized on December 31st, 2017 is PLN 12 867 478,55 (in words: twelve million eight hundred sixty seven thousand four hundred seventy eight zlotys 55/100) shall be covered from the profits from future periods.

§ 2

The resolution comes into force as on day of its adoption.”

REQUEST BY THE MANAGEMENT BOARD OF BIOTON S.A. ("COMPANY") TO THE ORDINARY GENERAL MEETING ON COVERING THE NET LOSS OF BIOTON S.A. FOR 2018

"The Management Board of BIOTON S.A. requests to cover the Company's net loss for the fiscal year 2018 in the amount of PLN 75 792 003,84 (in words: seventy five million seven hundred ninety two thousand three zlotys 84/100) with profits from future periods."

EXPLANATORY STATEMENT:

The previous year was primarily the continuation of activities related to the implementation of the transformation of the Company, announced by the Management Board in 2017. The key elements of this transformation are firstly operational efficiency resulting from simple and simplified processes, secondly a complementary product portfolio that gives patient and the whole diabetic community solutions at various stages of the disease and thirdly and the most important organization with specific competences and attitudes. In 2018 many of these elements were implemented in accordance with the plan previously communicated in current reports and in the report for 2017. Such completed projects include the sale of a subsidiary SciGen, which allowed to focus on the development of insulin analogs, which is crucial for BIOTON, while significantly improving the financial situation of the Company. In the same financial area, the Company continued the project of reducing working capital, reducing the demand for working capital to practically zero, which was the result of perfectly conducted activities in a number of areas. In accordance with previous announcements, the Company has expanded its portfolio with modern products in the treatment of diabetes, in particular the highest-quality insulin needles under the brand name GensuFine, which are a supplement to our pen and glucose meter. Thanks

to these synergistic actions, the Company achieved the market leader position in the human insulin segment, which in 2018 was more than half of the entire insulin market in Poland.

The Company's financial results were affected by two elements. Firstly, the correction of the amounts of capitalized expenditures on the development project of insulin analogues. The total value of expenditures recognized in the standalone profit and loss account amounted to PLN 31.2 million in 2018, PLN 15.9 million in 2017 (and PLN 57.2 million through a change in the result from previous years.). The impact on the unit profit and loss account is decreased by the value of the deferred tax asset created. The adjustment was made as a result of the explanatory activities carried out by the Polish Financial Supervision Authority, concluded with the Commission's letter of February 15th, 2019, containing a recommendation to correct intangible assets presented in the Issuer's financial statements for 2018. In addition, on March 5th, 2019, the Polish Financial Supervision Authority issued a communication addressed to all market participants regarding the principles of recognizing assets created as a result of development works by issuers of securities applying IFRS. Despite the changes in the approach to the recognition of intangible assets, the Management Board continues the implementation of the analogue development project.

Secondly, due to the implementation of the IFRS 15 "Revenue from contracts with customers" regarding the recognition of revenue received from distribution agreements in accordance with the Auditor's opinion, this change results in a decrease in revenue at the unit level for 2018 by PLN 20.9 million , and hence also the reduction of particular levels of margins achieved. There were also revenues of future periods in the amount of PLN 40.9 million, which will be recognized during the term of contracts, i.e. for 10 and 15 years from contract dates. The impact is not cash, as these amounts have been received by the Company on the dates provided for in the agreements. The impact on the unit profit and loss account is decreased by the value of the deferred tax asset created.

The Management Board of the Company, after consultations, assesses that adjustments will not have a negative impact on the part of institutions financing the Company's operations.

to the 9th item on the agenda

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Management Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Robert Neymann** discharge for the performance of duties as the Chairman of the Management Board of BIOTON S.A. 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Management Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Adam Polonek** discharge for the performance of duties as the Chairman of the Management Board of BIOTON S.A. 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Management Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Marek Dziki** discharge for the performance of duties as the Chairman of the Management Board of BIOTON S.A. 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Management Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Bogusław Kociński** discharge for the performance of duties as the Chairman of the Management Board of BIOTON S.A. 2018.

§ 2

The resolution comes into force as on day of its adoption.”

to the 10th item on the agenda

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Jubo Liu** discharge for the performance of duties as the President of the Supervisory Board of BIOTON SA in 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Dariusz Trzeciak** discharge for the performance of duties as the Vice President of the Supervisory Board of BIOTON SA in 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Vaidyanathan Viswanath** discharge for the performance of duties as a Member of the Supervisory Board of BIOTON S.A. in the period from January 1st, 2018 to March 22nd, 2018 and from March 22nd, 2018 to December 31st, 2018 Vice President of the Supervisory Board of BIOTON S.A.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Mark Ming-Tso Chiang** discharge for the performance of duties as a Member of the Supervisory Board of BIOTON S.A. in 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Qi Bo** discharge for the performance of duties as a Member of the Supervisory Board of BIOTON S.A. in 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
Of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Gary He** discharge for the performance of duties as a Member of the Supervisory Board of BIOTON S.A. in 2018.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [•]
Of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

on granting discharge to Member of the Supervisory Board of BIOTON S.A. for 2018

„§1

The Ordinary General Meeting of BIOTON S.A., pursuant to art. 393 sec. 1 and art. 395 § 2 sec. 3 of the Code of Commercial Companies, grants **Mr. Paweł Borowy** discharge for the performance of duties as a Member of the Supervisory Board of BIOTON S.A. in the period from January 1st, 2018 to November 5th, 2018.

§ 2

The resolution comes into force as on day of its adoption.”

to point 11th of the agenda

**RESOLUTION NO [●]
Of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

determining the number of the Supervisory Board members of the Company in connection with the expiration of the term of office of the Supervisory Board of the Company on the day of the AGM

„§1

The Ordinary General Meeting of BIOTON S.A. acting pursuant to § 17 clause 4 of the Company's Statute and pursuant to Art. 385 § 1 of the Code of Commercial Companies and § 17 clause 1 of the Company's Statute determines that the Supervisory Board of the Company shall comprise of 7 members.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

on appointing members of the Supervisory Board in connection with the expiration of the term of office of the Supervisory Board of the Company on the day of the AGM

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to Art. 385 § 1 of the Code of Commercial Companies and § 17 clause 2 item 2) of the Statute appoints Mr. Jubo Liu to be member of the Supervisory Board.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

on appointment of a member of the Supervisory Board of BIOTON S.A. meeting the requirements specified in § 18 clause 1 items 2-4 of the Statute of BIOTON S.A. in connection with the expiration of the term of office of the Supervisory Board of the Company on the day of the AGM

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to § 17 clause 1 item 2) of the Statute of the Company in conjunction with § 18 clause 3 of the Statute of the Company appoints Mr. Dariusz Trzeciak to be a member of the Supervisory Board.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

*on appointing members of the Supervisory Board in connection with the expiration of the term of office of the
Supervisory Board of the Company on the day of the AGM*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to Art. 385 § 1 of the Code of Commercial Companies and § 17 clause 2 item 2) of the Statute appoints Mr. Vaidyanathan Viswanath to be member of the Supervisory Board.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

*on appointing members of the Supervisory Board in connection with the expiration of the term of office of the
Supervisory Board of the Company on the day of the AGM*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to Art. 385 § 1 of the Code of Commercial Companies and § 17 clause 2 item 2) of the Statute appoints Mr. Mark Ming-Tso Chiang to be member of the Supervisory Board.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

*on appointing members of the Supervisory Board in connection with the expiration of the term of office of the
Supervisory Board of the Company on the day of the AGM*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to Art. 385 § 1 of the Code of Commercial Companies and § 17 clause 2 item 2) of the Statute appoints Mr. Qi Bo to be member of the Supervisory Board.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

*on appointing members of the Supervisory Board of BIOTON S.A. with regard to expiration as of the day of this
Ordinary General Meeting of the term of office of the members of the Supervisory Board*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to Art. 385 § 1 of the Code of Commercial Companies and § 17 clause 2 item 2) of the Statute appoints Mr. Gary He to be member of the Supervisory Board.

§ 2

The resolution comes into force as on day of its adoption.”

**RESOLUTION NO [●]
of the Ordinary General Meeting
of BIOTON Spółka Akcyjna
of June 28th, 2019**

*on appointment of a member of the Supervisory Board of BIOTON S.A. meeting the requirements specified
in § 18 clause 1 items 2-4 of the Statute of BIOTON S.A. in regards to new term of office of the Supervisory
Board of the Company*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to § 17 clause 1 item 2) of the Statute of the Company in conjunction with § 18 clause 3 of the Statute of the Company appoints [●].

§ 2

The resolution comes into force as on day of its adoption.”

to the 12th item on the agenda

**RESOLUTION NO [●]
Of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

*regarding the amendment of Statute of the Company regarding the extension of §6 of the Company's Statute
(the subject of the Company's activity).*

„§1

The Ordinary General Meeting of BIOTON S.A., acting pursuant to Art. 430 of the Code of Commercial Companies, decides to change the § 6 of the Company's Statute in this way that it receives the following new wording:

§ 6

The following shall constitute the company's scope of business, domestically or internationally, and for export and import purposes:

- 1) *Manufacture of homogenised food preparations and dietetic food (PKD 10.86.Z)*
- 2) *Book publishing (PKD 58.11.Z)*
- 3) *Publishing of newspapers (PKD 58.13.Z)*
- 4) *Publishing of journals and periodicals (PKD 58.14.Z)*
- 5) *Sound recording and music publishing activities (PKD 59.20.Z)*
- 6) *Other publishing activities (PKD 58.19.Z)*
- 7) *Other printing (PKD 18.12.Z)*
- 8) *Manufacture of other inorganic basic chemicals (PKD 20.13.Z)*
- 9) *Manufacture of other organic basic chemicals (PKD 20.14.Z)*
- 10) *Manufacture of pesticides and other agrochemical products (PKD 20.20.Z)*
- 11) *Manufacture of basic pharmaceutical products (PKD 21.10.Z)*
- 12) *Manufacture of drugs and pharmaceutical preparations (PKD 21.20.Z)*
- 13) *Manufacture of medical and dental instruments and supplies (PKD 32.50.Z)*
- 14) *Manufacture of soap and detergents, cleaning and polishing preparations (PKD 20.41.Z)*
- 15) *Manufacture of perfumes and toilet preparations (PKD 20.42.Z)*
- 16) *Manufacture of non-domestic cooling and ventilation equipment (PKD 28.25.Z)*
- 17) *Repair and maintenance of machinery (PKD 33.12.Z)*
- 18) *Installation of industrial machinery and equipment (PKD 33.20.Z)*
- 19) *Manufacture of irradiation, electromedical and electrotherapeutic equipment (PKD 26.60.Z)*
- 20) *Manufacture of office and shop furniture (PKD 31.01.Z)*
- 21) *Wholesale of perfume and cosmetics (PKD 46.45.Z)*
- 22) *Wholesale of pharmaceutical and medical goods (PKD 46.46.Z)*
- 23) *Wholesale of chemical products (PKD 46.75.Z)*
- 24) *Dispensing chemist in specialised stores (PKD 47.73.Z)*
- 25) *Retail sale of medical and orthopaedic goods in specialised stores (PKD 47.74.Z)*
- 26) *Retail sale of cosmetic and toilet articles in specialised stores (PKD 47.75.Z)*
- 27) *Buying and selling of own real estate (PKD 68.10.Z)*
- 28) *Renting and operating of own or leased real estate (PKD 68.20.Z)*
- 29) *Research and experimental development on other natural sciences and engineering (PKD 72.19.Z)*
- 30) *Market research and public opinion polling (PKD 73.20.Z)*
- 31) *Business and other management consultancy activities (PKD 70.22.Z)*

- 32) *Other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z)*
- 33) *Architectural activities (PKD 71.11.Z)*
- 34) *Engineering activities and related technical consultancy (71.12.Z)*
- 35) *Advertising agencies (PKD 73.11.Z)*
- 36) *Packaging activities (PKD 82.92.Z)*
- 37) *Water collection, treatment and supply (PKD 36.00.Z)*
- 38) *Sewage disposal and treatment (PKD 37.00.Z)*
- 39) *Collection of non-hazardous waste (PKD 38.11.Z)*
- 40) *Collection of hazardous waste (PKD 38.12.Z)*
- 41) *Treatment and disposal of non-hazardous waste (PKD 38.21.Z)*
- 42) *Treatment and disposal of hazardous waste (PKD 38.22.Z)*
- 43) *Manufacture of other food products not elsewhere classified (PKD 10.89.Z)*
- 44) *Wholesale of other food products (PKD 46.38.Z)*
- 45) *Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z)*
- 46) *Office administrative and support activities (PKD 82.11.Z)*
- 47) *Photocopying, document preparation and other specialised office support activities (PKD 82.19.Z)*
- 48) *Activities of collection agencies and credit bureaus (PKD 82.91.Z)*
- 49) *Other business support service activities not elsewhere classified. (PKD 82.99.Z)*
- 50) *Other non-school education not elsewhere classified (PKD 85.59.B)*
- 51) *Educational support activities (PKD 85.60.Z)*
- 52) *Other human health activities, not elsewhere classified (PKD 86.90.E)*
- 53) *Rental and lease of personal cars and delivery vans (PKD 77.11.Z)*
- 54) *scientific research and development in the field of biotechnology (PKD 72.11.Z).*

§ 2

The resolution comes into force as on day of its adoption.”

to the 13th item on the agenda

**RESOLUTION NO [●]
Of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

regarding the adoption of the consolidated text of Statute of BIOTON S.A. considering changes in the subject of the Company's activity.

„§ 1

The Ordinary General Meeting of BIOTON S.A., pursuant to the Art. 431 §1 of the Code of Commercial Companies, decides to adopt the consolidated text of the Company's Statute considering the amendments to the Statute resulting from the resolution no [●] of this Ordinary General Meeting, as follows:

**STATUTE
of BIOTON Spółka Akcyjna**

GENERAL PROVISIONS

§ 1

The company operates under the name BIOTON Spółka Akcyjna and may use BIOTON S.A. as an abbreviation of its name.

§ 2

The registered seat of the company shall be Warsaw.

§ 3

The company shall operate throughout the territory of the Republic of Poland and abroad.

§ 4

Throughout the area of its operation, the company may establish branches, representative offices, plants, enterprises and other entities, and it may participate in other companies.

MANNER OF ESTABLISHMENT OF THE COMPANY

§ 5

1. The company is formed as a result of the transformation of the limited liability company, BIOTON Spółka z ograniczoną odpowiedzialnością, with its registered seat in Warsaw, into a joint stock company.
2. The shares of the company were subscribed for by the existing shareholders of the transformed company.

SCOPE OF THE COMPANY'S BUSINESS

§ 6

The following shall constitute the company's scope of business, domestically or internationally, and for export and import purposes:

- 1) Manufacture of homogenised food preparations and dietetic food (PKD 10.86.Z)
- 2) Book publishing (PKD 58.11.Z)
- 3) Publishing of newspapers (PKD 58.13.Z)
- 4) Publishing of journals and periodicals (PKD 58.14.Z)
- 5) Sound recording and music publishing activities (PKD 59.20.Z)
- 6) Other publishing activities (PKD 58.19.Z)
- 7) Other printing (PKD 18.12.Z)
- 8) Manufacture of other inorganic basic chemicals (PKD 20.13.Z)
- 9) Manufacture of other organic basic chemicals (PKD 20.14.Z)

- 10) Manufacture of pesticides and other agrochemical products (PKD 20.20.Z)
- 11) Manufacture of basic pharmaceutical products (PKD 21.10.Z)
- 12) Manufacture of drugs and pharmaceutical preparations (PKD 21.20.Z)
- 13) Manufacture of medical and dental instruments and supplies (PKD 32.50.Z)
- 14) Manufacture of soap and detergents, cleaning and polishing preparations (PKD 20.41.Z)
- 15) Manufacture of perfumes and toilet preparations (PKD 20.42.Z)
- 16) Manufacture of non-domestic cooling and ventilation equipment (PKD 28.25.Z)
- 17) Repair and maintenance of machinery (PKD 33.12.Z)
- 18) Installation of industrial machinery and equipment (PKD 33.20.Z)
- 19) Manufacture of irradiation, electromedical and electrotherapeutic equipment (PKD 26.60.Z)
- 20) Manufacture of office and shop furniture (PKD 31.01.Z)
- 21) Wholesale of perfume and cosmetics (PKD 46.45.Z)
- 22) Wholesale of pharmaceutical and medical goods (PKD 46.46.Z)
- 23) Wholesale of chemical products (PKD 46.75.Z)
- 24) Dispensing chemist in specialised stores (PKD 47.73.Z)
- 25) Retail sale of medical and orthopaedic goods in specialised stores (PKD 47.74.Z)
- 26) Retail sale of cosmetic and toilet articles in specialised stores (PKD 47.75.Z)
- 27) Buying and selling of own real estate (PKD 68.10.Z)
- 28) Renting and operating of own or leased real estate (PKD 68.20.Z)
- 29) Research and experimental development on other natural sciences and engineering (PKD 72.19.Z)
- 30) Market research and public opinion polling (PKD 73.20.Z)
- 31) Business and other management consultancy activities (PKD 70.22.Z)
- 32) Other professional, scientific and technical activities not elsewhere classified (PKD 74.90.Z)
- 33) Architectural activities (PKD 71.11.Z)
- 34) Engineering activities and related technical consultancy (71.12.Z)
- 35) Advertising agencies (PKD 73.11.Z)
- 36) Packaging activities (PKD 82.92.Z)
- 37) Water collection, treatment and supply (PKD 36.00.Z)
- 38) Sewage disposal and treatment (PKD 37.00.Z)
- 39) Collection of non-hazardous waste (PKD 38.11.Z)
- 40) Collection of hazardous waste (PKD 38.12.Z)
- 41) Treatment and disposal of non-hazardous waste (PKD 38.21.Z)
- 42) Treatment and disposal of hazardous waste (PKD 38.22.Z)
- 43) Manufacture of other food products not elsewhere classified (PKD 10.89.Z)
- 44) Wholesale of other food products (PKD 46.38.Z)
- 45) Accounting, bookkeeping and auditing activities; tax consultancy (PKD 69.20.Z)
- 46) Office administrative and support activities (PKD 82.11.Z)
- 47) Photocopying, document preparation and other specialised office support activities (PKD 82.19.Z)
- 48) Activities of collection agencies and credit bureaus (PKD 82.91.Z)
- 49) Other business support service activities not elsewhere classified. (PKD 82.99.Z)
- 50) Other non-school education not elsewhere classified (PKD 85.59.B)
- 51) Educational support activities (PKD 85.60.Z)
- 52) Other human health activities, not elsewhere classified (PKD 86.90.E)
- 53) Rental and lease of personal cars and delivery vans (PKD 77.11.Z)
- 54) scientific research and development in the field of biotechnology (PKD 72.11.Z).

§ 7

The company may issue bonds, including bonds convertible to shares, bonds with pre-emptive rights and subscription warrants.

SHARE CAPITAL

§ 8

The share capital of the company shall amount to PLN 1,717,284,000.00 (one billion, seven hundred and seventeen million, two hundred and eighty-four thousand zloty) and is divided into 85,864,200 (eighty-five million, eight hundred and sixty-four thousand, two hundred) ordinary bearer series A shares of the nominal value of PLN 20.00 (twenty zloty) each.

§ 9

The bearer shares cannot be exchanged into registered shares.

§ 10

1. The company shares may be redeemed. Redemption requires a resolution of the general meeting (subject to Article 363§ 5 of the Commercial Companies Code) and the consent of the shareholder whose shares are to be redeemed.
2. The company's acquisition of its own shares does not require the consent of the general meeting, subject to Article 393, section 6 of the Commercial Companies Code, but the consent of the supervisory board alone.

§ 11

1. The management board shall be authorized to increase the company's share capital through the issuance of new shares with a total nominal value not greater than PLN 209,090,909.20 (two hundred and nine million, ninety thousand, nine hundred and nine zloty and twenty groszy) through one or several share capital increases within the above defined limits (the authorized capital). The authority granted to the management board to increase the share capital and to issue new shares within the scope of authorized capital shall expire within three (3) years from the date of entry in the register of business entities of the amendments to the Statute made by resolution of Ordinary General Meeting No. 20 dated 29 June 2009.
2. Within the authorization to increase the share capital within the scope of authorized capital, the management board is entitled to issue subscription warrants, referred to in Article 453 § 2 of the Commercial Companies Code, with the term for exercising the subscription rights not later than within the period for which the said authorization was granted.
3. Upon the supervisory board's consent, the management board may deprive the shareholders of all or a part of the pre-emptive rights with respect to the shares and subscription warrants issued within the scope of authorized capital.
4. Subject to section 6, unless the Commercial Companies Code provides otherwise, the management board shall decide on all matters related to share capital increases within the scope of authorized capital and, in particular, the management board shall be authorized to:
 - 1) enter into stand-by or firm commitment underwriting agreements or other agreements securing the success of share issues and to enter into agreements pursuant to which depository receipts based on shares would be issued outside the territory of the Republic of Poland;
 - 2) adopt resolutions and to take any other actions related to the dematerialization of shares and to the execution of agreements with the National Depository of Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*) for the registration of shares; and
 - 3) adopt resolutions and take any other actions related to the issuance of shares through public offerings, or filing motions for the admission of shares or rights to shares to trading on regulated markets, respectively.
5. The shares issued within the scope of the authorised capital may be subscribed for in cash or through non-cash contributions.
6. Resolutions of the management board regarding the establishment of the issue price for shares issued within the scope of authorised capital or the issuance of shares in exchange for non-cash contributions shall require the consent of the chairman of the supervisory board.

§ 11a

1. The conditional share capital of the company amounts to no more than PLN 26,880,000.00 PLN (twenty-

six million, eight hundred and eighty thousand zloty) and is divided up into to:

- a) 1,324,000 (one million, three hundred and twenty-four thousand) series O ordinary bearer shares with a nominal value of PLN 20.00 (twenty zloty) each;
 - b) 20,000 (twenty thousand) series P ordinary bearer shares with a nominal value of PLN 20.00 (twenty zloty) each.
2. The objective of the conditional increase of the share capital referred to in § 11a section 1 a) is to grant the right to subscribe for series O shares to the holders of subscription warrants issued by the company under resolution No. 4 of the Extraordinary Meeting of Shareholders dated 6 April 2009.
 3. The objective of the conditional increase of the share capital referred to in § 11a section 1 b) is to grant the right to subscribe for series P shares to the holders of subscription warrants issued by the company under resolution no. 5 of the Extraordinary Meeting of Shareholders dated April 6 2009.

COMPANY AUTHORITIES

§ 12

The company authorities shall be:

- 1) The management board.
- 2) The supervisory board.
- 3) The general meeting.

A. The management board

§ 13

The management board consists of no more than 4 (four) persons, including the President, Vice President and other members of the management board. The number of management board members shall be established by the supervisory board.

§ 14

1. The management board shall conduct the affairs of the company and shall represent it outside.
2. The members of the management board shall be appointed and dismissed by the supervisory board.
3. Management Board members shall be appointed for a three-year term.
4. The management board operates on the basis of rules adopted by the supervisory board.
5. The management board shall be obliged to deliver to the supervisory board at least quarterly reports relating to material events in the operations of the company. The reports should also include a report on company revenues, costs and financial results.

§ 15

1. If the management board has a sole member, such member of the management board shall be authorised to represent the company. If the management board has two or more members, the company shall be represented by two members of the management board acting jointly or one management board member acting jointly with a registered proxy.
2. Attorneys may be appointed for the performance of specific actions or for the performance of specific types of actions, to act individually or jointly with other attorneys, within the scope of authority granted thereto. The management board shall keep a register of the powers of attorney granted thereby.

§ 16

In agreements and disputes between the company and management board members, the company shall be represented by the supervisory board.

B. The supervisory board

§ 17

1. The supervisory board shall consist of 5 to 13 members, including the chairman and two deputy chairmen, and shall operate on the basis of the rules adopted thereby and specifying the organisation and manner of the performance of actions.

2. The supervisory board shall be appointed in the following manner:
 - 1) One member of the supervisory board shall be appointed and dismissed by Instytut Biotechnologii i Antybiotyków (*Institute of Biotechnology and Antibiotics*).
 - 2) The other members of the supervisory board shall be appointed and dismissed by the general meeting.
3. The personal rights, as referred to Section 2 point 1) above, shall be exercised by the delivery to the company of a written representation or appointment or dismissal of the supervisory board Member.
4. The number of supervisory board members shall be established by the general meeting. In the case of voting by separate groups, the number of supervisory board members shall be 13 (thirteen).
5. In the event the supervisory board, due to the expiration of the mandates of some of the supervisory board members (for reasons other than dismissal), has less members than specified in section 1, but at least five (5), it shall be capable of adopting important resolutions until it has been supplemented.
6. Members of the supervisory board shall be appointed for a three-year joint term.

§ 18

1. One of the supervisory board members appointed by the general meeting should satisfy all of the following conditions:
 - 1) the member was elected in accordance with the procedure referred to in section 3;
 - 2) the member cannot be an Affiliate of the company or a subsidiary entity of the company;
 - 3) the member cannot be an Affiliate of a dominant entity or a subsidiary entity of the dominant entity;
or
 - 4) the member cannot be any person who has any relations with the company or any of the entities listed in subsections 2) and 3) that could have any material influence on the ability of such person to make unbiased decisions as a supervisory board member.
2. For the avoidance of doubt, the relations referred to in section 1, subsections 2)–4) do not apply to general membership in the Company's supervisory board.
3. The supervisory board member who is to comply with the conditions described in section 1 shall be elected in a separate vote. Subject to section 4, the right to propose candidates for the supervisory board member who satisfies the conditions referred to in section 1 may be exercised by shareholders present at the general meeting, the agenda of which includes election of the supervisory board member referred to in section 1. The proposals are delivered to the chairman of the general meeting in writing, including a written representation of the candidate whereby he consents to be a candidate and on his satisfaction of the conditions referred to in section 1, subsections 2)–4). If no such candidates are proposed within the time referred to in the preceding sentence, the candidates to the supervisory board who satisfy the conditions defined in section 1, subsections 2)–4), shall be proposed by the supervisory board.

§ 19

The chairman of the supervisory board and two deputy chairmen of the supervisory board shall be designated by the supervisory board from among its members.

§ 20

1. For resolutions of the supervisory board to be valid it is required that all of its members have been invited and that at least half of its members, including the chairman or the deputy chairman of the supervisory board, are present at the meeting. In case of a tie vote, the chairman of the supervisory board shall have the deciding vote.
2. Resolutions of the supervisory board relating to suspending management board members shall be adopted by a 4/5 majority of votes.
3. If necessary, resolutions of the supervisory board may be adopted in writing or with the use of a telecommunication device. Draft resolutions adopted in writing shall be presented for signature to all members of the supervisory board and become binding once signed by at least half of the supervisory board members, including the chairman of the supervisory board.

§ 21

1. The supervisory board exercises permanent supervision over the company's operations in all the areas of its operations. Apart from the matters defined in the Commercial Companies Code and other terms and conditions of this Statute, the competencies of the supervisory board shall include:
 - 1) designating the entity to audit or review the company's consolidated and stand-alone financial statements, consenting to the execution of agreements with such entity or its subsidiary entities, subordinated entities, dominating entities or subsidiary entities or subordinated entities of its dominating entities, and performing all other actions which could have a negative influence on the independence of such an entity in making the audit or review of the company's financial statements; and
 - 2) consenting to the Affiliates to enter into agreements with the company or to the performance of other actions in favour of the Company Affiliates, in the event the value of such agreements or actions, in any twelve (12) subsequent months, is greater than EUR 500,000 or the equivalent of such sum in other currencies, except for any standard and routine actions on an arm's-length basis between affiliates the character and terms of which are based on current operation conditions by the company or a subsidiary entity thereof.
2. To be valid, resolutions relating to matters defined in section 1, subsection 1) must be voted in favour of by the supervisory board member who satisfies the conditions referred to in §18 section 1 of the Statute.
3. The remuneration of management board members shall be established by the supervisory board.

§ 22

For the purposes of the performance of its duties, the supervisory board may review all the documents, demand that the management board and company employees present reports and explanations and review the status of the Company's assets.

C. The general meeting

§ 23

The chairman of the general meeting shall be designated by the management board in writing. Should the management board fail to designate a chairman of the general meeting prior to the time set as the beginning of the meeting, Article 409 § 1 of the Commercial Companies Code shall apply.

§ 24

General meetings may be held in Warsaw, Gdynia and in Macierzysz near Ożarów Mazowiecki.

§ 25

1. Resolutions of the general meeting shall be adopted by an absolute majority of validly cast votes, unless the Statute or law provide for more stringent requirements.
2. Resolutions of the general meeting regarding the following issues shall require the qualified majority of three quarters of votes cast:
 - 1) the redemption of shares in the event referred to in Article 415 § 4 of the Commercial Companies Code;
 - 2) the acquisition of the company's own shares in the event described in Article 362 §1 subsection 2 of the Commercial Companies Code;
 - 3) a merger of the company with another company in the event described in Article 506 § 2 of the Commercial Companies Code.
3. Resolutions of the general meeting regarding the dismissal or suspension by the general meeting of any specific members or all members of the management board in compliance with Article 368 §4 of the Commercial Companies Code shall require a four fifths majority of votes cast.
4. The acquisition and sale of real property, right of perpetual usufruct or a share in real property shall not require a resolution of the general meeting.

COMPANY ECONOMY

§ 26

The organisation of the company shall be defined in the organisational rules adopted by the management board and approved by the supervisory board.

§ 27

The financial year of the company and its capital group shall be the calendar year.

§ 28

1. On the basis of a resolution of the general meeting, the company may create reserve funds.
2. Pursuant to a resolution of the management board, special purpose funds may also be established, including, without limitation, a social benefits and a bonus fund. The management terms of such special purpose funds shall be defined in the rules adopted by the management board and approved by the supervisory board.

FINAL PROVISIONS

§ 29

1. The personal right enjoyed by the Institute of Biotechnology and Antibiotics (*Instytut Biotechnologii i Antybiotyków*) as referred to in § 17 section 2 subsection 1 shall expire in the event that it ceases to own shares constituting at least five percent (5%) of the share capital.
2. The personal right as referred to in § 17 section 2 subsection 1, enjoyed by the Institute of Biotechnology and Antibiotics (*Instytut Biotechnologii i Antybiotyków*), shall also expire if a shareholder has acquired (acting in its own name and on its own account) and registers at a general meeting, shares constituting at least 75% (seventy five percent) of the overall number of votes in the company's share capital, and of that percentage more than 10% (ten percent) of the overall number of shares in the Company's share capital were acquired by such shareholder through:
 - a) a tender to register for the sale of all the shares in the company announced in compliance with the Act on Public Offerings from shareholders that are not related to such shareholder in the manner described in Article 87 section 1 subsections 2-6 of the Act on Public Offerings, or
 - b) primary trading (in accordance with the definition in the Act on Public Offerings).
3. The announcements required by law shall be submitted by the company to the Polish Court and Business Gazette (*Monitor Sądowy i Gospodarczy*).
4. For the purposes of this Statute:
 - 1) The "**Act on Public Offerings**" means the Act of 29 July 2005 – on Public Offerings and on the Conditions Governing the Introduction of Financial Instruments to an Organized Trading System and on Public Companies (Dz. U. No. 184, item 1539), in the wording existing on the date of the registration of Resolution No. 1 of the general meeting dated 9 May 2006 and concerning the amendments to the Statute.
 - 2) The "**Commercial Companies Code**" means the Act of 15 September 2000 – Commercial Companies Code (Dz. U. No. 94, item 1037, as amended) in the wording existing on the date of the registration of Resolution No. 1 of the general meeting dated 9 May 2006 and concerning the amendments to the Statute.
 - 3) An "**Affiliate**" means, with respect to any entity, an "**affiliate**" as defined in the Regulation of the Minister of Finance of 19 October 2005 on current and periodical information delivered by issuers of securities (Dz. U. No. 209, item 1744), in the wording existing on the date of the registration of Resolution No. 1 of the general meeting dated 9 May 2006 and concerning amendments to the Statute.
 - 4) The terms "**dominating entity**" and "**subsidiary entity**" should be interpreted in accordance with the Act on Public Offerings.
 - 5) The terms "**dominating company**" and "**subsidiary**" should be interpreted in compliance with the Commercial Companies Code.

- 6) The term “**subordinated entity**” shall be interpreted in accordance with the Accounting Act of 29 September 1994 (i.e. Dz. U. 2002, No. 76, item 694, as amended), in the wording existing on the date of the registration of Resolution No. 1 of the general meeting dated 9 May 2006 and concerning amendments to the Statute.
5. In case of expiry or waiver of any personal rights, the terms of the Statute relating to the expired personal rights shall be replaced by the relevant regulations of the Commercial Companies Code.
6. Any and all costs incurred by or charged to the Company in relation to its establishment are not greater than PLN 388,000.

§ 2

The resolution comes into force as on day of its adoption.”

to the 14th item on the agenda

**RESOLUTION No. [●]
Of the Ordinary General Meeting
BIOTON Spółka Akcyjna
of June 28th, 2019**

on the Company's further existence

„§1

1. The Ordinary General Meeting of BIOTON S.A. acting pursuant to art. 397 of the Commercial Companies Code, in relation to the statement of accumulated loss in the amount of PLN 967 443 876,66 (in words: nine hundred sixty-seven million four hundred forty three thousand eight hundred seventy six zlotys 66/100), i.e. losses exceeding the sum of supplementary and reserve capitals and one third of capital PLN 345 751 067,56 (in words: three hundred forty five million seven hundred fifty one thousand sixty-seven zlotys 56/100), decides on the continued existence of BIOTON S.A.
2. At the same time, the Ordinary General Meeting of BIOTON S.A. became acquainted with the explanations of the BIOTON S.A. Management Board concerning the causes of the situation. The Ordinary General Meeting of BIOTON S.A. took note that the main factor that negatively affected the financial result of BIOTON S.A. was (i) a correction of the amounts of capitalized expenditures on the development project of insulin analogs recognized in 2018, 2017 and previous periods, and (ii) the implementation of IFRS 15 "Revenue from contracts with customers" regarding recognition of revenues received from disagreements with distribution agreements over time which influenced the results of 2018. Both adjustments are non-cash and will have no impact on the current financial liquidity of BIOTON S.A.
3. In the light of the above explanations, the Ordinary General Meeting of BIOTON S.A. hereby authorizes the Management Board of BIOTON S.A. to continue the existing activities of BIOTON S.A., without the need for the Management Board to convene subsequent General Meetings and to resume the General Meeting of BIOTON S.A. resolutions regarding the continued existence of the company as long as the negative result of BIOTON S.A. (the accumulated loss in excess of the sum of supplementary and reserve capitals and one third of the share capital) will be caused by the reasons referred to in par. 2 above.

§ 2

The resolution enters into force as from the moment of its adoption."

Explanatory statements:

1. In accordance with article 397 of the Code of Commercial Partnerships and Companies "If the balance sheet prepared by the Management Board shows a loss in excess of the total sum of the supplementary capital and reserve capitals and one third of the share capital, the Management Board is obliged to immediately convene a General Meeting to adopt a resolution on the further existence of the company".
2. Unit balance BIOTON S.A. prepared by the Management Board as at 31/12/2018, showed accumulated losses in the amount of PLN 967 443 876,66, i.e. a loss exceeding the sum of supplementary and reserve capitals and one third of the share capital by PLN 345 751 067, 56. At the same time, the Management Board points out that the equity value of BIOTON S.A. amounts to PLN 799 104 932,44 as at December 31st, 2018.
3. Due to the above, in particular due to the fact that the negative financial results were caused by external circumstances, beyond BIOTON S.A.'s control, and the further existence of BIOTON S.A. is not jeopardised, the Management Board, acting in accordance with the applicable laws, in particular with article 397 of the Code of Commercial Partnerships and Companies, decided to immediately convene an ordinary general meeting in order to adopt a resolution on further existence of BIOTON S.A., as provided above. At the same time, due to the fact that the reasons for the loss indicated in the resolution are of a one-off nature, the accumulated losses will be included in the financial reporting of the Company in subsequent accounting

periods, in order to avoid the need to convene general meetings in subsequent periods, which pursuant to Art. 397 of the Commercial Companies Code, similar resolutions would have to be passed to this Resolution, the General Meeting of Shareholders decided as above.