



CURRENT REPORT

According to:

- Law no. 297/2004 republished and C.N.V.M. regulations issued for applying this law,
- National Securities Commission Regulation no. 1 / 2006 on issuers and securities transactions,
- National Securities Commission Regulation no. 6 / 2009 on the exercise of certain rights of shareholders in general meetings of the trading companies,
- Law no. 31/1990 republished, with all subsequent amendments,
- Company Statute.

Report date: **22.03.2012**

Name of issuing entity: **Antibiotice SA**

Registered office: **Iasi, 1 Valea Lupului St., postal code 707410,**

<http://www.antibiotice.ro>

E-mail: **relatiicuinvestitorii@antibiotice.ro**

Phone/fax: **0232 209000 / 0232 209633**

Unique Registration Code in the Trade Register Office: **R01973096**

Number of order in the Trade Register: **J22/285/1991**

Subscribed and paid-up capital: **56.800.710 lei**

Regulated market on which the securities issued are traded: **Bucharest Stock Exchange**

Number of shares: **568.007.100**

Number of votes: **568.007.100**

Key features of securities issued by the trading company: **nominal shares, nominal value: 0.10 LEI**

Significant event to be reported:

CONVOCATION OF THE ORDINARY AND EXTRAORDINARY MEETINGS OF SHAREHOLDERS

The Management Board of the trading company Antibiotice convokes for the date of **26.04.2012**, the Ordinary General Meeting of Shareholders at 10:00 a.m. and the Extraordinary General Meeting of Shareholders at 12:00 a.m., at the company's headquarters, with the following agenda:

I. Ordinary General Meeting of Shareholders

1. Approval of the company's financial statements for the financial year 2011 based on the Management Report and on the Financial Auditor's Report.
2. Approval of net profit allocation for the year 2011, fixing of the gross dividend per share and approval for reinvesting the dividends.
3. Approval for discharging the managers from liability, for their activity performed in the financial year 2010, based on reports submitted.
4. Approval of Revenue and Expenditure Budget for 2012.
5. Approval of the degree of achievement of objectives and performance criteria for the CEO.
6. Approval of implementation of GEO 109/2011 at the level of the company.
7. Approval of substituting the present Management Board with a new Management Board set up under the EGO 109/2011:
 - a) end of the mandate of the Management Board's members
 - b) Election of the new members of the Management Board.
8. Approval of the management plan, of the objectives and performance criteria for the Management Board.
9. Approval of the remuneration of the Management Board's members.
10. Approval of the empowerment of a person to sign contracts of mandate with the new administrators.
11. Approval of the date of 15.05.2012 as the registration date for identifying the shareholders on whom the effects of decisions taken are reflected, in accordance with the provisions of the article 238, para. 1 of Law no. 297/2004 regarding the capital market.

II. Extraordinary General Meeting of Shareholders

1. Approval of the share capital increase by issuing new shares as a result of capitalizing the value of 17.257.843 lei (net dividends for the fiscal year 2011 and undistributed net dividends from the previous years) and their distribution to the shareholders recorded in the Register of Shareholders on the date proposed as a registration date (15.05.2012), so that each shareholder, for every share that he holds, is assigned 0.303831466 shares, with a nominal value of 0.10 lei.
2. Approval of the amendment of the Company Statute as a result of implementation of GEO 109/2011 and due to the increase of the equity capital, according to the additional document draft set out in the annex, which forms an integral part of this convocation.
3. Approval of the date of 15.05.2012 as registration date for identifying the shareholders on whom the effects of decisions taken are reflected, in accordance with the provisions of the article 238, para. 1 of Law no. 297/2004 republished, regarding the capital market.

Shareholders may be present to the General Meetings under his/her proper name or as representatives by special warrant of attorney. Access of shareholders is allowed based on the identity card, Special Attorney, Special Attorney authenticated or mandate, for the legal representatives.

The shareholders registered at the reference date in the shareholders register are allowed to vote by mail, before the General Meeting of Shareholders, using the vote by mail form.

The original vote by mail form together with a copy of the identity card or the shareholder registration certificate will be sent to the Company.

As of **26.03.2012**, the special power of attorney forms, the vote by mail forms, the decision draft, as well as the materials and documents which will be the subject of proceedings can be obtained from the Company's headquarters (Investor Relationships - phone 0232.209.570 / 0372.065.583, fax: 0372.065.633, e-mail: relatiicuinvestitorii@antibiotice.ro) and also from our website (www.antibiotice.ro/Investitori/InformatiiActionari/AGA26/27.03.2012). Until **25.04.2012, 10:00**, the special proxies will be submitted in original form, together with a copy of the identification or the shareholder registration certificate at the company headquarters or sent via e-mail, with extended electronic signature.

The applications of the shareholder minority representatives, for the nominating of the members of the Board of Directors will be submitted no later than on 10.04.2012, as per Regulation no.1 C.N.M.V. and Law no.297/2004 on the capital market. According to Art. 117, par.6 from Law 31/1990R, modified, the information list on the names, place of residence and the professional qualifications of the persons proposed for the position of administrator is available to the shareholders, at the Company headquarters and on its website, so that they can consult it and complete it.

One or more shareholders representing individually, or together, at least 5% of the share capital are entitled to introduce new items on the agenda of the general meetings and to present draft resolutions for those items, until **10.04.2012, 16:00**.

The company's shareholders can ask questions on the items on the agenda of the General Meetings from **26.03.2012** until **25.04.2012, 10:00**. (relatiicuinvestitorii@antibiotice.ro).

More information on the rights of the shareholders will be available on the website of the company (www.antibiotice.ro).

In case of non-statutory quorum for the proceedings validity of the first meeting, the general meetings are to be rescheduled on 27.04.2012, at 10:00 (Ordinary Meeting) and 12:00 (Extraordinary Meeting), at the same address and with the same agenda.

At the General Meetings of Shareholders, the shareholders who are entitled to attend and vote are the ones who are registered in the Shareholder Register by the end of 17.04.2012, established as reference date.

Annex

Draft Addendum to the "Antibiotice - S.A." Iași Statute.

Proposals to amend the Statute of "S.C. Antibiotice- S.A." Iași.

I. CHAPTER III - SOCIAL CAPITAL, SHARES

Art. 7 shall read as follows:

"Article 7. The capital is fixed at the amount of 74,058.553 lei, divided into 740,585.530 shares, at a nominal value of 0.1000 lei each, the shares being registered. The ownership structure, corresponding to the number of shares and their holdings, is as follows:

1. Ministry of Health - 392,638.267 shares - 53.0173%, amounting to 39.263.826.70 lei;
2. Other shareholders (individuals and legal entities) - 347,947.263 shares - 46.9827% amounting to 34,94,26.30 lei".

II. CHAPTER V - BOARD OF DIRECTORS

Art. 17 shall read as follows:

"Art. 17. The company is managed by the Board of Directors consisting of 5 members, individuals or legal entities having experience in administration / management of profitable public enterprises and / or profitable companies in the field of the Company.

At least one Board member must have graduated the Business School and have experience in accounting, economic, financial or audit for at least 5 (five) years. In the Board only two (2) civil servants or other staff of the authorities or public institutions can be selected.

Most of the Board members are non-executive and independent administrators.

For the appointment of an administrator to be legally valid, the appointed person must expressly accept it.

The Board members will take a professional liability insurance within the limits and conditions established by the General Assembly.

The administrators are appointed by the Ordinary General Meeting of Shareholders for a maximum period of 4 years. The appointments of the administrators who have performed their duties properly may be renewed for new periods, up to 4 years each.

The remuneration of the administrators shall be determined by the General Meeting of the Shareholders. The remuneration and the other advantages offered to the administrators will be reported in the annual financial statements and the annual report of the Remuneration and Nomination Committee within the Board. The policy and the criteria for remuneration of the administrators will be published on the Company website by the Board of Directors if not otherwise provided by law. The candidates for the new administrator posts are nominated by the current members of the Board of Directors or by the shareholders in compliance with the legal and statutory provisions. While performing the mandates by the administrators appointed in this respect, their individual employment contracts will be suspended. Administrators can be revoked at any time by the ordinary general meeting of the shareholders. If the revocation occurs without cause, the administrator is entitled to the payment of damages. In case of vacancy of one or more administrator positions, the Board shall appoint temporary administrators until the ordinary general assembly meeting.

If the vacancy mentioned above decreases the number of administrators below the legal minimum number, the remaining administrators shall immediately convene a general ordinary meeting of shareholders that will make the necessary appointments in order to complete the number of the Board members.

If the administrators do not fulfill their obligation to convene a general meeting, any interested party may appeal the Court to designate a person responsible for convening the ordinary general meeting of shareholders, to make the necessary appointments.

The Management Board shall elect from among its members a Chairman of the Board and a Vice President. The Chairman of the Board and the Vice President may be appointed by the general ordinary assembly. The President is appointed for a term not exceeding its administrator mandate.

The President and the Vice President can be revoked only by the Board of Directors. If the President or the Vice President were appointed by the General Meeting, they can be revoked only by it. The President coordinates the Board and reports on it to the General Meeting of Shareholders. He ensures the proper functioning of the Company. The Vice President legally substitutes the Chairman of the Board when the latter is absent. The Vice President represents the Board of Directors in dealing with the third parties. He can also be assigned with other duties by the Board of Directors. If the President is temporarily incapable of performing his duties, during the condition of impossibility, the Board may assign a different administrator to take over the position of Director.

The Nomination and Remuneration Committee and the Audit Committee will be created and will function within the Board. These committees are advisory committees and consist of at least three non-executive administrators. At least one member of these two committees will also be independent in the sense of the Law no.31/1990 on the companies, republished.

The Nomination and Remuneration Committee:

- makes proposals on the functions of administrators;
- develops and makes to the Board proposals on the selection of candidates for the director and other senior positions;
- makes recommendations to the candidate Board for the listed positions;
- makes proposals for the remuneration of the directors and other leadership positions, the remuneration of the administrators, of the censors and the company personnel.
- prepares an annual report on wages and other benefits granted to the administrators and directors during the financial year, report to be presented by the Board to the General Meeting of Shareholders which approves the annual financial situations. The annual report will be made available to the shareholders on the company's website and will contain information on: (i) remuneration structure, explaining the share of the fixed and variable remuneration; (ii) performance criteria underlying the variable remuneration component and the relationship between the remuneration and the achieved performance; (iii) the considerations justifying any annual bonus scheme or non-monetary benefits; (iv) any additional or early retirement schemes; (v) duration of the contract, negotiated notice period, the amount of damages interest for unjust dismissal.

The Nomination and Remuneration Committee carries out any other tasks set by its statute, by law or by the decision of the Board.

The responsibilities of the **audit committee** are set by Art. 47 of the GEO no. 90/2008 amended, namely:

- monitor the financial reporting process;
- monitor the effectiveness of the internal control system, internal audit, if applicable, and risk management of the company;
- monitor the statutory audit of annual financial situation and the consolidated annual financial situations;
- verify and monitor the independence of the statutory auditor and the audit firm and, in particular, the provision of the additional services to the audited entity.

At least one audit committee member must have experience in applying principles of accounting or financial auditing.

The Board may create other advisory committees charged with conducting investigations and making recommendations for the Board in areas of interest for the Company's business. The advisory committees shall include at least three directors and at least one member shall be an independent non-executive director. The advisory committees will submit, to the Board, on regular basis, reports on their activities.

Within all the advisory committees decisions shall be made by majority of votes cast. The advisory committees shall meet at the Company's headquarters whenever necessary, at least every three months, on the request of any of its members. At each meeting, a meeting minute will be drawn up to include the names of the participants, the order of deliberations, decisions taken, the number of gathered votes and any separate opinions. For the validity of decisions taken in the advisory committees at least half of the members of the concerned committee must be present. The advisory committee members can be represented at the meetings of the committees by other members of that committee solely. A member present can represent only one member absent. The minute shall be signed by the Chairman and by at least one other manager, member of that committee.

The participation in the Board meetings, as well as in the advisory committee meetings can take place by means of distant communication devices, namely by using the internet.

The Board of Directors, by unanimous agreement of the directors may authorize some of the administrators to conclude some transactions or certain types of transactions. The Board may employ experts and advisers to study and solve certain situations.

The Board shall meet at least every three months or whenever necessary with a monthly remuneration. The President convenes the Board of Directors, sets the agenda, ensures the appropriate information of the board members on the points on the agenda and chairs the meeting.

The Board is also called upon reasoned request of at least two of its members or of the Director General. In this case, the agenda is set by the authors of the request. The President is required to comply with such request. At each meeting, a report will be prepared to include the name of the participants, the order of deliberations, decisions taken, the number of votes gathered and separate opinions. For the validity of the Board decisions, at least half of the members must be present. The Chairman of the Board cannot have a decisive vote since he is at the same time the Company director. Board members can be represented at the Board meetings by other members alone. A member present can represent only a member absent. The minute shall be signed by the Chairman and by at least one other manager.

In exceptional cases, justified by urgency of the situation and the interests of the Company, the Board's decisions can be taken by unanimous vote of the members expressed in writing, without needing a meeting of the Board. This procedure cannot be used in the case of Board decisions on the annual financial statements or the authorized capital".

III. CHAPTER VI - MANAGEMENT OF THE COMPANY

Art. 19 reads as follows:

"Art. 19. The General Meeting of Shareholders shall elect the Company Board of Directors. The Management Board shall delegate the company management to one or more directors, appointing one of them as Managing Director, based on term contracts. The directors may be appointed from among the administrators, or from outside the Board. In any case, the selection of the directors will comply with the laws in force and the specific field and complexity of the Company will be taken into account. If the directors delegated with the management responsibilities were elected among the Company employees, their individual employment contracts are suspended during the mandate. The Directors are responsible for taking all measures related to the management of the Company within the company field and the compliance with the exclusive powers reserved by the law or by the Board of Directors and the General Meeting of the Shareholders. The organization of the executive's activity is set by the Board's decision. The directors will inform the Board regularly and comprehensively on the undertaken operations and the envisaged operations. The Board records in the Trade Register the names of the persons authorized to represent the Company indicating whether they act together or separately. These persons record signature samples in the Trade Register. The persons who, by law, cannot be founders can neither be directors, nor managers. The remuneration of the executives is determined by the Board of Directors. The general boundaries of the director's remuneration are fixed by the present Statute directly related to the importance of their work as well as with the field of the activity and the results of the Company. Thus, a monthly allowance shall not exceed 0.00007 of the S.C Antibiotice S.A. turnover made during the latest financial year.

The remuneration and other benefits offered to the directors will be reported in the annual financial statements and the annual report of the Remuneration and Nomination Committee of the Board. The policy and the remuneration criteria of the directors will be made available on the Company's website by the Board of Directors if not otherwise provided by law."

IV. CHAPTER VII - ADMINISTRATION OF THE COMPANY

Art. 20 reads as follows:

"Art. 20. Statutory financial audit. Internal audit.

The Company is audited by a financial statutory auditor, person or entity, as provided by law. The Company will hold statutory audit according to the legislation in force. Subject to the special legal provisions the statutory financial auditors are appointed by the General Assembly of Shareholders for a period of at least 1 year. The Company will contract the services of a statutory financial auditor under the legal provisions. The statutory auditors are required to supervise the Company's administration, to check whether the financial statements are prepared in accordance with the legal records, if these are held regularly and if the valuation of property was done according to the rules for preparing and presenting the financial statements. On all this and the proposals they deem necessary on

the financial statements and profit distribution, the auditors will present the General Assembly a detailed report.

The General Assembly may approve the annual financial statements unless they are accompanied by the statutory auditor's report. The Company shall organize the internal audit in compliance with the statutory provisions in force. The internal auditors report directly to the Board of Directors.

The Internal auditors shall inform the Board members of the administration irregularities and violations of law and of the Articles of Incorporation which they encounter and they will present the most important cases to the General Assembly.

Any shareholder is entitled to complain to the internal auditors about the facts that he believes should be checked and the results will be recorded by the internal auditors in a report that will be communicated to the Board of Directors and to the General Assembly respectively."

Chairman of the Board,
General Manager,
Ec. *Ioan NANI*