

### **I.5. The appointment of the financial auditor and the determination of the duration of the audit contract**

The auditing of the financial statements of Antibiotice SA Iasi is performed beginning by the 2001 fiscal year done by BDO Conti Audit SRL Bucuresti concluded on the basis of contractual relationships signed between the two companies.

BDO Audit SRL Bucuresti was established in 1991 as one of the first consultancy companies with Romanian private capital owning legal personality offices in Bucuresti, Braila, Brasov, Constanta and Timisoara.

BDO Audit is a member of the BDO company. BDO Global is an international network comprising accounting firms, called BDO member companies providing services to international clients. Each company member of BDO is an independent legal entity in its own country. The entire network comprises 585 offices in over 100 countries and approximatively 23.200 partners and employees of Member Companies, which provide consulting services worldwide.

By their professional status, the representative members of BDO are recognized in domestic and international professional organizations such as:

- The Romanian Chamber of Auditors
- The Body of Chartered Certified Accountants (CECCAR)
- The Association of Chartered Certified Accountants - London (ACCA)
- The National Union of Practitioners in Reorganization and Liquidation (UNPRL)
- The National Association of Assessors of Romania
- The European Insolvency Practitioners Association (Insol Europe)
- The Romanian Management Consultancies Association (AMCOR) affiliated to the European Association of Management Consultants (FEACO)
- Graduates of the Master in Business Administration course (MBA)
- The Romanian Board for Small and Medium Entreprises (CRIMM)
- Lawyers - Members of the Bucharest Bar
- Movables Expert Assessors certified by the Ministry of Justice

BDO Audit is registered with the Central Registry of Consultants PHARE / TACIS, is certified by the National Securities Commission (CNVM) as external independent auditor for companies listed on the stock market and is licensed by the Ministry of Justice as expert assessor.

The quality standards and work procedures utilized by BDO AUDIT are entirely compliant with those applied by BDO worldwide. Considering the fact that the outcome of the audit activity so far of financial statement has resulted in the Auditor's Report represented for all users credible data bases, we ask all shareholders to approve a contract extension for 2011 and 2012 financial years.

The contract value for the 2011 and 2012 financial years is at the value level of 69.000 lei VAT free at the level of 2010 and the bear by Antibiotice SA of the accommodation expenses.

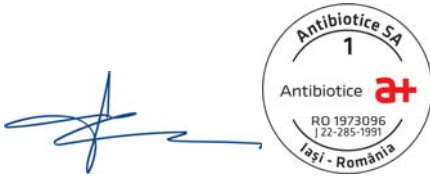
We also ask the shareholders to approve BDO Audit Ltd. to audit for 24 months with a charge of 34.000 lei the project "Acquisition of installations and technological equipments to create manufacturing capacity for non penicilinic antibiotics, sterile powders for injection, filled in vials". This is possible due to the fact that the auditor knows the company activity and can integrate this project on the whole.

GENERAL MANAGER,

FINANCIAL DIRECTOR,

Ec. Ioan NANI

Ec. Constantin NICUTA



A handwritten signature in blue ink, consisting of a stylized, flowing line.