



## INFORMATION ON APPENDIX 11

### **TO ORDINANCE 2 ON THE PROSPECTUSES AT PUBLIC OFFERING OF SECURITIES AND ON DISCLOSURE OF INFORMATION BY THE PUBLIC COMPANIES AND OTHER ISSUERS OF SECURITIES /ORDINANCE 2/**

***1. Structure of the company's capital, including securities that have not been admitted to trading on a regulated market in the Republic of Bulgaria or another Member State, with indication of the different classes of shares, the rights and liabilities attaching to any class of shares and the portion of the total capital, which each individual class constitutes***

The capital of IHB amounts to BGN 107,400,643 divided into 107,400,643 shares. All 107,400,643 dematerialized registered voting shares of the company are listed for secondary trading on the official market of Bulgarian Stock Exchange - Sofia AD. Each share gives its holder the right of one vote, the right to dividend and the right to a liquidation share corresponding to the nominal value of the share. The right to vote at the General Meeting of Shareholders arises upon the full payment of the issue value of each share and after registering the increase in the Company's capital with the Commercial Register.

***2. Restrictions on the security transfer, such as limitations for holding of securities or a requirement to obtain approval of the company or another shareholder.***

Transfer of shares shall be concluded in accordance with the law. Shares of the Company may be acquired by all Bulgarian and foreign natural or legal persons subject to the requirements of the Bulgarian legislation. There is no need for approval of the company or another shareholder to acquire or transfer of shares.

***3. Information on the direct and indirect holding of 5 percent or more of the voting rights in the company's general meeting, including data about the shareholders, the amount of their holding and the manner in which the shares are owned.***

The capital of IHB at 31 December 2018 amounts to BGN 107,400,643.



## Structure of shareholdings as at 31 December 2018

The capital of IHB at 31 December 2018 amounts to BGN 107,400,643.

<i>Shareholders</i>	<i>Number of shareholders</i>	<i>Number of shares</i>	<i>At 31.12.2018</i>
			<i>% of the capital</i>
All	54273	107 400 643	100.00%
Legal entities	90	98 877 773	92.06%
Individuals	54 183	8 522 870	7.94%
Shareholders holding over 5 %, inclusive	4	59 034 659	54.97%
Venside Enterprises Limited		7 089 320	6.60%
Bulls AD		37 608 121	35.02%
DZH AD		8 957 874	8.34%
ZUPF Allianz Bulgaria AD		5 379 344	5.01%
Shareholders holding less than 5 %	54269	48 365 984	45.03%

#### ***4. Data about shareholders with special rights of control and description of these rights***

There are no shareholders enjoying special rights of control.

#### ***5. The control system in exercising the voting right in cases when officials of the company are also its shareholders and the control is not exercised directly by them.***

There are no mechanisms to exercise voting rights in the case of employee shareholdings, when such voting rights are not exercised directly by the employees concerned.

#### ***6. Restrictions on the voting rights, such as restrictions on the voting rights of the shareholders holding a given percent or number of votes, deadline for exercising the voting rights or systems whereby with the company's assistance, the financial rights attaching to the shares are separated from the holding of shares.***

There are no restrictions imposed on voting rights of shares. At 31 December 2018 Industrial Holding Bulgaria PLC held 3 462 184 redeemed treasury shares, the rights on which had been suspended on the grounds of article 187a, paragraph 3 of the Commercial Act until their transfer.



In January 2019, IHB PLC acquired 418,030 treasury shares. In February 2019, no transactions were carried out by IHB PLC in pursuance with the decisions taken to buy back shares. The total number of treasury shares held as at 28 February 2019 was 3,880,214.

***7. Agreements between the shareholders that are known to the company and that may result in restrictions on the transfer of shares or voting rights***

There are no agreements between shareholders that are known to the company and that may result in restrictions on the transfer of shares or voting rights.

***8. Provisions about the appointment and dismissal of members of the company's management bodies and amendments and supplementations to the Articles of Association***

**Provisions about the appointment and dismissal of members of the management bodies**

**Supervisory Board**

The General Meeting of Shareholders elects and dismisses members of the Supervisory Board and determines their remuneration.

The term of office of the Supervisory Board shall be 5 years and the term of office of the first Supervisory Board shall be 3 years.

The election as a member of the Supervisory Board may be revoked before the expiration of the member's term of office.

There is no limit to the number of times a member can be reappointed.

The chairperson of the Supervisory Board shall sign the Company's management and representation agreements with the executive directors.

**Managing Board**

The members of the Management Board shall be elected by the Supervisory Board and the latter determines their remunerations and may replace them at any time.

The members of the Management Board shall meet the statutory requirements.

The term of office of the Management Board shall be 5 years and the term of office of the first Management Board shall be 3 years.

Relationships between the Company and a member of the Management Board shall be settled by a management agreement. The agreement shall be concluded in writing with the Company acting through the chairperson of the Supervisory Board or through another member of the Supervisory Board authorized by the chairperson.

**Provisions on amendments or supplementations to the Articles of Association**



The General Meeting of Shareholders shall approve, amend and supplement the company's Articles of Association. The decisions on amending and supplementing the Articles of Association shall be made by a majority of 2/3 /two-thirds/ of the voting shares represented at the General Meeting of Shareholders.

***9. Powers of the company's management bodies, including the right to take decisions for the issue and redemption of company shares***

The company is managed and represented by the Managing Board that carries out its activity under the supervision of the Supervisory Board.

All Supervisory Board members enjoy equal rights and obligations regardless of any internal division of functions.

A person, who is proposed to be elected a Board member, shall be obliged to immediately notify in writing the General Meeting of Shareholders, respectively the Supervisory Board, prior to its election of:

1. Participation in commercial companies as a general partner;
2. Holding of more of 25% of the capital of another company;
3. Participation in management of other companies or cooperatives as procurator (authorised signatory), general manager or Board member.

The person is obliged to notify in writing the General Meeting of Shareholders, respectively the Supervisory Board, when these circumstances arise after its election as a Board member.

The Board members /individuals and individuals representing legal entities/ and the procurator (authorised signatory) of the Company shall be obliged:

1. To perform their duties with due diligence in a manner, which they reasonably consider to be in favour of all shareholders of the Company and using only such information they reasonably consider to be complete and reliable;
2. To be loyal with respect to the Company and:
  - a/ To choose the Company's interest rather than their own;
  - b/ To avoid direct or indirect conflicts between their own interests and the interests of the Company and, in case such conflicts occur, to reveal them entirely, in due course and in writing before the respective body, whereby the member in conflict shall not participate and shall not exercise any influence over the other Board members during the course of decision making on that issue;
  - c/ Not to disclose non-public information regarding the Company event after they are no longer members of the Management Board or the Supervisory Board or procurator (authorised signatory), until the respective circumstances are publicly announced by the Company.

The Board members shall be jointly liable for damages caused to the Company to the extent of any damage wrongfully caused by them.

Any Board member may be exonerated from liability, if found not responsible for the damages suffered.



The members of the Management and Supervisory Boards shall provide guarantees for their management, denominated in Bulgarian leva and amounting to their quarterly gross remuneration.

The guarantees shall be released in the following two cases:

- a/ In favour of the person who provides the guarantee – after the date of the decision of the General Meeting of Shareholders on release from liability of such person and after his release from office;
- b/ In favour of the Company – in case the General Meeting of Shareholders decides so upon ascertainment of damages caused to the Company.

Each Board member may request in writing, prior to expiry of its term of office, from the Company to be released from office and deleted from the Commercial Register. In case that the Company fails to enter such release from office within 6 /six/ months as of the receipt of the notification, the member may file a request for entry of this circumstance with the court at his/her own discretion.

The members of the Managing Board shall be entitled personally or via third persons to effect business transactions, to hold interests in commercial companies as general partners and to be elected procurators (authorised signatories), general managers or members of boards of other companies, which carry out activities competitive to the Company's activity subject to prior explicit consent given by the Supervisory Board of the company.

The Company's capital may be increased by decision of the General Meeting of Shareholders through the issuance of new shares or through conversion of bonds that have been issued as convertible into shares. According to the Articles of Association of the Company in its version as of 31 December 2017 (Art. 12a), on the grounds of article 196 of the Commercial Act, within a term of 5 /five/ years as of 19 February 2018, the Managing Board has the right, after obtaining the approval of the Supervisory Board, to pass decisions to increase the registered capital of the Company up to BGN 150,000,000 through the issuance of new dematerialised registered shares, including to secure the rights of holders of convertible bonds to convert their bonds into shares. The provision of article 12a, paragraph 1 was amended in the current version at the General Meeting of Shareholders, held on 19 February 2018.

The company has the right to redeem its treasury shares in compliance with the legal requirements. The decision to redeem treasury shares shall be passed by the General Meeting of Shareholders. The regular annual General Meeting of Shareholders, held on 29 June 2017 approved a new decision to redeem treasury shares with a term of completion of the redemption of up to five calendar years after the expiry of the term for redemption of treasury shares according to a previous decision, namely as of 17 December 2017.

***10. Significant contracts of the company, which give rise to action, have been amended or terminated due to change in the control of the company upon carrying out of obligatory tender offer and the consequences thereof, save for the cases when the disclosure of such information may cause serious damages to the company; the exception of the previous sentence shall not apply in the cases when the company must disclose information by virtue of the law.***



There are no significant contracts of the company, which give rise to action, have been amended or terminated due to change in the control of the company upon carrying out of obligatory tender offer.

***11. Agreements between the company and its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labour relationships due to reasons, related to a tender offer.***

There are no agreements between the company and its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labour relationships due to reasons, related to a tender offer.