

## **CORPORATE GOVERNANCE PROGRAM**

### **Industrial Holding Bulgaria PLC**

#### **I. Objectives of the Program**

1. To establish the principles of good corporate governance in IHB.
2. To increase the level of trust of shareholders, investors and stakeholders in general, towards IHB.
3. To encourage the successful economic activities in IHB.

#### **II. Corporate Governance Principles**

Corporate Governance at IHB will be based on the following principles:

- ✓ Defense of shareholders' rights
- ✓ Disclosure and transparency
- ✓ Good management of the company by the management bodies

#### **III. Steps**

##### **1. Defending the rights of shareholders**

Updating the Statute and the internal documents of the Holding in accordance with the legal requirements and with the best corporate governance practices in the area of shareholders' rights, i.e.:

- ✓ Safe methods for registration of ownership;
- ✓ Safe methods for change of ownership;
- ✓ Timely and regular receiving of information concerning the company;
- ✓ Participation and vote in the AGM;
- ✓ Involvement in the election of management;
- ✓ Involvement in distribution of the Holding's profit.

##### **2. Disclosure and transparency**

Development of procedures for immediate, correct and full disclosure of information for shareholders and for the general public.

Creation and support of effective program for disclosure.

Development of procedures for review of annual, quarterly and current reports and other company information, corresponding to the respective legislation in order to guarantee that they are full, accurate and timely.

##### **3. Providing a mechanism for good corporate governance by IHB management**

Development of guidelines guaranteeing that meetings of management bodies are regularly held, all members receive the agenda and all materials in a timeframe that allows them to get acquainted with the materials before the meetings.

Review and, if necessary, development of procedures for detailed protocols of the meetings of management bodies including information on votes of each management board member and justifications for these votes for each agenda item.

#### **IV. Evaluation of the Corporate Governance Program**

Analyze and evaluation of the effectiveness and implementation of IHB Corporate Governance Program on an annual basis.

Following the tendencies in the theory and practice in the area of corporate governance in order to guarantee that IHB is updated with regards to the issues in this area.

\*\*\*