



REGULATIONS

On the Organisation and Holding of Regular and Extraordinary General Meetings of Shareholders of Industrial Holding Bulgaria AD

GENERAL PROVISIONS

Article 1. (1) The goal of these Regulations is to guarantee the equality of treatment of all shareholders of Industrial Holding Bulgaria AD (IHB AD, the company) upon organization and holding of General Meeting of Shareholders, and the right of each shareholder to express his/her opinion on the agenda items.

(2) The Regulations have been approved in compliance with the requirements of the Corporate Governance Code of BSE - Sofia AD.

Article 2. (1) The procedures stipulated in these Regulations aim at regulating the organisation and holding of GMS in a way that does not obstruct and render voting more costly.

(2) The members of the Supervisory Board and Management Board of IHB AD will endeavour to attend each General Meeting of Shareholders.

ORGANISATION AND HOLDING OF GENERAL MEETINGS

Article 3. The General Meetings of Shareholders of IHB AD shall be held in the city of Sofia, at the company's registered address (seat).

Article 4. (1) A regular General Meeting of Shareholders shall be held by the end of the first half of the year, after closing the reporting year.

(2) It is convened after the preparation and audit of the company's annual financial statements and the management report for the previous year.

Article 5. (1) An extraordinary General Meeting of Shareholders is convened, if required, to resolve matters that are part of its competence according to the statutory procedure.

(2) If losses exceed one half of capital, a General Meeting must be held within three months of their establishment.

Article 6. (1) A General Meeting of Shareholders may be convened by the Management or Supervisory Board of the company, or on request of shareholders who for more than three months have held shares representing at least 5 per cent of the company's capital.

(2) If a General Meeting has not been held within one month after submission of a request by the shareholders holding at least 5 per cent of the capital or if a General Meeting has not been held within three months after submission of such a request, the court at registration of the company shall call such a General Meeting or shall authorise the shareholders who have requested the meeting or their representative to call a General Meeting. The fact that the shares have been held for more than three months shall be attested before the court by means of a notarised declaration.



Article 7. (1) A General Meeting shall be convened by means of invitation published in the Commercial Register at the Registry Agency and announced according to the statutory procedure. The time from the announcement date to the effective date of the General Meeting shall be no less than 30 /thirty/ days.

(2) The invitation shall contain the information required pursuant to article 223, paragraph 4 of the Commercial Act and article 115, paragraph 2 of the Public Offering of Securities Act, including the company name and registered address (seat); venue, date, hour and type of the General Meeting; formalities to be complied with in order to participate and vote in the meeting; the agenda of the items proposed for discussion and any specific motions for decisions.

(3) Proposals relating to major corporate events, including profit distribution, shall be specified as separate items of the agenda.

(4) Members of the Supervisory Board shall be elected by following a transparent procedure. The materials under paragraph 1 shall include data about the names, permanent address and qualification of the persons nominated for board membership, as well as sufficient information on their personal and professional qualities. This rule shall apply also when the item has been included in the agenda following the procedure set out in article 223a.

(5) The General Meeting of Shareholders may not pass decisions on matters that have not been communicated or announced in accordance with the statutory provisions, unless all shareholders attend or are represented at the meeting and no one objects to submission of such matters to debate.

Article 8. (1) All written materials relating to the agenda of the General Meeting shall be made available to the shareholders no later than the date of promulgating the invitation of the General Meeting. On request, such materials shall be provided by the Investor Relations Director to each shareholder free of charge.

Article 9. (1) The invitation, together with the materials for the General Meeting, shall be sent to the Financial Supervision Commission and BSE - Sofia AD within the term stipulated in article 7, paragraph 1, and shall be published on the company's website.

(2) The information published on the website of IHB AD shall be, to its content, essentially identical to the information to be made available to the public.

Article 10. (1) A list of all attending shareholders, respectively of their proxies, and the number of shares held or represented, shall be drawn up during the General Meeting of Shareholders. The shareholders or their proxies shall ascertain their presence at the meeting by signature. The list shall be authenticated by the Chairperson or the Secretary of the General Meeting of Shareholders.

(2) The General Meeting of Shareholders shall be considered regular, if at least half of the voting shares are present or are represented at the meeting, unless another quorum is provided for in a law.

(3) In the absence of quorum, a new meeting shall be convened not earlier than 14 days and this meeting is considered legitimate and may pass decisions regardless of the capital presented thereat. The date of such new meeting may be stated in the original invitation as well.

Article 11. (1) The General Meeting shall elect, by simple majority, a Chairperson among the attending shareholders or proxies. The General Meeting shall assign a Secretary, as also scrutineers of votes, who do not necessarily need to be shareholders.



(2) The vote is an open vote and every shareholder shall have a number of votes equal to the number of shares held by that shareholder.

(3) Decisions shall be passed by a simple majority, unless a higher majority for certain decisions is required under the law or the articles of association of the company.

(4) A shareholder or his/her proxy may not participate in the vote at a General Meeting of Shareholders:

1. for bringing actions against him/her;
2. for taking actions or for refusing to act with respect to his/her obligations to the company.

Article 12. (1) Minutes shall be kept for each General Meeting in compliance with the requirements of the law, which shall state the place and time of holding the meeting; the number of shares presented at the meeting; the names of the Chairperson and Secretary, as also of the scrutineers of votes, if any; the attendance of members of the Management и Supervisory board, and of other persons who are not shareholders; the agenda; the proposals made on the substance of the debate; any objections made; the votes taken and the results thereof.

(2) The minutes of the meeting shall be signed by the Chairperson, the Secretary, and the scrutineers of votes. Attached to the minutes shall be a list of the attending shareholders and any other documents relating to the convention of the General Meeting.

(3) The minutes of the General Meeting of Shareholders shall be sent to the Financial Supervision Commission and BSE - Sofia AD within three working days after the date of holding the meeting. Within the same term, the company shall publish the minutes of the General Meeting on its website.

(4) The minutes shall be recorded in a special book and kept for the entire term of existence of the company.

Article 13. (1) The decisions of the General Meeting of Shareholders shall take effect immediately, unless such effect is deferred.

(2) In order to become effective, the decisions regarding amendments and supplementations to the Articles of Association, and dissolution of the company, shall be registered with the Commercial Register.

(3) In order to become effective, the decisions regarding increasing and decreasing the capital, transforming the company, electing and discharging members of the Management and Supervisory Boards, as also appointing liquidators, shall be registered with the Commercial Register.

Article 14. IHB AD shall notify immediately the Financial Supervision Commission, BSE - Sofia AD and Central Depository AD of the decision of the General Meeting regarding the type and amount of dividends, as also of the terms and conditions of their payment.

PARTICIPATION AND REPRESENTATION IN A GENERAL MEETING

Article 15. (1) The General Meeting of Shareholders of IHB AD comprises all shareholders holding voting shares.

(2) The voting right is exercised by the persons registered as shareholders with the Central Depository's registers at least 14 days prior to the date of the General Meeting.

(3) In order to be registered and participate in a General Meeting, the shareholders – individuals should present an identity card. The representatives, when they are legal representatives of shareholders – legal entities, should present an identity card and a certified copy of an up-to-date certificate of registration issued not earlier than three months before the



date of the General Meeting.; if these documents have been issued in a foreign language, they must attach a certified translation into Bulgarian in compliance with the effective Bulgarian legislation.

Article 16. (1) Shareholders of a public company shall have the right to authorise any individual or a legal entity to participate and vote in a General Meeting on their behalf.

(2) For each General Meeting of Shareholders, the company shall present a sample of a written power of attorney, together with the materials for the General Meeting or on request, after it has been convened. The sample of the power of attorney shall be published on the company's website.

(3) The written power of attorney conferring the right of representation of a shareholder in a General Meeting of Shareholders of a public company must be issued for a specific General Meeting; it should be explicit and shall state, at a minimum, the following information:

1. data of the shareholder and the proxy;
2. number of shares the power of attorney relates to;
3. agenda of the items proposed for discussion;
4. any motions for decisions on each one of the agenda items;
5. voting arrangements with respect to each agenda item, if applicable;
6. date and signature.

(4) If the power of attorney does not expressly state the voting arrangement with respect to each agenda item, it must contain a text that the proxy has discretion as to whether and how to vote.

(5) The company shall approve Regulations on Proxy Voting in GMS.

Article 17. (1) The proposal for representation of a shareholder or shareholders holding more than 5 per cent of votes at a General Meeting of the Holding shall be published in a central daily newspaper or sent to each shareholder to whom it relates.

(2) The proposal shall contain at least:

1. the agenda of the items proposed for discussion at the General Meeting, and the motions for decisions;
2. an invitation to the shareholders to issue instructions regarding the way of voting on the agenda items;
3. a statement about the way the offeror will vote on each of the agenda items, if the shareholder accepting the proposal has failed to give instructions concerning the vote.

(3) The offeror shall be obliged to vote at the General Meeting of the company in compliance with the instructions of the shareholders contained in the power of attorney; if no such instructions have been given – in accordance with the statement under item 3 of paragraph 1. The offeror may depart from shareholders' instructions, and respectively from his/her statement concerning the vote, if:

1. if new circumstances have occurred that were not known at the time of making the proposal or signing the powers of attorney by the shareholders;
2. the offeror was not able to require beforehand new instructions and / or to make a new statement, or if the offeror has not received in time the new instructions of the shareholders;
3. the departure is required in order to safeguards the shareholders' interests.

SHAREHOLDERS' RIGHTS IN CASE OF CONVENING AND HOLDING A GENERAL MEETING

Article 18. Every shareholder shall have the right:

1. to be notified of a General Meeting of Shareholders convened by an invitation, which has been announced pursuant to article 7, paragraph 1;



2. of access to all materials relating to the agenda of the General Meeting, and on request, to be provided with these materials free of charge;
3. to participate in the General Meeting and to vote with number of votes equal to the number of shares held by that shareholder;
4. to express his/her opinion and to make proposals on any item included in the agenda of the meeting;
5. to be elected in the management bodies of the company;
6. to put questions to the company's management whether related to the agenda of the meeting or otherwise, and to receive correct and exhaustive answers, and in substance, regarding the economic and financial position and commercial activities of the company, except for circumstances constituting inside information;
7. to examine the minutes of the General Meetings, and the materials thereto;
8. to request appointment by court of certified public accountants, if no such have been elected by the General Meeting of Shareholders;
9. to claim annulment of a decision of the General Meeting of Shareholders, when it conflicts with a law or with the company's Articles of Association. The claim shall be filed within 14 days after the date of the meeting, when the claimant has attended the meeting or has been lawfully invited to attend the meeting, and in all other cases, within 14 days of becoming aware thereof, but not later than 3 months after the date of the General Meeting;
10. to make a claim for protection of the right of membership and other membership rights, if infringed by the company's bodies.

Article 19. (1) A General Meeting of Shareholders may be convened by shareholders who for more than three months have held shares representing at least 5 per cent of the company's capital.

(2) Where within three months following its submission the request has not been granted or the General Meeting has not been held, the District Court shall call a General Meeting or shall authorise the shareholders who have requested the meeting or their representatives to call the General Meeting. The fact that the shares have been held for more than three months shall be attested before the court by means of a notarised declaration.

Article 20. (1) Shareholders who for more than three months have held shares representing at least 5 per cent of the company's capital can, following the promulgation of the invitation of the meeting, also include other items on the agenda of the General Meeting.

(2) Not later than 15 days prior to the opening of the General Meeting the persons under paragraph 1 shall file with the Commercial Register a list of the items to be included in the agenda, together with any motions for decisions and written materials relating thereto. The court shall rule on the request for their presentation by way of ruling to be issued on the date of receiving the request or on the next working day at the latest.

(3) The fact that the shares have been held for more than three months shall be attested before the court by means of a notarised declaration.

(4) Not later than on the next business day following the court ruling under paragraph 2, the shareholders shall submit the list of the items, any motions for decisions and the written materials related to those at the registered address (seat) and management address of the company. Article 224 shall also apply accordingly.

(5) Not later than on the next business day following the court ruling for inclusion of other items in the agenda of the General Meeting, the shareholders who have benefited from the above right shall submit to the Financial Supervision Commission and BSE - Sofia AD the materials under article 223a, paragraph 4 of the Commercial Act.

(6) If necessary, the company shall assist the shareholders under paragraph 1.



These Regulations have been updated by decision of the Management and Supervisory Boards of Industrial Holding Bulgaria PLC dated 24 October 2016.