

**STATUTE**  
**OF**  
**INDUSTRIAL HOLDING BULGARIA**  
**PUBLIC LIMITED COMPANY**

**Chapter I**  
**GENERAL PROVISIONS**

**LEGAL STATUS**

**Article 1**

- /1/ Industrial Holding Bulgaria shall be a joint stock company within the meaning of the Law on Commerce, hereinafter referred to as *the Company*.  
/2/ The Company shall be a public company within the meaning of the Law on Public Offering of Securities.  
/3/ The Company shall be a legal entity with own seal and bank accounts.

**COMPANY'S NAME, SEAT, ADDRESS OF MANAGEMENT AND TERM OF EXISTENCE**

**Article 2**

- /1/ The Company shall perform its activity under the name of Industrial Holding Bulgaria /Industrial Holding Bulgaria PLC/. The company name may also be inscribed in the Roman alphabet.  
/2/ Seat: Metropolitan Region of Krasno Selo, Sofia.  
/3/ Address of management: 42 Damyan Gruev Street, Metropolitan Region of Krasno Selo, Sofia.  
/4/ The Company shall be bound by no term of existence.

**OBLIGATION TO INDICATE DATA**

**Article 2a**

The Company shall be obliged to indicate its company name, seat and address of management, unified identification number and bank account in its business correspondence.

**SCOPE OF ACTIVITY**

**Article 3**

The scope of activity of the Company shall include:

- Acquisition, management, assessment and sale of participating interests in Bulgarian and foreign companies;
- Acquisition, assessment and sale of patents, cession of licenses for usage of patents of companies where the Company holds participating interests;
- Financing of companies where the Company holds participating interests;
- Any other activity not prohibited by law.

**LIABILITY**

**Article 4**

- /1/ The Company shall be liable for its obligations with its property.  
/2/ The Company shall not be liable for the obligations of its shareholders and the shareholders shall not be liable for the Company's obligations, except to the amount of the made or due contributions for the shares subscribed.

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**Executive Director:** .....

## **BRANCHES**

### **Article 5**

/1/ The Company may register branches and representation offices in compliance with the provisions of the effective legislation.

/2/ The branches of the Company shall be indicated by means of adding the word “branch” and the name of the settlement where the seat of the branch is located to the Company’s name.

## **Chapter II**

## **REGISTERED CAPITAL AND SHARES**

### **REGISTERED CAPITAL**

#### **Article 6**

The registered capital of the Company shall amount to BGN 96 808 417 /ninety-six million eight hundred and eight thousand four hundred and seventeen Bulgarian leva/.

### **SHARES**

#### **Article 7**

/1/ The Company’s registered capital shall be divided into 96 808 417 /ninety-six million eight hundred and eight thousand four hundred and seventeen/ dematerialized registered voting shares, each having nominal value of BGN 1 /one Bulgarian lev/.

/2/ Each share under Article 7, Paragraph 1 shall give its holder right to vote, right to dividend and right to liquidation quota proportional to its nominal value.

/3/ The right to vote in the General Meeting of Shareholders shall be effective upon full payment of the issue value of each share and after entering the increase of the registered capital of the Company into the Commercial Register.

/4/ The amount of the annual dividend related to the shares under Article 7, Paragraph 1 shall be determined by the General Meeting of Shareholders.

/5/ In compliance with the special provisions of law, the Company may also issue preference voting or non-voting shares, giving right to additional or guaranteed dividend and redeemable shares.

### **PAYMENT OF SUBSCRIBED CAPITAL**

#### **Article 8**

/1/ Each shareholder shall be obliged to pay the full issue value of the shares subscribed by it.

/2/ A shareholder who fails to pay the due contributions within the prescribed term shall owe the Company a penal interest on the outstanding amount equal to the statutory one for the period of the delay.

### **TEMPORARY CERTIFICATES /DEPOSITARY CERTIFICATES/**

#### **Article 9**

For the shares subscribed under the terms and conditions set out herein, the shareholders shall receive Temporary Certificates /Depositary Certificates/ in compliance with the provisions of the effective legislation.

### **TRANSFER OF SHARES**

#### **Article 10**

/1/ The transfer of the shares under Article 7, Paragraph 1 shall be effected in compliance with the provisions of the effective legislation.

/2/ All Bulgarian and foreign individuals and legal entities may acquire shares of the Company in compliance with the provisions of the effective Bulgarian legislation.

**BOOK OF SHAREHOLDERS****Article 11**

Central Depository AD shall keep the Book of Shareholders of the Company under the terms and conditions provided for by law.

**CAPITAL INCREASE****Article 12**

/1/ The Company's registered capital may be increased at a decision of the General Meeting of Shareholders by means of issue of new shares or conversion of convertible bonds into shares.

/2/ In case of increase of the registered capital of the Company by means of issue of new shares, rights for subscription of shares within the meaning of the Law on Public Offering of Securities shall be accordingly issued. One right shall be issued for each share issued.

/3/ If the new shares are to be sold at a price higher than the nominal one, their minimum selling price shall be specified in the decision of the General Meeting of Shareholders.

/4/ The increase of the registered capital shall be permissible only after full payment of the registered capital specified in the Statute.

/5/ Each shareholder shall be entitled to acquire a portion of the newly issued shares corresponding to the shareholder's interest in the registered capital prior to the increase. This shareholder's right cannot be restricted or redeemed by a decision of the General Meeting of Shareholders.

/6/ As to the terms and conditions for subscription of shares, trading in rights and issue of warrants or convertible bonds, the provisions of the effective legislation shall apply.

/7/ The General Meeting of Shareholders may decide to increase the registered capital by means of transformation of a portion of the Company's profit into registered capital. This decision shall be made within 3 /three/ months after approval of the Annual Financial Statements for the previous year and with a majority of  $\frac{3}{4}$  /three thirds/ of the votes of shares represented at the particular session of the General Meeting of Shareholders.

/8/ In case of increase of the registered capital by means of transformation of profit or reserves of the Company into registered capital, the newly issued shares shall be acquired by the shareholders in accordance to the kind of share and corresponding to the respective participating interest prior to the capital increase.

/9/ In case of issue of warrants within a term to be determined by the General Meeting of Shareholders, each shareholder shall be entitled to acquire a portion of them corresponding to its participating interest prior to their issue.

/10/ The registered capital of the Company cannot be increased by means of in-kind contributions or conditionally at a decision of the General Meeting of Shareholders or a decision of the Management Board in compliance with Article 196, Paragraph 3 of the Law on Commerce. The restriction under the previous sentence shall not apply in case that:

a/ The Company is imposed a compulsory measure requiring increase of its registered capital under condition /in compliance with Article 196, Paragraph 3 of the Law on Commerce /;

b/ The increase of the registered capital under condition /in compliance with Article 196, Paragraph 3 of the Law on Commerce/ is necessary for a merger, tender offering for exchange of shares or guaranteeing the rights of the holders of warrants or convertible bonds.

**Article 12a**

/1/ Within 5 /five/ years as of 19.02.2018, on the basis of Article 196 of the Law on Commerce, following approval by the Supervisory Board, the Management Board shall be entitled to make decisions on increase of the registered capital of the Company up to BGN 150 000 000 /one hundred and fifty million Bulgarian leva/ through the issue of new dematerialized registered shares, including also the purpose of giving the holders of convertible bonds the rights to convert their bonds into shares.

/2/ The Management Board shall specify the following in the particular decision on capital increase following approval by the Supervisory Board, and namely: the increase amount and purpose, the number and type of new shares and the rights and preferences on such shares, as well as other increase realization procedures and terms and conditions related to the increase purpose (capital

raising, bonds conversion into shares), including: deadline for and terms and conditions on transfer of the rights within the meaning of §1, Item 3 of the Law on Public Offering of Securities, issued for the existing shares; the deadline for and terms and conditions on subscription of new shares; the issue value and the deadline for and terms and conditions on its payment; the investment intermediary to be assigned with the subscription realization; in case of bonds conversion into shares, it shall specify the conversion procedure and adjusted conversion price in compliance with the debenture loan terms and conditions; the Management Board shall specify any and all other details required for the capital increase realization in compliance with the applicable legislative documents.

## **CAPITAL REDUCTION**

### **Article 13**

/1/ The reduction of the Company's registered capital up to the minimum admissible one shall be made by a decision of the General Meeting of Shareholders.

/2/ A decision on reduction of the registered capital shall indicate the purpose and manner of such reduction.

/3/ The registered capital of the Company may be reduced through reduction of the nominal value of the shares.

/4/ The registered capital of the Company cannot be reduced by means of compulsory invalidation of shares.

## **ACQUISITION OF OWN SHARES**

### **Article 13a**

The Company may acquire shares issued by the Company only in compliance with the provisions of the effective legislation.

## **REDEMPTION OF SHARES**

### **Article 14**

The Company may redeem shares issued by the Company only in compliance with the provisions of the effective legislation.

## **BONDS**

### **Article 15**

/1/ The Company may issue bonds in compliance with the provisions of the effective legislation and this Statute.

/2/ A decision on issue of bonds shall be made by the General Meeting of Shareholders.

/3/ The conversion of bonds into shares shall be made by a decision of the General Meeting of Shareholders or a decision of the Management Board in compliance with Article 12a of this Statute subject to the provisions of the effective legislation.

/4/ Upon issue of convertible bonds, each shareholder shall be entitled to acquire a portion of them corresponding to the shareholder's interest in the registered capital of the Company prior to the increase and within a term specified by the General Meeting of Shareholders.

## **Chapter III**

### **COMPANY MANAGEMENT**

#### **COMPANY'S BODIES**

##### **Article 16**

Bodies of the Company shall be the General Meeting of Shareholders, the Supervisory Board and the Management Board.

**GENERAL MEETING OF SHAREHOLDERS****Article 17**

/1/ The General Meeting of Shareholders shall consist of all shareholders holding voting shares. The latter shall attend the sessions of the General Meeting of Shareholders in person or by proxy.

/2/ The right to vote at the sessions of the General Meeting of Shareholders shall be exercised by the persons entered into the registers of Central Depository AD 14 /fourteen/ days prior to the date of the particular session.

/3/ The members of the Management Board and the Supervisory Board shall participate in the proceedings of the General Meeting of Shareholders without voting rights, unless they are shareholders.

**COMPETENCE OF THE GENERAL MEETING OF SHAREHOLDERS****Article 18**

The General Meeting of Shareholders shall:

1. Approve, amend and supplement the Statute of the Company;
2. Increase and reduce the registered capital of the Company;
3. Transform and wind up the Company;
4. Appoint and discharge the members of the Supervisory Board and determine their remunerations;
5. Appoint and discharge a registered auditor or a specialized auditing company;
6. Approve the Annual Financial Statements after their certification by the appointed registered auditor or the specialized auditing company;
7. Distribute the Company's profit;
8. Make decisions on and determine the manner of issue and subscription of bonds in compliance with the provisions of the effective Bulgarian legislation;
9. Make decisions on and determine the manner of issue and subscription of warrants and rights in compliance with the provisions of the effective Bulgarian legislation;
10. Appoint liquidators upon winding up of the Company, except in case of insolvency;
11. Exempt the members of the Management Board and the Supervisory Board from liability;
12. Make decisions on redemption of shares of the Company;
13. Make other decisions on issues within its competence as provided for by law of this Statute.

**HOLDING OF THE SESSIONS OF THE GENERAL MEETING OF SHAREHOLDERS****Article 19**

/1/ The sessions of the General Meeting of Shareholders of the Company shall be held at its registered seat.

/2/ The regular session of the General Meeting of Shareholders shall be held not later than the end of the first half of the year following the reporting year.

/3/ In case that the loss of the Company exceeds ½ /one half/ of the registered capital, a session of the General Meeting of Shareholders shall be held within 3 /three/ months as of loss identification.

/4/ The General Meeting of Shareholders shall elect a chairperson, a secretary and a teller.

**CONVOCAION OF THE GENERAL MEETING OF SHAREHOLDERS****Article 20**

/1/ The General Meeting of Shareholders shall be convened by the Management Board or the Supervisory Board or at the request of shareholders holding shares representing at least 5% /five per cent/ of the registered capital of the Company for over 3 /three/ months.

/2/ In case that the request of the shareholders holding at least 5% /five per cent/ of the registered capital is not satisfied or a session the General Meeting of Shareholders is not held within 3 /three/ months as of the request filing, the competent registration court of the Company shall convene the General Meeting of Shareholders or authorize the shareholders demanding the convocation or a representative of theirs to do so. The fact that the shares are held for over 3 /three/ months shall be proved before the court by means of a notarized declaration.

/3/ The convocation of the General Meeting of Shareholders shall be made by an invitation submitted to the Commercial Register and announced as provided for by law. The invitation shall include the statutory requisites. The period from the date of publication till the opening of the particular session shall not be less than 30 /thirty/ days.

## **RIGHT TO INFORMATION**

### **Article 21**

All written documents related to the agenda of the sessions of the General Meeting of Shareholders shall be made available to the shareholders not later than the date of publication of the invitation for convocation of the General Meeting of Shareholders. Upon request, these documents shall be handed over to each shareholder free of charge.

## **LIST OF ATTENDANTS**

### **Article 22**

A list of attendants shall be prepared at each session of the General Meeting of Shareholders, indicating the shareholders or their proxies and the number of owned or represented shares. The shareholders or their proxies shall ascertain their presence with signature. The list of attendants shall be certified by the chairperson and the secretary of the General Meeting of Shareholders.

## **PROXIES**

### **Article 23**

/1/ Each shareholder shall be entitled to authorize a proxy to represent it at the sessions of the General Meeting of Shareholders. The proxy may be a person other than a shareholder.

/2/ The authorization of a proxy to represent a shareholder at the sessions of the General Meeting of Shareholders of the Company shall be made in writing and issued explicitly for the particular session, bear the notarized signature of the authorizer and have form and minimum contents as provided for by law.

/3/ A proposal on representation of a shareholder or shareholders holding over 5% /five per cent/ of the votes in the General Meeting of Shareholders of the Company shall be published in a national daily or sent to each shareholder who is an addressee of the proposal in compliance with the provisions of the effective legislation.

/4/ Reauthorization with powers under Paragraph 1 and a power of attorney issued in breach of the requirements under Paragraph 1 shall be null and void.

/5/ Upon opening a session of the General Meeting of Shareholders, the chairperson shall inform the persons attending the session of the presented powers of attorney.

/6/ The rules on voting by proxy, the power of attorney forms for voting and the manners of notifying the Company of authorization through e-means shall be determined by the Management Board and published at the website of the Company.

## **QUORUM**

### **Article 24**

/1/ A session of the General Meeting of Shareholders shall be considered legitimate if over ½ /one half/ of the voting shares are presented or represented thereat, unless another quorum is provided for by law.

/2/ In the absence of quorum in the cases under Paragraph 1, a new session of the General Meeting of Shareholders shall be set down for a date not earlier than 14 /fourteen/ days as of the previous one and this new session shall be considered legitimate and the General Meeting of Shareholders shall make decisions thereat regardless of the registered capital attending or represented at the session. The date of the new session may be specified in the invitation to the first one. The agenda of the new session may include no items as provided for by Article 223a of the Law on Commerce.

## **MAJORITY**

### **Article 25**

The decisions of General Meeting of Shareholders shall be made with a majority of over ½ /one half/ of the voting shares represented at the meeting, except for:

- a/ The decisions under Article 18, Paragraphs 1, 2, 3 /only related to winding up/, 8 and 9, which are to be made with a majority of 2/3 /two thirds/ of the voting shares represented at the session;
- b/ The decisions requiring a higher majority in compliance with the effective legislation or this Statute.

## **CONFLICT OF INTERESTS**

### **Article 26**

A shareholder or a proxy of a shareholder shall not be entitled to vote at the sessions the General Meeting of Shareholders on:

1. Filing a claim against the shareholder;
2. Undertaking of actions or waiver of such actions in respect of the shareholder's liability to the Company.

## **DECISIONS**

### **Article 27**

/1/ The decisions of the General Meeting of Shareholders shall be effective immediately, unless the General Meeting of Shareholders makes a decision on another effective date.

/2/ The decisions on amendments or supplements to the Statute, increase or reduction of the registered capital, transformation or winding up of the Company, appointment or discharge of the members of the Management Board and the Supervisory Board, as well as decisions on the appointment of liquidators, shall be effective as of their entry into the Commercial Register.

/3/ The General Meeting of Shareholders shall have no right to make decisions, which have not been communicate or announced under the terms and conditions provided for by law, unless all shareholders or proxies of theirs are present at the session and none of them raises an objection against the particular issues discussion.

## **MINUTES**

### **Article 28**

At each session of the General Meeting of Shareholders, minutes shall be prepared and signed as provided for by law. The minutes shall be signed by the chairperson, the secretary and the tellers. The list of attendants and other documents related to the convocation of the General Meeting of Shareholders shall be attached to the minutes. The session minutes shall form a special book and be kept throughout the term of existence of the Company.

## **SUPERVISORY BOARD**

### **Article 29**

/1/ The Supervisory Board shall not take part in the management of the Company. The Supervisory Board shall represent the Company only in its relations with the Management Board.

/2/ The Supervisory Board shall consist of 3 /three/ to 7 /seven/ members. The General Meeting of Shareholders shall determine the number and the personality of the members of the Supervisory Board.

/3/ The Supervisory Board shall consist of legally able individuals and/or legal entities, which are to meet the statutory requirements.

/4/ At least 1/3 /one third/ of all members of the Supervisory Board of the Company shall be independent persons within the meaning of Article 116a, Paragraph 2 of the Law on Public Offering of Securities.

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

/6/ The members of the Supervisory Board may be discharged from their office prior to the expiry of the term of office, for which they are elected.

/7/ The members of the Supervisory Board may be re-elected without restrictions.

/8/ The Supervisory Board shall adopt Operating Rules to regulate its work and elect a chairperson and a deputy chairperson among its members.

/9/ The chairperson shall convoke the sessions of the Supervisory Board at its own discretion as well as at the request of members of the Supervisory Board or members of the Management Board. The Supervisory Board shall have a regular session at least once per 3 /three/ months.

/10/ The chairperson of the Supervisory Board shall sign the Company's management and representation agreements with the executive directors.

## **DECISIONS OF THE SUPERVISORY BOARD**

### **Article 30**

/1/ The Supervisory Board may make decisions provided that more than ½ /one half/ of its members attend the particular sessions in person or are represented by another member of the Supervisory Board authorized in writing.

/2/ The decisions shall be made with simple majority of the present members of the Supervisory Board unless otherwise required by law or this Statute.

/3/ The Supervisory Board may also make decisions without holding a session provided that all members have agreed upon such decision in writing.

/4/ Each member of the Supervisory Board may authorize another member of the latter to represent it and vote on its behalf at the sessions of the Supervisory Board. None of the members of the Supervisory Board shall be entitled to act as a proxy of more than one member of the Supervisory Board.

/5/ Each member of the Supervisory Board who authorizes or revokes authorization of a proxy shall be obliged to duly notify the chairperson of the Supervisory Board.

/6/ All decisions of the Supervisory Board shall be incorporated in the respective session minutes, which are to be signed by all attending members and indicate the vote of each member on the issues discussed.

## **REMUNERATIONS OF THE MEMBERS OF THE SUPERVISORY BOARD**

### **Article 31**

/1/ The Company shall pay remunerations to the members of the Supervisory Board to the amount stipulated by the General Meeting of Shareholders of the Company. The relations between the Company and a member of the Supervisory Board shall be settled by an agreement concluded with the Company acting through a person authorized by the General Meeting of Shareholders.

/2/ The Company shall pay each member of the Supervisory Board all duly proved travelling, accommodation and other expenses for participation in the sessions of the Supervisory Board or the General Meeting of Shareholders as well as all expenses reasonably made by the member upon or in connection with the performance of the Company's activities or fulfilment of the member's obligations.

## **MANAGEMENT BOARD**

### **Article 32**

/1/ The Management Board shall manage and represent the Company whereby its activity shall be performed under the supervision of the Supervisory Board.

/2/ The Management Board shall consist of 3 /three/ to 5 /five/ members. The Supervisory Board shall determine the number and the personality of the members of the Management Board.

/3/ The members of the Management Board shall be elected by the Supervisory Board, which determines their remunerations and may substitute them at any time.

/4/ The members of the Management Board shall meet the statutory requirements.

/5/ The members of the Management Board shall be entitled personally or via third persons to effect business transactions, to hold interests in trading companies as partners with unlimited liability and to be elected procurators, managers or members of boards of other companies, which carry out activities competitive to the Company's activity only after explicit consent of the Supervisory Board of the Company.

/6/ The term of office of the Management Board shall be 5 /five/ years and the term of office of the first Management Board shall be 3 /three/ years.

/7/ None of the members of the Management Board shall be entitled to act as a proxy of more than 1 /one/ member of the Management Board.



/8/ Each member of the Management Board who authorizes or revokes the authorization of a proxy shall duly notify the chairperson of the Management Board.

/9/ The Management Board shall elect a chairperson and a deputy chairperson among its members and adopt Operating Rules to regulate its work, which are to be approved by the Supervisory Board.

/10/ All decisions of the Management Board shall be incorporated in the respective session minutes, which are to be signed by all attending members and indicate the vote of each member on the issues discussed.

/11/ The relations 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.

## **REPRESENTATION POWER**

### **Article 33**

/1/ Subject to the approval of the Supervisory Board, the Management Board shall appoint a person/s among its members to represent the Company /executive director/s/.

/2/ The names of the persons authorized to represent the Company shall be entered into the Commercial Register and promulgated.

/3/ Any restriction on the representation powers of the person/s under the previous paragraph shall not be effective with respect to third persons. The authorization and its withdrawal shall be effective as to third bona-fide parties after due entry and promulgation.

## **CONVOCATION AND HOLDING OF THE SESSIONS OF THE MANAGEMENT BOARD**

### **Article 34**

/1/ The Management Board shall hold a session at least once a month.

/2/ The Management Board may make decisions provided that more than ½ /one half/ of its members are present at the particular session in person or by proxy.

/3/ The decisions shall be made with a majority of over one-half of the present and/or represented members of the Management Board.

/4/ The Management Board may also make decisions without holding a session provided that all members have agreed upon such decision in writing.

## **REPORTS BY THE MANAGEMENT BOARD**

### **Article 35**

/1/ The Management Board shall report its activity to the Supervisory Board of the Company at least once per 3 /three/ months.

/2/ The Supervisory Board shall be entitled to request from the Management Board presentation of information or reports on each issue concerning the Company at any time.

## **GENERAL PROVISIONS REGULATING THE BOARDS' PROCEEDINGS**

### **Article 36**

/1/ All members of the Supervisory Board shall have equal rights and obligations regardless of the internal allocation of their functions. All members of the Management Board shall have equal rights and obligations regardless of the internal allocation of their functions.

/2/ 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. Its participation in trading companies as a partner with unlimited liability;
2. Holding of over 25% /twenty five per cent/ of the registered capital of another company;
3. Its participation in the management bodies of other companies or cooperatives as procurator, manager or board member.

The person under the previous sentence shall be also 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.

/3/ The board members /individuals and individuals representing legal entities/ and the procurator of the Company shall be obliged:

1. To perform their obligations 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 detailed and trustworthy;

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 prior and after their dismissal as members of the Management Board or the Supervisory Board or procurators till the moment of public announcement of the respective circumstances by the Company.

/4/ The board members shall be jointly liable for damages, which they guiltily cause to the Company.

/5/ Each board member may be released from liability if found not guilty for the damages caused.

/6/ The members of the Management Board and the Supervisory Board and the procurator shall provide guarantees for their management in BGN up to the amount of their gross quarterly remunerations.

/7/ The guarantees under the previous sentence 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 its release from office;

b/ In favour of the Company – in case that the General Meeting of Shareholders decides so upon ascertainment of damages caused to the Company.

/8/ Each board member may request in writing from the Company to be released from office prior to the expiry of its term of 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 its own discretion.

## **INVESTOR RELATIONS DIRECTOR**

### **Article 36a**

/1/ The Management Board of the Company shall appoint an Investor Relations Director based on labour agreement.

/2/ The Investor Relations Director shall:

a/ Carry out effective relations between the Management Board of the Company and its shareholders and the persons interested in investing in the Company's securities in compliance with the provisions of the effective legislation. The Investor Relations Director shall provide them with information on the current financial and economic positions of the Company as well as with any other information they are entitled to receive under the law in their capacity of shareholders or investors;

b/ Be liable for sending all documents relating to the convoked sessions of the General Meeting of Shareholders to all shareholders requesting them within the statutory terms;

c/ Draft and keep true and detailed minutes of the sessions of the Management Board and the Supervisory Board of the Company;

d/ Be liable for sending all necessary reports and notifications of the Company to the Financial Supervision Commission, the regulated market where the securities issued by the Company are traded and Central Depository AD;

e/ Keep a register of the sent documents under letters b/ and d/ and of the received requests and information provided under letter a/ whereby, in case of no providing of requested information, the reasons thereof shall be described.

/3/ The Investor Relations Director shall report its activity to the shareholders at the annual session of the General Meeting of Shareholders.

/4/ The persons managing the Company shall be obliged to assist the Investor Relations Director and control the performance of the obligations under Paragraph 2.

**Chapter IV****ACCOUNTING, ANNUAL STATEMENTS AND REPORTS AND PROFIT DISTRIBUTION****ACCOUNTING AND ANNUAL STATEMENTS AND REPORTS****Article 37**

/1/ The Company shall keep its accounting in compliance with the Law on Accountancy and the effective legislation.

/2/ The financial year of the Company shall coincide with the calendar year.

/3/ Each year, the Management Board shall prepare Annual Financial Statements and Annual Activity Report and shall present them to the registered auditor or the specialized auditing company appointed by the General Meeting of Shareholders.

**AUDIT AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS****Article 38**

/1/ The Annual Financial Statements shall be audited by the registered auditor or by the specialized auditing company appointed by the General Meeting of Shareholders, which are to be responsible for their impartial and reliable audit and for the non-disclosure of the Company's confidential information. The Annual Financial Statements cannot be approved by the General Meeting without such audit.

/2/ The audit shall aim to ascertain whether the current legal provisions applicable to annual financial statements are complied with.

/3/ In case that the General Meeting of Shareholders fails to appoint a registered auditor after the expiry of the calendar year, a registration officer of the Registry Agency shall appoint a registered auditor at the request of the Management Board, the Supervisory Board or any shareholder.

/4/ After the receipt of the Report by the registered auditor or the specialized auditing company, the Management Board shall present the Annual Financial Statements of the Company, the Activity Report by the Management Board and the Report by the registered auditor or the specialized auditing company to the Supervisory Board. The Management Board shall also present a proposal on profit distribution to the General Meeting of Shareholders.

/5/ At a session of the Supervisory Board attended by the registered auditor or an authorized representative of the specialized auditing company, the Supervisory Board shall examine the Annual Financial Statements of the Company, the Activity Report by the Management Board, the Report by the registered auditor or the specialized auditing company and the proposal on profit distribution and make a decision on convocation of a regular session of the General Meeting of Shareholders of the Company following their approval.

/6/ The Annual Financial Statements duly examined and approved by the General Meeting of Shareholders shall be submitted to the Commercial Register.

**PROFIT DISTRIBUTION****Article 39**

Profit shall be distributed based on a decision of the General Meeting of Shareholders at the proposal of the Management Board and the Supervisory Board subject to the provisions of the effective legislation and this Statute.

**RESERVE FUND****Article 40**

/1/ The Company shall be obliged to form a Reserve Fund.

/2/1 The Reserve Fund shall be formed of the following sources:

a/ 1/10 /one tenth/ of the profit, which is to be taken to the Reserve Fund until it reaches 1/10 /one tenth/ of the registered capital;

b/ The cash received over the nominal values of shares and bonds upon their issue;

c/ The additional payments made by the shareholders for the privileges provided for their shares;

d/ Other amounts based on a decision of the General Meeting of Shareholders.

/3/ The Reserve Fund shall be used to cover prior-period and current losses only. In case that the Reserve Fund exceeds 1/10 /one tenth/ of the registered capital, the surplus may also be used to increase the registered capital of the Company.

## **PAYMENT OF DIVIDENDS**

### **Article 41**

/1/ Right to dividend shall have each shareholder of the Company who is entered into the registers of Central Depository as a shareholder on the 14<sup>th</sup> day after the session at which the General Meeting of Shareholders approves the Annual Financial Statements and makes a decision on profit distribution.

/2/ The Company shall pay its shareholders the voted dividends within 3 /three/ months as of the date of the particular session of the General Meeting of Shareholders. Dividends shall be paid with the assistance of Central Depository AD as provided for by law.

## **Chapter V**

### **COMPANY TRANSFORMATION**

#### **Article 42**

The transformation of the Company shall be performed in compliance with the Law on Public Offering of Securities.

## **Chapter VI**

### **WINDING UP AND LIQUIDATION**

#### **Article 43**

/1/ The Company shall be wound up based on a decision of the General Meeting of Shareholders in the cases under Article 252 of the Law on Commerce.

/2/ Upon winding up of the Company, liquidation shall be executed in compliance with the provisions of Article 266 and the following of the Law on Commerce.

## **FINAL PROVISIONS**

**Paragraph 1.** All issues unsettled in this Statute shall be governed by the Bulgarian legislation.

Paragraph 2. This Statute was approved by the General Meeting of Shareholders of the Company at a session held on 27.02.1998 in Sofia and amended and supplemented by a decision made by the General Meeting of Shareholders of the Company at a session held on 08.06.1999 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 25.08.1999 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 29.08.2000 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 29.06.2001 in Sofia, and in compliance with a subscription for increase of the registered capital of the Company closed on 15.02.2002, a decision made by the General Meeting of Shareholders of the Company at a session held on 14.06.2002 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 24.06.2003 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 06.03.2004 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 01.06.2007 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 29.08.2007 in Sofia, a decision made by the General Meeting of Shareholders of the Company at a session held on 30.06.2008 and a decision of the Management Board on 15.02.2010 г. and on the grounds of Article 12a of the Statute, in relation with Article 196 of the Law on Commerce and on 22.02.2010 г. and on a subscription for capital increase of the Company, ended on 27.05.2010 and on a subscription for capital increase of the Company, ended on 31.03.2011 and a decision made by the General Meeting of Shareholders of the Company at a session held on 30.06.2011 in Sofia, with a decision of the General Meeting of the

Company held in the city of Sofia on 04.12.2014 and with a decision of the Management Board held on 06.04.2015 and on the grounds of Article 12a of the Statute, in relation with Article 196 of the Law on Commerce in connection with the conversion of bonds issued by the Company in shares, and with a decision of the General Meeting of the Company held in the city of Sofia on 24.06.2015. and with a decision of the General Meeting of the Company held in the city of Sofia on 19.02.2018, and with a decision of the Management Board held on 27.03.2018 and on the grounds of Article 12a of the Statute, in relation with Article 196 of the Law on Commerce in connection with the conversion of bonds issued by the Company in shares, and with a decision of the General Meeting of the Company for decrease of the capital, held in the city of Sofia on 18.11.2021.