

## Invitation to Extraordinary General Meeting of Korado - Bulgaria AD

Dear Shareholders and Vote-Holders,

The Supervisory Board of Korado - Bulgaria AD, a joint-stock company incorporated and existing under the laws of the Republic of Bulgaria, having its seat and address of management at: Strazhitsa, 28, Gladstone St., registered with the Commercial Registry at the Registry Agency under Uniform Identification Code 814190902, and having its official web-site on the Internet at <http://korado.bg> (hereinafter referred to as the “**Supervisory Board**” and the “**Company**”, respectively) took a resolution for convening an extraordinary session of the General Meeting of the Company (hereinafter referred to as the “**General Meeting**”), on the grounds of Art. 223, Par. 1 of the Law on Commerce.

In performance of the resolution, the Supervisory Board does hereby invite you to attend the General Meeting. The General Meeting will be held on 18 September 2019 at 11:00 a.m. at the following address: Strazhitsa, 28, Gladstone St., with the following agenda and draft-resolutions:

**1. Approval of the 6-Month Financial Statements of the Company for the period ending on 30 June 2019**

*Draft-Resolution: “The General Meeting approves the 6-Month Financial Statements of the Company for the period ending on 30 June 2019.”*

**2. Approval of the report of the Management Report of the Company on the compliance with the statutory requirements to the payment of 6-month dividend**

*Draft-Resolution: “The General Meeting approves the report of the Management Report of the Company on the compliance with the statutory requirements to the payment of 6-month dividend.”*

**3. Payment of 6-month dividend from a portion of the profit of the Company for the first half of the year 2019**

*Draft-Resolution: “The General Meeting resolves that to the shareholders of the Company as 6-month dividend is paid a portion of the net profit of the Company of BGN 3 218 222 for the first half of the year 2019, as follows: (i). total gross amount of the dividend – BGN 1 316 861,40; (ii). gross amount of the dividend per share – BGN 0.10.”*

**4. Buy-back of shares of the Company for the purpose of implementing an Employee Share Ownership Project of the Company**

*Draft-Resolution: “The General Meeting approves the Employee Share Ownership Project of the Company, which is set out in the material under item 4 of the agenda of the General Meeting and, on the grounds of Art. 1876, Par. 1 of the Commercial Law and Art. 17 of the Articles of Association of the Company, resolves to complete a buy-back procedure for shares of the Company, such buy-back being realised exclusively for the purpose of the implementation of such project, where the essential terms and conditions of the buy-back are the following::*

(a) maximum number of shares eligible for buy-back:

[12,000]

(b) minimum unit price per share in the buy-back:

[80% of the price of the deal with shares of the Company, which was concluded latest in time before the day of the registration of the resolution of the General Meeting on the buy-back with the Trade Registry]

(c) maximum unit price per share in the buy-back:

*[85% of the price of the deal with shares of the Company, which was concluded latest in time before the day of the registration of the resolution of the General Meeting on the buy-back with the Trade Registry]*

(d). *duration of the buy-back:*

*not more than [10] business days as from the day, on which the resolution of the General Meeting on the buy-back is registered at the Trade Registry*

(e). *manner of implementing the buy-back:*

*The Company shall buy-back from any of the shareholders of the Company (including, but not limited to, the majority shareholder) the shares, for which the Securities Broker retained for the implementation of the buy-back receives, within the duration of the buy-back process, Sell offers meeting the terms and conditions of the buy-back, irrespective of the type of offer and/or type of deal, which will be completed for such shares upon acceptance of the offer, where the acceptance of offers, respectively the conclusion of deals, shall follow the chronological order of receipt of the offers up until the maximum number of shares eligible for buy-back is reached.*

(f). *instruction to the Management Board of the Company:*

*The General Meeting instructs the Management Board of the Company:*

(i). *to determine the Securities Broker to be retained for the implementation of the buy-back;*

(ii). *to determine any and all remaining terms and conditions of the buy-back under, subject to the requirements of the law and of the Articles of Association of the Company to that;*

(iii). *to transfer the shares acquired by the Company in result of the buy-back to the benefit of the Qualifying ESOP Participants, who have accepted to acquire such shares, as a one-off additional in-kind employment remuneration on the terms and conditions of the ESOP; and*

(iv). *to complete any and all legal and de-facto action for the implementation of the buy-back of the shares in accordance with the resolution of the General Meeting.*

*The Employee Share Ownership Project of the Company is appended to the Minutes of the General Meeting.*

## **5. Miscellaneous.**

Any and all shareholders and vote-holders of the Company are invited to attend the General Meeting. Please, note the following terms and conditions to the preparation for, participation in, and voting at, the General Meeting:

### *1. Record Date of Holding Votes for the Purpose of the General Meeting*

The right to participate in, and vote at, the General Meeting is vested into the persons, who/which are registered as entitled to voting at the registry kept by Central Depository AD 14 (fourteen) days before the date of holding of the General Meeting, i.e. on 4 September 2019.

### *2. Registration*

The registration of the shareholders and vote-holders for participation in the General Meeting will commence 1 (one) hour before the announced kick-off time at the announced venue of the General Meeting.

Shareholders and vote-holders – natural persons – will be required to evidence their identity by way of presentation of an identity card or passport.

People, who are statutory representatives of legal entities – shareholders or vote-holders, will be required to evidence: (a). their identity, as shown in the preceding paragraph; and (b). their representative power by way of presentation, in a hard-paper original counterpart, of an excerpt from the registry or other record by a competent authority, which is assigned by applicable law with the keeping of the corporate (or other, as relevant to any specific type of legal entity) files of the respective type of legal entity, such excerpt or other record containing the name and position of the respective statutory representative/s and being updated as of not earlier than 3 (three) months before the date of holding of the General Meeting, i.e. not earlier than 18 June 2019. Where the excerpt or other record is originally prepared in a foreign language, the excerpt or other record will be required to bear an Apostille seal or be otherwise legalized for use in Bulgaria, as required by Bulgarian law, and have translation of the relevant information into Bulgarian, which is done by a sworn translator.

### *3. Representation by Power of Attorney*

Each shareholder and vote-holder has the right to authorize an individual or a legal entity for representation at the General Meeting by receiving the materials for, participating in, and voting at, the General Meeting in the name and at the expense of the shareholder or vote-holder by way of Power of Attorney.

No shareholder or vote-holder may be represented by a member of the Management Board or the Supervisory Board of the Company, unless the shareholder or vote-holder has expressly specified the manner of voting on each of the items on the agenda in the Power of Attorney.

The attorney-in-fact has the same rights as the shareholder or vote-holder represented by him. The attorney-in-fact is obliged to exercise the voting rights in accordance with the instructions of the shareholder or vote-holder contained in the Power of Attorney (if any).

An authorized attorney-in-fact may represent more than one shareholder or vote-holder at the General Meeting. In such event, the authorized attorney-in-fact may vote in a different manner with the shares or votes held by the different shareholders or vote-holders represented by him.

The Power of Attorney for the representation of a shareholder or vote-holder at the General Meeting should be: granted for the specific session of the General Meeting; express; set out in written form; and having the following requisites at the least: details of the grantor and the attorney-in-fact; number of the shares, to which the Power of Attorney refers; the agenda of the items proposed for discussion; the draft resolutions on each of the items on the agenda; the manner of voting on each of the items on the agenda, if applicable; date and signature. In the event that the Power of Attorney does not contain the manner of voting on any or all of the items on the agenda, the Power of Attorney needs to contain the statement that the attorney-in-fact has full discretion as to whether or not and, if yes, how to vote.

A form of a Power of Attorney for the General Meeting will be prepared by the Company and made available to the shareholders and vote-holders for use from the date of announcement of this present invitation at the Trade Registry until the date of holding of the General Meeting, as follows: (a). in a hard-paper copy amongst the materials for the General Meeting at the address of management of the Company; and (b). in an electronic form at the official web-site of the Company on the Internet.

In the event that a shareholder or vote-holder authorizes an attorney-in-fact for the General Meeting, a copy of the Power of Attorney will be required to be sent to Ms. Snezhana Baycheva, Investor Relations Director of the Company: (a). by registered post to the address of management of the Company specified hereinabove; or (b). by e-mail to [info@korado.bg](mailto:info@korado.bg), by 4:00 p.m. Bulgarian time on the last working day before the date of holding of the General Meeting, i.e. by 17 September 2019. The notice of the authorization could also be given by use of electronic means – the e-mail of the Company announced at the official web-site of the Company on the Internet. The original hard-paper counterparts of the Powers of Attorney will be required to be presented upon the registration of the shareholders and vote-holders for participation in the General Meeting.

### *4. No Voting by Correspondence or Electronic Means*

To the General Meeting will not apply the rules for voting by correspondence or by electronic means provided for in Art. 115, Par. 2, item 6 of the Law on Public Offering of Securities.

## 5. *Rights of the Shareholders and Vote-Holders Associated with the General Meeting*

### 5.1. *Number of Shares and Voting Rights*

The total of all shares of the Company as at the moment of the resolution of the Supervisory Board on the convocation of the General Meeting is 13,168,614 (thirteen million one hundred and sixty eight thousand six hundred and fourteen). Each of these shares entitles to 1 (one) vote at the General Meeting. The total of all votes at the General Meeting is 13,168,614 (thirteen million one hundred and sixty eight thousand six hundred and fourteen).

### 5.2. *Statements, Questions and Proposals for Resolution*

Each shareholder or vote-holder has the right to make statements, ask questions and, subject to compliance with the statutory procedure for that – propose resolutions on any and all of the items of the agenda of the General Meeting, as announced by this present invitation. Unless otherwise required by law, the deadline for exercising the right to propose resolutions is the end-time of the regime of discussions on the respective item of the agenda and before the start-time of the regime of voting on the item. The questions of the shareholders and vote-holders may also refer to matters, which are not covered by the announced items of the agenda of the General Meeting.

### 5.3. *Proposals for Resolutions on Matters of Substance on Items of the Agenda*

Each shareholder or vote-holder has the right to make proposals for resolution on the substance of any matter included in the agenda, subject to compliance with the requirements of the law, where the restriction under Art. 118, Par. 3 of the Law on Public Offering of Securities shall apply accordingly. The deadline for exercising this right is the end-time of the discussion regime on the respective item of the agenda before the start-time of the voting regime at the General Meeting.

### 5.4. *Addition of Items to the Agenda*

Shareholders or vote-holders who/which, individually or collectively, hold shares or votes representing at least 5% of the registered capital of the Company may, after the announcement of this present invitation at the Trade Registry, include other items in the agenda of the General Meeting. For that, they should submit for announcement at the Trade Registry a list of the items for adding to the agenda and the draft resolutions on such items not later than 15 days before the date of holding of the General Meeting. By their announcement in the Trade Registry, the items should be considered included in the proposed agenda. Not later than the next working day after the announcement, the shareholders or vote-holders should present the list of items, the draft resolutions and the written materials at the seat and the address of management of the Company and to the Financial Supervision Commission.

## 6. *Inadmissible Resolutions*

The General Meeting cannot take resolution concerning issues, which have not been announced in accordance with Art. 223 and 223a of the Law on Commerce, except where all shareholders and vote-holders are attending or are represented at the General Meeting and no one objects to the raised issues being discussed.

## 7. *Lack of Quorum*

In the event of lack of quorum, pursuant to Art. 227, Par. 3 of the Law on Commerce and Art. 61, Par. 2 of the Articles of Association of the Company, will be held a new session of the General Meeting on 2 October 2019 at 11:00 a.m., at the same place and with the same agenda.

## 8. *Availability of the Materials for the General Meeting*

As from the date of announcement of this present invitation at the Commercial Registry until the date of holding of the General Meeting, the materials relating to its agenda will be made available to the shareholders, vote-holders and their representatives at the address of management of the Company: Strazhitsa, 28, Gladstone St., on any business day between 9:00 a.m. and 4:00 p.m. and will be provided, upon request by a shareholder or a representative of a shareholder, at no cost. Throughout the same period of time, the materials will also be available at the official web-site of the Company on the Internet.

*9. Breach of the Requirements for Registration and Representation by Power of Attorney*

In the event of breach of any of the requirements for registration and/or representation by Power of Attorney, as set out in items 2 and 3 of this present invitation, of any character whatsoever, the respective shareholder, vote-holder or his statutory representative or proxy will not be allowed to participate in the discussion and vote on any or all the of items of the agenda of the General Meeting, as the case may be, or where he has participated or voted so, his statement/s and vote/s will be disqualified.

**Chairman of the Supervisory Board of the Company:**



\_\_\_\_\_  
**Tomáš Kollert**

**Executive Director of the Company:**



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**Jiří Rezníček**

**25.07.2019**