

## **Invitation to a Regular Annual General Meeting of the Shareholders of Korado-Bulgaria AD**

Dear Shareholders,

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 a regular annual session of the General Meeting of the Shareholders of the Company (hereinafter referred to as the “**General Meeting**”), on the grounds of Art. 251, Par. 1 of the Law on Commerce and Art. 53, Par. 1 of the Articles of Association of the Company.

In performance of the resolution, the Supervisory Board does hereby invite you to attend the General Meeting. The General Meeting will be held on 15 May 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 audited Annual Financial Statements of the Company for the year 2018 (including the Report on the Implementation of the Policy on the Remuneration of the Members of the Boards of the Company for the year 2018, which constitutes a separate document appended to the Annual Financial Statements of the Company for the year 2018)**

*Draft-Resolution:* “The General Meeting approves the audited Annual Financial Statements of the Company for the year 2018 (including the Report on the Implementation of the Policy on the Remuneration of the Members of the Boards of the Company for the year 2018, which constitutes a separate document appended to the Annual Financial Statements of the Company for the year 2018).”

- 2. Approval of the Report of the Management Board on the operations of the Company for the year 2018**

*Draft-Resolution:* “The General Meeting approves the Report of the Management Board on the operations of the Company for the year 2018.”

- 3. Acceptance of the Report of the registered auditor on the audit of the Annual Financial Statements of the Company for the year 2018**

*Draft-Resolution:* “The General Meeting accepts the Report of the registered auditor on the audit of the Annual Financial Statements of the Company for the year 2018.”

- 4. Approval of the Report of the Audit Committee of the Company on its activities for the year 2018**

*Draft-Resolution:* “The General Meeting approves the Report of the Audit Committee of the Company on its activities for the year 2018.”

- 5. Taking a resolution on the distribution of the profit of the Company for the year 2018**

*Draft-Resolution:* “The General Meeting distributes the net profit of the Company for the year 2018, which is BGN 5,253,553.21, as follows:

- the first portion of the profit, such portion being at the total gross amount of BGN 1,316,861.40, was already distributed to the shareholders of the Company as 6-month dividend (gross unit 6-month dividend of BGN 0.10 per share) by resolution of the General Meeting of the Shareholders of the Company on 31 October 2018;

- the second portion of the profit, such portion being at the amount of BGN 1,434,655.15 is allocated to the Retained Earnings of the Company; and
- the third portion of the profit, such portion being at the total gross amount of BGN 2,502,036.66 is distributed to the shareholders of the Company as year-end dividend, where the gross unit year-end dividend is BGN 0.19 per share.

**6. Approval of the Report on the Activities of the Investor Relations Director of the Company for the year 2018**

*Draft-Resolution:* “The General Meeting approves the Report on the Activities of the Investor Relations Director of the Company for the year 2018.”

**7. Approval of the Report of the Supervisory Board on its operations in lieu of Remuneration Committee of the Company for the year 2018**

*Draft-Resolution:* “The General Meeting approves the Report of the Supervisory Board on its operations in lieu of Remuneration Committee of the Company for the year 2018.”

**8. Release of the members of the Supervisory Board of the Company from responsibility for their conduct as such officers for the year 2018**

*Draft-Resolution:* “The General Meeting releases any and all persons, who have been members of the Supervisory Board of the Company, from responsibility for their conduct as such officers for the year 2018. The release refers exclusively to the action, which has been taken by such persons, insofar as this action or the result from it are reflected in the Annual Financial Statements of the Company for the year 2018, as such statements are audited by the registered auditor and approved by the General Meeting of the Shareholders.”

**9. Release of the members of the Management Board of the Company from responsibility for their conduct as such officers for the year 2018**

*Draft-Resolution:* “The General Meeting releases any and all persons, who have been members of the Management Board of the Company, from responsibility for their conduct as such officers for the year 2018. The release refers exclusively to the deals and action, which has been taken by such persons, insofar as this action or the result from it are reflected in the Annual Financial Statements of the Company for the year 2018, as such statements are audited by the registered auditor and approved by the General Meeting of the Shareholders.”

**10. Appointment of a registered auditor for the carrying out of the independent financial audit of the Annual Financial Statements of the Company for the year 2019**

*Draft-resolution:* “The General Meeting, following the recommendation of the Audit Committee of the Company, appoints the specialized audit firm PriceWaterhouse Coopers OOD, Sofia, as the registered auditor for the carrying out of the independent financial audit of the Annual Financial Statements of the Company for the year 2019.”

**11. Miscellaneous.**

Any and all shareholders 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 Shares 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 1 May 2019.

## 2. *Registration*

The registration of the shareholders 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 – 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, 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 15 February 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 has the right to authorize an individual or a legal entity for representation at the General Meeting by receiving the materials for, participation in, and voting at, the General Meeting in the name and at the expense of the shareholder by way of Power of Attorney.

No shareholder may be represented by a member of the Management Board or the Supervisory Board of the Company, unless the shareholder 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 represented by him. The attorney-in-fact is obliged to exercise the voting rights in accordance with the instructions of the shareholder contained in the Power of Attorney (if any).

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

The Power of Attorney for the representation of a shareholder 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 shareholder 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 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 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 14 May 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 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 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 and Questions*

Each shareholder has the right to make statements and/or ask questions on any and all of the items of the agenda of the General Meeting, as announced by this present invitation. The statements and questions of the shareholders 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 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. 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.

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

Shareholders who/which, individually or collectively, hold shares 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 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 of the Company 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 30 May 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 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, in any respect whatsoever, the shareholder or statutory representative of a shareholder or proxy of a shareholder 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:**



Tomáš Kollert

Executive Director



Jiří Řezníček

