

## MINUTES

Today, 09 August 2017 /ninth of August of the year of two thousand and seventeen/, at 11.00 a.m., in the town of STRAZHITSA – the head office of the company, an extraordinary General Meeting of Shareholders of Korado-Bulgaria AD, with registered address in the town of STRAZHITSA and management address at 28, Gladstone Street, UIC 814190902, was held.

The meeting was opened by the Chairman of the MANAGEMENT BOARD and Executive Director of Korado-Bulgaria AD – eng. JIRI REZNICEK, who after a brief introduction announced that out of the total number of shares – 8,779,076, 7,722,699 shares were present at the meeting, according to an enclosed list, representing 87.97 % of the total number of shares. Therefore, according to the requirements of the Articles of Association and the law, the meeting should be considered regular and could pass resolutions.

Mr JIRI REZNICEK announced that in the hall there were present, as non-shareholders, also the following ladies and gentlemen: Mr TOMAS KOLLERT – Chairman of the SB of the company, Mr IVAN LYASKOV - member of the SB, Mr NIKOLAY KICHUKOV – representative of Raiffeisenbank (Bulgaria) EAD, Sofia, and Mr VALENTIN TRAYANOV – interpreter.

The shareholder Korado AS, Ceska Trebova, CZECH REPUBLIC, holder of 7,357,522 shares, was represented by FRANTISEK MENCLIK – Chairman of the MB of Korado AS, CZECH REPUBLIC, representative of the shareholder by law; the shareholders - Nenko Bachvarov – holder of 400 shares, Silviya Stefanova – holder of 218 shares, Snezhana Baycheva – holder of 209 shares, Konstantin Dimitrov Abrashev – holder of 700 shares, were represented in person; the shareholders: 1. Universal Pension Fund DSK-RODINA, holder of 310,870 shares, 2. Occupational Pension Fund DSK-RODINA, holder of 31,820 shares, 3. Voluntary Pension Fund DSK-RODINA, holder of 17,840 shares, and 4. Voluntary Pension Fund under Occupational Schemes DSK-RODINA, holder of 3,120 shares, four shareholders in total holding collectively 363,650 shares were represented by their proxy, Konstantin Dimitrov Abrashev – power of attorney reg. N 9292 dated 04 August 2017 of Ivaylo Nikolov, commission N 040 in the register of the Chamber of Notaries, Notary Public for the area of Sofia Regional Court.

Mr JIRI REZNICEK proposed to the GENERAL MEETING to take to vote the presence of the above non-shareholders.

**Votes “for” – 7,722,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.**

Mr JIRI REZNICEK proposed IVAN LYASKOV, attorney-at-law to act as Chairman, Nenko Bachvarov to act as Secretary, and Snezhana Baycheva to act as Vote-teller of the General Meeting.

**Votes “for” – 7,722,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.**

The Chairman of the meeting proposed that a verification of the quorum be carried out before its proceeding to act; following the vote, it was established that 7,722,699 shares were present in the hall, representing 87.97 % of the total number of shares subscribed.

The Chairman of the meeting announced that according to the announced agenda the meeting would pass resolutions on the following items:

1. Approval of a resolution on the increase of the capital of the company by its own funds;

2. Approval of a resolution on the amendment to the Articles of Association of the company to reflect the increase of its capital.

3. Appointment of an investment intermediary to serve the capital increase of the company.

4. To entrust the Management Board of the company with the task to carry out the technical actions that are necessary to effect the capital increase.

5. Miscellaneous.

The Chairman of the meeting noted that in view of the fact that not all shares were represented in the hall, changes in the agenda could not be made.

**On item one of the agenda:** FRANTISEK MENCLIK – Chairman of the MB of Korado AS, CZECH REPUBLIC, on behalf of the shareholder Korado AS, CESKA TREBOVA, CZECH REPUBLIC, proposed to the General Meeting to approve a resolution to increase the company's capital by its own funds on the grounds of a proposal of the Management Board of the company according to Minutes of its meeting held on 23 May 2017, approved by the Supervisory Board of the company according to Minutes of its meeting held on 23 May 2017.

It was proposed that the increase be made subject to the following essential terms:

Amount of the capital before the increase (BGN):	8,779,076
Amount of the increase (BGN):	4,389,538
Amount of the capital after the increase (BGN):	13,168,614
Source of the increase:	Own funds of the company from Issue Premium (capitalization)

	of a reserve that exceeds the minimum amount of statutory reserves)
Way of effecting the increase:	Issuance of new shares from the same issue (ISIN code BG11LUSTAT13) or from a new issue of in substance identical shares
Number of new shares:	4,389,538
Type of new shares:	Ordinary, registered, dematerialized, voting shares
Allocation of the new shares:	Among the company shareholders exclusively, pro rata to their participation in the share capital of the company in a ratio of 2:1 (issuance and allocation to each shareholder of 1 new share for every 2 shares held by this shareholder at the date set in accordance with article 112b, paragraph 2 of POSA)

*No specific questions were posed and no other proposals were made by the attendees.*

**Votes “for” – 7,722,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.**

**On item two of the agenda:** FRANTISEK MENCLIK – Chairman of the MB of Korado AS, CZECH REPUBLIC, on behalf of the shareholder Korado AS, CESKA TREBOVA, CZECH REPUBLIC, proposed to the General Meeting to approve a resolution to amend the following texts of the wording of the Articles of Association of the company, as follows:

1. In article 8, paragraph 1 - the existing wording – *The capital of the Company is with par value of BGN 8,779,076 /eight million seven hundred and seventy nine thousand and seventy six leva/, which is divided into registered non-materialized shares, each having par value of BGN 1 /one leva/, shall be repealed and read instead as follows: The company's capital amounts to BGN 13,168,614 /thirteen million one hundred sixty-eight thousand six hundred and fourteen Bulgarian leva/, split into registered, dematerialized shares with nominal value of BGN 1 /one/ each.*
2. In article 9, paragraph 1 - the existing wording - *The capital of the Company is divided into 8,779,076 / eight million seven hundred and seventy nine thousand and seventy six / ordinary, registered, dematerialized shares, shall be repealed and read instead as follows - The company's capital is split into 13,168,614 /thirteen million one hundred sixty-eight thousand six hundred and fourteen/ ordinary, registered, dematerialized shares.*

*No specific questions were posed and no other proposals were made by the attendees.*

**Votes “for” – 7,722,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.**

**On item three of the agenda:** FRANTISEK MENCLIK – Chairman of the MB of Korado AS, CZECH REPUBLIC, on behalf of the shareholder Korado AS, CESKA TREBOVA, CZECH REPUBLIC, proposed to the General Meeting, and on the grounds of the above resolutions of the Management Board and Supervisory Board, to approve a resolution to appoint Raiffeisenbank (Bulgaria) EAD, Sofia, as an investment intermediary to serve the increase of the company's capital.

No specific questions were posed and no other proposals were made by the attendees.

**Votes “for” – 7,722,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.**

**On item four of the agenda:** FRANTISEK MENCLIK – Chairman of the MB of Korado AS, CZECH REPUBLIC, on behalf of the shareholder Korado AS, CESKA TREBOVA, CZECH REPUBLIC, proposed to the General Meeting to pass a resolution by virtue of which the General Meeting of Shareholders to entrust the Management Board of the company with the task to carry out all organisational and technical actions that are necessary to effect the capital increase in accordance with the resolution on item 1 of the agenda of this meeting (including, but not limited to, determine the allocation of all new shares issued during the increase among the shareholders of the company).

No specific questions were posed and no other proposals were made by the attendees.

**Votes “for” – 7,722,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.**

**On item five of the agenda:** The Chairman of the meeting gave to floor for comments, proposals, opinions and questions.

No specific questions were posed and no other proposals were made by the attendees.

There were no specific resolutions approved on this item.

*There being no further business, the General Meeting was adjourned at 12.00 p.m.*

CHAIRMAN OF THE MEETING:

IVAN LYASKOV

SECRETARY OF THE MEETING:

NENKO BACHVAROV

VOTE-TELLER:

SNEZHANA BAYCHEVA