

MINUTES

Today, 23 May 2017 /twenty-third of May of the year of two thousand and seventeen/, at 11.00 a.m., in the town of STRAZHITSA – the head office of the company, a regular 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 convened and announced to the Commercial Register of the Republic of Bulgaria by Invitation published on 05 April 2017.

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, 7,725,699 shares were present at the meeting, according to an enclosed list, representing 88.00 % 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: VOJTECH CAMEK, General Director of Korado AS, CZECH REPUBLIC, TOMAS KOLLERT – Chairman of the SB of Korado-Bulgaria AD, FRANTISEK HAMACEK – Member of the Management Board of Korado AS, CZECH REPUBLIC, member of the SB of Korado-Bulgaria AD and Chairman of the Audit Committee of the company, EVA VOBOROVA – Member of the SB of Korado-Bulgaria AD, JOSEF LASKA - Member of the SB of Korado-Bulgaria AD, LUCIE KOLAROVA – Member of the Audit Committee, JANA HREBICKOVA – Head of Controlling Department of Korado AS, CZECH REPUBLIC and member of the MB of Korado-Bulgaria AD, IVAN LYASKOV - member of the SB of Korado-Bulgaria AD, IVAYLO KOLEV – representative of the registered auditor – Ernst & Young Audit OOD, Valentin Trayanov – interpreter, Boyan Damyanov – interpreter, EVELINA MILTENOVA VELIKOVA – candidate for a member of the SB, and MILENA TONEVA RAYKOVA - candidate for a member of the AC.

The shareholder Korado AS, CESKA T5REBOVA, CZECH REPUBLIC, holder of 7,360,522 shares, was represented by MILOSLAV VOBORA – Deputy Chairman of the MB of Korado AS, CZECH REPUBLIC, representative of the shareholder by law; the four shareholders: UPF DSK-RODINA, holder of 310,870 shares, OPF DSK-RODINA, holder of 31,820 shares, VPF DSK-RODINA, holder of 17,840 shares, and VPF under Occupational Schemes DSK-RODINA, holder of 3,120 shares, were represented collectively by their proxy, Konstantin Dimitrov Abrashev; the shareholders - Konstantin Dimitrov Abrashev – holder of 700 shares, Nenko Bachvarov – holder of 400 shares, Silviya Stefanova – holder of 218 shares, Snezhana Baycheva – holder of 209 shares, were represented in person.

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

Votes “for” – 7,725,699 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” – 7,725,699 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 7,725,699 shares were present in the hall, representing 88.00 % 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 the annual report of the Management Board (MB) on the company's activity in 2016 and the audited financial statements of the company for 2016;

2. Approval of the report of the Audit Committee on its activity in 2016 and hearing of the registered auditor's report for the audit and certification of the annual financial result.

3. Approval of the Report on the compliance with the remuneration policy applicable to the members of the Supervisory Board (SB), Management Board (MB) and the Audit Committee of Korado-Bulgaria AD for 2016 in accordance with Article 12, paragraph 1 of Ordinance N 48/2013 for the Requirements towards the Remuneration issued by the Financial Supervision Commission, including of the Program on the implementation of the remuneration policy for the financial year of 2017 included therein.

4. Approval of the Report of the Investor Relations Director on her activity in 2016.

5. Approval of a resolution on the distribution of the company's profit for 2016.

6. Discharge from liability of the members of the SUPERVISORY BOARD and MANAGEMENT BOARD for their activity in 2016.

7. Appointment of a registered auditor for 2017 as per the proposal of the Audit Committee;

8. Discharge of a member of the Audit Committee.

9. Election of a member of the Audit Committee.

10. Approval of a Statute of the Audit Committee.

11. Revocation of the Articles of Association of the company effective so far.

12. Approval of new Articles of Association of the company.

13. Election of a member of the Supervisory Board.

14. Approval of a resolution on the payment of remuneration to the members of the Management Board, Supervisory Board и Audit Committee, and its amount in 2017.

15. 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: The Chairman of the meeting gave the floor to eng. JIRI REZNICEK, CHAIRMAN OF MB AND EXECUTIVE DIRECTOR, who read the annual management report of the company for 2016 and brought the audited annual financial statements of the company for 2016, included in the materials for the General Meeting, to the attention of the attendees, and proposed that the materials be approved by the GM.

There were no questions posed with respect to the management report of the MB of the company and the audited financial statements.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves the annual report on the company's activity in 2016 and the audited annual financial statements of the company for 2016 in the formats presented.

On item two of the agenda: Following the approved agenda and draft resolutions, the Chairman of the meeting gave the floor to:

Mr FRANTISEK HAMACEK – Chairman of the Audit Committee, who brought the report of the Audit Committee to the attention of the attendees and proposed that the latter be approved by the GMS.

Mr HAMACEK noted that the report of the Audit Committee covered the work of the committee in all areas and that he was of the opinion that the committee had worked effectively and fulfilled all its obligations.

Mr IVAYLO KOLEV brought the registered auditor's report for 2016, prepared and submitted to the company by Ernst & Young Audit OOD, to the attention of the attendees.

He explained that the larger size of the report for this year is due to the changed requirements – International Accounting Standards.

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

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves the report of the Audit Committee and the registered auditor's report for 2016, prepared and submitted to the company by Ernst & Young Audit OOD.

On item three of the agenda: Following the approved agenda and draft resolutions, the Chairman of the meeting presented to the attendees the Report on the compliance with the remuneration policy applicable to the members of the Supervisory Board, Management Board and the Audit Committee of Korado-Bulgaria AD for 2016, approved at a meeting of the MB of the company held on 22 March 2016, prepared in accordance with Article 12, paragraph 1 of Ordinance N 48/2013 for the Requirements towards the Remuneration issued by the Financial Supervision Commission.

The report formed an integral part of the annual financial statements of the company for 2016.

A program for the implementation of the remuneration policy for the financial year – from 1 January 2017 to 31 December 2017 - was enclosed thereto as well.

Besides, the Report contained all mandatory requisites in accordance with article 13 of Ordinance N 48.

The MB proposed that the Report be approved.

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

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves the Report on the compliance with the remuneration policy applicable to the members of the Supervisory Board, Management Board and the Audit Committee of Korado-Bulgaria AD for 2016 in accordance with Article 12, paragraph 1 of Ordinance N 48/2013 for the Requirements towards the Remuneration issued by the Financial Supervision Commission, including of the Program on the implementation of the remuneration policy for the financial year from 1 January 2017 to 31 December 2017.

On item four of the agenda: The Chairman of the meeting gave the floor to the Investor Relations Director who presented the report on her activity in 2016.

There were no questions posed to the Investor Relations Director and no other proposals were made by the attendees.

It was proposed that the report should be approved.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: General Meeting of Shareholders of Korado-Bulgaria AD approves the Report of the Investor Relations Director on her activity in 2016.

On item five of the agenda: Following the approved agenda and draft resolutions, the Chairman of the meeting presented the proposal of the MB of the company, according to Minutes of the Board dated 22 March 2016, approved by the SB according to Minutes of the Board dated 22 March 2016, by means of which it was proposed that the profit from the company's activity in 2016 be distributed as follows:

Annual net accounting profit: **BGN 2,926,849.54**

The following distribution of the profit was proposed:

Dividend payable – **BGN 2,926,849.54** / capital distributed in 8,779,076 shares x BGN 0.26 per share /

Deductions from the profit to the Reserve Fund until it reaches the required statutory minimum -10% : **BGN 112,800.13.**

Amount to be carried forward to prior years' retained earnings: **BGN 531,489.91.**

The Chairman of the meeting proposed that the above proposals be put to vote and become resolutions of this GMS.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves the proposed distribution of the company's profit as quantified above.

On item six of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that in view of the approved management report on the activity of the company for the year and the findings made therein, all members of the SB and MB of the company should be discharged from liability for their activity in the previous year of 2016.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD discharges from liability the members of the SUPERVISORY BOARD and MANAGEMENT BOARD for their activity in 2016.

On item seven of the agenda: The Chairman of the Audit Committee, Mr FRANTISEK HAMACEK, made the following proposal: PricewaterhouseCoopers Audit OOD, Sofia, to be appointed as a registered auditor of the company for 2017.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD appoints PricewaterhouseCoopers Audit OOD, Sofia, as a registered auditor of the company for 2017.

On item eight of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed to the General Meeting of Shareholders to approve the proposal of the Chairman of the Supervisory Board of the company, according to Minutes of the Board meeting dated 22 March 2017, based on her personal request, that Lucie Kolarova be discharged as a member of the Audit Committee of the company.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD discharges Lucie Kolarova as a member of the Audit Committee.

On item nine of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed to the General Meeting of Shareholders to approve the proposal of the Chairman of the Supervisory Board of the company, according to Minutes of the Board meeting dated 22 March 2017, that Mrs MILENA TONEVA RAYKOVA be elected as a new member of the Audit Committee.

It was noted that all documents required in connection with her election had been duly enclosed to the materials for the GMS.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD elects MILENA TONEVA RAYKOVA as a member of the Audit Committee.

On item ten of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed to the General Meeting of Shareholders to approve the proposal of the Chairman of the Supervisory Board of the company, according to Minutes of the Board meeting dated 22 March 2017, of a draft Statute of the Audit Committee, approved by the SB at the same meeting and proposed by the Audit Committee of the company, on the grounds of article 107, paragraph 7 of the Independent Financial Audit Act.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves a Statute of the Audit Committee.

On item eleven of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed to the General Meeting of Shareholders to approve the proposal of the Chairman of the Supervisory Board of the company, according to Minutes of the Board meeting dated 22 March 2017, that the currently effective Articles of Association of the company be revoked due to significant amendments to the legislation of the Republic of Bulgaria.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD revokes the Articles of Association effective so far.

On item twelve of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed to the General Meeting of Shareholders to approve the proposal of the Chairman of the Supervisory Board of the company, according to Minutes of the Board meeting dated 22 March 2017,

that a new Articles of Association of the company consistent with the significant amendments to the legislation of the Republic of Bulgaria be approved.

The draft Articles of Association was enclosed to the materials of the meeting.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves a new Articles of Association of the company.

On item thirteen of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed to the General Meeting of Shareholders to approve the proposal of the Chairman of the Supervisory Board of the company, according to Minutes of the Board meeting dated 22 March 2017, based on the proposal of the shareholder Korado A.S., that Mrs EVELINA MILTENOVA VELIKOVA be elected as a new member of the SUPERVISORY BOARD.

It was noted that all documents required in connection with her election had been duly enclosed to the materials for the GMS.

No other proposals were made by the attendees.

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD elects Mrs EVELINA MILTENOVA VELIKOVA as a new member of the SUPERVISORY BOARD.

On item fourteen of the agenda: Following the approved agenda and draft resolutions on this agenda item, the Chairman of the meeting announced that it was proposed that all members of the Management Board, Supervisory Board и Audit Committee of Korado-Bulgaria AD, town of Strazhitsa, hired under employment agreements by the holding, to be paid no remuneration for their activity as Board / Committee members, and that the other members should be paid remuneration in the amount paid so far and in compliance with the remuneration policy adopted by the company.

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

Votes “for” – 7,725,699 shares, votes “against” – 0, abstainers - 0 – the proposal was approved.

Resolution passed: The General Meeting of Shareholders of Korado-Bulgaria AD approves a resolution that all members of the Management Board and Supervisory Board, who are hired under employment agreements by the holding, shall not be paid remuneration for their activity as board members, and respectively, as members of the Audit Committee, and that the other members shall be paid remuneration in the amount paid so far and in compliance with the remuneration policy adopted by the company.

On item fifteen of the agenda: Miscellaneous.

The following speeches were delivered:

Mr Miroslav Vobora: On behalf of all employees of Korado A.S., I am pleased to congratulate you on your accomplishments. We are convinced that this successful process will continue. We are glad to see that new technology is successful in achieving its objectives and tasks, and contributes to the achievement of the goals set by management.

Mr Vojtech Camek: On behalf of Korado Group, I would like to thank all shareholders for their support. As you know, the Czech government and the European Bank for Reconstruction and Development are members of the Group. The main goal set by them is the development of capital markets. We debated last week how we can contribute to the achievement of this goal. We asked them to discuss the opportunities for us to develop in this direction. There are decisions to be made on how this task could be fulfilled, and respectively, on how to reduce the share of the majority shareholder.

Mr Eng. JIRI REZNICEK: I thank all my colleagues from Korado-Bulgaria AD for their good work during the year.

I thank the parent company for all their support.

I thank the audit firm Ernst & Young Audit for our long-standing collaboration, which we discontinue by the will of the law.

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