

INVITATION

On the grounds of Article 223, of the Commercial Act and Article 53, paragraph 1 of the Articles of Association of the Company, the Management Board of Korado-Bulgaria AD, town of Strazhitsa, Veliko Tarnovo Region, convenes a regular General Meeting of Shareholders of the Company on 23 May 2017, at 11.00 a.m., at the head office and management address of the Company: town of Strazhitsa, 28 Gladstone Street, the administrative building, under the following agenda:

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;

Draft resolution: The General Meeting of Shareholders approves the annual report of the Management Board on the company's activity and the audited financial statements in the format approved by the Supervisory Board and brought to the attention of the shareholders.

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.

Draft resolution: The General Meeting of Shareholders approves the report of the Audit Committee on its activity in 2016 in the format brought to the attention of the shareholders and takes into account the registered auditor's report.

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 for the implementation of the remuneration policy for the financial year of 2017 included therein.

Draft resolution: The General Meeting of Shareholders 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 of 2017 included therein.

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

Draft resolution: The General Meeting of Shareholders approves 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.

Draft resolution: The General Meeting of Shareholders approves the draft resolution of the Management Board taken at its meeting held on 22 March 2017 and approved by the Supervisory Board at its meeting held on 22 March 2017 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.

Draft resolution: The General Meeting of Shareholders discharges from liability 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;

Draft resolution: The General Meeting of Shareholders approves the proposal of the Audit Committee that PricewaterhouseCoopers Audit OOD, Sofia, is appointed as a registered auditor of the company for 2017.

8. Discharge of a member of the Audit Committee.

Draft resolution: The General Meeting of Shareholders approves the proposal of the Chairperson of the Supervisory Board of the company for the discharge of a member of the Audit Committee.

9. Election of a member of the Audit Committee.

Draft resolution: The General Meeting of Shareholders approves the proposal of the Chairperson of the Supervisory Board of the company for the election of a member of Audit Committee.

10. Approval of a Statute of the Audit Committee.

Draft resolution: The General Meeting of Shareholders approves the proposal of the Chairperson of the Audit Committee and of the Supervisory Board of the company for the approval of a Statute of the Audit Committee.

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

Draft resolution: The General Meeting of Shareholders approves the proposal of the Supervisory Board of the company for revocation of the Articles of Association of the company effective so far due to significant amendments to the legislation.

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

Draft resolution: The General Meeting of Shareholders approves the proposal of the Supervisory Board of the company for the approval of new Articles of Association in the proposed format consistent with the changes in the regulatory base and amendments to the effective legislation.

13. Election of a member of the Supervisory Board.

Draft resolution: The General Meeting of Shareholders approves the proposal of the Supervisory Board of the company, based on the proposal of the shareholder KORADO a. s., for the election of a new 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.

Draft resolution: The General Meeting of Shareholders approves a resolution that all members of the Management Board, Supervisory Board и Audit Committee of Korado-Bulgaria AD, town of Strazhitsa, who are hired under employment agreements by the holding, KORADO a. s., shall not be paid remuneration for their activity as board / committee members. The other members, who do not have employment relationships with the holding, shall be paid remuneration in the amount paid so far and in compliance with the remuneration policy adopted by the company.

15. Miscellaneous.

All shareholders of the Company are invited to attend the General Meeting in person or through a proxy. The written materials of the meeting are available to the shareholders at the head office and management address of the company: town of Strazhitsa, 28, Gladstone Street, every

working date from 9.00 a.m. to 4.00 p.m. The invitation and the materials on the agenda items will be available on the website of Korado-Bulgaria AD at: www.korado.bg during the period from the announcement of the Invitation to the Commercial Register to the closure of the General Meeting.

The shareholders holding shares, jointly or severally, representing at least 5 per cent of the capital of Korado-Bulgaria AD, town of Strazhitsa, have the right to request that certain items be included in the agenda of the General Meeting and to propose resolutions to be taken on issues already included in the agenda of the General Meeting in accordance with Art. 223a of the Commercial Act. No later than 15 days prior to the date of the General Meeting, the shareholders under the preceding sentence shall present for announcement to the Commercial Register a list of the items to be included in the agenda and the draft resolutions thereon. By their announcement to the Commercial Register, all items are considered included in the proposed agenda. No later than on the next working day following the date of announcement, the shareholders shall present the list of the items, draft resolutions and written materials at the registered address and address of management of the Company, as well as to the Financial Supervision Commission.

During the General Meeting the shareholders have the right to raise questions regarding the economic and financial status and the commercial activity of the Company, irrespective of whether the latter are related to the agenda or not.

The registration of the shareholders will take place in the day of the General Meeting, from 10:00 a.m. to 10:45 a.m.

For the purposes of registration, the shareholders – individuals shall present an identity document. The legal entities – shareholders shall present an original of an up-to-date certificate of business registration and an identity document of their legal representative.

Rules for voting through a proxy: If a shareholder is represented at the General Meeting on the grounds of article 115d, paragraph 6 of POSA, it is necessary to present also an express, certified by a Notary Public, power of attorney for the particular General Meeting with the content provided for in article 116, paragraph 1 POSA. In the event a legal entity is not represented by its legal representative, the proxy shall present an identity document, an original of an up-to-date certificate of business registration of the respective entity-shareholder, and an express, certified by a Notary Public, power of attorney for the particular General Meeting with the content provided for in article 116, paragraph 1 POSA.

In the event a shareholder of the company is represented by a legal entity-proxy, besides the identity document of the representative of the company-proxy, an original of an up-to-date certificate of business registration of the respective entity-proxy and an express, certified by a Notary Public, power of attorney for the particular General Meeting with the content provided for in article 116, paragraph 1 POSA, shall be presented as well.

On the grounds of article 116, paragraph 4 of POSA, sub-delegation of the rights granted to the proxy by virtue of the power of attorney and any proxy granted in breach of the rules established by Paragraph 1 of article 116 of POSA, shall be void.

The certificate of business registration and the power of attorney for representation at the General Meeting of Shareholders, issued originally in foreign languages, shall be translated into Bulgarian language and legalised in accordance with the requirements of the effective law. In case of discrepancies, the Bulgarian version shall prevail.

The Management Board of Korado-Bulgaria AD, town of Strazhitsa, shall provide a sample of a written power of attorney, on paper and in an electronic format, together with the materials for the General Meeting. The sample of the power of attorney will be available also at the company's website: www.korado.bg. Upon request, a sample of the written power of attorney may be provided after the convocation of the regular General Meeting of Shareholders as well.

Each shareholder, who has granted a power of attorney for participation in GMS, shall notify the Company of this authorisation by the end of the working day preceding the day of the meeting. Korado-Bulgaria AD will receive and consider valid also notifications and powers of attorney emailed to: info@korado.bg. In this case, the electronic notifications shall be signed by the universal electronic signature (UES) of the principal and an electronic document (electronic image) shall be enclosed thereto, also signed by the universal electronic signature (UES) of the principal.

A mail-in or electronic voting is not allowed pursuant to the effective Articles of Association of Korado-Bulgaria AD.

The Management Board of Korado-Bulgaria AD informs that the total number of shares and voting rights of the shareholders of the Company at the time of passing the resolution of the Management Board for convocation of a General Meeting, i.e. 22 March 2017, is 8,779,076 (eight million seven hundred seventy-nine thousand and seventy-six) . Each share gives the right to cast one vote at the General Meeting. Pursuant to Art. 115b, paragraph 1 of POSA only persons registered with the registers of Central Depository AD as shareholders of the Company no later than 14 days prior to the date of the General Meeting, i.e. 09 May 2017, have the right to vote at the General Meeting. In the absence of quorum at the first announced date for holding GMS, on the grounds of article 227, paragraph 3 of the Commercial Act, the GMS of the Company will be held on 07 June 2017 at 11:00 a.m., at the same place and under the same agenda. In this case, items may not be included in the agenda under the procedure of article 223a of the Commercial Act.

Executive Director:

/Eng. JIRI REZNICEK /