



CODE OF ETHICAL CONDUCT

I. BASIC PRINCIPLES

Purpose

Art.1. (1) The purpose of this Code is to establish and strengthen the principles and rules of conduct which have to be followed by the managers and employees of Stara Planina Hold PLC during or in relation to the exercising of their powers.

(2) The fulfillment of obligations under this Code leads to the strengthening of the trust and the goodwill of Stara Planina Hold PLC.

Competence

Art. 2. Use and implementation of the knowledge and experience possessed by the managers and employees when performing their functions and continuous enhancement of their professional qualification.

Confidentiality

Art. 3. Protection and non-disclosure of facts and circumstances which became known to the managers and employees during or in relation to the performance of their duties.

Honesty

Art. 4. Honest and ethical conduct which complies with the generally established rules, honest representation of facts and circumstances which have been found during the performance of their functions.

Independence

Art. 5. Non-admission on part of a manager or employee of exercising influence over him/her by parties connected with to him/her with regard to matters related to the job performed by him/her.

Objectivity

Art. 6. Truthful, correct and unambiguous collection, analysis and evaluation by a manager or employee of all facts and circumstances which became known to

him/her during or in relation to the performance of his/her duties.

II. RELATIONSHIPS WITH SHAREHOLDERS, POTENTIAL INVESTORS, FINANCIAL ANALYSTS AND OTHER INTERESTED PARTIES

Art. 7. (1) Managers and employees are expected to perform their professional duties with competence and professionalism and to adhere to the adopted Program for implementation of internationally recognized standards for good corporate management.

(2) They shall have equal attitude towards all shareholders, potential investors in the holding, financial analysts and other interested parties, irrespective of their nationality, origin, ethnicity, religion, age, sex, sexual orientation, race, education, beliefs, family, professional, social, political or material status.

(3) They must be conscientious and to have as their goal the efficient and swift service of the shareholders.

Art. 8. (1) Managers and employees cannot violate the rights of a shareholder or his/her proxy which are granted by the Constitution and legislation of the Republic of Bulgaria.

(2) The respect for shareholder's rights and the fulfillment of his/her statutory requirements is an indicator for the goodwill of the holding.

Art. 9. Managers and employees shall treat with respect, shall be responsive and attentive, honest, open and competent with potential investors, financial analysts and other interested parties. They must not provoke with their conduct conflict situations and where such happen to occur, they shall seek their resolution.

Art. 10. Managers and employees shall answer the question they have been asked in accordance with the scope of their competences while seeking to clarify the essence of the question. In cases where they have difficulty answering such questions, they shall redirect the interested party to the appropriate officer.

Art. 11. (1) Managers and employees must not make false or misleading verbal or written representations on matters of business nature as well as to abuse internal information.

(2) They cannot advise on the purchase or sale of securities issued by Stara Planina Holding PLC and its subsidiaries.

(3) They are obliged to protect the personal data of any person which became known to them during or in relation to the performance of their professional duties.

Art. 12. In their activities, it is necessary that managers and employees are unprejudiced, objective and to work in accordance with the transparency allowed by the law.

Art. 13. There shall not be permitted any form of abuse of professional powers, such as: intimidation while exercising powers, imposing of sanctions or exertion of mental or physical pressure, irrespective of the reasons.

Art. 14. (1) Managers and employees cannot accept or encourage the acceptance of any tangible or intangible gifts from interested parties.

(2) Gifts shall be rejected in a courteous manner, in a way which does not constitute manifestation of disrespect towards the person presenting the gift. It is necessary that the officer inform his/her direct supervisor about any situation which is related to the issue of offering and accepting gifts.

(3) Exceptions shall be permitted only for promotional items and souvenirs of negligible value (e.g. pens, calendars), when their acceptance does not lead to conflict of interests.

III. ETHICAL MANAGEMENT

Art. 15. Managers shall inform their subordinates about the provisions of the Code of ethical conduct and shall organize its implementation in the business relationships.

Art. 16. In their labor and civil relationships with employees, managers shall observe the principles of objectivity and impartiality, respect and consideration for the personal dignity and honor.

Art. 17. It shall be considered improper the use of means through which employees to be forced to conduct activities outside their scope of professional duties or which violate their dignity.

IV. ETHICAL CONDUCT OF EMPLOYEES

Art. 18. Employees shall observe among themselves the traditionally established rules of good behavior, uprightness, respect for the honor and dignity of the peer.

Art. 19. Employees shall state before the management openly and honestly the problems which they face in the process of their work and shall consult among themselves on issues which involve the norms of ethical conduct in the holding.

Art. 20. Employees are expected to have appearance which is suitable for the environment in which they work. It is necessary that their clothes comply with the generally accepted norms for representative outfits.

Art. 21. Employees are expected to manage their financial obligations and personal debts in a way which is not detrimental to the goodwill of the holding.

Art. 22. No employee shall involve the holding in illegal acts and shall do his/her best to avoid scandalous situations which are detrimental to the goodwill of the holding.

Art. 23. Employees are expected to have zero tolerance toward conduct detrimental to the goodwill of the holding on part of other employees.

V. RELATIONSHIPS BETWEEN MANAGERS AND EMPLOYEES

Art. 24. Stara Planina Hold PLC expects all its managers and employees to have proper and tolerant attitude among themselves. It encourages collaboration among the managers and employees within the scope of their competence as well as respect for all colleagues and tolerance toward others' opinions and actions.

Art. 25. No insulting qualifications and discriminating attitude shall be allowed among the managers and employees of the holding. The responsibility for the maintenance of honest, appropriate and professional relationships rests on all managers and employees of the holding.

Art. 26. Managers and employees shall do their best to prevent conflict situations among themselves. Occurrence of conflict between managers and employees in the presence of third persons is not acceptable.

VI. CONCLUSION

Art. 27. (1) Conduct, which does not comply with these rules shall not be tolerated by the holding.

(2) Breach of the Code shall constitute breach of labor discipline as described in Art.187, item 8 of the Labor Code and shall be sanctioned with extra-legal penalty in accordance with the respective provisions.

The Code was adopted by the Board of Directors on 06.03.2007.