



## ARTICLES OF ASSOCIATION

### I. GENERAL PROVISIONS

#### Legal form

Art. 1. (1) STARA PLANINA HOLD PLC is a holding company, within the meaning of art. 277 of the Commerce Act.

(2) The company is a legal entity, apart from the shareholders. The holding public limited company shall be liable for its debts with its property. The shareholders shall not be held liable for the debts of the holding public limited company. The shareholders shall be liable with the amount of the par value of the shares held by them and shall also be obliged to make the due contributions against the registered shares.

(3) The company is public, within the meaning of art. 110 of the Public Offering of Securities Act and is registered in the Financial Supervision Commission.

#### Name and seal

Art. 2. (1) The holding public limited company, hereinafter referred to as "Holding", shall carry out its business activity under the name "СТАРА ПЛАНИНА ХОЛД" АД, which shall be transcribed in the Latin alphabet as follows: "STARA PLANINA HOLD" PLC.

(2) The name of the holding, along with the specification of the seat and registered office, where the company is registered, the registration number and bank account shall be specified in the commercial correspondence of the holding.

(3) As regards the affiliates of the holding, the addition "affiliate" shall be made and the residential area where this affiliate is located shall be specified.

(4) The holding shall have its round seal lettered STARA PLANINA HOLD PLC – Sofia.

(5) The seals of the affiliates shall bear the addition "affiliate" and the residential area where this affiliate is located.

(6) The holding shall use a seal with English translation of its name for the purposes of its international correspondence.

#### Seat and registered office

Art. 3. (1) The seat of the holding shall be in the city of Sofia, Izgrev District.

(2) The registered office of the holding shall be in the city of Sofia, Izgrev District, 20 Fr. J. Curie, fl. 9.

#### Scope of business activity

Art. 4. (1) The scope of business activity of the holding shall be as follows: acquisition, management, evaluation and sale of share participations in Bulgarian and foreign companies; acquisition, management and sale of bonds, evaluation and sale of patents, transfer of licenses for use of patents, belonging to companies, in which the holding public limited company has participation; financing of companies, in which the holding public limited company has participation; other commercial transactions, except those prohibited by law.

(2) The business activity of the holding under the previous paragraph shall be carried out by virtue of and in accordance with the provisions of the Commerce Act (CA) and the applicable regulations of the acting legislation.

(2) The holding may open affiliates and representative offices (offices), as well as to participate in companies, registered as per the Commerce Act with the participation of local and foreign persons within the country and in accordance with the legal provisions and the clauses of the present Articles.

Art. 5. The holding shall not be entitled to:

1. participate in a company, which is not a legal entity;
2. acquire licenses, which are not designated for use in the companies controlled by it;
3. acquire real properties, which are not needed for its operation. The acquisition of shares from real property companies shall be admissible.

#### **Duration**

Art. 6. The existence of the holding shall not be limited in time.

## **II. CAPITAL AND SHARES**

Art. 7. (1) The Capital of the holding is 21 000 000 (twenty-one million) Bulgarian levs, subscribed and deposited in full, allocated to 21 000 000 (twenty-one million) registered non-preferred voting right shares with par value of 1 (one) Bulgarian lev each.

(2) More than 25% (twenty five percent) of the holding capital is deposited directly in more than two subsidiaries, provided that in each of them the shares held represent no less than 25% (twenty five percent) of the capital of these companies.

#### **Shares**

Art. 8. (1) The shares of the holding shall be non-preferred registered one-vote shares with par value of 1 (one) lev each.

(2) The shares shall be dematerialized.

(3) Issue and disposal of dematerialized shares shall be implemented in accordance with the acting legislation.

(4) The holding shall not have the right to issue preferred shares, granting the right to more than one vote or additional liquidation quota.

#### **Shares transfer**

Art. 9. (1) The shares shall be transferred freely, in accordance with the regulations of the effective legal framework.

(2) Company's shareholder register is maintained by a Central securities depository within the meaning of Regulation (EU) No 909/2014. The Central depository where the company's shareholder register is kept is determined by virtue of a resolution of the Board of Directors.

## **III. RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS**

Art. 10. (1) Each share entitles its holder to one vote at the General Meeting of the shareholders, to a proportional share of the dividend and to a proportional liquidation quota.

(2) The shareholders shall have the right to demand from the managers to fulfil their duties uprightly and in the interest of the investors.

(3) The shareholders shall have the right to vote at the General Meetings and to familiarize themselves with the reports and accounts of the holding.

(4) The review of the business books of the holding shall not fall within the control rights of the shareholders, and this may become possible only with resolution of the General Meeting adopted on this particular issue or by decision given by a competent judicial authority. The Board of Directors may, as an exception, permit to individual shareholders to familiarize themselves with the business books after they have signed a declaration for protection of the holding's trade secret in advance.

Art. 11. The shareholders shall be obliged:

1. to make within the specified term the registered contribution to the capital;

2. in the cases when the fulfillment of the obligation under the previous clause is delayed, to pay a penalty to the amount of 0.5% of the unpaid contribution for each expired day. Where the delay exceeds the term stipulated by the Board of Directors, the delinquent shareholder can be expelled in accordance with the provisions of Art. 189, para 2 and para 3 of the CA and the consequences thereof.

3. to observe the requirements specified in the present Articles and to fulfil the specifically provided obligations.

## **IV. CAPITAL INCREASE**

### **Prerequisites and methods of capital increase**

Art. 12. (1) Upon payment of the full par value, the capital of the holding may be increased by virtue of resolution of the General Meeting of the Shareholders.

(2) The increase of the capital shall be effected by:

1. issue of new shares;
2. transformation of bonds, issued as convertible bonds into shares;
3. transformation of a portion of the profit into capital;
4. transformation of a portion of the resources in the Reserve Fund into a capital, in accordance with the provisions of the present Articles.

(3) The resolution under para 2, cl. 3 shall be adopted by a majority of 3/4 of the votes of the shareholders present within a 3-month period, following the date of approval of the annual financial statement for the past year.

Art. 13. Upon increase of the capital, according to Art. 12, para 2, cl. 3, the new shares shall be allocated among the shareholders, proportionally to their share in the capital prior to its increase. The Resolution of the General Meeting, which contravenes the previous sentences, shall be invalid.

Art. 14. (repealed)

Art. 15. (repealed)

Art. 16. (amended 16.05.2019) Authorizes the Board of Directors to increase the capital of the holding to the amount of no more than 100,000,000 (one hundred million) levs by issuing new shares in the course of five years from the date of registration of this provision of the Articles in the Commercial Register.

Art. 17. The Issuer shall publish a notice of the public offering, the commencement date of and the deadline for the subscription, respectively the commencement date of and the deadline for the sale, the registration number of the confirmation issued by the Commission, time, place and manner for the introduction of the prospectus and other data as required by an ordinance.

Art. 18. The Resolution on the increase of capital of the holding shall contain the terms covered under Art. 112b, para 1 of the POSA.

Art. 19. (1) The time limit for transfer of rights, as well as the time limit for subscription of shares shall not be different from those provided by law.

(2) On the fifth working day following the time limit for transfer of the rights, the company shall offer, through an investment intermediary, who shall be in charge of the capital increase on the regulated market, for sale under the terms of an open auction these rights in exchange for which no shares of the new issue have been subscribed till the moment of expiration of the time limit for transfer of the rights. The company shall allocate the sum received from the sale of the rights that have not been exercised less the expenses on the sale proportionally among the holders of the rights.

(3) The company shall organize the subscription in a way that can allow for remote subscription for shares through the Central Depository and its members and shall notify the Commission within 3 working days following the end of the subscription of how the subscription was carried out and of its results.

Art. 20. The entry of the company capital increase in the Commercial Register shall be legitimate, only if the provisions of chapter VIII of the POSA have been met. The holding shall be obliged to present to the Court evidence that the legal provisions have been met.

Art. 21. (1) The company capital may not be increased, according to the procedure established by Art. 193, Art. 195 and Art. 196, para 3 of the CA.

(2) Exception shall be made only with regard to the procedure established by Art. 195 of the CA, only in the cases where the capital increase under this procedure is necessary for the execution of merger, tender offer for exchange of shares or for safeguarding the rights of the holders of warrants or convertible bonds.

## **V. CAPITAL REDUCTION**

### **Prerequisites and methods of capital reduction**

Art. 22. (1) The capital of the holding shall be reduced by virtue of resolution of the General Meeting of Shareholders, where the purpose of such reduction and the method by which it can be effected shall be specified.

(2) The Resolution of the General Meeting under the previous paragraph shall be adopted by a majority of 2/3 of the votes of the shareholders present at the General Meeting.

(3) The reduction of capital shall be effected by:

1. reduction of the par value of shares;
2. cancellation of shares.

(4) The reduction of the par value of shares or their cancellation shall be effected for all shareholders proportionally to the share in the capital, held by them.

(5) Reduction of the holding's capital shall be effected when the value of the available property has decreased below the amount of the capital.

### **Reduction of capital by cancellation of shares**

Art. 23. (1) The capital of the holding may not be reduced by compulsory cancellation of shares.

Cancellation of shares shall be effected with their acquisition by the holding.

### **Cancellation of the shares with acquisition by the holding**

Art. 24. Cancellation of shares with their acquisition by the company shall be effected in accordance with the provisions and requirements of Art. 187a of the Commerce Act on the acquisition of own shares and the applicable provisions of the POSA.

## **VI. LOSS COVERAGE**

Art. 25. (1) The losses according to the annual balance sheet or the losses from previous years shall be covered by the Reserve Fund.

(2) Where the actual value of the capital has decreased below the nominal value, the General Meeting of the shareholders shall be entitled to adopt resolution for coverage of the losses by additional contributions. The Resolution shall be binding upon the shareholders who have given an affirmative vote. The shareholders, who have given a dissenting vote, shall have the right to declare, till the end of the same session, that they adopt the resolution.

(3) If no resolution for additional contributions have been reached under para 2, the General Meeting of the shareholders shall resolve on the reduction of capital and if its amount is below the defined minimum amount— on winding up of the company by liquidation or transformation of the same into a limited liability company where the shareholders are entitled to the number of quotas in proportion to the number of shares held by them.

## **VII. MANAGING BODIES**

Art. 26. Managing bodies of the holding shall be:

1. the General Meeting;
2. Board of Directors.

### **General Meeting**

Art. 27. (1) The members of the General Meeting shall be all shareholders.

(2) The shareholders, being legal entities shall be present at the General Meeting through an authorized representative. The shareholders, being natural persons shall be present at the General Meeting personally or through a proxy.

(3) Shareholder or shareholders shall be represented at the General Meetings in accordance with the regulations of the acting legislation.

(4) Reauthorization of third parties for participation in the General Meeting shall be inadmissible.

(5) The members of the Board of Directors shall be present at the General Meeting without being entitled to vote, unless they are shareholders.

### **Powers of the General Meeting**

Art. 28. The General Meeting shall have the following powers:

1. to amend and supplement the Articles of Association of the holding;
2. to increase and reduce the capital;
3. to transform and dissolve the holding;
4. to appoint and release the members of the Board of Directors, to determine the remuneration of the members of the Board of Directors, who shall not be involved in the management of the company, including their right to receive a portion of the company's profit, as well as to acquire shares and bonds of the company; determine the amount of the guarantee which is given by the members of the Board of Directors for their management;
5. to appoint and release qualified auditors;
6. approves the annual financial statement upon certification by the appointed auditor;
- 6a. to resolve on the profit distribution, on the filling in of the Reserve Fund and on the payment of dividends;
7. to resolve on the issuance of bonds;
8. to appoint liquidators upon the holding winding up, provided that it is not a case of bankruptcy;
9. to release from liability the members of the Board of Directors;
10. to resolve on other matters falling within the scope of its powers in accordance with the legal provisions and the provisions of the present Articles, as well as on such other matters that are related to the development strategy of the holding, on any of them, at its discretion.

### **Carrying out of the General Meeting**

Art. 29. (1) The General Meeting of the holding shall be carried out at its seat at least once on an yearly basis.

(2) The General Meeting shall elect a chairperson and secretary of the session and, if necessary, tellers of the votes.

(3) In case the losses exceed one second of the capital, a general meeting shall be carried out within a three-month period after the date of ascertainment of the losses.

(4) The regular annual General Meetings shall be carried out to the end of the first half-year after the closing of the accounting year.

### **Convocation of the General Meeting**

Art. 30. (1) The General Meeting shall be convened by the Board of Directors. The General Meeting may also be convened upon request by shareholders who jointly or separately hold at least 5 percent of the capital.

(2) The General Meeting shall be convened by invitation, published in the Commercial Register in accordance with the regulations of the acting legislation.

### **Inclusion of matters on the agenda**

Art. 30a. Shareholders who hold shares representing at least 5 per cent of the holding's capital shall be entitled, after announcing the invitation, to include other issues and offer solutions on items on the agenda of the GMS under the CA and POSA.

### **Right to information**

Art. 31. The written materials in connection with the agenda of the General Meeting shall be placed at the disposal of the shareholders not later than the date of promulgation of the invitation in the Commercial Register.

### **List of the present shareholders and representation**

Art. 32. (1) A list of the present shareholders or of their representatives and the number of held or represented shares shall be prepared at the General Meeting. The shareholders and representatives shall certify their presence by signing and establishing their identity. The List shall be verified by the chairperson and the secretary of the General Meeting.

(2) In order to be admitted to participate in the General Meeting, shareholders must provide an ID document, and shareholders which are legal persons - a certificate of valid business registration. Shareholders' proxies, in addition to the documents specified in this paragraph, shall also present a written power of attorney in accordance with the requirement of the existing legislation.

(3) The power of attorney for the representation of a shareholder must be designated for the specific general meeting, shall be explicit and its contents shall comply with the legal requirements.

(4) The Board of Directors shall adopt Rules for voting through proxy at the general meeting of shareholders.

#### **Quorum**

Art. 33. The General Meeting shall be duly constituted, if it is attended by shareholders representing more than a half of the holding's capital.

#### **Voting right**

Art. 34. (1) Each shareholder shall be entitled to the number of votes at the General meeting, equivalent to the number of the shares in the holding's capital, held by him.

(2) The voting right shall be exercised only by the parties registered as shareholders in the Central Depository records 14 days prior to the date of the General Meeting.

(3) Subject to the requirements of the POSA and the Rules for voting by correspondence of the holding, the right to vote at the general meeting of shareholders may be exercised before the date of the general meeting by correspondence, using mail, including e-mail, courier or other technically possible manner specified in the Rules.

(4) Notwithstanding the possibility provided for under the preceding subparagraph, the Board of Directors shall specify the manner of exercising the right to vote for each separate session of the General Meeting of Shareholders and relevant information shall be presented in the invitation to convene the General Meeting.

(5) The Board of Directors shall adopt the Rules for voting by correspondence which shall be published on the holding's website.

#### **Majority**

Art. 35. (1) The Resolutions of the General Meeting shall be adopted by a simple majority of 50 per cent plus one of the shares of the shareholders entitled to vote on any matters, unless otherwise expressly provided herein.

(2) Resolutions regarding the amendment to the Articles, increase and reduction of the capital, transformation and winding up of the holding, election and release of members of the Board of Directors and issuance of bonds shall be adopted upon a majority of 2/3 of the represented shares, unless the present Articles provide for another majority for these cases.

(3) The voting shall always be an open ballot voting.

#### **Conflict of interests**

Art. 36. A shareholder or its representative shall not have the right to vote for:

1. raising of claims against him;
2. taking of actions or refusal of actions with regard to the fulfillment of his obligation to the holding.

#### **Resolutions**

Art. 37. (1) The General meeting shall not have the right to adopt resolutions on matters, which have not been notified as per Art. 223 and Art. 223a of the Commerce Act, except when all shareholders are present at the meeting in person or by proxy and none of them objects to the consideration of the matters brought up.

(2) The Resolutions of the General Meeting shall take immediate effect, unless their action has been postponed or unless another date of entry into force is provided by Law.

(3) The Resolutions regarding the amendments to the Articles and the winding up of the company shall take effect after their registration in the Commercial Register.

(4) The Resolutions regarding the increase and reduction of the capital, transformation of the holding, election and release of members of the Board of Directors, as well as the appointment of liquidators shall take effect after their registration in the Commercial Register.

#### **Minutes**

Art. 38. (1) The proceedings of the General Meeting shall be recorded in minutes pursuant to the legal requirements.

(2) The documents regarding the convocation of the General Meeting shall be enclosed to the Minutes.

(3) Upon request of any shareholder or member of the Board of Directors, a Notary Public can be present at the session of the General Meeting of the shareholders, who shall be tasked with preparing an Ascertainment Protocol under Art. 488a of the Civil Proceedings Code. A copy of the Ascertainment Protocol shall be enclosed to the Minutes of the General Meeting.

(4) The Minutes and the documents enclosed to them shall be maintained for a period of at least 10 years. Each shareholder shall be entitled to examine the Minutes under the previous paragraph, as well as to be provided with a copy of the Minutes by the Commission.

## **VII. BOARD OF DIRECTORS**

Art. 39. (1) The Board of Directors shall be made up of 3 to 9 parties.

(2) The board members may be reelected without limitations.

(3) The board members can also be dismissed before the end of the term of office for which they have been elected.

### **Membership**

Art. 40. (1) Member of the Board of Directors may be any legally capable party which fulfills the requirements of the Commerce Act.

(2) Member of the Board of Directors may also be any legal entity. In this case, the legal entity shall appoint its representative to perform its obligations to the Board of Directors. The legal entity shall have unlimited joint liability along with the other Board members for the debts arising from acts of its representative.

(3) A party shall not be entitled to be a member of the Board if it:

- has been a member of a managing or controlling body of a company terminated on account of bankruptcy during the last two years, preceding the date of resolution for declaring bankruptcy, and if there have been left unsettled any due amounts to creditors;

- a person who as of the moment of election is sentenced with an effective sentence for criminal offence against property, economy or against the financial, tax and social security system, committed in the Republic of Bulgaria or abroad, unless rehabilitated.

(4) At least 1/3 of the members of the Board of Directors shall be independent persons. The independent member of the Board of Directors cannot be:

1. a public company employee;

2. a shareholder, holding directly or through connected parties at least 25 per cent of the votes at the General Meeting or is a party connected with the company;

3. a party, which is in long-term commercial relationships with the public company;

4. a member of a managing or controlling body, a procurator or employee in a trading company or another legal entity under cl. 2 and 3;

5. a party connected with another member of a managing or controlling body of the public company.

### **Rights and obligations**

Art. 41. (1) The Board of Directors is a permanently acting collective body of the company, whose members have equal rights and obligations, regardless of the internal distribution of the functions among them, and regardless of the regulations giving the right of operative management to the executive members and authorizing them to represent the company;

(2) The Board members shall be obliged:

1. to fulfill their obligations with the care of a good merchant in a manner which is reasonably considered by them to be in the interest of all company shareholders and by using solely information which is reasonably considered by them to be reliable and comprehensive;

2. to show loyalty to the company within the meaning of the POSA;

(3) The obligations under the previous paragraph shall also be binding upon natural persons, representing legal entities – members of the Board of Directors.

### **Convocation**

Art. 42. (1) The regular meetings of the Board of Directors shall be held at least once every three months in order to discuss the company's state of affairs and prospects for development.

(2) The Board of Directors shall be convened by the Chairperson, and if he is absent – by the vice chairperson or by the executive director by a written notice stating the day, time and place of the meeting; the agenda, the documents and materials that shall be considered and the projects

for resolutions related to them. The written notice shall be sent in a timely manner prior to the fixed date of the meeting, within such a period of time that shall be sufficient for reviewing the written materials and taking of reasonable decisions on the items of the agenda. The written notice shall be considered valid if it has been sent by email.

(3) Any member of the Board shall have the right to request from the Chairperson to convene a Meeting for consideration of particular matters and to offer his/her opinion and project for resolution thereof.

### **Powers of the Board of Directors**

Art. 43. (1) The Board of Directors manages the company jointly.

(2) The powers of the Board of Directors shall be as follows:

1. to perform the planning and coordination of the overall business of the company, as outlined in its scope of business activity under the present Articles, by carrying out all actions on organization, management and control of the separate units and the personnel, as provided by these Articles, which are not expressly reserved for consideration by the General Meeting;

2. to elect a Chairperson and a Deputy Chairperson among its members;

3. to approve the organizational and management structure and the other internal rules of the company;

4. to adopt its own rules of procedure;

5. to determine the staff, the organizational structure of the company, the duties and obligations of the separate units and the relations between them;

6. to establish the rules for appointment and release of the personnel, the form of the courses of employment and the amount of the remunerations;

7. to ensure the necessary equipment and financial means for implementation of the job of the separate company units;

8. to adopt resolutions on the forming of cash funds and the procedures for their accumulation;

9. to adopt resolutions on acquisition and alienation of real properties and real rights; use of investment credits; provision of guarantees and securities; acquisition and granting of licenses, signing of contracts for loans to and deposits from subsidiary companies, establishment of mortgage and pledge of the company's fixed assets;

10. to approve and submit to the General Meeting for the purpose of approval the annual financial statement, the report on company activity and a proposal for distribution of the profit;

11. adopts the annual consolidated financial statement of the company;

12. to cooperate with the Investor Relations Director and to supervise the fulfillment of his duties;

13. to discuss and resolve on all issues, except those falling within the competence of the General meeting.

(3) The Board of Directors unless expressly authorized for this by the General Meeting, may not effect business transactions referred to in Art. 114 of the POSA.

Art. 44. (1) The Board of Directors shall have the right to adopt resolutions if at least half of its members are present in person or are represented by another Board member. No member present may represent more than one absent member.

(2) The Articles of Association may provide that the Board may pass resolutions in absentia of all directors have stated in writing their approval for the resolution, including by email.

(3) Resolutions shall be passed by a simple majority, unless otherwise provided by the Articles.

(4) In the cases as per Art. 236, para 1 of the Commerce Act, as well as per Art. 16 of the present Articles, the Board of Directors shall unanimously resolve on the considered matters.

(5) Not later than the beginning of a session, a board member shall be obliged to notify in writing its chairman that he, or a party related to him, has an interest in an item raised for discussion and shall not participate in decision-making on that issue.

Art. 45. Minutes shall be kept of all resolutions of the Board of Directors, which shall be signed by all present members of the board and by the Investor Relations Director, who is in charge of keeping them.



## **Liability**

Art. 46. Within a 7-day period following their election, the members of the Board of Directors shall be obliged to deposit a guarantee for their management of the affairs of the company in an amount determined by the General Meeting, which shall not be less than their three-month gross remuneration in the holding.

## **Representation**

Art. 47. (1) The Board of Directors shall assign the management of the company to one or several executive members elected from among its members, and shall determine their remuneration. Executive members shall be fewer than the remaining members of the board.

(1a) Relations between the company and an executive member of the board shall be dealt with in a management contract which shall be executed in writing on behalf of the company through the chairperson of the board of directors. Relations with the remaining members of the board shall be dealt with in a contract which shall be executed on behalf of the company through a person authorized by the General Meeting of Shareholders or by the sole owner.

(2) The Board of Directors shall authorize the Executive Directors to represent the company jointly and severally. The names of the persons authorized to represent the company shall be registered in the Commercial Register.

(3) Restrictions on the representative powers of the Board of Directors and on the persons authorized by them as per para 2 shall not be binding upon any third parties.

(4) The authorization and the revocation thereof shall be binding upon bona fide third parties after registration and publication.

Art. 48. (1) The Executive Directors shall organize and direct the activities of the holding.

(2) The Executive Directors shall immediately inform the Chairperson of the board of circumstances that have arisen and that are material to the holding.

## **VIII. INVESTOR RELATIONS DIRECTOR**

Art. 49. (1) The Board of Directors shall be obliged to appoint an Investor Relations Director to serve under an employment agreement.

Art. 50. (1) The Investor Relations Director shall have the following duties:

- implement effective liaison between the management body of the company and the shareholders thereof and the parties who have expressed interest in investing in securities of the company, supplying them with information regarding the current financial position and state of economic affairs of the company, as well as with any other information whereto they are entitled by law in the capacity thereof as shareholders or investors;

- be in charge of the dispatch, within the statutory time limit, of the materials on each General Meeting as convened to all shareholders who have requested to familiarize themselves with the said materials;

- take and keep in custody accurate and full minutes of the meetings of the managing body of the company;

- be in charge of the prompt dispatch of all required reports and notices of the company to the Commission, the regulated market whereon the securities of the company are traded, and the Central Depository and the general public;

- keep a register of the dispatched materials for convened General Meeting, for the reports and notices of the company to the Commission, the regulated market whereon the securities of the company are traded, and the Central Depository, as well as for the submitted requests and the provided information with regard to the current financial position and state of economic affairs of the company, describing the reasons in case any requested information has not been provided.

(2) The Investor Relations Director shall account for the performance thereof to the shareholders at the Annual General Meeting.

## **IX. CREDITS FROM AND DEPOSITS FOR THE holding company**

Art. 51. (1) The holding may extend loans to and to receive deposits only from companies in which it participates directly or which it controls.

(2) The amount of the extended loans may not exceed ten times the capital of the holding company.

(3) The amount of the deposits of subsidiary companies and enterprises in a holding company may not exceed three times the capital of the holding company.

## **X. ANNUAL CLOSING OF ACCOUNTS. ACCOUNTANCY. DISTRIBUTION OF PROFIT. FUNDS**

### **Annual closing documentation**

Art. 52. (1) Each year, no later than the month of February the Board of Directors shall be obliged to prepare for the past calendar year an annual financial statement and report on activity and shall submit the said documents for verification by the registered auditors appointed by the General Meeting.

(2) The annual report shall be prepared in compliance with the legally established forms and its contents shall fulfill the statutory requirements.

(3) Following the verification of the statement and report on activity of the holding, the registered auditors shall prepare a report and present it to the Board of Directors.

(4) The Board of Directors shall review the annual financial statement, make proposals for the distribution of the profit and convene the annual reporting back General Meeting.

(5) The financial statement as reviewed and approved by the General Meeting shall be submitted in the Commercial Register.

(6) The annual consolidated financial statement as reviewed and approved by the Board of Directors shall be submitted in the Commercial Register.

Art. 53. The holding shall submit to the Financial Supervision Commission and the general public annual and interim statements at times and with contents as required by the POSA.

### **Appointment of auditors**

Art. 54. (1) Where the General Meeting has not appointed auditors till the end of the calendar year, such auditors shall be appointed as prescribed by law.

(2) The registered auditors shall be responsible for the conscientious and independent verification and for non-disclosure of the secret.

Art. 55. The annual financial statement shall not be approved by the General Meeting without the prior verification of the same by the registered auditors.

### **Dividends**

Art. 56. The dividends shall be distributed by Resolution of the General Meeting in compliance with the CA and POSA.

Art. 57. (1) The holding shall not have the right to pay to its shareholders advance sums against the dividends before the final approval of the annual financial statement in accordance with the provisions of Art. 52 of the present Articles.

(2) The company shall be obliged to pay out the dividend to its shareholders as voted by the general meeting within three months of holding such meeting. All costs incurred with regard to the payout of dividend shall be at the expense of the company.

### **Reserve Fund**

Art. 58. The holding shall set up a Reserve fund as required by law.

Art. 59. The Board may resolve on the forming of other funds, sources of financing, mode of funds accumulation and their designation

## **XI. MINUTES AND BOOKS OF THE holding**

Art. 60. Minutes shall be taken at the General Meeting of the Shareholders and at the meetings of the Board of Directors, and in this Minutes shall be recorded the carried out discussions, the proposals, statements and objections made and the adopted resolutions. The Minutes of the General Meeting shall be signed by the Chairperson and the Secretary and by the vote tellers whereupon it shall be bound and kept in Special Books. The Minutes of the Meeting shall be taken by the Investor Relations Director, then certified by the signatures of the members of the Board of Directors and by Investor Relations Director and it shall be kept in a particular Book of Minutes.

## **XII. CONFIDENTIALITY**

Art. 61. (1) The Managing Bodies of the holding shall not disclose, except within the scope of their authorization, nor use for their own benefit any information or data, regarding the assets and the transactions related to the accounts of any of the shareholders or customers of the holding.

(2) The confidential information, within the meaning of the previous paragraph, may be disclosed to the extent permitted by the parties and institutions and in the cases specified by Law.

## **XIII. WINDING UP OF THE holding**

Art. 62. (1) The holding shall be wound up:

1. by virtue of a resolution of the General meeting;
2. upon declaring bankruptcy;
3. by virtue of a judgment by the court of company's registration at the request of the public prosecutor, in case the holding pursues goals prohibited by Law;
4. when the net worth of the company property under Art. 247a, para. 2 of the Commerce Act decreases below the amount of the subscribed capital; if within a one-year period the General Meeting does not adopt resolution on the reduction of capital, on the transformation or winding up, the company shall be wound up in accordance with the provisions of cl. 3.
5. if throughout the course of six months the number of the board members is below the statutory minimum, it may be wound up in accordance with the provisions of cl. 3.

(2) Upon winding up of the holding it shall be declared in a procedure of liquidation and the portion of the remaining property shall be allocated among the shareholders pro rata the shares held by them.

## **TRANSITIONAL AND FINAL PROVISIONS**

§1. Within a three-month period following the adoption of the present Articles, the Board of Directors shall prepare and adopt all internal regulatory norms for the activity of the holding, which norms shall comply with the requirements of the Law and the present Articles.

§2. In relation to all issues not settled in the present Articles and the internal regulatory norms, the relative provisions of the Commerce Act and the effective provisions of the acting legislations shall apply.

§3. In case of contradiction between any provision of the present Articles and a legal provision, the latter shall prevail.

§4. The present Articles of Association was adopted at the Constituent Meeting of the company carried out on 27.09.1996 and was amended at the General Meeting of Shareholders carried out on 12.12.1997 and the General Meeting carried out on 12.05.1998; amended by the General Meeting of Shareholders carried out on 14.04.1999; amended by the General Meeting carried out on 07.06.2000; amended by the General Meeting carried out on 27.06.2001; amended by the General Meeting carried out on 18.06.2003; amended by the General Meeting of Shareholders carried out on 09.06.2004; amended by the General Meeting of Shareholders carried out on 15.06.2007; amended by the General Meeting of Shareholders carried out on 15.07.2008; amended by the General Meeting of Shareholders carried out on 23.06.2009; amended by the General Meeting of Shareholders carried out on 12.06.2014; amended by the General Meeting of Shareholders carried out on 16.05.2019, supplemented by the General Meeting of Shareholders carried out on 20.05.2021.

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