



STARA PLANINA HOLD PLC

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INVITATION

The Board of Directors of Stara Planina Hold Plc – city of Sofia, on the grounds of Art. 223 of the Commercial Act convenes the General Meeting of Shareholders on 16.05.2019 at 11:00 h in the city of Sofia, 36 Dr. Tsankov Blvd., Interpret WTC, under the following agenda and draft resolutions:

1. Approval of the Company activity report for 2018, the Annual financial statement for 2018 certified by a certified public accountant, Audit Committee activity report and activity report of the Investor Relations Director.

Draft resolution: The GMS approves the Company activity report for 2018, the Annual financial statement for 2018 certified by a certified public accountant, Audit committee activity report and activity report of the Investor Relations Director.

2. Approval of the Report about the application of the Remuneration policy for the members of the Board of Directors.

Draft resolution: The GMS approves Report about the application of the Remuneration policy for the members of the Board of Directors.

3. Proposal for distribution of the profit for 2018.

Draft resolution: Board of Directors proposes to distribute profits as: 1. Amount of BGN 5,042,746.60 of the net profit for the payment of dividends with the following parameters: 1.1. Gross amount per share: BGN 0.24210527. 1.2. Start of dividend payment: 10.07.2019. 1.3. Repayment period – three months. 1.4. Method of payment: by Central Depository and regional branches of International Asset Bank. 2. Additional fee of 2% of the net profit for 2018 shall be paid to each member of the Board of Directors, in the form of bonuses. 3. Remainder of the net profit shall be allocated to retained earnings of the company.

4. Relief from responsibility of the members of the Board of Directors for their activity in 2018.

Draft resolution: The GMS relieves from responsibility the members of the Board of Directors for their activity in 2018.

5. Appointment of auditor for independent financial audit of the company for 2019.

Draft resolution: The Board of Directors propose to the GMS to elect "Dinev Audit" Ltd. with key auditor Prof. Dr. Mihail Dinev, registered under No 003 in the Register of Auditors, led by ICPA for independent financial audit of the company for 2019 as recommended by the Audit Committee.

6. Re-election of the Board of Directors for a five-year term.

Draft resolution: Pursuant to Art. 233, para. 3 of the CA, GMS re-elected for another five-year mandate the members of the Board: Evgeniy Vasilev Uzunov, Vasil Georgiev Velevev, "Finance Invest" Ltd. and Stefan Atanasov Nikolov.

7. Determining the remuneration of the Board of Directors.

Draft resolution: The GMS keeps the current amount of the permanent part of the remuneration for each member of the board of directors.

8. Amendments to the Company's Articles of Association.

Draft resolution: The Board of Directors offers the following amendments and supplements to the company's Articles of Association:

§1. In Article 9, the following changes are made:

1. Para 2 is amended as follows:

“(2) The book of shareholders of the company shall be kept by the Central Depository of Securities within the meaning of Regulation (EC) No 909/2014. The Central Depository in which the book of shareholders of the company is kept shall be determined by decision of the Board of Directors.”

2. Para 3 is canceled.

§ 2. Art. 16 is amended as follows:

"Art. 16. (Amend 16.05.2019) Authorizes the Board of Directors to increase the capital of the COMPANY up to 100 000 000 (one hundred million) levs by issuing new shares for five years from the registration of this provision of the statutes in the commercial register."

§3. Article 28, p. 6 is amended as follows:

"6. approves the annual financial statement after endorsement by the appointed auditor;"

§4. Article 30, para. 1 is amended as follows:

"Art.30. (1) The General Meeting is convened by the Board of Directors. It may also be convened at the request of shareholders holding together or separately at least 5 per cent of the capital."

§5. In Article 32, the following changes are made:

1. Para 2 is amended as follows:

"(2) In order to be admitted to the General Meeting, the shareholders present an identity document and the shareholders - legal entity – a certificate for current commercial registration. The shareholders' representatives, in addition to the documents referred to in this paragraph, shall also submit a written power of attorney, in accordance with the requirements of the current legislation."

2. Para 3 is amended as follows:

"(3) The power of attorney for representing a shareholder must be for the particular general meeting, be explicit and with the content specified in the law"

§6. Article 38 is amended as follows:

1. Para 1 is amended as follows:

"(1) Minutes shall be kept for the sessions of the General Meeting according to the requirements of the law."

2. In para 4 the figure 5 (five) is replaced by 10.

§7. In Article 42, para 2 the expression "by fax or e-mail" is replaced by "e-mail".

§8. In Article 44, para 2 the word "telefax" is replaced by "e-mail".

§9. In Article 47, para 2 the expression "and promulgated in the State Gazette. For this registration, the parties shall present their signatures, attested by a Notary Public" is deleted.

§10. In Article 54, para 1 the expression "by the court" shall be replaced by "by the order of the law".

§11. Everywhere in the Articles of Association, the words "expert-accountant/s" are replaced by "auditor/s".

9. Resolution on the buyback of own stock of the company.

Draft resolution:

1. The General Meeting of Stara Planina Hold Plc, pursuant to Art.187b of the CA and Art.111, para 5 of POSA resolved to buy back shares of the company's own stock under the following conditions:

1.1. Maximum number of shares subjected to buy-back – up to 3% of the total number of shares issued by the company.

2.2. Term for making the buyback – no longer than 5 years.

2. The General Meeting empowers the Board of Directors to set the specific dates for the commencement and ending of the buyback. In the event that the maximum number of shares not specifically defined by the Board of Directors is repurchased, the General Meeting empowers the Board of Directors at its discretion to extend this term.

2.1. Buy-back price: minimum price: BGN 5.00; maximum price: BGN 7.00.

2. Authorizes the Board of Directors to elect a licensed investment intermediary through which the buyback will take place.

3. Instructs the Board of Directors to determine all other specific parameters of the buyback and to perform all necessary legal and factual actions in pursuance of the decisions of the General Meeting on the above items.

4. The present decision of the General Meeting shall be entered in the Commercial Register, according to Art. 187b, para. 2 of the Commercial Code.

5. On the grounds of Art. 111, paragraph 6 of the POSA, the Board of Directors should inform the FSC about the number of own shares it will buy and about the investment intermediary to which the purchase order has been given. The notification must be made no later than the end of the business day preceding the day of the buyout.

6. Enables the Board of Directors to dispose of the purchased own shares after the buyback.

Board of Directors of Stara Planina Hold informed that the total number of shares at the date of the decision of the Board of Directors to convene the general meeting is 21 million but the rights out loud in the company's general meeting on that date is 20,828,735.

Following the procedures for buyback of own shares, on the date of Board decision to call a general meeting, Stara Planina Hold has a number of 121,265 own shares and the daughter company Slavyana Jsc, town of Slavyanovo, owns 50,000 shares of the capital of Stara Planina Hold. Under the provisions of Art. 187a, para. 3 of Commerce Act these 171,265 shares have no rights out loud until their transfer.

Shareholders are entitled to:

- a) participate in the general meeting;
- b) request the inclusion of matters and to propose resolutions on matters already included in the agenda of the general meeting under the provisions of Art. 223a of the Commerce Act; the deadline for exercising this right is 15 days prior to the date of the general meeting or 01.05.2019.
- c) to make substantive proposals for decisions on any matter included in the agenda and in compliance with the requirements of the law, such as the limit under Art. 118, para. 3 of the Public Offering of Securities Act shall apply accordingly; the deadline for the exercise of this right is until the debate on this matter is terminated before the vote is taken by the general meeting;
- d) to raise questions during the general meeting, irrespective of whether these are related to the agenda or not;
- e) to authorize any natural person or legal entity to participate in and vote at the general meeting on their behalf.

Integral part of this Invitation is the enclosed:

- Sample form for voting through proxy.
- Rules for voting through proxy, including conditions and procedure for granting and revocation of powers of attorney through electronic means.

As per Art. 115b, para 1 of the Public Offering of Securities Act, only the persons registered as shareholders on 02.05.2019 are entitled to participate in and vote at the general meeting.

The written materials on the agenda shall be available to the shareholders every business day from 10:00 h to 16:00 h at the following address: Sofia, 20 Frederic Joliot-Curie, 9th floor, as well as on the internet site of the company at

<http://www.sphold.com/en/investor-relations/general-meetings-of-shareholders>

Where quorum is absent, on the grounds of Art. 227 of the Commerce Act, the General Meeting shall be held on 30.05.2019 at 11:00 h, in the city of Sofia, at the same venue and with same agenda and draft resolutions. In this case the art. 115b para. 1 of the Public Offering of Securities Act shall apply accordingly.

Registration of the shareholders shall commence at 10:30 on the day and at the place where the GMS is to be held.

Any shareholder who has issued a power of attorney for participation in the general meeting shall notify the company by the end of the business day which precedes the day of the meeting.

All shareholders of Stara Planina Hold Plc are invited to participate in the general meeting in person or through the proxies appointed by them.

Executive Director: Vasil Velev

SAMPLE POWER OF ATTORNEY

I, the undersigned.....
(Full name, Personal ID No, data from the identification document, Company unique identification number, respectively)

in my capacity of a shareholder, holding shares from the capital of Stara Planina Hold, on the grounds of Art. 226 of the Commerce Act in connection with Art. 116 of the Public Offering of Securities Act, hereby

AUTHORIZE

.....
(Full name, Personal ID No, data from the identification document, Company unique identification number, respectively)
to represent me at the general meeting of shareholders which shall take place on 16.05.2019 at 11:00 h in the city of Sofia, 36 Dr. Tsankov Blvd. in Interpred WTC and to vote with all shares owned by me on the items on the agenda in accordance with the instructions given here below, namely:

1. Approval of the Company activity report for 2018, the Annual financial statement for 2018 certified by a certified public accountant, Audit Committee activity report and activity report of the Investor Relations Director. *Draft resolution:* The GMS approves the Company activity report for 2018, the Annual financial statement for 2018 certified by a certified public accountant, Audit committee activity report and activity report of the Investor Relations Director.

2. Approval of the Report about the application of the Remuneration policy for the members of the Board of Directors. *Draft resolution:* The GMS approves Report about the application of the Remuneration policy for the members of the Board of Directors.

3. Proposal for distribution of the profit for 2018. *Draft resolution:* Board of Directors proposes to distribute profits as: 1. Amount of BGN 5,042,746.60 of the net profit for the payment of dividends with the following parameters: 1.1. Gross amount per share: BGN 0.24210527. 1.2. Start of dividend payment: 10.07.2019. 1.3. Repayment period – three months. 1.4. Method of payment: by Central Depository and regional branches of International Asset Bank. 2. Additional fee of 2% of the net profit for 2018 shall be paid to each member of the Board of Directors, in the form of bonuses. 3. Remainder of the net profit shall be allocated to retained earnings of the company.

4. Relief from responsibility of the members of the Board of Directors for their activity in 2018. *Draft resolution:* The GMS relieves from responsibility the members of the Board of Directors for their activity in 2018.

5. Appointment of auditor for independent financial audit of the company for 2019. *Draft resolution:* The Board of Directors propose to the GMS to elect "Dinev Audit" Ltd. with key auditor Prof. Dr. Mihail Dinev, registered under No 003 in the Register of Auditors, led by ICPA for independent financial audit of the company for 2019 as recommended by the Audit Committee.

6. Re-election of the Board of Directors for a five-year term. *Draft resolution:* Pursuant to Art. 233, para. 3 of the CA, GMS re-elected for another five-year mandate the members of the Board: Evgeniy Vasilev Uzunov, Vasil Georgiev Vele, "Finance Invest" Ltd. and Stefan Atanasov Nikolov.

7. Determining the remuneration of the Board of Directors. *Draft resolution:* Set up a permanent part of the remuneration of each member of the Board of Directors in the amount of two average gross salaries paid monthly to employees of the company under establishment plan.

8. Amendments to the Company's Articles of Association. *Draft resolution:* The Board of Directors offers the following amendments and supplements to the company's Articles of Association:

§1. In Article 9, the following changes are made:

1. Para 2 is amended as follows:

"(2) The book of shareholders of the company shall be kept by the Central Depository of Securities within the meaning of Regulation (EC) No 909/2014. The Central Depository in which the book of shareholders of the company is kept shall be determined by decision of the Board of Directors."

2. Para 3 is canceled.

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"Art. 16. (Amend 16.05.2019) Authorizes the Board of Directors to increase the capital of the COMPANY up to 100 000 000 (one hundred million) levs by issuing new shares for five years from the registration of this provision of the statutes in the commercial register."

§3. Article 28, p. 6 is amended as follows:

"6. approves the annual financial statement after endorsement by the appointed auditor;"

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§11. Everywhere in the Articles of Association, the words "expert-accountant/s" are replaced by "auditor/s".

9. Resolution on the buyback of own stock of the company. *Draft resolution:*

1. The General Meeting of Stara Planina Hold Plc, pursuant to Art.187b of the CA and Art.111, para 5 of POSA resolved to buy back shares of the company's own stock under the following conditions:

1.1. Maximum number of shares subjected to buy-back – up to 3% of the total number of shares issued by the company.

2.2. Term for making the buyback – no longer than 5 years.

2. The General Meeting empowers the Board of Directors to set the specific dates for the commencement and ending of the buyback. In the event that the maximum number of shares not specifically defined by the Board of Directors is repurchased, the General Meeting empowers the Board of Directors at its discretion to extend this term.

2.1. Buy-back price: minimum price: BGN 5.00; maximum price: BGN 7.00.

2. Authorizes the Board of Directors to elect a licensed investment intermediary through which the buyback will take place.

3. Instructs the Board of Directors to determine all other specific parameters of the buyback and to perform all necessary legal and factual actions in pursuance of the decisions of the General Meeting on the above items.

4. The present decision of the General Meeting shall be entered in the Commercial Register, according to Art. 187b, para. 2 of the Commercial Code.

5. On the grounds of Art. 111, paragraph 6 of the POSA, the Board of Directors should inform the FSC about the number of own shares it will buy and about the investment intermediary to which the purchase order has been given. The notification must be made no later than the end of the business day preceding the day of the buyout.

6. Enables the Board of Directors to dispose of the purchased own shares after the buyback.

6. Authorizes the Board of Directors to manage the bought-back shares after the completion of the buy-back.

Instructions on voting:

On item 1 the proxy shall vote in favor of approval the Company activity report for 2018, the Annual financial statement for 2018 certified by a certified public accountant, Audit Committee activity report and activity report of the Investor Relations Director.

On item 2 the proxy shall vote in favor of approval the Report about the application of the Remuneration policy for the members of the Board of Directors.

On item 3 the proxy shall vote in favor of approval the proposal for distribution of the profit.

On item 4 the proxy shall vote in favor of relieving from responsibility the members of the Board of Directors for their activity in 2018.

On item 5 the proxy shall vote in appointment of auditor for independent financial audit of the company for 2019.

On item 6 the proxy shall vote in re-election of the Board of Directors for a five-year term.

On item 7 the proxy shall vote in keeps the current amount of the permanent part of the remuneration for each member of the board of directors.

On item 8 the proxy shall vote in adopts the Amendments to the Company's Articles of Association proposed by the Board of Directors.

On item 9 the proxy shall vote in in adopts the resolution on the buyback of own stock of the company.

The authorization applies (*does not apply*) to matters which have been included in the agenda under the provisions of Art. 231, para 1 of the CA and have not been announced or promulgated in compliance with Art. 223 of the CA. In the cases under Art. 231, para 1 of the CA, the proxy shall be entitled to his/her own discretion whether and how to vote (*the intention shall be declared by crossing the unnecessary*).

The power of attorney shall also be valid in case the general meeting of shareholders has been postponed due to absence of quorum.

Reauthorization with the above-mentioned rights is considered null and void.

Authorizer:

Note:

*The shareholder is not required to specify the instructions on voting on the separate items on the agenda. In this case, as instructions on voting there shall be specified: „**The proxy is entitled to decide whether and how to vote.**” This sentence may completely substitute both the text after Instructions on voting and separate items on the agenda.*

Important! Power of attorney issued in language other than Bulgarian must be accompanied by a legalized translation in Bulgarian. In case of discrepancy between the texts, the information in the Bulgarian translation shall be considered accurate.

RULES

For voting through proxy at the general meeting of shareholders

General provisions

Art.1 Any shareholder may authorize any natural person or legal entity to participate in and vote at the general meeting at his behalf.

Art.2 These rules have been adopted on the grounds of Art. 115d, para 6 of the Public Offering of Securities Act (POSA) and contain the requirements of the company regarding the authorization, submission of the power of attorney to the company and provision of instructions on the part of the shareholder on the way of voting, if any, requirements needed for the identification of the shareholders and proxies and which to allow for the inspection of the instructions contained in the power of attorney.

Requirements to the power of attorney

Art.3 The power of attorney must:

1. be in writing;
2. explicit;
3. be designated for the particular general meeting;
4. notary certified.

Art.4 (1) The power of attorney must comply with the requirements of the POSA and to contain as a minimum:

1. personal identification data about the shareholder and the proxy;
2. number of shares for which the power of attorney applies;
3. agenda and the matters proposed for discussion;
4. proposals for resolutions on each of the matters on the agenda;
5. instructions on voting on each of the matters, if applicable;
6. date and signature.

(2). Where no specific instructions have been provided on the voting on the individual matters on the agenda, the Power of Attorney shall state that the proxy is entitled to decide whether and how to vote.

(3). In the cases under para 2, the proxy may not be a member of the Board of Directors.

Art.5 Reauthorization with the rights granted by virtue of powers of attorney as well as the power of attorney given in violation of the provisions of POSA, shall be considered null and void.

Submission of the power of attorney

Art.6 (1) The power of attorney shall be submitted as original copy upon registration at the general meeting.

(2) Power of attorney issued in language other than Bulgarian must be accompanied by a legalized translation in Bulgarian.

(3) In case of discrepancy between the texts, the information in the Bulgarian translation shall be considered accurate.

Art.7 Any shareholder who has issued a power of attorney for participation in the general meeting shall notify the company by the end of the business day preceding the day of the meeting. Notification shall be received as follows:

1. via phone at: +3592-963-41-61; +3592-963-41-59;
2. via fax at: +3592-963-41-61; +3592-963-41-59;
3. at electronic internet address (email): office@sphold.com;
4. as per the provisions of Art. 18.

(2) The sending in advance of a copy of the power of attorney under the provisions of para 1 does not cancel the obligation under Art. 6.

Identification of shareholders and proxies

Art.8 Shareholder – legal entities shall be represented by a legal representative.

Art.9 Proxies – legal entities may not be represented by other than a legal representative.

Art.10 (1) Legal entities participating in the general meeting as shareholders or as proxies shall identify themselves by presenting an original and up-to-date copy of certificate of commercial registration.

(2) Certificate of commercial registration issued in language other than Bulgarian must be accompanied by a legalized translation in Bulgarian.

Art.11 Natural persons participating in the general meeting as shareholders, proxies or legal representatives of a legal entity, shall identify themselves by presenting an identification document.

Rights and obligations of the proxy

Art.12 The proxy shall have the same rights to express opinion and ask questions at the general meeting as the ones of the shareholder represented by that proxy.

Art.13 The proxy may represent more than one shareholder at the general meeting, in which case the proxy may vote differently on the shares owned by the different shareholders represented by that proxy.

Art.14 The proxy shall exercise the voting right in compliance with the instructions of the shareholder contained in the power of attorney.

Art.15 Where there has been submitted more than one Power of Attorney issued by one and the same shareholder, the one issued most recently shall be considered valid.

Art.16 If the shareholder is present in person at the general meeting, the Power of Attorney issued by the said for this meeting shall remain valid unless this shareholder states the opposite. With regard to the items on the agenda on which the shareholder votes in person, the respective right of the proxy is void.

Revocation of power of attorney

Art.17 (1) The issued power of attorney may be revoked.

(2) If, by the commencement of the general meeting, the company has not been notified in writing by a shareholder about the revocation of the Power of Attorney, it shall be considered valid.

(3) The notification must be notary certified.

(4) The notification may be also sent as per the provisions of Art. 18.

Conditions and procedure for granting and revocation of powers of attorney through electronic means

Art.18 (1) The company accepts proxies to vote at a general meeting on behalf of shareholders who have been registered through electronic means as well.

(2) The company accepts notifications for revocation of issued powers of attorney for voting at a general meeting on behalf of shareholders who have been registered through electronic means as well.

(3) The document under paras 1 and 2 must comply with the requirements of the company and must be sent to the following internet address (e-mail): office@sphold.com as an electronic document under the procedures and conditions of the Law on the Electronic Document and Electronic Signature.

The present rules were adopted by the Board of Directors of
Stara Planina Hold Plc on 26.03.2009.

Executive Director: Vasil Velev