



## 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 20.05.2020 at 11:00 in the city of Sofia, 20, Fr. Joliot Curie Str., 9<sup>th</sup> floor, under the following agenda and draft resolutions:

1. Approval of the Company activity report for 2019, the Annual financial statement for 2019 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 2019, the Annual financial statement for 2019 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 2019.

**Draft resolution:** In view of the economic situation, the Board of Directors proposes to distribute the profit for 2019 at the proposal of the shareholders at the date of the general meeting, depending on the status and prospects of the company.

4. Relief from responsibility of the members of the Board of Directors for their activity in 2019.

**Draft resolution:** The GMS relieves from responsibility the members of the Board of Directors for their activity in 2019.

5. Appointment of auditor for independent financial audit of the company for 2020.

**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 2020 as recommended by the Audit Committee.

6. Review of Remuneration Policy for the Board of Directors and adoption of amendments thereto.

**Draft resolution:** GMS adopts the following amendments to the Remuneration Policy:

§1. In article 7, new paragraphs 3, 4 and 5 are inserted as follows:

(3) Provision of remunerations in the form of shares aims to achieve:

- engagement and involvement of the members of BD in the operation of the company as well as stimulation of their contribution to the company's activity and performance;
- possibility to retain qualified and loyal members of the BD;
- alignment between the interests of the members of the BD and the long-term interests of the company.

(4) When determining the right to and the amount of remunerations provided in the form of shares, account shall be taken of the obligations and contribution of each Board member with respect to company's activity and performance.

(5) When making a decision to increase capital in which only members of BD are entitled to participate, such members may not vote on that item of the agenda, if they are shareholders with voting rights.

§2. A new Section IV is inserted: GENERAL PROVISIONS with new articles 10 and 11:

Art. 10. Members of the Board of Directors shall deposit a guarantee for their management at the amount of their gross three-month remuneration.

Art. 11. The Remuneration Policy shall be reviewed at least each four years or whenever it requires significant amendments.

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 20,723,735.

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 226,265 own shares and the daughter company SPH Invest Jsc, Sofia, owns 50,000 shares of the capital of Stara Planina Hold. Under the provisions of Art. 187a, para. 3 of Commerce Act these 276,265 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 05.05.2020.
- 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 06.05.2020 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, 9<sup>th</sup> 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 03.06.2020 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 20.05.2020 at 11:00 h in the city of Sofia, 20, Fr. Joliot Curie Str., 9<sup>th</sup> floor 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 2019, the Annual financial statement for 2019 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 2019, the Annual financial statement for 2019 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.

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4. Relief from responsibility of the members of the Board of Directors for their activity in 2019. *Draft resolution:* The GMS relieves from responsibility the members of the Board of Directors for their activity in 2019.

5. Appointment of auditor for independent financial audit of the company for 2020. *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 2020 as recommended by the Audit Committee.

6. Review of Remuneration Policy for the Board of Directors and adoption of amendments thereto.

*Draft resolution:* GMS adopts the following amendments to the Remuneration Policy:

§1. In article 7, new paragraphs 3, 4 and 5 are inserted as follows:

(3) Provision of remunerations in the form of shares aims to achieve:

- engagement and involvement of the members of BD in the operation of the company as well as stimulation of their contribution to the company's activity and performance;

- possibility to retain qualified and loyal members of the BD;

- alignment between the interests of the members of the BD and the long-term interests of the company.

(4) When determining the right to and the amount of remunerations provided in the form of shares, account shall be taken of the obligations and contribution of each Board member with respect to company's activity and performance.

(5) When making a decision to increase capital in which only members of BD are entitled to participate, such members may not vote on that item of the agenda, if they are shareholders with voting rights.

§2. A new Section IV is inserted: GENERAL PROVISIONS with new articles 10 and 11:

Art. 10. Members of the Board of Directors shall deposit a guarantee for their management at the amount of their gross three-month remuneration.

Art. 11. The Remuneration Policy shall be reviewed at least each four years or whenever it requires significant amendments.

#### **Instructions on voting:**

On item 1 the proxy shall vote in favor of approval the Company activity report for 2019, the Annual financial statement for 2019 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 is entitled to decide whether and how to vote, depending on the received proposals 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 2019.

On item 5 the proxy shall vote in appointment of auditor for independent financial audit of the company for 2020.

On item 6 the proxy shall vote in in favor of approval the proposed additions to the Board of Directors' Remuneration Policy.

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:

**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.

#### **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.

## RULES

### For voting through proxy at the general meeting of shareholders

#### General provisions

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

(2) A member of the board of directors may not represent a shareholder unless the shareholder has explicitly indicated the manner of voting on each of the items on the agenda.

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;

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

1. data on the shareholder and the proxy;
2. number of shares to which the power of attorney relates;
3. agenda of the items proposed to be discussed;
4. proposals for resolutions on each of the items on the agenda;
5. way of voting on each of the items, if applicable;
6. date and signature.

(2). In cases where the power of attorney does not indicate the way of voting on the individual items on the agenda, it must state that the proxy has the right to decide if and in what way to vote.

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

Art. 5. Re-license with the rights under powers of attorney as well as a power of attorney given in contravention of the provisions of POSA, shall be 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](mailto: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. Shareholders – legal persons shall be represented by a legal representative.

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

Art. 10. (1) Legal persons 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 speak and ask questions at the general meeting as the shareholder whom he/she represents.

Art. 13. A proxy may represent more than one shareholder at the general meeting, in which case the proxy may vote in a different way under the shares held by the separate shareholders which the proxy represents.

Art. 14. The proxy must exercise the right to vote in conformity with the instructions of the shareholder contained in the power of attorney.

Art. 15. If there is more than one power of attorney submitted that was issued by the same shareholder, valid is the one that has been issued last.

Art. 16. If the shareholder is personally present at the general meeting, the power of attorney issued by him for this general meeting, is valid, except if the shareholder claims the opposite. Regarding the agenda

issues, on which the shareholder votes personally, the proxy's voting right on those issues is cancelled.

#### **Withdrawal of power of attorney**

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

(2) If until the beginning of the general meeting the company is not notified in writing by a shareholder about the withdrawal of a power of attorney, it is considered valid.

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

#### **Conditions and procedure for granting and withdrawal 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](mailto: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 and are published in the internet at page of the company: <https://www.sphold.com/en/investor-relations/>

Executive Director: Vasil Velev