



Rules for holding General Meetings of the shareholders of Gradus AD

I. Basic Principles

Art. 1. The present Rules aim to ensure the equal treatment of all shareholders of Gradus AD /the "Company"/ upon organization and holding of regular and/or extraordinary general meetings of the shareholders and the right of each shareholder to express his/her opinion on the items of the Agenda.

Art. 2. /1/ The members of the Company's Board of Directors shall do their best to attend every General Meeting of the shareholders.

/2/ By accepting the present Rules the Board of Directors aims that the Company execute its activity upon observation of the applicable enactment as regards the organization and holding of General meetings of the shareholders. The procedures stipulated in the present Rules allow fair attitude towards the shareholders and should be organized in a way that does not impede and unnecessarily raise the cost of voting.

II. Calling and Holding a General Meeting

Art. 3. /1/ The regular Annual General Meeting of the Company shall be held at least once per year by the end the first period of six months following the completion of the fiscal year and following the execution of the Company's Annual Finance Statement and Annual Activity Statement for the preceding year.

/2/ The General Meeting shall be held in the town of Stara Zagora, according to the Company's head office.

Art. 4. An extraordinary General Meeting of the shareholders shall be called in case of necessity of resolving any issues within its competence, by the order stipulated in the applicable enactment.

Art. 5. /1/ The General Meeting shall be called by the Board of Directors. It may be also called at the request of shareholders holding shares for more than three months, which represent at least five percents of the capital of the Company in conformity with the applicable legislation.

/2/ The right to vote shall be exercised by persons entered as having the right to vote into the Registers of the Central Depository 14 days before the date of the General Meeting.

Art. 6. /1/ A General Meeting shall be called via invitation, which shall be announced in the Commercial Register at least 30 days before the date of the meeting. Within the same term the Company publish the invitation and materials according to the Agenda in X3News and on

its website, as it shall also send the invitation and materials according to the Agenda to the Financial Supervision Commission.

/2/ The invitation to the shareholders for calling a General Meeting shall contain the following data as a minimum:

1. Company's name and head office;
2. place, date and time of holding the General Meeting;
3. type of General Meeting;
4. Agenda of the issues proposed for discussion, as well as specific proposals for decisions;
5. the total number of shares and the rights to vote in the General Meeting as at the date of the decision for calling a General Meeting, as well as the right of the shareholders to participate in the General Meeting;
6. the right of the shareholders to add issues to the Agenda of the General Meeting and to make proposals for decisions on issues included in the Agenda, and the deadline for exercising that right;
7. the right of the shareholders to make proposals in essence for decisions on each issue included in the Agenda and upon observation of the statutory requirements, except upon taking a decision under Art. 114, para 1 of the Public Offering of Securities Act;
8. the shareholders' right to table questions during the General Meeting;
9. the Rules for voting by proxy, the specimen used for voting by proxy, and the ways, in which the Company shall be notified for electronic authorizations;
10. the Rules for voting by correspondence or electronic means;
11. the date according to Art. 5, para 2 of these Rules with an instruction that only the persons entered as shareholders on or before that date shall have the right to participate and vote in the General Meeting;
12. the place and way of receiving the written materials connected with the Agenda of the General Meeting;
13. the website, on which the Company publishes the invitation and materials according to the Agenda.

/3/ All proposals connected with main corporate events, including the profit distribution proposal, should be formulated in the form of separate Agenda items.

/4/ The General Meeting of the shareholders cannot approve decisions on any matters not included in the Agenda by virtue of the Commercial Act, except for the cases when all shareholders are present or represented at the meeting and there are no objections against the discussion of such raised issues.

Art. 7. /1/ The written materials according to the Agenda of the meeting should be clear and specific, and prepared in a way that is not misleading to the shareholders.

/2/ Members of the Board of Directors shall be appointed by following a transparent procedure. The materials under para 1 shall include data for the names, permanent address and qualification of the candidates proposed for members, as well as sufficient information about their personal and professional qualities. This rule shall be also applicable in case of an issue added to the Agenda by virtue of Art. 223a of the Commercial Act.

/3/ The invitation, the written materials connected with the Agenda of the General Meetings and the specimen for voting by proxy and by correspondence shall be published on the Company's website and shall be available to the shareholders within the term under Art. 6, para 1 of the present Rules, including on paper at the Company's registered office address for the time as of announcement of the invitation until conclusion of the General Meeting. At request the same shall be provided to shareholder for free by the Investor Relations Director.

Art. 8. /1/ The right to vote in the General Meeting may be also exercised by the shareholders before the date of the General Meeting by correspondence by sending an explicit written statement to the Company regarding the way of voting on each item of the Agenda of the General Meeting by post, via email or by courier. Voting by correspondence shall be valid if the vote is received by the Company not later than the day preceding the date of the General Meeting.

/2/ The Board of Directors shall approve Voting Rules by proxy and by correspondence. The Rules approved by the Board of Directors shall be specified in the invitation for the General Meeting and on the Company's website.

/3/ Upon holding a certain General Meeting, the Board of Directors shall determine the way of holding it and the ways to exercise the right to vote for every single General Meeting, as it shall provide information to the shareholders in that respect in the invitation for calling the General Meeting.

Art. 9. /1/ As regards the session of the General Meeting, a List shall be drawn up of all present shareholders or of their representatives and of the number of the held or represented shares. The shareholders and representatives shall certify their presence with a signature. The written Powers of Attorney of the shareholders taking part in the General Meeting by representative shall be enclosed to this List. The List shall be certified by the Chairman and the Secretary of the General Meeting.

/2/ A List shall be drawn up for the session of the General Meeting consisting of the persons that have exercised their right to vote in the General Meeting by correspondence, and of the

number of shares held by them, as this List shall be certified by the Chairman and the Secretary of the General Meeting.

/3/ The session of the General Meeting shall be deemed legally held only if attended by shareholders representing 50% plus one share of all issued shares entitled to vote of the capital of the Company (personally or by proxy).

/4/ upon lack of quorum, a new session shall be set not earlier than 14 days, as it shall be legal regardless of the presented capital. The date of such a session shall be specified in the invitation for the first session.

Art. 10. A shareholder or his/her representative shall not have the right to participant in the voting in case of:

1. lodging of claims against such a shareholder on the part of the Company; or
2. undertaking of actions or refusal of actions for realization of the responsibility of such a shareholder towards the Company, or
3. approval of transactions, under which the shareholder in question or a person related to it is a party, or with respect to which the shareholder is an interested party by virtue of Art. 114, para 7 of the Public Offering of Securities Act.

Art. 11. /1/ The General Meeting shall be chaired by the Chairman of the Board of Directors or by a person appointed by a simple majority as the chairman among all attending shareholders or representatives. The General Meeting shall appoint a Secretary that may be assigned for a term set by the General Meeting, against payment of remuneration or no, or may be appointed for the specific General Meeting. If necessary, the General Meeting shall also appoint teller that may be not shareholders.

/2/ Voting shall be open, as each shareholder shall owe as many votes as the number of shares held by it.

/3/ Decisions shall be taken by a simple majority of the presented shares, unless a law or the Company's Statute requires a larger majority for taking certain decisions.

Art. 12. /1/ Minutes shall be kept for the session of the General Meeting, which shall specify the place and time of holding; the number of presented shares; the names of the Chairman and the Secretary, as well as of the tellers if any appointed; the presence of members of the Board of Directors, as well as of any other persons that are not shareholders; the names of proxies; the Agenda; the proposals made in their essence, the objections made; the votings held and their results.

/2/ The voting results in the minutes from the session of the General Meeting should include information about the number of shares, for which actual votes have been submitted, the part

of the capital they represent, the total number of actually submitted votes, the number of votes "For" and "Against" and, if necessary - the number of "Sustained" as regards each decision on the issues of the Agenda.

/3/ The minutes should be signed by the Chairman and the Secretary, as well as by the tellers, if any, and the List of present shareholders and representatives should be enclosed to it, as well as the respective documents according to the Agenda.

/4/ At the request of a shareholder or a member of the Board of Directors, the General Meeting may be attended by a Notary Public to draw up a Protocol of Findings by virtue of the Civil Procedure Code. A copy of this protocol should be enclosed to the minutes of the meeting.

/5/ The protocols and documents connected with the General Meeting should be arranged in a special book and kept for at least 5 (five) years. The Company shall publish the minutes from the General Meeting on its website within a term of 3 working days as of its holding, for a term of not less than 5 years.

Art. 13. /1/ The decisions of the General Meeting shall enter into force immediately, unless their validity is postponed by the General Meeting itself or by virtue of the law.

/2/ The decisions regarding an amendment and supplement of the Statute and termination of the Company shall enter into force as of their entry into the Commercial Register.

/3/ Capital increase and decrease, Company transformation, appointment and release of members of the Board of Directors, as well as appointment of liquidators, shall enter into force as of their entry, resp. the announcement of the respective documents into the Commercial Register.

/4/ The Company shall promptly notify the Financial Supervision Commission, the Bulgarian Stock Exchange (BSE) – Sofia AD, and Central Depository AD for the decision of the General Meeting regarding the type and amount of the dividend, as well as regarding the conditions and order for its payment.

III. Participation and Representation

Art. 14. The General Meeting of the shareholders of Gradus AD consists of all shareholders entitled to vote.

Art. 15. /1/ The shareholders – natural persons shall participate in the General Meeting personally or through an authorized representative. The shareholders – legal entities shall participate in the General Meeting through their legal representatives or through a person authorized by them.

/2/ The Board of Directors shall approve Rules for voting at a General Meeting of the shareholders by proxy, which shall be deemed an integral part of the invitation for General Meeting.

IV. Rights of the Shareholders upon Calling and Holding a General Meeting

Art. 16. Each shareholder of the Company shall have the right:

1. to be notified of a called General Meeting of the shareholders by invitation announced in the Commercial Register and on the Company's website at least 30 days before the date of the meeting;
2. to access to all materials according to the Agenda of the General Meeting, and at request – to receive these materials for free;
3. to participate in the General Meeting and to vote by taking part in the decision making process by as many votes as the number of shares held by him/her;
4. to express his/her opinion and to make proposals on each issue included into the Agenda of the meeting;
5. to be elected to the management bodies of the Company;
6. to ask questions to the Management of the Holding, regardless of whether or not related to the Agenda of the meeting, and to receive true and thorough answers in essence as regards the economic and finance status and trade activity of the Company, except for circumstances representing internal information;
7. to review the minutes of general meetings, as well as the respective materials to them;
8. to request the presence of a Notary Public at the General Meeting of the shareholders for the purpose of drawing up a Protocol of Findings by virtue of the Civil Procedure Code;
9. to lodge a claim for cancellation of a decision of the General Meeting of the shareholders whenever contrary to the law or the Company's Statute. Such a claim shall be lodged within a term of 14 days as of the day of holding the meeting in case of attendance of the claimant or whenever the claimant has been regularly invited, as in all other cases – within a term of 14 days as of finding out, but not later than 3 months as of the date of the General Meeting;
10. to enter the proceedings under item 9 and to sustain the respective claim even if the claimant renounces it or withdraws it;
11. to lodge a claim for the defence of the right of membership and the separate membership rights whenever violated by bodies of the Company.

Art. 17. (1) Each shareholder may devolve his/her right to vote of a person under Art. 145, para 1 of the Public Offering of Securities Act without transferring his/her shares by:

1. entering into an agreement with the person, providing for the temporary transfer of the rights to vote connected with the securities;
2. providing to the person shares as security provided that the same may exert control over the rights to vote and has explicitly declared his/her intention to exercise them;



3. lodging shares to the person/entity with transfer of the rights to vote exercised by the person/entity at his/her/its own discretion without any special orders by the shareholder;
 4. providing shares to a person in his/her capacity as a proxy to exercise the same at his/her own discretion and without any special orders by the shareholder.
- (2) Each transfer of a right to vote under para 1 should be entered into the Central Depository.

V. Minority Shareholder Rights

Art. 18. (1) Shareholders that jointly or severally possess shares representing at least 5 percents of the Company's capital may call a General Meeting of the shareholders.

(2) If such a request is not satisfied within a term of one month or of the General Meeting is not held within a term of 3 months as of lodging the request, the District Court shall call a General Meeting or shall empower the shareholders requesting its calling or a representative of theirs to call the meeting.

Art. 19. /1/ Shareholders that jointly or severally possess shares representing at least 5 percents of the Company's capital may request the addition of issues and may propose decisions to questions already added to the Agenda of the General Meeting by virtue of Art. 223a of the Commercial Act following the announcement of the invitation for its calling.

/2/ Not later than 15 days before the opening of the General Meeting the persons under para 1 shall present to the Commercial Register a List of issues to be included in the Agenda, the proposals for decisions and the written materials connected with them.

/3/ Shareholders who have taken advantage of that right of theirs shall be obliged to submit the materials under Art. 223a, para 4 of the Commercial Act to the Financial Supervision Commission and to the Company on the next working day the latest following the announcement of the issues into the Commercial Register,.

/4/ The Company shall update the invitation and publish it to X3News, the Financial Supervision Commission and on its website together with the written materials immediately but not later than the end of the working day following the day of receiving the notification for adding the issued to the Agenda.

/5/ If necessary, the Company's Board of Directors shall cooperate with the shareholders under para 1.

Art. 20. /1/ Shareholders holding jointly or severally at least 5 of percents of the Company's capital, upon lack of action by its management bodies, thus putting in danger the Company's interests, shall have the right to lodge the respective claims of the Company against third persons before the court.

/2/ The persons under para 1 shall have the right:



1. to file a claim before the District Court according to the Company's head office for compensation for damages caused to the Company due to actions or lack of actions on the part of the members of the management and supervisory bodies and on the part of the Company's authorized representatives;
2. to request the General Meeting or the District Court to appoint controllers for the verification of the entire accounting documentation of the Company and to prepare a report on their findings;

The present Rules were approved by a decision of the Board of Directors of Gradus AD on 18.04.2019.

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