

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF GRADUS AD

Today, April 10, 2019, at 11.00 h, a meeting of the Board of Directors of Gradus AD, a joint-stock company incorporated and existing in accordance with the legislation of the Republic of Bulgaria, was held at the seat of the company in Stara Zagora. the Commercial Register of the Registry Agency with UIC 204882907, having its registered office and registered address in the Republic of Bulgaria, Stara Zagora 6000, zh.k. Industrial, Gradus Poultry Farm (hereinafter referred to as "the Company").

The meeting was attended by all the members of the Board of Directors:

- (i) Ivan Angelov Angelov, citizen of the Republic of Bulgaria,
- (ii) Luka Angelov Angelov, citizen of the Republic of Bulgaria, and
- (iii) Georgi Alexandrov Babev, citizen of the Republic of Bulgaria.

All members of the Board of Directors have been invited to convene and hold this meeting in pursuance of Art. 31, para. 5 of the Articles of Association of the company at least 3 (three) days before the date of its holding. The quorum required for valid decision-making according to the Articles of Association of the Company is available.

The meeting was held at the following:

- I. Consideration of a proposal by the Executive Director, Mr Ivan Angelov, to cover loss from past periods with accumulated profit for the last financial year.
- II. Adoption of a resolution for convening of the Regular Annual General Meeting of Shareholders of Gradus AD, to be held on June 5, 2020, at 11:00 am, at: Stara Zagora 6009, Park-Hotel Stara Zagora , 50 Han Asparuh Street, Tervel Hall;
- III. Determining the agenda of the Regular General Meeting of Shareholders;
- IV. Miscellaneous

Under item 1 of the agenda, the Board of Directors of Gradus AD took the following decision:

1.1. The Board of Directors notes that for 2017 there was a cumulative and uncovered loss of the Company's activities in the amount of BGN 1040.80 (one thousand and forty levs and eighty cents). The accumulated loss is the result of the Company's activity for the period 28.11.2017 -31.12.2017. Expenditure for external services: audit, notarial fees and bank fees were incurred for the reporting period.

1.2. In connection with the finding under the previous point, the Board of Directors of Gradus AD decides to make a proposal to the General Meeting of Shareholders that the accumulated loss of BGN 1040.80 for the 2017 reporting period should be covered by part of the company's profit for 2019

Voted: YES – 3

No – 0

Under item 2 of the agenda, the Board of Directors of Gradus AD took the following:

The Board of Directors of Gradus AD convenes a Regular Annual General Meeting of Shareholders of Gradus AD to be held on June 5, 2020, at 11:00 am, at: Stara Zagora 6009, Park - Stara Zagora Hotel, 50 Han Asparuh Street, Tervel Hall.

VOTED: FOR - 3 (THREE) No: 0 (ZERO).

Under item 3 of the agenda, the Board of Directors of Gradus AD took the following:

The Board of Directors of Gradus AD pursuant to Article 223 of the Commercial Act convenes a regular General Meeting of Shareholders of Gradus AD ("the Company"), to be held on 05 June 2020 at 11:00 am in the town of Stara Zagora 6009, Park Hotel Stara Zagora, 50, Khan Asparuh Street, Tervel Hall, with the following agenda:

1. Approval of the Activity Report of the Board of Directors of the Company for the year 2019;

Draft resolution: The General Meeting of Shareholders approves the Activity Report of the Board of Directors of the Company for the year 2019.;

2. Approval of the Registered Auditor's Report for auditing the Annual Financial Statements of the Company for the year 2019;

Draft resolution: The General Meeting of Shareholders approves the Report of the Registered Auditor for the Verification of the Annual Financial Statement for the year 2019;

3. Approval of the Annual Financial Statements of the Company for the year 2019;

Draft resolution: The General Meeting of Shareholders approves the Annual Financial Statement of the Company for the year 2019;

4. Approval of the report on the activity of the Investor Relations Director of the Company for the year 2019;

Draft resolution: The General Meeting of Shareholders approves the report on the activity of the Investor Relations Director of the Company for the year 2019;

5. Dismissal of a member of the audit committee;

Draft resolution: The General Meeting of Shareholders dismisses the former member of the Audit Committee - Mrs. Radka Peneva, who has applied for her dismissal from her position - member and chairman of the Audit Committee of Gradus AD

6. Election of a new member of the Audit Committee of the Company on proposal of the Board of Directors;

Draft resolution: 1. The General Meeting of Shareholders elects a new member of the Audit Committee proposed by the Board of Directors as follows: Dobri Svetlozarov Simenonov

7. Approval of the report on the activity of the Audit Committee;

Draft resolution: The General Meeting approves the report on the activity of the Audit Committee;

8. Adoption of changes in the Rules of the Audit Committee of Gradus AD

Draft resolution: The General Meeting of Shareholders adopts the prepared and proposed by the Audit Committee of Gradus AD amendments to the Rules of Procedure of the Audit Committee of the company, in accordance to the regulatory framework;

9. Proposal for distribution of the profit for 2019, which is BGN 11 910 268.74, as follows;

Draft resolution: 9.1. The Board of Directors proposes the profit for 2019 to be distributed as follows:

- part of the profit, which is in the total gross amount of BGN 5 359 391.62, has already been distributed to the shareholders of the Company as a 6-month dividend (gross single 6-month dividend BGN 0.022 per share), according to a decision of the General Meeting of Shareholders of The Company as of October 25, 2019;

- part of the profit, which is a part of the total gross amount of BGN 5 359 391.62, to be distributed to the shareholders of the Company as an annual dividend, the gross single annual dividend BGN 0.022 per share.

- **The balance of BGN 1 191 485.50 to be transferred to the undistributed profit of the Company.** 9.2. Condition and term of dividend distribution: Commencement of payment of dividends: 13 July 2020; Term for payment of dividends: - 60 days; Method of payment of dividends: through Central Depository AD and branches of Unicredit Bulbank AD;

10. Deciding on the dismissal of the members of the Board of Directors of the Company for their activity in 2019;

Draft resolution: The General Meeting of Shareholders releases from responsibility the members of the Board of Directors of the Company for their activity in 2019;

11. Extension of the term of office of the Board of Directors of Gradus AD and determination of the amount of their remuneration. 11.2. The General Meeting of Shareholders decides to preserve the current amount of the remuneration of the members of the Board of Directors. This Decision shall enter into force on the date on which the decision appointing the members of the Board of Directors under the preceding paragraph is entered.

Draft resolution: 11.1. The General Meeting of Shareholders shall extend the term of office of the present members of the Board of Directors for another 5 (five) years from the date of the expiry of the first term of office - 17.11.2020.

The following decision shall take effect upon the expiration of the term of office of this Board of Directors - 11/17/2020 and shall take effect from the date of its entry in the Commercial and Non-profit Legal Entities Register of the Registry Agency.

12. Election of a certified (registered) auditor to verify and certify the Company's Individual Annual Financial Report for 2020 and the Company's Consolidated Financial Statements for 2020.

Draft resolution: The General Meeting of Shareholders elects a registered auditor to verify and certify the annual financial statements of the Company for 2020, in accordance with a proposal of the Audit Committee included in the materials on the agenda.

13. Proposal of the Board of Directors for covering the accumulated loss in the amount of BGN 1040.08 from the retained earnings for 2019.

Draft resolution: The General Meeting of Shareholders adopts proposal of the Board of Directors for covering accumulated loss in the amount of BGN 1040.08 from retained earnings for 2019.

14. Approval of the Report on the Implementation of the Remuneration Policy of the Board of Directors;

Draft resolution: The General Meeting approves the Report on the Implementation of the Remuneration Policy of the Board of Directors of the Company;

15. Buy back decision:

Draft resolution: Pursuant to Art. 187b of the Commercial Code and Art. 111, para. 5 of the Law on Public Offering of Securities, the General Meeting of Shareholders of Gradus AD decides to repurchase shares from the capital of the company under the following conditions:

- a) maximum number of shares to be repurchased: up to 3% (three percent) of the total number of shares issued by the company;
- b) minimum price per share – 1.20 levs
- c) maximum price per share – 2.00 levs
- d) redemption term: up to 5 years from the day on which the decision of the General Assembly for redemption is entered in the Commercial Register.
- e) redemption order: through a licensed stockbroker.
- f) Assign actions to the Board of Directors of the Company:

The General Assembly assigns to the Board of Directors of the Company:

- (i). to set specific dates for the beginning and end of the redemption. In the event that the maximum number of shares is not redeemed within the period specified by the Board of Directors, the General Meeting authorizes the Board of Directors at its discretion to extend this period.
- (ii). to identify the investment intermediary through which the redemption takes place;
- (iii). to determine each and all other terms and conditions of the redemption, subject to the requirements of the law and the Articles of Association of the Company;
- (iv) to undertake any and all necessary legal and factual actions related to the redemption;

The Board of Directors of Gradus AD informs that the total number of shares of the Company at the date of the decision of the Board of Directors to convene the General Meeting is 243 608 710 and the voting rights at the General Meeting of the Company at the same date are 243 608 710.

Shareholders are entitled:

1. to participate in the General Meeting;
2. to request the inclusion of issues and to propose decisions on already included issues on the agenda of the General Meeting under the procedure of Article 223a of the Commercial Act; the deadline for exercising this right is 15 days before the date of the General Meeting or 21 May 2020;
3. to make substantive proposals for decisions on any matter included in the agenda and in compliance with the requirements of the law, whereby the limitations under Article 118, paragraph 3 of the Public Offering of Securities Act applies accordingly; the deadline for the exercise of this right is to end the debate on this matter before voting on the decision by the General Meeting;
4. to raise questions during the General Meeting, whether they relate to the agenda;
5. to authorize any natural or legal person to participate and vote in the General Meeting on their behalf.

As an integral part of this invitation are attached: a sample form for voting by proxy and voting rules at the General Meeting of Shareholders of Gradus AD through proxy and by correspondence including the manners of obtaining and withdrawing Powers of attorney;

According to Article 115b, paragraph 1 of the Public Offering of Securities Act, only the persons registered as shareholders on 22 May 2020 have the right to participate and vote at the General Meeting.

The present invitation, its annexes and the written materials on the agenda are available to the shareholders at the administrative building of the Company each working day from 10 am to 4 pm at 6000 Stara Zagora, Industrialen residential district, Gradus Poultry, and at the Company's website: <https://gradus.bg/investors-meeting>

The registration of the shareholders starts at 10.00 am at the place and on the day of holding the General Meeting.

In the absence of a quorum pursuant to Article 227 of the Commercial Act, the meeting will be held on 20 June 2020 at 10:00 am in the town of Stara Zagora at the same place and with the same agenda and draft decisions. In this case Article 115b, paragraph 1 of the Public Offering of Securities Act shall apply accordingly.

Each shareholder who has issued a power of attorney for participation in the General Meeting must notify the Company at least two working days before the date of the General Meeting.

All shareholders of Gradus AD are invited to take part in the General Meeting personally or through the persons authorized thereby.

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Luka Angelov
Gradus AD

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Ivan Angelov
Gradus AD