

# **MINUTES OF THE ANNULA GENERAL MEETING OF SHAREHOLDERS OF SOPHARMA AD – SOFIA, 21 June 2013**

## ***I. Constituting the General Meeting of Shareholders***

The General Meeting of Shareholders of Sopharma AD was held on 21 June 2013, at 11.00 in the headquarters of the Company in Sofia, 5 Lachezar Stanchev Str., Sopharma Business Towers, building B. It was attended by shareholders and their representatives, as per the annex to the Minutes listing the shareholders present and the representatives of shareholders, as well as the number of shares present and represented.

The AGM was opened by the Executive Director of Sopharma AD Mr. Ognian Donev.

*After the shareholders and their representatives were registered for attendance at the General Meeting of Shareholders and due verification was conducted, the AGM established that:*

**The registered capital of the company is 132 million BGN, divided into 132,000,000 registered dematerialized shares with voting rights in the General Meeting with a nominal value of BGN 1.**

**According to the Book of Shareholders of the Company, as at 07 June 2013 - the date, as of which the persons, registered in the Book of Shareholders, are entitled to vote at the present General Meeting, "Sopharma" AD has bought back 4 278 480 shares, representing 3.24% of the capital of the Company. Pursuant to art. 187a, par. 3 of the Commercial Act, the Company suspends the exercising of rights on these shares until their transfer. Shares with voting rights at the AGM on 21 June 2013 amount to 127 721 520.**

**47 shareholders were registered for participation at the General Meeting. 69,349,201 shares are represented personally at the General Meeting and 24 586 785 shares - by proxy. The total number of the represented shares with voting rights is 93 935 986, which is 71,16% or more than ½ of the capital.**

**Under the provisions of art. 17 of the Articles of Association of the Company there is a quorum for holding the General Meeting and it may be conducted and take valid decisions.**

## ***ELECTION OF MANAGEMENT OF THE SESSION OF THE GENERAL MEETING:***

### ***1. Proposals for management of the session:***

For Chairperson - Galina Ivanova Angelova

For Secretary - Ivanka Atanassova Panova

For Tellers:

Maria Nedkova, Maria Kurteva, Kristina Atanasova and Zvezdelina Dimitrova

### ***After voting with the following results:***

***Total valid votes cast: 93 935 986 or 100 % of the represented capital and 71,16% of the registered capital***

**VOTED “FOR”:** 93 935 986 shares or 100 % of the represented capital and 71,16% of the registered capital

**VOTED “AGAINST”:** none

**VOTED “ABSTAINED”:** none

**AGM elected the proposed persons for Chairperson, Secretary and Tellers on the regular session of the AGM on 21 June 2013.**

***FINDINGS OF THE CHAIRPERSON AND THE SECRETARY OF THE MEETING:***

After opening the session of the AGM, the Chairperson and the Secretary notified the shareholders about the following circumstances:

1. The invitation to the AGM was announced in the Commercial Register - **registration № 20130516094931**, and on the electronic site of the Company. The announcement was within the statutory period under art. 223, par. 5 of the Commercial Act and in compliance with the requirements of the Public Offering of Securities Act for notifications to the Financial Supervision Commission, the Bulgarian Stock Exchange and the Central Depository regarding the convening of the Annual General Meeting of Shareholders, the agenda and the draft decisions.

2. According to a list of the present and represented shareholders, certified by the Chairperson and the Secretary, ***47 shareholders attended the Annual General Meeting, with 69 349 201 shares personally represented and 24 586 785 shares - by a proxy. The total number of shares represented is 93 935 986, which represents 71,16% or more than ½ of the capital. All the shares are entitled to one vote in the General Meeting.***

3. Sixteen shareholders are represented by a power of attorney. The powers of attorney are meeting in form and content all the requirements of the POSA and the rules for proxy voting, adopted by the Company. Powers of attorney have been provided electronically and within the period determined in the Invitation to the AGM by eight shareholders, holding a total of 10 629 508 shares.

4. The following **members of the Board of Directors are present** at the AGM:  
Ognian Ivanov Donev – Chairperson of the Board of Directors and Executive Director;  
Vessela Liubenova Stoeva – Deputy-Chairperson of the Board of Directors;  
Andrey Liudmilov Breshkov – Member of the Board of Directors;  
Ognian Kirilov Palaveev – Member of the Board of Directors.

5. There was no correspondence voting by mail or by electronic means, subject to the conditions of art. 16 of the Articles of Association of the Company.

6. The following persons **attended as guests the General Meeting:**

Non-shareholders: Zorka Tsvetkova.

Shareholders, not registered for participation: Unikom Consult EOOD through Nikolay Angelov Martinov as representative of the company – the shares, held by the shareholder were acquired after 7 June 2013 – the date, as at which the persons, registered in the book of shareholders have voting rights at the current AGM.

The Chairperson requested the agreement of the shareholders regarding the presence of the guests. After voting with results:

**Total valid votes cast: 93 935 986 or 100 % of the represented capital and 71,16% of the registered capital**

**VOTED "FOR": 93 618 359 shares or 99,66% of the represented capital and 70,92% of the registered capital**

**VOTED "AGAINST": none**

**VOTED "ABSTAINED": 317 627 shares or 0,34% of the represented capital and 0,24% of the registered capital,**

The majority of shareholders attending the General Meeting and the representatives of shareholders agreed to allow the guests to participate at the General Meeting without voting rights.

*The agenda, announced in the Commercial Register is as follows:*

**1. Approval of the annual report of the Board of Directors of the Company for 2012; Draft decision:** AGM approves the Annual Report of the Board of Directors of the Company in 2012;

**2. Approval of the annual report of the Investor Relations Director for 2012; Draft decision:** AGM approves the Report of the Investor Relations Director for 2012

**3. Approval of the Auditor's report on the audit of the annual financial statements of the Company for 2012; Draft decision:** AGM approves the Auditor's report on the audit of the annual financial statements of the company for 2012;

**4. Approval of the audited annual financial statements for 2012; Draft decision:** AGM approves the audited annual financial statements of the Company for 2012;

**5. Approval of the audited annual consolidated financial statements of the Company for 2012; Draft decision:** AGM approves the audited annual consolidated financial statements of the Company for 2012;

**6. Approval of the report of the Audit Committee on its work in 2012; Draft decision:** AGM approves the report of the Audit Committee on its work in 2012;

**7. Adoption of a resolution on the distribution of the Company's net profit for 2012; Draft decision:** AGM approves the proposal by the Board of Directors for the distribution of the profit generated in 2012, namely: net profit for 2012 amounts to 41 168 306.40 BGN /forty-one million one hundred sixty-eight thousand three hundred six leva and forty stotinki/. After the allocation of 10% to the statutory reserve, amounting to 4 116 830.64 BGN /four million one hundred sixteen thousand eight hundred thirty leva and sixty-four stotinki/, from the remaining sum, amounting to 37 051 475.76 BGN /thirty-seven million fifty-one thousand four hundred seventy-five leva and seventy-six stotinki/ shall be paid a gross dividend of 0.07 BGN /seven stotinki/ per share with dividend right. After determining the sum of the dividend the remainder of the net profit shall be allocated to the additional reserves of the Company. In accordance with the Regulations of the Central Depository, the dividend shall be paid out as follows: for shareholders with client accounts at an investment intermediary – through the investment intermediary, to shareholders without accounts at an investment intermediary -

through the branches of Eurobank EFG - Bulgaria AD /Postbank/ in the country. Payment of dividend will commence within three months from the date of the AGM, on which the payment of dividend was approved;

**8. Adoption of a resolution to discharge from responsibility/liability the Board of Directors for their activities during 2012; Draft decision:** AGM discharges from liability the Board of Directors for their work in 2012;

**9. Election of a registered auditor of the Company for 2013; Draft decision:** AGM elects a register auditor to audit and certify the Annual financial statements of the Company for 2013 according to the proposal of the Audit Committee, included in the agenda materials.

**10. Determining the remuneration of the members of the Board of Directors for 2013; Draft decision:** On the basis of art. 24, par. 3, letter "A" of the Company's Articles of Association AGM decided: the regular monthly remuneration of the members of the Board of Directors in 2013 shall be 10 000 /ten thousand/ BGN and the regular monthly remuneration of the Executive Director shall be 30 000 /thirty thousand/ BGN.

**11. Adoption of a resolution under art. 24, par. 3, letter "B" and art. 28, par. 4, letter "D" of the Company's Articles of Association; Draft decision:** Pursuant to art. 24, par. 3, letter "B" of the Articles of Association an additional fee of 1% /one percent/ of the net profit for 2012, according to the approved Annual financial statements, shall be paid to the Executive Director of the Company; Pursuant to art. 28, par. 4, letter "D" of the Articles of Association 2% /two percent/ of the net profit for 2012 according to the approved Annual financial statements shall be distributed by the Executive Director at their sole discretion among the members of the senior management team of the Company.

**12. Adoption of remuneration policy of the members of the Board of Directors; Draft decision:** AGM adopted and approved for application within the Company remuneration policy, developed and proposed by the Board of Directors pursuant to art. 116c, par. 1 of the Public Offering of Securities Act and Regulation №48 of the Financial Supervision Commission.

**13. Approval of changes in the Articles of Association of the Company; Draft decision:** AGM approves the changes in the Articles of Association of the Company proposed by the Board of Directors.

**14. Approval of the Report of the Board of Directors under art.114a, par.1 of POSA and art.46 of Regulation №2 from 17 September 2003 of the Financial Supervision Commission on the feasibility and terms of transactions within the scope of art.114, par.1 of POSA – Draft decision:** AGM approves the report of the Board of Directors on the feasibility and terms of transactions within the scope of art.114, par.1 of POSA, in which the Company is a side.

**15. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA – Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Bulgarian Rose Sevtopolis AD for manufacturing of medicinal products and active substances. Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Bulgarian Rose Sevtopolis AD for manufacturing of medicinal products and active

substances, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**16. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA** - Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Sopharma Trading AD for trading of medicinal products. **Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Sopharma Trading AD for trading of medicinal products, which contract is within the scope of art.114, par.1, item 3 of POSA according to the Substantiated report prepared by the Board of Directors.

**17. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA** – Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Sofprint Group AD for the provision of services. **Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Sofprint Group AD for the provision of services, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**18. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA** – Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Telecomplex AD for the provision of services. **Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Telecomplex AD for the provision of services, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**19. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA** - Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Donev Investments Holding AD for a loan. **Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Donev Investments Holding AD for a loan, which contract is within the scope of art.114, par.1, item 3 of POSA according to the Substantiated report prepared by the Board of Directors.

**20. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA** - Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Telecomplex AD for a loan. **Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Telecomplex AD for a loan, which contract is within the scope of art.114, par.1, item 3 of POSA according to the Substantiated report prepared by the Board of Directors.

**21. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA** - Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Elpharma AD for a loan. **Draft decision:** AGM authorizes the Board of Directors of the Company to conclude a contract with Elpharma AD for a loan, which contract is within the scope of art.114, par.1, item 3 of POSA according to the Substantiated report prepared by the Board of Directors.

**22. Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA – Proposal to AGM of Sopharma AD to authorize the Board of Directors to conclude a contract with Sopharma Properties REIT for the renting of conference space. Draft decision: AGM authorizes the Board of Directors of the Company to conclude a contract with Sopharma Properties REIT for the renting of conference space, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.**

**23. Miscellaneous.**

**Not all shares with voting rights issued by the Company were represented at the AGM and therefore under art. 231, par. 1 of the Commercial Act reviewing issued not covered by the agenda is not possible.**

**After publishing of the invitation in the Commercial Register, no additional items under art.223a of the Commercial Act or additional draft decisions on the announced items of the agenda under art.118, par.2, item 4 of POSA have been added to the announced agenda of the AGM, so that only the draft decisions submitted by the Board of Directors shall be voted on.**

**The announced agenda includes items requiring a qualified majority for a decision on them - these are decisions under item13 of the agenda - amendment of the Articles of Association of the Company. On the basis of art. 19, par. 1 of the Articles of Association, the decision by the General Meeting on amendments of the Articles of Association shall be taken by a 2/3 majority of the represented capital at the General Meeting. Decisions on the remaining items of the agenda shall be taken by a simple majority of the shares represented.**

**In voting on agenda items, in which decisions are taken to authorize the Board of Directors for transactions within the scope of art.114, par.1 of POSA and pursuant to art.114a, par.4 of POSA, shareholders, in respect to whom the conditions of art.114, par.6 of POSA for determining them as interested persons are present, cannot exercise their voting rights. Decisions on these agenda items shall be taken by a majority of the remaining shares registered for participation.**

**By Decision №446-PD/20.06.2013 by Nikolai Popov - Deputy Chairman of the Financial Supervision Commission, Head of "Investment Supervision", in relation to the Company has been taken a compulsory administrative measure under art.212, par.1, item 1 of POSA, posing a ban on voting of items 19, 20 and 21 of the agenda concerning the decisions to authorize the Board of Directors to enter into transactions within the scope of art.114, par.1 of POSA.**

## ***II. DEBATES AND DECISIONS ON THE ITEM***

### **On item 1 of the agenda:**

#### **Approval of the annual report of the Board of Directors of the Company for 2012**

The annual report of the Board of Directors of the company in 2012 was presented to the shareholders by Mr. Boris Borisov - Finance Director of "Sopharma" AD.

No questions or statements on this agenda item were received, therefore the Chairperson read the draft decision of the Board of Directors on item 1 of the agenda, namely: AGM approves the Annual Report of the Board of Directors of the Company for 2012.

The Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM approves the Annual Report of the Board of Directors of the Company for 2012.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 2 of the agenda:**

**Approval of the annual report of the Investor Relations Director for 2012**

The Chairperson presented the annual report of the Investor Relations Director for 2012, which is part of the materials of the agenda, to the shareholders and read the draft decision of the Board of Directors on this item of the agenda, namely: *AGM approves the Report of the Investor Relations Director for 2012.*

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: *AGM approves the Report of the Investor Relations Director for 2012.*

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 3 of the agenda:**

**Approval of the Auditor's report on the audit of the annual financial statements of the Company for 2012**

The Chairperson presented to the shareholders the Auditor's report on the audit of the annual financial statements of the Company for 2012, which is part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on item 3 of the agenda, namely: AGM approves the Auditor's report on the audit of the annual financial statements of the company for 2012;

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM approves the Auditor's report on the audit of the annual financial statements of the company for 2012.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 4 of the agenda:**

**Approval of the audited annual financial statements for 2012**

The annual financial statements have been presented to the shareholders in their entirety as part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: AGM approves the audited annual financial statements of the Company for 2012.

No questions or statements on the audited annual financial statements were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM approves the audited annual financial statements of the Company for 2012.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 5 of the agenda:**



### **Approval of the audited annual consolidated financial statements of the Company for 2012**

The audited consolidated annual financial statements of the Company for 2012 have been presented to the shareholders in their entirety as part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: AGM approves the audited annual consolidated financial statements of the Company for 2012.

No questions or statements on the audited consolidated annual financial statements were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

#### ***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM approves the audited annual consolidated financial statements of the Company for 2012.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

### **On item 6 of the agenda:**

#### **Approval of the report of the Audit Committee on its work in 2012**

The report of the Audit Committee on its work in 2012 has been presented to the shareholders in its entirety as part of the materials of the agenda.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: *AGM approves the report of the Audit Committee on its work in 2012.*

No questions or statements on this item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

#### ***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM approves the report of the Audit Committee on its work in 2012.

The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.

No objections to the manner of voting and the results were received.

**On item 7 of the agenda:**

**Adoption of a resolution on the distribution of the Company's net profit for 2012**

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** *AGM approves the proposal by the Board of Directors for the distribution of the profit generated in 2012, namely: net profit for 2012 amounts to 41 168 306.40 BGN /forty-one million one hundred sixty-eight thousand three hundred six leva and forty stotinki/. After the allocation of 10% to the statutory reserve, amounting to 4 116 830.64 BGN /four million one hundred sixteen thousand eight hundred thirty leva and sixty-four stotinki/, from the remaining sum, amounting to 37 051 475.76 BGN /thirty-seven million fifty-one thousand four hundred seventy-five leva and seventy-six stotinki/ shall be paid a gross dividend of 0.07 BGN /seven stotinki/ per share with dividend right. After determining the sum of the dividend the remainder of the net profit shall be allocated to the additional reserves of the Company. In accordance with the Regulations of the Central Depository, the dividend shall be paid out as follows: for shareholders with client accounts at an investment intermediary – through the investment intermediary, to shareholders without accounts at an investment intermediary - through the branches of Eurobank EFG - Bulgaria AD /Postbank/ in the country. Payment of dividend will commence within three months from the date of the AGM, on which the payment of dividend was approved.*

The Chairperson acquainted the shareholders with the provisions of Art. 115v of the Public Offering of Securities Act, under which entitled to receive dividends are those shareholders, registered with the Central Depository on the 14th day following the General Meeting, on which the annual financial statements has been approved and the decision for profit distribution has been taken. The Central Depository provides to the Company a list of shareholders entitled to receive dividends.

No questions or statements on this item of the agenda were received, therefore the draft decision of the Board of Directors was put to the vote

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION:** AGM approves the proposal by the Board of Directors for the distribution of the profit generated in 2012, namely: net profit for 2012 amounts to 41 168 306.40 BGN /forty-one million one hundred sixty-eight thousand three hundred six leva and forty stotinki/. After the allocation of 10% to the statutory reserve, amounting to 4 116 830.64 BGN /four million one hundred sixteen thousand eight hundred thirty leva and sixty-four stotinki/, from the remaining sum, amounting to 37 051 475.76 BGN /thirty-seven million fifty-one thousand four hundred seventy-five leva and seventy-six stotinki/ shall be paid a gross dividend of 0.07 BGN /seven stotinki/ per share with dividend right. After determining the sum of the dividend the

remainder of the net profit shall be allocated to the additional reserves of the Company. In accordance with the Regulations of the Central Depository, the dividend shall be paid out as follows: for shareholders with client accounts at an investment intermediary – through the investment intermediary, to shareholders without accounts at an investment intermediary - through the branches of Eurobank EFG - Bulgaria AD /Postbank/ in the country. Payment of dividend will commence within three months from the date of the AGM, on which the payment of dividend was approved.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

#### **On item 8 of the agenda**

##### **Adoption of a resolution to discharge from responsibility/liability the Board of Directors for their work in 2012**

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: *AGM discharges from liability the Board of Directors for their work in 2012.*

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

##### ***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: AGM discharges from liability the Board of Directors for their work in 2012.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

#### **On item 9 of the agenda**

##### **Election of a registered auditor of the Company for 2012.**

The Chairperson read the draft decision by the Board of Directors on this agenda item, namely: *AGM elects a register auditor to audit and certify the Annual financial statements of the Company for 2013 according to the proposal of the Audit Committee, included in the agenda materials.*

The proposal of the Audit Committee of the Company is that the Board of Directors should propose to the AGM as registered auditor for the audit and certification of the annual financial statements of the Company in 2013 the audit company AFA OOD, with address of management Sofia, 38 Oborishte Str..

The Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM elects the audit company AFA OOD, with address of management Sofia, 38 Oborishte Str. for the audit and certification of the annual financial statements of the Company in 2013 in compliance with the proposal by the Audit Committee, included in the materials of the agenda.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 10 of the agenda**

**Determining the remuneration of the members of the Board of Directors for 2013.**

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision: On the basis of art. 24, par. 3, letter "A" of the Company's Articles of Association AGM decided: the regular monthly remuneration of the members of the Board of Directors in 2013 shall be 10 000 /ten thousand/ BGN and the regular monthly remuneration of the Executive Director shall be 30 000 /thirty thousand/ BGN.**

No questions or statements this item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: On the basis of art. 24, par. 3, letter "A" of the Company's Articles of Association AGM decided: the regular monthly remuneration of the members of the Board of Directors in 2013 shall be 10 000 /ten thousand/ BGN and the regular monthly remuneration of the Executive Director shall be 30 000 /thirty thousand/ BGN.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

### **On item 11 of the agenda**

**Adoption of a resolution under art. 24, par. 3, letter "B" and art. 28, par. 4, letter "D" of the company's Articles of Association.**

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: ***Draft decision: Pursuant to art. 24, par. 3, letter "B" of the Articles of Association an additional fee of 1% /one percent/ of the net profit for 2012, according to the approved Annual financial statements, shall be paid to the Executive Director of the Company; Pursuant to art. 28, par. 4, letter "D" of the Articles of Association 2% /two percent/ of the net profit for 2012 according to the approved Annual financial statements shall be distributed by the Executive Director at their sole discretion among the members of the senior management team of the Company.***

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: Pursuant to art. 24, par. 3, letter "B" of the Articles of Association an additional fee of 1% /one percent/ of the net profit for 2012, according to the approved Annual financial statements, shall be paid to the Executive Director of the Company; Pursuant to art. 28, par. 4, letter "D" of the Articles of Association 2% /two percent/ of the net profit for 2012 according to the approved Annual financial statements shall be distributed by the Executive Director at their sole discretion among the members of the senior management team of the Company.

### **On item 12 of the agenda**

**Adoption of remuneration policy of the members of the Board of Directors**

The chairman informed the shareholders of the main aspects of the Remuneration Policy prepared by the Board of Directors and read the proposal of the Board of Directors for a decision under this agenda item, namely: *AGM adopted and approved for application within the Company remuneration policy, developed and proposed by the Board of Directors pursuant to art. 116c, par. 1 of the Public Offering of Securities Act and Regulation №48 of the Financial Supervision Commission.*

No questions or statements on the audited annual financial statements were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: AGM adopted and approved for application within the Company remuneration policy, developed and proposed by the Board of Directors pursuant to art. 116c, par. 1 of the Public Offering of Securities Act and Regulation №48 of the Financial Supervision Commission.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

### **On item 13 of the agenda**

#### **Approval of changes in the Articles of Association of the Company**

The Chairperson put to discussion the texts proposed by the Board of Directors for amending the Articles of Association and announced that after discussion each text will be a put to the vote.

**The Chairperson announced to the shareholders that, under art. 19, par. 1, in conjunction with art. 14, item 1 of the Articles of Association, decisions on amendments of the Articles of Association shall be adopted by the General Meeting of Shareholders by a majority of 2/3 of the shares represented by the General Meeting.**

**Discussion of the proposal by the Board of Directors for the inclusion of a new article 11a, titled “Acquisition of treasury shares” with the following content:**

“**Art.11a** /new, approved at AGM, 21 June 2013/ /1/ The Company may acquire in any calendar year more than 3 percent of its own shares with voting rights in the case of reduction of capital through cancellation and repurchase of shares only under the terms and conditions of tender offer under art.149b of POSA. In this case the requirements for holding at least 5 per cent and minimum size of repurchase of 1/3 of the shares with voting rights shall not apply. In these cases the Company must notify the FSC about the number of treasury shares that it intends to purchase within the limit of art.111, par.5 of POSA, and the investment intermediary who has the order to buy. The notification must be made no later than the end of the business day preceding the day of repurchase.

/2/ The Company may carry out repurchase of own shares without a tender offer by acquiring in a calendar year not more than 3 per cent of its own shares with voting rights, both after a decision by the General Meeting of Shareholders or by the Board of Directors for a term not exceeding eighteen months from the date of the decision of the respective authority of the Company. Repurchase of own shares by a decision of the Board of Directors may be conducted without special delegation of authority from the General Meeting of Shareholders for each particular case, and entirely under the powers of the Board of Directors as per the present regulation from the Articles for a period of up to two (2) years from entering of the present Articles in the Commercial Register by Registry Agency.

/3/ The decision of the Board of Directors for the repurchase of own shares shall be taken by a majority of two thirds of the Board members. The decision of the Board of Directors for repurchase shall have the following content: minimum and maximum number of

shares to be repurchased; the terms and conditions under which the Board of Directors shall conduct the purchase within a specified period not exceeding eighteen months from the date of the decision; the minimum and maximum share price for repurchase, and the investment intermediary, through which the repurchase will be conducted.”

No questions or statements on the proposal for the inclusion of a new article 11a in the Articles of Association were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: **The AGM approves the proposal by the Board of Directors for the inclusion of a new article 11a, titled “Acquisition of treasury shares” with the following content:** “Art.11a /new, approved at AGM, 21 June 2013/ /1/ The Company may acquire in any calendar year more than 3 percent of its own shares with voting rights in the case of reduction of capital through cancellation and repurchase of shares only under the terms and conditions of tender offer under art.149b of POSA. In this case the requirements for holding at least 5 per cent and minimum size of repurchase of 1/3 of the shares with voting rights shall not apply. In these cases the Company must notify the FSC about the number of treasury shares that it intends to purchase within the limit of art.111, par.5 of POSA, and the investment intermediary who has the order to buy. The notification must be made no later than the end of the business day preceding the day of repurchase.

/2/ The Company may carry out repurchase of own shares without a tender offer by acquiring in a calendar year not more than 3 per cent of its own shares with voting rights, both after a decision by the General Meeting of Shareholders or by the Board of Directors for a term not exceeding eighteen months from the date of the decision of the respective authority of the Company. Repurchase of own shares by a decision of the Board of Directors may be conducted without special delegation of authority from the General Meeting of Shareholders for each particular case, and entirely under the powers of the Board of Directors as per the present regulation from the Articles for a period of up to two (2) years from entering of the present Articles in the Commercial Register by Registry Agency.

/3/ The decision of the Board of Directors for the repurchase of own shares shall be taken by a majority of two thirds of the Board members. The decision of the Board of Directors for repurchase shall have the following content: minimum and maximum number of shares to be repurchased; the terms and conditions under which the Board of Directors shall conduct the purchase within a specified period not exceeding eighteen months from the date of the decision; the minimum and maximum share price for repurchase, and the investment intermediary, through which the repurchase will be conducted.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the inclusion of a new article 18c, titled “Conflict of interests. Prohibition of exercising of voting rights” with the following content:**

**“Art.18c.** /new, approved by AGM, 21 June 2013/ A shareholder cannot participate personally or by proxy at the voting on:

1. Bringing claims against them.
2. Taking actions or denial of actions related to the fulfillment of their obligations to the Company.
3. Taking a decision under art.114, par.1 of POSA, in the cases when they are an interested person as defined in POSA.”

No questions or statements on the proposal for the inclusion of a new article 18c in the Articles of Association were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: **AGM approves the proposal by the Board of Directors for the inclusion of a new article 18c, titled “Conflict of interests. Prohibition of exercising of voting rights” with the following content:**

**“Art.18c.** /new, approved by AGM, 21 June 2013/ A shareholder cannot participate personally or by proxy at the voting on:

1. Bringing claims against them.
2. Taking actions or denial of actions related to the fulfillment of their obligations to the Company.
3. Taking a decision under art.114, par.1 of POSA, in the cases when they are an interested person as defined in POSA.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the amendment of art.19, par.1, sentence 2, where the phrase “long-term assets” shall be replaced with the phrase “assets of the Company”.**

No questions or statements on the proposal for the amendment of art. 19, par.1, sentence 2 in the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***



***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: AGM approves the proposal by the Board of Directors for the amendment of art.19, par.1, sentence 2, where the phrase “long-term assets” shall be replaced with the phrase “assets of the Company”.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the inclusion of a new paragraph 5 under article 21 of the Articles with the following content:**

“/5/ /new, approved by AGN, 21 June 2013/ Members of the Board of Directors shall not be persons who have been members of a management or control body of a Company for whom it has been proven through a penal provision the breaching of obligations on reaching and maintaining the prescribed reserve levels under the Oil and Oil Products Reserves Act.”

No questions or statements on the proposal for the inclusion of a new paragraph 5 under article 21 of the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: AGM approves the inclusion of a new paragraph 5 under article 21 of the Articles with the following content:

“/5/ /new, approved by AGN, 21 June 2013/ Members of the Board of Directors shall not be persons who have been members of a management or control body of a Company for whom it has been proven through a penal provision the breaching of obligations on reaching and maintaining the prescribed reserve levels under the Oil and Oil Products Reserves Act.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the inclusion of a new article 21a in the Articles with the following content:**

**“Art.21a** /new, approved by AGN, 21 June 2013/ /1/ At least one third of the members of the Board of Directors must be independent persons.

/2/ The independent member may not be:

1. an employee in the public company;
2. a shareholder, who holds directly or through related parties at least 25% of the votes of the General Meeting or is a person, related to the company;
3. a person who has a long-term business relation to the public company;
4. a member of a managing or controlling body, a procurator or an employee of a company or other legal person under item 2 and 3;
5. a person related to another member of a managing or controlling body of the public company.

/3/ Persons, elected as members of the Board of Directors, for whom the circumstances under par.2 become applicable after the date of their election must notify the Board of Directors immediately, stop exercising their functions and cease receiving a remuneration.

/4/ Candidates for elective position shall prove the absence of circumstances under par.2 through a declaration that becomes part of the written materials for the General Meeting, the agenda of which includes the election of members of the Board of Directors. The persons mentioned in the previous sentence shall confirm the veracity of the documents submitted to the General Meeting at which their election is proposed.

/5/ In the election of the independent members of the Board of Directors the capital represented at the General Meeting shall include shares held by persons under par.2, items 1-5 only if other shareholders do not participate and are not represented at the General Meeting.”

No questions or statements on the proposal for the inclusion of a new article 21a in the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: **AGM approves the inclusion of a new article 21a in the Articles with the following content:**

**“Art.21a** /new, approved by AGN, 21 June 2013/ /1/ At least one third of the members of the Board of Directors must be independent persons.

/2/ The independent member may not be:

1. an employee in the public company;
2. a shareholder, who holds directly or through related parties at least 25% of the votes of the General Meeting or is a person, related to the company;
3. a person who has a long-term business relation to the public company;
4. a member of a managing or controlling body, a procurator or an employee of a company or other legal person under item 2 and 3;
5. a person related to another member of a managing or controlling body of the public company.

/3/ Persons, elected as members of the Board of Directors, for whom the circumstances under par.2 become applicable after the date of their election must notify the Board of Directors immediately, stop exercising their functions and cease receiving a remuneration.

/4/ Candidates for elective position shall prove the absence of circumstances under par.2 through a declaration that becomes part of the written materials for the General Meeting, the agenda of which includes the election of members of the Board of Directors. The persons mentioned in the previous sentence shall confirm the veracity of the documents submitted to the General Meeting at which their election is proposed.

/5/ In the election of the independent members of the Board of Directors the capital represented at the General Meeting shall include shares held by persons under par.2, items 1-5 only if other shareholders do not participate and are not represented at the General Meeting.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the amendment of art.24, par.3 of the Articles as follows:**

**The current text:** “The members of the Board of Directors shall be entitled to a remuneration, which shall be determined by decision of the General Meeting in conformity to the following principles:” **shall be amended in the following way:** “The members of the Board of Directors shall be entitled to a remuneration, the forum, amount and term of which shall be determined by decision of the General Meeting in conformity to the following principles:”

No questions or statements on the proposal for the amendment of article 24, paragraph 3 of the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: **AGM approves the amendment of art.24, par.3 of the Articles, so that the content of the aforementioned regulation is as follows:** “The members of the Board of Directors shall be entitled to a remuneration, the forum, amount and term of which shall be determined by decision of the General Meeting in conformity to the following principles:”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the amendment of art.24, par.3, letter B of the Articles – the proposal is that the phrase “of one percent” is replaced with the phrase “of up to one percent”.**

No questions or statements on the proposal for the amendment of art.24, par.3, letter B of the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: AGM approves the amendment of art.24, par.3, letter B of the Articles – the proposal is that the phrase “of one percent” is replaced with the phrase “of up to one percent”.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the inclusion of a new letter C under art.24, par.3 of the Articles with the following content:**

***“C/ amended by AGM, 21 June 2013/ Payment of not less than 40% of the remuneration referred to in item B/ shall be deferred for a period of time specified in the approved by the General Meeting Remuneration Policy for members of the Board of Directors, but not less than 3 years. The Company shall determine what portion of the payment to defer depending on its relative weight compared to the fixed salary under item A/.”***

No questions or statements on the proposal for the inclusion of a new letter C under art.24, par.3 of the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: AGM approves inclusion of a new letter C under art.24, par.3 of the Articles with the following content:

***“C/ amended by AGM, 21 June 2013/ Payment of not less than 40% of the remuneration referred to in item B/ shall be deferred for a period of time specified in the approved by the General Meeting Remuneration Policy for members of the Board of***

Directors, but not less than 3 years. The Company shall determine what portion of the payment to defer depending on its relative weight compared to the fixed salary under item A/.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the inclusion of a new article 26a under Chapter Four, Section “Board of Directors” of the Articles, titled “Qualified Majority Decisions” with the following content:**

“**Art. 26a.** /new, approved by AGM, 21 June 2013/ The following decisions of the Board shall require a majority of two thirds of its members to be valid:

1. Conclusion of a single or series of transactions for the acquisition and/or disposition of long-term fixed assets from and/or in favor of one person or related persons, total cost of which exceeds 1 million EUR in a calendar year;

2. Conclusion of transactions related to sale and/or other forms of disposition of participations and/or shares, and/or businesses of companies in which the Company participates;

3. Conclusion of investments, related to the buying and/or acquisition of participations and/or share, and/or businesses of companies;

4. Takeover of liabilities and/or pledging of assets of the Company and/or of part and/or the whole of its business and/or securing of liabilities to a person or related persons, the amount of which exceeds 1 million EUR in a calendar year;

5. Provision for use and/or rental to a person and/or related parties of long-term fixed assets of the Company at a value exceeding 1 million EUR in a calendar year;

6. Conclusion of transactions with related parties pursuant to art.114, par.2 of POSA, for which no prior authorization by the General Meeting of Shareholders is required.

7. Election of executive members of the Board of Directors, who shall only represent the Company jointly;

8. Proposal for election and dismissal of auditors of the Company and approval of the annual financial statements of the Company.

9. Proposal for the distribution of the profit.

10. Approval for issuing of bonds.

11. Determining and change of the persons authorized to sign on behalf of the Company, the delimitation of the right of signature, determining the bonuses for the staff of the Company.

12. Decision to authorize the Executive Director to determine the group of employees to receive a bonus amounting to of 2% of the profit of the Company for each separate financial year. This decision shall be taken based on a decision by the General Meeting of Shareholders for determining the specific amount of the bonus, which shall be taken at a Meeting, at which the relevant audited annual financial statements have been approved and a positive financial result /profit/ is present.”

No questions or statements on the proposal for the inclusion of a new article 26a in the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: **AGM approves the inclusion of a new article 26a under Chapter Four, Section “Board of Directors” of the Articles, titled “Qualified Majority Decisions” with the following content:**

**“Art. 26a.** /new, approved by AGM, 21 June 2013/ The following decisions of the Board shall require a majority of two thirds of its members to be valid:

1. Conclusion of a single or series of transactions for the acquisition and/or disposition of long-term fixed assets from and/or in favor of one person or related persons, total cost of which exceeds 1 million EUR in a calendar year;

2. Conclusion of transactions related to sale and/or other forms of disposition of participations and/or shares, and/or businesses of companies in which the Company participates;

3. Conclusion of investments, related to the buying and/or acquisition of participations and/or share, and/or businesses of companies;

4. Takeover of liabilities and/or pledging of assets of the Company and/or of part and/or the whole of its business and/or securing of liabilities to a person or related persons, the amount of which exceeds 1 million EUR in a calendar year;

5. Provision for use and/or rental to a person and/or related parties of long-term fixed assets of the Company at a value exceeding 1 million EUR in a calendar year;

6. Conclusion of transactions with related parties pursuant to art.114, par.2 of POSA, for which no prior authorization by the General Meeting of Shareholders is required.

7. Election of executive members of the Board of Directors, who shall only represent the Company jointly;

8. Proposal for election and dismissal of auditors of the Company and approval of the annual financial statements of the Company.

9. Proposal for the distribution of the profit.

10. Approval for issuing of bonds.

11. Determining and change of the persons authorized to sign on behalf of the Company, the delimitation of the right of signature, determining the bonuses for the staff of the Company.

12. Decision to authorize the Executive Director to determine the group of employees to receive a bonus amounting to of 2% of the profit of the Company for each separate financial year. This decision shall be taken based on a decision by the General Meeting of Shareholders for determining the specific amount of the bonus, which shall be taken at a Meeting, at which the relevant audited annual financial statements have been approved and a positive financial result /profit/ is present.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the removal of letter D of art.28, par.4.**

No questions or statements on the proposal for the removal of letter D of art.28, par.4 were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM approves the removal of letter D of art.28, par.4.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**Discussion of the proposal by the Board of Directors for the inclusion of a new article 28a under Chapter Four of the Articles, titled "Investor Relations Director" with the following content:**

**"Art.28a.** /new, decision by AGM, 21 June 2013/ /1/ The Company shall appoint on a labor contract Investor Relations Director, who shall have appropriate qualifications and experience to carry out their duties and cannot be a member of the Board of Directors or a procurator of the Company.

/2/ The Investor Relations Director shall:

1. Facilitate effective relationship between the Board of Directors and the Shareholders of the Company, as well as with persons who have expressed interest in investing in the shares of the Company by providing them with information about the current financial and economic condition of the Company and any other information to which they are entitled by law in their capacity as shareholders or investors;

2. Be responsible for sending within the statutory deadline the materials for the Annual General Meeting to all shareholders who have made a request to acquire them, and as well as presenting them on-site as specified in the invitation to the General Meeting.

3. Take and keep accurate and complete records of the meetings of the Board of Directors of the Company.

4. Be responsible for the timely submission of all required reports and notifications of the Company to the Financial Supervision Commission, the regulated market on which the shares of the Company are traded, the Central Depository and national dailies, listed in the prospectus for the public offering of the shares of the Company;

5. Keep a register of submitted documents under items 2 and 4, as well as the received requests and the provided information under item 1, describing the reasons in case of failure to provide information.

/3/ The Investor Relations Director shall report annually in front of the Annual General Meeting of Shareholders of the Company.

/4/ As Investor Relations Director shall not be appointed persons who:

1. have been members of a company or cooperation terminated due to bankruptcy in the past two years preceding the date of the declaration of bankruptcy, if unsatisfied creditors remain;

2. as at the date of appointment have been convicted with an effective sentence for crimes against the property, of economic type or against the financial, tax or social security system, committed in the Republic of Bulgaria or abroad, unless they have been exonerated.

/5/ The Investor Relations Director shall be required to:

1. fulfill their duties with due diligence and in a manner, in which they reasonable believe is in the interest of all Shareholders of the Company and by using only the information, about which they reasonable believe that is complete and authentic.

2. be loyal to the Company by:

a) consider the interest of the Company before their own interest;

b) avoid direct or indirect conflicts between their own interest and the interest of the Company, and if such conflicts arise – to timely and completely disclose them in writing before the Board of Directors without exercising influence on the members of the Board of Directors in taking decisions in such cases.

c) not disclose non-public information about the Company including after they cease to be Investor Relations Director until the public disclosure of the respective information by the Company.”

No questions or statements on the proposal for the inclusion of a new article 28a in the Articles were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote:

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “FOR”: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED “AGAINST”: none***

***VOTED “ABSTAINED”: none***

Under these results the AGM took the following **DECISION**: **AGM approves the inclusion of a new article 28a under Chapter Four of the Articles, titled “Investor Relations Director” with the following content:**

**“Art.28a.** /new, decision by AGM, 21 June 2013/ /1/ The Company shall appoint on a labor contract Investor Relations Director, who shall have appropriate qualifications and experience to carry out their duties and cannot be a member of the Board of Directors or a procurator of the Company.

/2/ The Investor Relations Director shall:

6. Facilitate effective relationship between the Board of Directors and the Shareholders of the Company, as well as with persons who have expressed interest in investing in the shares of the Company by providing them with information about the current financial and economic condition of the Company and any other information to which they are entitled by law in their capacity as shareholders or investors;

7. Be responsible for sending within the statutory deadline the materials for the Annual General Meeting to all shareholders who have made a request to acquire them, and as well as presenting them on-site as specified in the invitation to the General Meeting.

8. Take and keep accurate and complete records of the meetings of the Board of Directors of the Company.



9. Be responsible for the timely submission of all required reports and notifications of the Company to the Financial Supervision Commission, the regulated market on which the shares of the Company are traded, the Central Depository and national dailies, listed in the prospectus for the public offering of the shares of the Company;

10. Keep a register of submitted documents under items 2 and 4, as well as the received requests and the provided information under item 1, describing the reasons in case of failure to provide information.

/3/ The Investor Relations Director shall report annually in front of the Annual General Meeting of Shareholders of the Company.

/4/ As Investor Relations Director shall not be appointed persons who:

3. have been members of a company or cooperation terminated due to bankruptcy in the past two years preceding the date of the declaration of bankruptcy, if unsatisfied creditors remain;

4. as at the date of appointment have been convicted with an effective sentence for crimes against the property, of economic type or against the financial, tax or social security system, committed in the Republic of Bulgaria or abroad, unless they have been exonerated.

/5/ The Investor Relations Director shall be required to:

3. fulfill their duties with due diligence and in a manner, in which they reasonable believe is in the interest of all Shareholders of the Company and by using only the information, about which they reasonable believe that is complete and authentic.

4. be loyal to the Company by:

d) consider the interest of the Company before their own interest;

e) avoid direct or indirect conflicts between their own interest and the interest of the Company, and if such conflicts arise – to timely and completely disclose them in writing before the Board of Directors without exercising influence on the members of the Board of Directors in taking decisions in such cases.

not disclose non-public information about the Company including after they cease to be Investor Relations Director until the public disclosure of the respective information by the Company.”

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

#### **On item 14 of the agenda**

**Approval of the Report of the Board of Directors under art.114a, par.1 of POSA and art.46 of Regulation №2 from 17 September 2003 of the Financial Supervision Commission on the feasibility and terms of transactions within the scope of art.114, par.1 of POSA.**

The Chairperson informed the shareholders of the main aspects of the Substantiated Report prepared by the Board of Directors under art.114a, par.1 of POSA.

The Chairperson read the draft decision by the Board of Directors on this item of the agenda, namely: *AGM approves the Substantiated Report of the Board of Directors on the feasibility and terms of transactions within the scope of art.114, par.1 of POSA, in which the Company is a side.*

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 90 910 062 shares or 96,78% of the represented capital and 68,87% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": 3 025 924 shares or 3,22% of the represented capital and 2,29% of the registered capital***

Under these results the AGM took the following **DECISION**: AGM approves the Substantiated Report of the Board of Directors on the feasibility and terms of transactions within the scope of art.114, par.1 of POSA, in which the Company is a side.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 15 of the agenda**

**Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA**

The Chairperson informed the shareholders of the main aspects of the proposed transaction under Section I of the Substantiated Report and read the draft decision by the Board of Directors on this item of the agenda, namely: AGM authorizes the Board of Directors of the Company to conclude a contract with Bulgarian Rose Sevtopolis AD for manufacturing of medicinal products and active substances, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote. The Chairman pointed out that shareholders in respect of which the conditions of art. 114, par. 6 of POSA determining them as interested persons involved in the transaction, cannot exercise their voting rights in deciding to authorize the Board of Directors for transactions within the scope of art. 114, par. 1 of POSA. The decision on this agenda item will be taken by a majority of the remaining shared registered for participation.

Pursuant to Section I, item 3 of the Substantiated Report, as interested parties are determined Ognian Ivanov Donev and Bulgarian Rose Sevtopolis AD, who are not listed as shareholders with voting rights in the certified List of shareholders and their proxies registered to participate at the present General Meeting of Shareholders.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM authorizes the Board of Directors of the Company to conclude a contract with Bulgarian Rose Sevtopolis AD for manufacturing of medicinal products and active substances, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

#### **On item 16 of the agenda**

**Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA**

The Chairperson informed the shareholders of the main aspects of the proposed transaction under Section II of the Substantiated Report and read the draft decision by the Board of Directors on this item of the agenda, namely: AGM authorizes the Board of Directors of the Company to conclude a contract with Sopharma Trading AD for trading of medicinal products, which contract is within the scope of art.114, par.1, item 3 of POSA according to the Substantiated report prepared by the Board of Directors.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote. The Chairman pointed out that shareholders in respect of which the conditions of art. 114, par. 6 of POSA determining them as interested persons involved in the transaction, cannot exercise their voting rights in deciding to authorize the Board of Directors for transactions within the scope of art. 114, par. 1 of POSA. The decision on this agenda item will be taken by a majority of the remaining shared registered for participation.

Pursuant to Section II, item 3 of the Substantiated Report, as interested parties are determined Ognian Ivanov Donev and Sopharma Trading AD, of whom as shareholders with voting rights in the certified List of shareholders and their proxies registered to participate at the present General Meeting of Shareholders, Sopharma Trading AD is listed. The company hold 23 500 shares with voting rights at the AGM of Sopharma AD.

Sopharma Trading AD cannot vote on this agenda item.

#### ***Voting results:***

***Total valid votes cast: 93 912 486 shares or 99,97% of the represented capital and 71,14% of the registered capital***

***VOTED "FOR": 93 912 486 shares or 99,97% of the represented capital and 71,14% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": none***

Under these results the AGM took the following **DECISION**: AGM authorizes the Board of Directors of the Company to conclude a contract with Sopharma Trading AD for trading of medicinal products, which contract is within the scope of art.114, par.1, item 3 of POSA according to the Substantiated report prepared by the Board of Directors.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

#### **On item 17 of the agenda**

##### **Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA**

The Chairperson informed the shareholders of the main aspects of the proposed transaction under Section III of the Substantiated Report and read the draft decision by the Board of Directors on this item of the agenda, namely: AGM authorizes the Board of Directors of the Company to conclude a contract with Sofprint Group AD for the provision of services, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote. The Chairman pointed out that shareholders in respect of which the conditions of art. 114, par. 6 of POSA determining them as interested persons involved in the transaction, cannot exercise their voting rights in deciding to authorize the Board of Directors for transactions within the scope of art. 114, par. 1 of POSA. The decision on this agenda item will be taken by a majority of the remaining shared registered for participation.

Pursuant to Section III, item 3 of the Substantiated Report, as interested parties are determined Ognian Ivanov Donev and Sophprint Group AD, who are not listed as shareholders with voting rights in the certified List of shareholders and their proxies registered to participate at the present General Meeting of Shareholders.

##### ***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 91 205 677 shares or 97,09% of the represented capital and 69,09% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": 2 730 309 shares or 2,91% of the represented capital and 2,07% of the registered capital***

Under these results the AGM took the following **DECISION**: AGM authorizes the Board of Directors of the Company to conclude a contract with Sofprint Group AD for the provision of services, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

#### **On item 18 of the agenda**

##### **Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA**

The Chairperson informed the shareholders of the main aspects of the proposed transaction under Section IV of the Substantiated Report and read the draft decision by the Board of Directors on this item of the agenda, namely: AGM authorizes the Board of

Directors of the Company to conclude a contract with Telecomplect AD for the provision of services, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote. The Chairman pointed out that shareholders in respect of which the conditions of art. 114, par. 6 of POSA determining them as interested persons involved in the transaction, cannot exercise their voting rights in deciding to authorize the Board of Directors for transactions within the scope of art. 114, par. 1 of POSA. The decision on this agenda item will be taken by a majority of the remaining shared registered for participation.

Pursuant to Section III, item 3 of the Substantiated Report, as interested parties are determined Ognian Ivanov Donev and Telecomplect AD, who are not listed as shareholders with voting rights in the certified List of shareholders and their proxies registered to participate at the present General Meeting of Shareholders.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 90 910 062 shares or 96,78% of the represented capital and 68,87% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": 3 025 942 shares or 3,22% of the represented capital and 2,29% of the registered capital***

Under these results the AGM took the following **DECISION**: AGM authorizes the Board of Directors of the Company to conclude a contract with Telecomplect AD for the provision of services, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 19 of the agenda**

**Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA**

**This agenda item shall not be put to vote due to a posed ban by the Financial Supervision Commission - Decision №446-PD/20.06.2013 by Nikolai Popov - Deputy Chairman of the Financial Supervision Commission, Head of "Investment Supervision", in relation to the Company for the application of a compulsory administrative measure under art.212, par.1, item 1 of POSA.**

**On item 20 of the agenda**

**Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA**

**This agenda item shall not be put to vote due to a posed ban by the Financial Supervision Commission - Decision №446-PD/20.06.2013 by Nikolai Popov - Deputy Chairman of the Financial Supervision Commission, Head of "Investment Supervision", in relation to the Company for the application of a compulsory administrative measure under art.212, par.1, item 1 of POSA.**

**On item 21 of the agenda**

**Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 3 of POSA**

**This agenda item shall not be put to vote due to a posed ban by the Financial Supervision Commission - Decision №446-PD/20.06.2013 by Nikolai Popov - Deputy Chairman of the Financial Supervision Commission, Head of "Investment Supervision", in relation to the Company for the application of a compulsory administrative measure under art.212, par.1, item 1 of POSA.**

**On item 22 of the agenda**

**Authorization of the Board of Directors of the Company for conducting a transaction within the scope of art.114, par.1, item 2 of POSA**

The Chairperson informed the shareholders of the main aspects of the proposed transaction under Section VIII of the Substantiated Report and read the draft decision by the Board of Directors on this item of the agenda, namely: AGM authorizes the Board of Directors of the Company to conclude a contract with Sopharma Properties REIT for the renting of conference space, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

No questions or statements on this agenda item were received, therefore the Chairperson put the draft decision of the Board of Directors to the vote. The Chairman pointed out that shareholders in respect of which the conditions of art. 114, par. 6 of POSA determining them as interested persons involved in the transaction, cannot exercise their voting rights in deciding to authorize the Board of Directors for transactions within the scope of art. 114, par. 1 of POSA. The decision on this agenda item will be taken by a majority of the remaining shared registered for participation.

Pursuant to Section VIII, item 3 of the Substantiated Report, as interested parties are determined Ognian Ivanov Donev and Sopharma Properties REIT, who are not listed as shareholders with voting rights in the certified List of shareholders and their proxies registered to participate at the present General Meeting of Shareholders.

***Voting results:***

***Total valid votes cast: 93 935 986 shares or 100% of the represented capital and 71,16% of the registered capital***

***VOTED "FOR": 93 639 371 shares or 99,68% of the represented capital and 70,94% of the registered capital***

***VOTED "AGAINST": none***

***VOTED "ABSTAINED": 296 615 shares or 0,32% of the represented capital and 0,22% of the registered capital***

Under these results the AGM took the following **DECISION**: AGM authorizes the Board of Directors of the Company to conclude a contract with Sopharma Properties REIT for the renting of conference space, which contract is within the scope of art.114, par.1, item 2 of POSA according to the Substantiated report prepared by the Board of Directors.

**The decision was taken with a majority as per the Commercial Act and the Articles of Association of the Company.**

No objections to the manner of voting and the results were received.

**On item 23 of the agenda**

**Miscellaneous.**

No questions were raised by shareholders.

The agenda of the Annual General Meeting of Shareholders of Sopharma AD was exhausted, therefore the Chairperson closed the meeting.

The present minutes were prepared and signed in three identical copies. An integral part of these minutes are: the list of the present shareholders and shareholder representatives at the General Meeting of Sopharma AD with the number of shares owned and represented by them, the powers of attorney by shareholders for representation at the General Meeting, current certificates of commercial registration for shareholders - legal entities and the materials for the convening of the General Meeting.

CHAIRPERSON OF THE AGM

.....  
/Galina Angelova /

SECRETARY OF THE AGM

.....  
/Ivanka Panova/

Tellers:

- |                    |                      |
|--------------------|----------------------|
| 1. ....            | 2. ....              |
| Maria Nedkova      | Maria Kurteva        |
| 3. ....            | 4. ....              |
| Kristina Atanasova | Zvezdelina Dimitrova |

**Sofia**  
**21 June 2013**