

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF SOPHARMA AD – SOFIA, 9 JANUARY 2015

I. Constituting the General Meeting of Shareholders

The Extraordinary Meeting of Shareholders of Sopharma AD was held on 9 January 2015, at 11.00 in Sofia, 5 Lachezar Stanchev Str., building B of commercial complex Sopharma Business Towers. It was attended by shareholders and their representatives, as per the annex to the Minutes listing the present shareholders and representatives of shareholders, containing the number of shares present and represented.

The AGM was opened by the Executive Director of Sopharma AD Mr. Ognian Donev. He announced the result of the registration of the shareholders and their representatives, conducted on the basis of the list of shareholders, containing information about the shares, owned by them with voting rights at the Extraordinary General Meeting, provided by the Central Depository AD, namely:

The registered capital of the company is 132 million BGN, divided into 132,000,000 registered dematerialized shares with a nominal value of BGN 1.

The shares with voting rights at the General Meeting of the Company as at 26 December 2014 – the date, as at which the shareholders registered in the register of the Central Depository AD have a voting right at the General Meeting, are 126 886 270 /one hundred and twenty-six million, eight hundred and eighty-six thousand, two hundred and seventy/. As a result of shares buyback, as at the same date – 26 December 2014, the Company has bought back 5 113 730 /five million, one hundred and thirteen thousand, seven hundred and thirty/ treasury shares and according to the regulations of art. 187a, par. 3 of the Commercial Act (CA) all rights on them, including the voting right, have been suspended until the moment of their transfer.

18 shareholders were registered for participation at the Extraordinary General Meeting. 39,961,927 shares are represented personally and 35,675,970 shares - by proxy. The total number of the represented shares is 75,637,897, which is 57.3% or more than ½ of the capital.

There is a quorum for holding the General Meeting and it may be conducted and take valid decisions.

ELECTION OF MANAGEMENT BODY OF THE SESSION OF THE GENERAL MEETING:

1. Proposals for the management body of the session:

For Chairperson - Galina Ivanova Angelova

For Secretary - Ivanka Atanassova Panova

For Tellers: Maria Nedkova, Alexander Popov, Jeni Asenova, Zvezdelina Dimitrova

Voting results:

VOTED “FOR”: 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

The EGM elected the proposed persons for Chairperson, Secretary and Tellers of the Extraordinary General Meeting.

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. Pursuant to art. 223, par. 1 of the CA the Extraordinary General Meeting of Shareholders is convened by the competent authority for this, namely the Board of Directors of the Company by a decision taken with the Minutes form 28 November 2014. The invitation for the General Meeting meets the requirements of art. 223, par. 4 of the CA and art. 115 of the Public Offering of Securities Act (POSA).

2. On the basis of art. 223, par. 5 of the CA the invitation was announced in the Commercial Register with registration from 4 December 2014, as well as 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 Public regarding the convening of the General Meeting of Shareholders, the agenda and the draft decisions.

3. According to a list of the present and represented shareholders, certified by the Chairperson and the Secretary, ***18 shareholders have registered for participation at the Extraordinary General Meeting. Personally represented are 39,961,927 shares and by proxy – 35,675,970 shares. The total number of represented shares with voting rights is 75,637,897, which represents 57.3% or more than ½ of the capital.***

The quorum required under the CA and the Articles of Association of the company is present and the General Meeting can take valid decisions with a majority of more than half of the capital represented.

All represented and registered shares for participation at the General Meeting are valid and with voting right.

The treasury share of the Company at the amount of 5 113 730 /five million, one hundred and thirteen thousand, seven hundred and thirty/ are not represented at the General Meeting. Pursuant to art. 187a, par. 3 of the CA the Company suspends the exercising of rights on the treasury shares until their transfer.

4. 10 shareholders are represented by a power of attorney. The powers of attorney are meeting in form and content all the requirements of the POSA. No powers of attorney have been provided electronically. No shareholders have exercised their voting right by correspondence or electronically

5. The following **members of the Board of Directors are present** at the EGM:
Ognian Donev – Chairman of the Board of Directors and Executive Director
Vessela Stoeva - Deputy-chairperson of the Board of Directors
Andrey Breshkov – Member of the Board of Directors;

6. The General Meeting was attended by shareholders, not registered for participation at the General Meeting due to closing of the registration period.

7. The General Meeting was attended by the following guests:

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

1. Approval of decision for transformation of Sopharma AD through merging with Bulgarian Rose – Sevtopolis AD with seat in Kazanlak, entered in the Commercial Register to the Registry Agency with UID 123007916. **Draft decision:** The GMS approves the transformation of Sopharma AD through merging with Bulgarian Rose – Sevtopolis AD with seat in Kazanlak, entered in the Commercial Register to the Registry Agency with UID 123007916. As a result of the transformation the assets of Bulgarian Rose – Sevtopolis AD shall be transferred to Sopharma AD under the conditions of general legal succession.
2. Approval of Contract for transformation through merger of Bulgarian Rose – Sevtopolis AD, entered in the Commercial Register to the Registry Agency with UID 123007916 in Sopharma AD, signed on 19 June 2014, as well as Annex №1 from 15 July 2014, Annex №2 from 10 October 2014, and Annex №3 from 25 November 2014. **Draft decision:** The GMS approves the Contract for transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD, signed on 19 June 2014, Annex №1 from 15 July 2014, Annex №2 from 10 October 2014, and Annex №3 from 25 November 2014.
3. Approval of the Report by the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD. **Draft decision:** The GMS approves the Report by the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.
4. Approval of the Report of the common examiner under art. 262m of the CA regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD. **Draft decision:** The GMS approves the Report of the common examiner under art. 262m of CA regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.
5. Approval of the Report of the common examiner under art. 262f of the CA for compliance to the regulations regarding the capital increase of Sopharma AD and the net value of the assets of Bulgarian Rose – Sevtopolis AD, which shall be transferred to Sopharma AD. **Draft decision:** The GMS approves the Report of the common examiner under art. 262f of the CA for compliance to the regulations regarding the capital increase of Sopharma AD and the net value of the assets of Bulgarian Rose – Sevtopolis AD, which shall be transferred to Sopharma AD.
6. Approval of decision for an increase of the capital of Sopharma AD from 132,000,000 (one hundred and thirty-two million) to 134,798,527 (one hundred and thirty-four million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) through the issuing of 2,798,527 (two million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) new shares with a nominal value of 1 BGN and a market value of 4.14 BGN, equaling the fair price of one share of Sopharma AD in relation to the merger with Bulgarian Rose – Sevtopolis AD in Sopharma AD. **Draft decision:** The GMS approves the increase of the capital of Sopharma AD from 132,000,000 (one hundred and thirty-two million) to 134,798,527 (one hundred and thirty-four million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) through the issuing of 2,798,527 (two million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) new shares with a nominal value of 1 BGN and a market value of 4.14 BGN, equaling the fair price of one share of Sopharma AD in relation to

the merger with Bulgarian Rose – Sevtopolis AD in Sopharma AD. The Board of Directors shall determine by its own decision the specific amount of the capital increase after the execution of the terms of the Contract for transformation. The shares from the capital increase shall be allocated among the shareholders of Bulgarian Rose – Sevtopolis AD under the terms of the Contract for transformation. The GMS authorizes the Board of Directors to prepare a list of the persons, which shall acquire shares from the capital increase of Sopharma in relation to its merger with Bulgarian Rose – Sevtopolis AD.

7. Amendments and supplements to the Articles of Association of Sopharma AD. **Draft decision:** The GMS approves the amendments and supplements to the Articles of Association of Sopharma AD as follows:

Art. 6 shall reflect the capital of the Company after the execution of the conditions laid down in the Contract for transformation. The GMS authorizes the Board of Directors to certify through its own decision the amount of the capital after its change in relation to the transformation of Sopharma AD through the merger with Bulgarian Rose – Sevtopolis AD.

Art. 10, par. 1 shall reflect the number of dematerialized ordinary shares with voting rights with a nominal value of 1 (one) BGN of the capital of the Company after execution of the conditions laid down in the Contract for transformation. The GMS authorizes the Board of Directors to certify through its own decision the number of shares of the capital of the Company after its change in relation to the transformation of Sopharma AD through the merger with Bulgarian Rose – Sevtopolis AD.

8. Miscellaneous.

Not all shares with voting rights issued by the Company were represented at the EGM and therefore under art. 231, par. 1 of the Commercial Act reviewing issues not covered by the announced agenda is not possible. In the period and per the regulations of art. 223a of the CA no additional items have been included for consideration by the General Assembly and no additional draft decisions on the announced agenda items have been made, therefore and in connection with the provision of art. 118, par. 4 of POSA there will be voting only on draft decisions contained in the invitation to today's Extraordinary General Meeting of Shareholders of Sopharma AD.

The agenda includes items, the decisions on which, pursuant to the Articles of Association of the Company and the CA, require a qualified majority, which will be announced before the voting on a draft decision on the respective agenda item.

II. DEBATES AND DECISIONS ON THE AGENDA ITEMS

On item 1 of the agenda:

Approval of decision for transformation of Sopharma AD through merging with Bulgarian Rose – Sevtopolis AD with seat in Kazanlak, entered in the Commercial Register to the Registry Agency with UID 123007916.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** The GMS approves the transformation of Sopharma AD through merging with Bulgarian Rose – Sevtopolis AD with seat in Kazanlak, entered in the Commercial Register to the Registry Agency with UID 123007916. As a result of the transformation the assets of Bulgarian Rose – Sevtopolis AD shall be transferred to Sopharma AD under the conditions of general legal succession.

The Chairperson put the draft decision of the Board of Directors to the vote, announcing that on the basis of art.262p, par. 3 of the CA a Decision for the transformation of the stock company can be taken by the GMS with a majority of 3/4 of the represented shares with voting rights.

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

***VOTED “FOR”:* 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company**

***VOTED “AGAINST”:* none**

***VOTED “ABSTAINED”:* none**

Under these results the EGM took the following decision: approval of the transformation of Sopharma AD through merging with Bulgarian Rose – Sevtopolis AD with seat in Kazanlak, entered in the Commercial Register to the Registry Agency with UID 123007916. As a result of the transformation the assets of Bulgarian Rose – Sevtopolis AD shall be transferred to Sopharma AD under the conditions of general legal succession.

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 Contract for transformation through merger of Bulgarian Rose – Sevtopolis AD, entered in the Commercial Register to the Registry Agency with UID 123007916 in Sopharma AD, signed on 19 June 2014, as well as Annex №1 from 15 July 2014, Annex №2 from 10 October 2014, and Annex №3 from 25 November 2014.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** Draft decision: The GMS approves the Contract for transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD, signed on 19 June 2014, Annex №1 from 15 July 2014, Annex №2 from 10 October 2014, and Annex №3 from 25 November 2014.

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

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

***VOTED “FOR”:* 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company**

***VOTED “AGAINST”:* none**

***VOTED “ABSTAINED”:* none**

Under these results the EGM took the following decision: approval of Contract for transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD, signed on 19 June 2014, Annex №1 from 15 July 2014, Annex №2 from 10 October 2014, and Annex №3 from 25 November 2014.

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 Report by the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** The GMS approves the Report by the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.

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

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

VOTED “FOR”: 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

Under these results the EGM took the following decision: approval of the Report by the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.

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 Report of the common examiner under art. 262m of the CA regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** The GMS approves the Report of the common examiner under art. 262m of CA regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.

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

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

VOTED “FOR”: 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company

VOTED“AGAINST”: none
VOTED“ABSTAINED”: none

Under these results the EGM took the following decision: approval of the Report of the common examiner under art. 262m of CA regarding the transformation through merger of Bulgarian Rose – Sevtopolis AD in Sopharma AD.

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 Report of the common examiner under art. 262f of the CA for compliance to the regulations regarding the capital increase of Sopharma AD and the net value of the assets of Bulgarian Rose – Sevtopolis AD, which shall be transferred to Sopharma AD.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** The GMS approves the Report of the common examiner under art. 262f of the CA for compliance to the regulations regarding the capital increase of Sopharma AD and the net value of the assets of Bulgarian Rose – Sevtopolis AD, which shall be transferred to Sopharma AD.

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

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

VOTED “FOR”: 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company

VOTED“AGAINST”: none

VOTED“ABSTAINED”: none

Under these results the EGM took the following decision: approval of the Report of the common examiner under art. 262f of the CA for compliance to the regulations regarding the capital increase of Sopharma AD and the net value of the assets of Bulgarian Rose – Sevtopolis AD, which shall be transferred to Sopharma AD.

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 decision for an increase of the capital of Sopharma AD from 132,000,000 (one hundred and thirty-two million) to 134,798,527 (one hundred and thirty-four million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) through the issuing of 2,798,527 (two million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) new shares with a nominal value of 1 BGN and a market value of 4.14 BGN, equaling the fair price of one share of Sopharma AD in relation to the merger with Bulgarian Rose – Sevtopolis AD in Sopharma AD.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** The GMS approves the increase of the capital of Sopharma

AD from 132,000,000 (one hundred and thirty-two million) to 134,798,527 (one hundred and thirty-four million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) through the issuing of 2,798,527 (two million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) new shares with a nominal value of 1 BGN and a market value of 4.14 BGN, equaling the fair price of one share of Sopharma AD in relation to the merger with Bulgarian Rose – Sevtopolis AD in Sopharma AD. The Board of Directors shall determine by its own decision the specific amount of the capital increase after the execution of the terms of the Contract for transformation. The shares from the capital increase shall be allocated among the shareholders of Bulgarian Rose – Sevtopolis AD under the terms of the Contract for transformation. The GMS authorizes the Board of Directors to prepare a list of the persons, which shall acquire shares from the capital increase of Sopharma in relation to its merger with Bulgarian Rose – Sevtopolis AD.

The Chairperson put the draft decision of the Board of Directors to the vote, announcing that pursuant to par. 19, item 1 of the Articles of Association of the Company, the decision for a capital increase shall be taken by the General Meeting of Shareholders with a majority of 2/3 of the represented shares with voting rights.

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

VOTED “FOR”: 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

Under these results the EGM took the following decision: approval of the increase of the capital of Sopharma AD from 132,000,000 (one hundred and thirty-two million) to 134,798,527 (one hundred and thirty-four million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) through the issuing of 2,798,527 (two million, seven hundred and ninety-eight thousand, five hundred and twenty-seven) new shares with a nominal value of 1 BGN and a market value of 4.14 BGN, equaling the fair price of one share of Sopharma AD in relation to the merger with Bulgarian Rose – Sevtopolis AD in Sopharma AD. The Board of Directors shall determine by its own decision the specific amount of the capital increase after the execution of the terms of the Contract for transformation. The shares from the capital increase shall be allocated among the shareholders of Bulgarian Rose – Sevtopolis AD under the terms of the Contract for transformation. The GMS authorizes the Board of Directors to prepare a list of the persons, which shall acquire shares from the capital increase of Sopharma in relation to its merger with Bulgarian Rose – Sevtopolis AD.

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:

Amendments and supplements to the Articles of Association of Sopharma AD.

The Chairperson read the draft decision of the Board of Directors on this item of the agenda, namely: **Draft decision:** The GMS approves the amendments and supplements to the Articles of Association of Sopharma AD as follows:

Art. 6 shall reflect the capital of the Company after the execution of the conditions laid down in the Contract for transformation. The GMS authorizes the Board of Directors to certify

through its own decision the amount of the capital after its change in relation to the transformation of Sopharma AD through the merger with Bulgarian Rose – Sevtopolis AD.

Art. 10, par. 1 shall reflect the number of dematerialized ordinary shares with voting rights with a nominal value of 1 (one) BGN of the capital of the Company after execution of the conditions laid down in the Contract for transformation. The GMS authorizes the Board of Directors to certify through its own decision the number of shares of the capital of the Company after its change in relation to the transformation of Sopharma AD through the merger with Bulgarian Rose – Sevtopolis AD.

The Chairperson put the draft decision of the Board of Directors to the vote, announcing that pursuant to par. 19, item 1 of the Articles of Association of the Company, the decision for amendment of the Articles of Association shall be taken by the General Meeting of Shareholders with a majority of 2/3 of the represented shares with voting rights.

Voting results:

Validly cast votes are 75,637,897, representing 100% of the capital, represented at the General Meeting and 57.3 of the registered capital of the company. Of them:

VOTED “FOR”: 75,637,897 shares or 100% of the represented capital and 57.3% of the registered capital of the company

VOTED “AGAINST”: none

VOTED “ABSTAINED”: none

Under these results the EGM took the following decision: approval of the amendments and supplements to the Articles of Association of Sopharma AD as follows:

Art. 6 shall reflect the capital of the Company after the execution of the conditions laid down in the Contract for transformation. The GMS authorizes the Board of Directors to certify through its own decision the amount of the capital after its change in relation to the transformation of Sopharma AD through the merger with Bulgarian Rose – Sevtopolis AD.

Art. 10, par. 1 shall reflect the number of dematerialized ordinary shares with voting rights with a nominal value of 1 (one) BGN of the capital of the Company after execution of the conditions laid down in the Contract for transformation. The GMS authorizes the Board of Directors to certify through its own decision the number of shares of the capital of the Company after its change in relation to the transformation of Sopharma AD through the merger with Bulgarian Rose – Sevtopolis AD.

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

Miscellaneous. There are no draft decisions and no voting on this agenda item. The shareholders asked questions related to the Company, including such related to the ongoing transformation, which were exhaustively answered by the present members of the Board of Directors.

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 shareholders and shareholder representatives with the number of shares owned and represented by them, who were present at the Extraordinary Meeting of Sopharma AD; 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 and the agenda items of the General Meeting, conducted on 9 January 2015, Sofia.

CHAIRPERSON OF THE AGM

.....
Galia Angelova

SECRETARY OF THE AGM

.....
Ivanka Panova

TELLERS:

- | | |
|---------------|----------------------|
| 1. | 2. |
| Maria Nedkova | Alexander Popov |
| 3. | 4. |
| Jeni Asenova | Zvezdelina Dimitrova |

Sofia
9 January 2015