

# MINTUTES

## OF THE MEETING OF THE BOARD OF DIRECTORS OF SOPHARMA AD

The meeting of the Board of Directors of Sopharma AD took place on 8 January 2018 in Sofia.

The following members of the Board of Directors were present:

1. Ognian Ivanov Donev - Chairman of the Board of Directors, Executive Director;
2. Alexandar Victorov Tchaouchev - Member of the Board of Directors;
3. Ognian Kirilov Palaveev - Member of the Board of Directors;
4. Andrey Liudmilov Breshkov - Member of the Board of Directors;

The Board members are accurately informed about the meeting and its agenda.

The Deputy Chairperson of the Board of Directors Mrs. Vesela Lyubenova Stoeva did not attend the meeting.

The required majority of the members of the Board of Directors is required to take valid decisions on the items on the agenda.

The meeting had the following agenda:

1. Decision to convene an Extraordinary General Meeting of Shareholders of Sopharma AD.
2. Approval of the agenda of the General Meeting of Shareholders and draft decisions by the Board of Directors for the items on the agenda.
3. Approval of the text of the invitation for the Extraordinary General Meeting
4. Miscellaneous.

After discussions the Board of Directors took the following

### **DECISIONS:**

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

The Board of Directors convenes an Extraordinary General Meeting of Shareholders of "Sopharma" AD, which shall be held on **23 February 2018** at 11:00 at the Company's headquarters in Sofia, at the address: 5 Lachezar Stanchev Str., and in the absence of quorum - on 9 March 2018 at the same place, the same time and with the same agenda.

Voting results:

1. Ognian Ivanov Donev - FOR
2. Alexander Victorov Tchaouchev – FOR
3. Ognian Kirilov Palaveev - FOR
4. Andrey Liudmilov Breshkov - FOR

**The decision on item 1 of the agenda was unanimously passed by the Board of Directors present.**

**On item 2 of the agenda:**

The General Meeting of Shareholders shall be conducted with the following agenda and draft decisions:

1. **Taking a decision for transformation through merger of Unipharm AD into Sopharma AD.**

***Draft decision:*** *GMS transforms Sopharma AD by merging Unipharm AD into it. As a result of the merger, the entire property of Unipharm AD will be transferred to Sopharma AD under the conditions of general succession.*

2. **Approval of the Contract for transformation through merger of Unipharm AD into Sopharma AD, concluded on 14.09.2017 and of Additional Agreement No1 of 08.11.2017 to it.**

***Draft decision:*** *The GMS approves the Contract for transformation through merger of Unipharm AD into Sopharma AD, concluded on 14.09.2017, Additional Agreement No. 1 of 08.11.2017 to it (the "Contract for transformation through merger").*

3. **Approval of the Report of the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Unipharm AD into Sopharma AD.**

***Draft decision:*** *The GMS approves the Report of the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Unipharm AD into Sopharma AD.*

4. **Approval of the Auditor's Report under Art. 262m of the CA on the transformation through merger of Unipharm AD into Sopharma AD.**

***Draft decision:*** *The GMS approves the Auditor's Report under Art. 262m of the CA on the transformation through merger of Unipharm AD into Sopharma AD.*

5. **Approval of changes in the Company's Articles of Association.**

***Draft decision:*** *The GMS approves changes in the Company's Articles of Association according to a proposal of the Board of Directors, included in the materials for the EGMS.*

6. **Taking a decision for acquisition of own shares.**

***Draft decision:*** *The General Meeting of Shareholders, on the grounds of Art.187b of the Commercial Law and Art.111, para 5 of POSA, approves a resolution for the acquisition of own*

*shares from the capital of the Company under the following conditions: up to 10% of the total number of shares issued by the company, but not more than 3% in each calendar year; term of the acquisition - no longer than 5 (five) years; minimum price for acquisition - not less than the nominal value per share of the company's capital; maximum price for acquisition - BGN 5.50 per share; The General Meeting empowers the Board of Directors of the company to determine all other parameters of the acquisition and to carry out the necessary factual and legal actions for the implementation of the decision of the General Meeting of Shareholders.*

## **7. Miscellaneous.**

The invitation and the materials related to the agenda of the meeting should be sent to the statutory terms of the Financial Supervision Commission and the regulated market in which the shares of the Company are admitted to trading on the company's website: [www.sopharmagroup.com](http://www.sopharmagroup.com) and be available to shareholders at 16, Iliensko Shosse Str., Sofia, as of the date of announcement of the invitation to convene the GMS in the Commercial Register, and at the request of a shareholder, the company to provide it materials for free.

Voting results:

1. Ognian Ivanov Donev - FOR
2. Alexandar Victorov Tchaouchev – FOR
3. Ognian Kirilov Palaveev - FOR
4. Andrey Liudmilov Breshkov - FOR

**The decision on item 2 of the agenda was unanimously passed by the Board of Directors present.**

### **On item 3 of the agenda:**

**The Board of Directors has decided:** Pursuant to art. 223 of CA, an **Invitation for the Annual General Meeting of Shareholders with the following text** shall be announced in the Commercial Register and under the terms and conditions of art. 100, par. 1 and 3 of POSA:

“The Board of Directors, pursuant to art. 223 of the Commercial Act /CA/ and art. 115 of the Public Offering of Securities ACT /POSA/, convenes an Extraordinary General Meeting of Shareholders of Sopharma AD, which shall be held on 23 February 2018 at 11:00 at the Company's headquarters in Sofia, at: 5 Lachezar Stanchev Str., Building B and in the absence of quorum on 9 March 2018 at the same place, the same time and with the same agenda:

**The General Meeting of Shareholders shall be conducted with the following agenda** and the following draft decisions, proposed by the Board of Directors:

- 1. Taking a decision for transformation through merger of Unipharm AD into Sopharma AD.**

**Draft decision:** GMS transforms Sopharma AD by merging Unipharm AD into it. As a result of the merger, the entire property of Unipharm AD will be transferred to Sopharma AD under the conditions of general succession.

2. **Approval of the Contract for transformation through merger of Unipharm AD into Sopharma AD, concluded on 14.09.2017 and of Additional Agreement No1 of 08.11.2017 to it.**

**Draft decision:** *The GMS approves the Contract for transformation through merger of Unipharm AD into Sopharma AD, concluded on 14.09.2017, Additional Agreement No. 1 of 08.11.2017 to it (the "Contract for transformation through merger").*

3. **Approval of the Report of the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Unipharm AD into Sopharma AD.**

**Draft decision:** *The GMS approves the Report of the Board of Directors of Sopharma AD to the shareholders of the company regarding the transformation through merger of Unipharm AD into Sopharma AD.*

4. **Approval of the Auditor's Report under Art. 262m of the CA on the transformation through merger of Unipharm AD into Sopharma AD.**

**Draft decision:** *The GMS approves the Auditor's Report under Art. 262m of the CA on the transformation through merger of Unipharm AD into Sopharma AD.*

5. **Approval of changes in the Company's Articles of Association.**

**Draft decision:** *The GMS approves changes in the Company's Articles of Association according to a proposal of the Board of Directors, included in the materials for the EGMS.*

6. **Taking a decision for acquisition of own shares.**

**Draft decision:** *The General Meeting of Shareholders, on the grounds of Art.187b of the Commercial Law and Art.111, para 5 of POSA, approves a resolution for the acquisition of own shares from the capital of the Company under the following conditions: up to 10% of the total number of shares issued by the company, but not more than 3% in each calendar year; term of the acquisition - no longer than 5 (five) years; minimum price for acquisition - not less than the nominal value per share of the company's capital; maximum price for acquisition - BGN 5.50 per share; The General Meeting empowers the Board of Directors of the company to determine all other parameters of the acquisition and to carry out the necessary factual and legal actions for the implementation of the decision of the General Meeting of Shareholders.*

7. **Miscellaneous.**

All shareholders of the company are invited to take part in the work of the General Meeting personally or through a representative.

Written materials for the EGMS are available to shareholders at the headquarters of the Company in Sofia, 16 Iliensko shose Str., the Records Department, every workday from 8:30 AM to 5:00 PM. The invitation, together with the written materials related to the items of the agenda of the Meeting, have been sent to the Financial Supervision Commission and to the regulated market where the company's shares are admitted to trading, are disclosed to the public and are published on the website of Sopharma AD - [www.sopharmagroup.com](http://www.sopharmagroup.com) from the moment the invitation is announced in the Commercial Register until the completion of the EGMS.

The Board of Directors of SOPHARMA AD informs that the total number of voting shares at the General Meeting of Shareholders of the Company at the date of the decision of

the Board of Directors to convene the Extraordinary General Meeting is **134 797 899 dematerialized registered shares with voting right.**

Pursuant to Art. 115b, para. 1 of POSA the right to vote in the General Meeting is exercised by the persons registered in the Book of Shareholders with the Central Depository AD 14 days before the date of the General Meeting; the respective valid date for the current Extraordinary General Meeting of the Shareholders, is **09 February 2018**. Persons registered as such with voting rights at that date are entitled to participate and exercise their voting rights at the general meeting. To determine the circle of voting persons at the General Meeting, scheduled for **23 February 2018**, the company will obtain a Book of Shareholders from the Central Depository AD valid as at **09 February 2018**.

According to the provision of Art. 187a, para. 3 of the CA, the exercise of all rights, including the right to vote, on the treasury shares bought back by the company shall cease until the moment of their transfer.

On the grounds of Art. 118, para.2, item 4 of POSA, persons holding together or separately at least 5 per cent of the capital of the public company SOPHARMA AD may request the inclusion of agenda items and propose resolutions on already included agenda items for the General Meeting under the provisions of Article 223a of the Commerce Act. Not later than 15 days before the opening of the General Meeting, these shareholders shall submit for announcement with the Commercial Register a list of the items that will be included in the agenda and the respective proposals for decisions on them, respectively proposals for decisions on items already on the agenda. With the announcement in the Commercial Register, the items are considered included in the proposed agenda of the General Meeting, respectively proposals for decisions on items already on the agenda. At the latest on the next business day following the announcement, the shareholders shall submit the list of items, the proposals for decisions and the written materials at the address of the company's management, as well as to the Financial Supervision Commission and the regulated market in which the shares of the company are admitted to trading.

Shareholders have the right, subject to the requirements of the law, to make substantive proposals for decisions on any item included on the agenda until the debate on this item is terminated and before the general meeting votes a resolution on the respective item. In exercising this right, the restriction provided in Art. 118, para. 3 of the Public Offering of Securities Act is valid.

During the General Meeting, the shareholders of the company have the right to ask questions on all items of the agenda, as well as questions about the economic and financial situation and the commercial activity of the company, whether these are related to the agenda or not.

The registration of the shareholders for participation in the General Meeting will take place on the announced day of its holding from 9:30 to 11:00 AM.

For registration and participation in the GMS, the natural persons - shareholders present an identity document. Legal entities - shareholders shall present an original or a certified copy of a current commercial / judicial registration certificate as well as an identity document of the legal representative.

**Rules for proxy voting:** Pursuant to the provisions of art. 18, par. 2 of the Articles of Association of the Company a proxy of shareholders in the General Meeting must contain an explicit written letter of attorney for the particular General Meeting with a minimum content as per art.116, par. 1 of POSA.

In case a shareholder – legal entity is represented by a physical person the authorized person must provide their identity document, original or a certified copy of a current certificate of commercial/court registration of the shareholder – legal entity, as well as an explicit written letter of attorney for the particular General Meeting with content as per art. 116, par. 1 of POSA, signed

by the legal representative of the shareholder – legal entity, entered in the current certificate of commercial/court registration.

In case a shareholder is represented by a legal entity, the person, representing the proxy, apart from their identification document, must present an original or a certified copy of a current certificate of commercial/court registration of the proxy - legal entity, an explicit written letter of attorney for the particular General Meeting with content as per art. 116, par. 1 of POSA, issued by the shareholder, and if the shareholder is a legal person, the person representing the proxy must also present an original or a certified copy of a current certificate of commercial/court registration of the shareholder.

The power of attorney should contain:

- A statement on the rights of the proxy in the cases of further included issues and / or proposals for decisions under Article 118, paragraph 2, item 4 of the Public Offering of Securities Act in connection with Art. 223a of the Commercial Act;
- A statement on the rights of the proxy in the hypothesis of Article 231 (1) of the Commercial Act;
- A statement on the right of the proxy to make substantive proposals for decisions on the items included in the agenda until the discussion on the respective issue - Art.115, para 3 of the Public Offering of Securities Act. In this case, the authorizing officer should explicitly indicate in the power of attorney a way to vote or give the proxy the right to vote at his own discretion.

Pursuant to Art. 116, para. 4 of POSA the re-authorization with the rights granted to the proxy according to the power of attorney given to him, as well as the power of attorney given in violation and / or in inconsistency with the provisions of art. 116, para. 1 of the POSA is void.

A commercial / court registration certificate as well as a power of attorney for representation in the General Meeting issued in a foreign language must be accompanied by a translation into Bulgarian, certified in accordance with Article 2a, paragraph 2 of the Regulations on Legalizations, Certification and Translation of Documents and other papers. The translation of official documents is done by an interpreter engaged at a company that has signed a contract with the Ministry of Foreign Affairs. The fact that the translator is registered with such a company is certified by the Ministry of Foreign Affairs with the signature of the translator or with an explicit certificate together with a statement by the translator that he has not been removed from the list at the Ministry of Foreign Affairs. If there is a discrepancy between the texts, the data in the Bulgarian translation will be accepted as valid.

The board of directors of SOPHARMA AD shall provide a sample paper power of attorney together with the materials for the general meeting. The power of attorney form is also available on the company's website at [www.sopharmagroup.com](http://www.sopharmagroup.com)

**In view of the technical support of the registration procedure for participation in the General Meeting of Shareholders, copies of the power of attorney should be submitted to the company on paper or in electronic form at the latest by the end of the working day preceding the date of the General Meeting; namely 17.00 on 22 February 2018.**

SOPHARMA AD will receive and accept valid electronic notifications and proxies by e-mail to the following e-mail: [mdnedkova@sopharma.bg](mailto:mdnedkova@sopharma.bg) , the electronic messages should be signed with an universal electronic signature (UES) by the legal representative or natural person and accompanied by an electronic document (electronic) of the power of attorney, which is also signed with an universal electronic signature (UES) by the legal representative.

**Pursuant to Art. 16a, para. 3 of the Articles of Association of the Company, the Board of Directors informs shareholders that at the General Meeting scheduled for 23**

**February 2018, and in the absence of a quorum on that date – for 9 March 2018, voting by correspondence and electronic means will be accepted, observing following rules:**

1. Pursuant to Article 16a of the Articles of Association, shareholders may exercise their voting rights before the date of the meeting by correspondence.

2. The voting right at the General Meeting of Shareholders of SOPHARMA AD, exercised through correspondence, is an explicit, written, notarised statement of will, issued by a shareholder of the company, which is for the particular meeting of the General Meeting of Shareholders and contains data on: identification of the shareholder in accordance with the requirements for registration for participation in the General Meeting of Shareholders; the number of shares the shareholder owns; the agenda of the items proposed for discussion at the particular meeting of the General Meeting of Shareholders of the Company, according to the Invitation to the General Meeting announced in the Commercial Register; proposals for decisions on each of the items on the agenda; the way of voting on each of the items on the agenda (for each of the items on the agenda only one of the following voting methods should be mentioned: "For", "Against" or "Abstain"); date and signature.

3. The necessary data for identifying a shareholder - natural person is: the full names, a single civilian number (EGN) and an address. The necessary data for identification of a shareholder - legal entity is: name, registered office and address of management, unified identification code (UIC) and the full name of the representative of the company.

4. The declaration referred to in paragraph 2 above, made in a foreign language, shall be accompanied by a translation into Bulgarian language, certified in accordance with Article 2a, paragraph 2 of the Regulations on Legalization, Certification and Translation of Documents and Other Papers. The translation of official documents is done by an interpreter engaged at a company that has signed a contract with the Ministry of Foreign Affairs. The fact that the translator is registered with such a company is certified by the Ministry of Foreign Affairs with the signature of the translator or with an explicit certificate together with a statement by the translator that he has not been removed from the list at the Ministry of Foreign Affairs. If there is a discrepancy between the texts, the data in the Bulgarian translation will be accepted.

5. In case the voting right is exercised through correspondence by a shareholder - legal person, the explicit statement must be accompanied by an original or a certified copy of a current certificate of commercial registration of the respective shareholder company. A certificate of commercial registration issued in a foreign language must be accompanied by a translation into Bulgarian, subject to the conditions set forth in paragraph 4 above.

6. As a valid means of exercising voting rights through correspondence, the shareholders of SOPHARMA AD may use any of the following exhaustively listed methods: mail - by letter sent to the company with a return receipt, certifying the moment of receiving the letter from the company; e-mail - via an electronic message that must be signed with an universal electronic signature (UES) by the shareholder and accompanied by an electronic document (electronic image) of the statement, which is also signed with an universal electronic signature (UES) by the shareholder; courier - by letter sent to the company by a courier service chosen by the shareholder.

7. SOPHARMA AD shall accept the validity of the vote by correspondence only if the written statement with the vote of the respective shareholder, irrespective of the preferred method of sending, was received by the company not later than 22 February 2018, which is the last business day, prior to the date set for the General Meeting of Shareholders.

8. In case a shareholder of SOPHARMA AD, who exercised his / her voting right through correspondence, attends the General Meeting personally on February 23, 2018, the voting rights exercised by him by correspondence shall be valid unless the shareholder states differently upon registration for participation in the meeting. In such cases, in items on which

the shareholder votes in person at the General Meeting, the voting rights he has exercised through correspondence will not be honored.

9. Address for correspondence by mail or courier: **Sofia, 1220, Iliensko Shose Str., SOPHARMA AD - to the attention of the Investor Relations Director.**

Address for correspondence via e-mail: [mdnedkova@sopharma.bg](mailto:mdnedkova@sopharma.bg)

Pursuant to Art. 227, para. 3 CA, in the absence of a quorum of the date of the Extraordinary General Meeting of Shareholders announced by this invitation, the same shall be held on 9 March 2018 at 11:00 am on the same place and on the same agenda. In this case, items on the agenda may not be included under the order of 223a of the Commercial Code.

Voting results:

1. Ognian Ivanov Donev - FOR
2. Alexandar Victorov Tchaouchev – FOR
3. Ognian Kirilov Palaveev - FOR
4. Andrey Liudmilov Breshkov - FOR

**The decision on item 3 of the agenda was unanimously passed by the Board of Directors present.**

**On item 4 of the agenda:**

**The Board of Directors made the following decision:** Assigns the Executive Director to provide the organization and exercise control over the factual and legal actions for the preparation and holding of the General Meeting of Shareholders of SOPHARMA in order to comply with the requirements of the Commercial Act, the LPOS and the Statute of the the company.

Voting results:

1. Ognian Ivanov Donev - FOR
2. Alexandar Victorov Tchaouchev – FOR
3. Ognian Kirilov Palaveev - FOR
4. Andrey Liudmilov Breshkov - FOR

**The decision on item 4 of the agenda was unanimously passed by the Board of Directors present.**

Due to completion of the agenda the meeting of the Board of Directors was closed.

The present minutes were prepared in two identical copies and were signed as follows:

1. Ognian Ivanov Donev - .....
2. Alexandar Victorov Tchaouchev - .....

3. Ognian Kirilov Palaveev - .....

4. Andrey Liudmilov Breshkov - .....