

# MINUTES

## OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF SOPHARMA AD

SOFIA, 14 September 2018

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

The Extraordinary General Meeting of Shareholders of Sopharma AD was held on **14 September 2018**, 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 Executive Director of Sopharma AD, Mr. Ognian Donev, welcomed the shareholders and suggested that the General Meeting elect a Quorum Validation Commission and the presented capital, which will also disclose the data of the completed registration of the shareholders and their proxies for participation in the General Meeting.

*Mrs. Pelagia Viatcheva was proposed for Chairman of the Commission and for Members: Lyubima Dasheva and Hristina Kerezova.*

Other suggestions were not made, in which Mr. Donev invited the attending shareholders and proxies to vote for the election of the Quorum Validation Commission and the represented capital in its proposed composition.

Results of the vote: *The General Meeting unanimously voted for a Quorum commission and the presented capital with the following members: Chairman - Pelagia Viatcheva and members - Lyubima Dasheva and Hristina Kerezova.*

*Mrs. Viatcheva presented to the shareholders a protocol with the Commission's findings of the verification of the quorum and the submitted capital on the basis of the data contained in the Book of Shareholders received from the Central Depository with voting rights at the General Meeting convened for 14.09.2018.*

*Upon completion of the registration of the shareholders and their proxies, the Commission has established the following:*

**Registered capital – 134 797 899** dematerialized registered shares, each with a nominal value of BGN 1 (one) and with the right to 1 (one) vote at the General Meeting of Shareholders.

**Number of treasury shares of Sopharma AD – 9 148 310.** Pursuant to Art. 187a, para. 3 of the Commercial Law, the rights to own shares are not exercised until their transfer.

**Total number of shares with voting rights** that can participate in the regular General Meeting of Shareholders convened on 14 September 2018 – **125 649 589**.

### Results of completed registration:

**The personally present shareholders** are **70 382 171** shares.

**Through a proxy are represented** **13 547 664** shares.

**Total represented shares – 83 929 835** representing **62.263%** of the registered capital of the Company.

For the registration, a list of the shareholders registered with the General Meeting and their proxies, on which each person has personally signed his / her signature after having verified his identity/ representative authority before the person to register, has been drawn up. The list shall be certified by the Chairman and Secretary selected of the General Meeting on 14 September 2018.

The Commission confirms to the General Meeting of shareholders that:

- All registered shares are entitled to one vote at the General Meeting;
- The number of the shares represented in person and by proxy does not exceed the number of shares for the respective shareholder according to the Shareholders' Book of the Company as at 31 August 2018 for the number of voting shares at the regular General Meeting of Shareholders of Sopharma AD convened on 14 September 2018.

Mrs. Viatcheva submitted to the Executive Director a Protocol signed by the members of the Quorum Verification Commission and the presented capital as well as an original List of Shareholders and Proxies registered for participation in the General Meeting.

Mr. Donev proposed the General Meeting, by vote, to adopt the Commission's report on the verification of the quorum and the presented capital.

The Commission's Quorum and Capital Validation report was adopted unanimously with the represented shares.

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

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

For Chairperson – Pelagia Viatcheva  
 For Secretary – Lyubima Dasheva  
 For Tellers: – Hristina Kerezova  
 Ivona Stancheva

***Following a vote with the result:***

	Actual votes			Voted “FOR”		Voted “AGAINST”		Voted “ABSTAINED”	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	83 929 835	100.00%	62.26%	83 929 835	100.00%	0	0.00%	0	0.00%
-from them through a representative	13 547 664	16.14%	10.05%	13 547 664	16.14%	0	0.00%	0	0.00%

**The EGM elected the proposed persons for Chairperson, Secretary and Tellers of the Extraordinary General Meeting, which takes place in Sofia on 14 September 2018.**

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

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

1. The invitation was announced in the Commercial Register with registration from 9 August 2018, as well as on the web site of the Company. The announcement was within the statutory period under Art. 223, para. 5 of the Commercial Law 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.
2. The Chairman and the Secretary received an original List of Shareholders and their proxy holders, who certified with their signatures.
3. For representation of shareholders in front of the General Meeting are presented 11 powers of attorney, which correspond to the form and content of the requirements of the Public Offering of Securities Act and of the Rules for Voting through a proxy adopted by the Company. 7 powers of attorney are submitted electronically within the time limit specified by the invitation, namely by the end of the business day preceding the day of the EGM.
4. The following **members of the Board of Directors are present** at the EGM:
  - Ognian Ivanov Donev – Chairman of the Board of Directors and Executive Director;
  - Vessela Lyubenova Stoeva - Deputy-chairperson of the Board of Directors;
  - Ognian Kirilov Palaveev – Member of the Board of Directors;
5. By the order and under the terms of Art. 16a of the Articles of Association of the Company, no voting rights shall be exercised by correspondence and by electronic means.
6. The General Meeting was attended by the following **guest**: Dimitar Simeonov

The chairman invited the shareholders to vote in favor of their consent or disagreement as to the presence of the guests.

### ***Following a vote with the result:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	83 929 835	100.00%	62.26%	83 929 835	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	16.14%	10.05%	13 547 664	16.14%	0	0.00%	0	0.00%

The General meeting, with the majority of the shares represented, decided that the persons registered as guests should attend the hall during the meeting without the right to vote.

*The Agenda of the General Meeting announced in the Commercial Register and the proposals for decisions on the items on the agenda are as follows:*

**1. Approval of the individual financial statements for the first half of 2018; Draft decision:** *GMS approves the individual Financial statements of the company for the first half of 2018.*

**2. Taking a decision under Art. 30, para. 5-7 of the Company's Articles of Association for the distribution of profits and the payment of an interim dividend on the basis of the approved six-month financial statements; Draft decision:** *The General Meeting of Shareholders approves the distribution of a 6-month dividend of BGN 0.05 per share from the profit realized by the company according to the 6-month financial report for the first half of 2018 and on the basis of the prepared by the Board of Directors Report on the requirements of Art. 115c of POSA.*

**3. Approval of a Substantiated Report of the Board of Directors for transactions within the scope of Art. 114 of POSA; Draft decision:** *The GMS approves a Substantiated Report of the Board of Directors for Transactions within the scope of Article 114 of the POSA.*

**4. Empowerment within the meaning of Art. 114, para. 1 of the Public Offering of Securities Act concerning the conclusion of a transaction under Section One of the Substantiated Report prepared by the Board of Directors.; Draft decision:** *GMS empowers the Board of Directors to conclude a manufacturing contract between Sopharma AD as Performer and Sopharma Trading AD as Assignor under the conditions set out in Section One of the Substantiated Report prepared by the Board of Directors.*

**5. Empowerment within the meaning of Art.114, para 1 of the Public Offering of Securities Act, regarding the conclusion of a transaction under Section Two of the Substantiated Report prepared by the Board of Directors; Draft decision:** *The GMS empowers the Board of Directors to conclude a rental contract between Sopharma AD as a landlord and Sopharma Trading AD as a tenant under the conditions set out in Section Two of the Substantiated Report prepared by the Board of Directors.*

**6. Empowerment within the meaning of Article 114, para 1 of the Public Offering of Securities Act for conclusion of a transaction under Section Three of the Substantiated Report prepared by the Board of Directors. Draft decision:** *The GMS empowers the Board of Directors to conclude a construction contract with Telecomplex AD as a contractor under the conditions set out in Section Three of the Substantiated Report prepared by the Board of Directors.*

**7. Empowerment within the meaning of Art.114, para 1 of the Public Offering of Securities Act, regarding the conclusion of a transaction under Section Four of the Substantiated Report prepared by the Board of Directors; Draft decision:** *The GMS empowers the Board of Directors to conclude a loan contract with Telecomplex AD as a borrower under the conditions set out in Section Four of the Substantiated Report prepared by the Board of Directors.*

**8. Miscellaneous.**

At the General Meeting of Shareholders not all the voting shares issued by the Company are represented, therefore, and **on the grounds of Art. 231, para. 1 of the Commercial Law the examination of other issues outside the announced agenda is not possible.**

**Following the announcement of the invitation in the Commercial Register, additional issues are not included under the terms of Art. 223a of the Commerce Law to the announced agenda for**

**today's General Meeting of shareholders, as well as other proposals for decisions on the announced issues on the agenda in the sense of Art. 118, para. 2, item 4 of POSA.**

Shareholders registered for participation in the Extraordinary General Meeting on 14 September 2018, the entitled, in compliance with the law, to make substantive proposals for decisions on any matter on the agenda to terminate the debate on this issue before voting of a decision on it by the General Meeting.

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 status and the commercial activity of the Company, whether these are related to the agenda.

**The announced agenda does not include issues in respect of which there are specific requirements of majority law for making decisions on them in the General Meeting.**

**The materials related to the items of the announced agenda of the General Meeting are at the disposal of the shareholders from the time of the announcement of the invitation in the Commercial Register to the Registry Agency** and are also available in the hall where the General Meeting is held. In electronic form, the materials for the General Meeting are also available on the official website of the company, including at the time of holding the Regular General Meeting of Shareholders.

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

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

#### **Approval of the individual financial statements for the first half of 2018.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *GMS approves the individual Financial statements of the company for the first half of 2018.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that the decision should be taken by a simple majority of the represented shares of the Company's capital.

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

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	83 929 835	100.00%	62.26%	83 929 835	100.00%	0	0.00%	0	0.00%

- from them through a representative	13 547 664	16.14%	10.05%	13 547 664	16.14%	0	0.00%	0	0.00%
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Under these results the EGM took the following **DECISION**:

**EGMS approves the individual Financial statements of the company for the first half of 2018.**

The decision was taken with a majority as per the Commercial Law 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:**

**Taking a decision under Art. 30, para. 5-7 of the Company's Articles of Association for the distribution of profits and the payment of an interim dividend on the basis of the approved six-month financial statements.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *The General Meeting of Shareholders approves the distribution of a 6-month dividend of BGN 0.05 per share from the profit realized by the company according to the 6-month financial report for the first half of 2018 and on the basis of the prepared by the Board of Directors Report on the requirements of Art. 115c of POSA.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that the decision should be taken by a simple majority of the represented shares of the Company's capital.

***Voting results:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	83 929 835	100.00%	62.26%	83 929 835	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	16.14%	10.05%	13 547 664	16.14%	0	0.00%	0	0.00%

Under these results the EGM took the following **DECISION**:

**The General Meeting of Shareholders approves the distribution of a 6-month dividend of BGN 0.05 per share from the profit realized by the company according to the 6-month financial report for the first half of 2018 and on the basis of the prepared by the Board of Directors Report on the requirements of Art. 115c of POSA.**

The decision was taken with a majority as per the Commercial Law 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 a Substantiated Report of the Board of Directors for transactions within the scope of Art. 114 of POSA.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *The GMS approves a Substantiated Report of the Board of Directors for Transactions within the scope of Article 114 of the POSA.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that the decision should be taken by a simple majority of the represented shares of the Company's capital.

***Voting results:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	83 929 835	100.00%	62.26%	83 929 835	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	16.14%	10.05%	13 547 664	16.14%	0	0.00%	0	0.00%

Under these results the EGM took the following **DECISION**:

**The EGMS approves a Substantiated Report of the Board of Directors for Transactions within the scope of Article 114 of the POSA.**

The decision was taken with a majority as per the Commercial Law 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:**

**Empowerment within the meaning of Art. 114, para. 1 of the Public Offering of Securities Act concerning the conclusion of a transaction under Section One of the Substantiated Report prepared by the Board of Directors.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *GMS empowers the Board of Directors to conclude a manufacturing contract between Sopharma AD as Performer and Sopharma Trading AD as Assignor under the conditions set out in Section One of the Substantiated Report prepared by the Board of Directors.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that, on the basis of the provision of Art. 114, para. 7 of the POSA the persons concerned, whether expressly mentioned in the Substantiated Report or not, cannot exercise their voting rights when deciding on this item on the agenda. When deciding the quorum for taking a decision on this item, all represented votes at the General meeting will be taken into consideration, and the votes of the persons concerned will not be included in the determination of the majority of the decision.

***Voting results:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	19 470 900	23.20%	14.44%	19 470 900	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	69.58%	10.05%	13 547 664	69.58%	0	0.00%	0	0.00%

Under these results the EGM took the following ***DECISION:***

**EGMS empowers the Board of Directors to conclude a manufacturing contract between Sopharma AD as Performer and Sopharma Trading AD as Assignor under the conditions set out in Section One of the Substantiated Report prepared by the Board of Directors.**

The decision was taken with a majority according to the Commercial Law 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:**

**Empowerment within the meaning of Art.114, para 1 of the Public Offering of Securities Act, regarding the conclusion of a transaction under Section Two of the Substantiated Report prepared by the Board of Directors.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *The GMS empowers the Board of Directors to conclude a rental contract between Sopharma AD as a landlord and Sopharma Trading AD as a tenant under the conditions set out in Section Two of the Substantiated Report prepared by the Board of Directors.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that, on the basis of the provision of Art. 114a, para. 7 of the POSA the persons concerned, whether expressly mentioned in the Substantiated Report or not, cannot exercise their voting rights when deciding on this item on the agenda. When deciding the quorum for taking a decision on this item, all represented votes at the General meeting will be taken into consideration, and the votes of the persons concerned will not be included in the determination of the majority of the decision.

***Voting results:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	19 470 900	23.20%	14.44%	19 470 900	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	69.58%	10.05%	13 547 664	69.58%	0	0.00%	0	0.00%

Under these results the EGM took the following ***DECISION:***

**The EGMS empowers the Board of Directors to conclude a rental contract between Sopharma AD as a landlord and Sopharma Trading AD as a tenant under the conditions set out in Section Two of the Substantiated Report prepared by the Board of Directors.**

The decision was taken with a majority as per the Commercial Law 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:**

**Empowerment within the meaning of Article 114, para 1 of the Public Offering of Securities Act for conclusion of a transaction under Section Three of the Substantiated Report prepared by the Board of Directors.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *The GMS empowers the Board of Directors to conclude a construction contract with Telecomplect AD as a contractor under the conditions set out in Section Three of the Substantiated Report prepared by the Board of Directors.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that, on the basis of the provision of Art. 114, para. 7 of the POSA the persons concerned, whether expressly mentioned in the Substantiated Report or not, cannot exercise their voting rights when deciding on this item on the agenda. When deciding the quorum for taking a decision on this item, all represented votes at the General meeting will be taken into consideration, and the votes of the persons concerned will not be included in the determination of the majority of the decision.

***Voting results:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	19 631 330	23.39%	14.56%	19 631 330	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	69.01%	10.05%	13 547 664	69.01%	0	0.00%	0	0.00%

Under these results the EGM took the following ***DECISION:***

**The EGMS empowers the Board of Directors to conclude a construction contract with Telecomplect AD as a contractor under the conditions set out in Section Three of the Substantiated Report prepared by the Board of Directors.**

The decision was taken with a majority as per the Commercial Law 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:**

**Empowerment within the meaning of Art.114, para 1 of the Public Offering of Securities Act, regarding the conclusion of a transaction under Section Four of the Substantiated Report prepared by the Board of Directors.**

The Chairman read the proposal of the Board of Directors for a decision on this item on the agenda, namely: *The GMS empowers the Board of Directors to conclude a loan contract with Telecomplect AD as a borrower under the conditions set out in Section Four of the Substantiated Report prepared by the Board of Directors.*

Until the discussions on this item of the agenda have been concluded, no other proposals for decisions have been made in accordance with the provision of Art. 115, para. 2, item 3 of the Public Offering of Securities Act.

The Chairperson announced the end of the discussion and initiated the voting procedure on the proposal of the Board of Directors by announcing that, on the basis of the provision of Art. 114, para. 7 of the POSA the persons concerned, whether expressly mentioned in the Substantiated Report or not, cannot exercise their voting rights when deciding on this item on the agenda. When deciding the quorum for taking a decision on this item, all represented votes at the General meeting will be taken into consideration, and the votes of the persons concerned will not be included in the determination of the majority of the decision.

***Voting results:***

	Actual votes			Voted "FOR"		Voted "AGAINST"		Voted "ABSTAINED"	
	Number	% of the represented capital	% of the registered capital	Number	% of the represented capital	Number	% of the represented capital	Number	% of the represented capital
Total	19 631 330	23.39%	14.56%	19 631 330	100.00%	0	0.00%	0	0.00%
- from them through a representative	13 547 664	69.01%	10.05%	13 547 664	69.01%	0	0.00%	0	0.00%

Under these results the EGM took the following ***DECISION:***

**The EGMS empowers the Board of Directors to conclude a loan contract with Telecomplect AD as a borrower under the conditions set out in Section Four of the Substantiated Report prepared by the Board of Directors.**

The decision was taken with a majority as per the Commercial Law 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 suggestions on this point and there is no vote.

The agenda of the Extraordinary 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.

**Applications to the protocol:**

The Commission's Quorum Validation Protocol and the represented capital;

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 shareholders of Sopharma AD;

The powers of attorney by shareholders for representation at the General Meeting;

Current certificates of commercial registration for shareholders - legal entities;

The materials for the convening of the Extraordinary General Meeting held on 14 September 2018 in Sofia.

CHAIRPERSON OF THE EGM:

.....  
Pelagia Viatcheva

SECRETARY OF THE EGM:

.....  
Lyubima Dasheva

TELLERS:

1. ....  
Hristina Kerezova

2. ....  
Ivona Stancheva

**Sofia**  
**14 September 2018**