

**WRITTEN MATERIALS
ON THE ITEMS OF THE AGENDA FOR THE
EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS
OF ALLTERCO JSCo**



**08.04.2022
SOFIA**

The appendixes to the proposals of the Board of Directors are integral part of these Written materials

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To the Shareholders
of Allterco JSCo

**PROPOSALS OF THE BOARD OF DIRECTORS OF ALLTERCO JSCo
FOR RESOLUTIONS ON THE ITEMS OF THE AGENDA**

ON ITEM 1. ADOPTION OF A DECISION ON CHANGES IN THE NUMBER AND MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF DIRECTORS PROPOSES THE GENERAL MEETING OF SHAREHOLDERS TO ADOPT THE FOLLOWING RESOLUTION:

Proposal for Resolution: The General Meeting of Shareholders approves the following changes in the Board of Directors:

The General Meeting of the Shareholders increases the number of the board members from 3 to 5, where the General Meeting of the Shareholders confirms the current members of the Board of Directors and appoints in addition the following new members:

- Wolfgang Kirsch,
- Gregor Bieler;

The newly appointed members of the Board of Directors are appointed for a term that coincides with the term of the term of the current members of the Board of Directors, namely - until 05.01.2026.

The General Meeting of the Shareholders assigns to the Board of Directors to elect from among its members a Chairman and a Deputy Chairman, as well as an Executive Director(s).

The General Meeting of Shareholders entitles Mr. Dimitar Dimitrov to conclude management agreements with the newly elected members of the Board of Directors under the conditions determined by the General Meeting of Shareholders and others, as he finds suitable at his own discretion.

Appendix: Documents regarding each of the newly elected members of the Board of Directors under the Commercial Law and the Public Offering of Securities Act:

- Declaration under Art. 234 (2) and (3) of the Bulgarian Commerce Act;
- Declaration under Art. 237 (3) and (4) of the Bulgarian Commerce Act;
- Declaration under Art. 114b(2) POSA;
- Declaration under Art. 116a1(2) POSA;
- Conviction Status Certificate;

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ON ITEM 2. ADOPTION OF DECISION ON AMENDMENTS IN THE REMUNERATION POLICY, THE BOARD OF DIRECTORS PROPOSES THE GENERAL MEETING OF SHAREHOLDERS TO ADOPT THE FOLLOWING RESOLUTION:

Proposal for Resolution: The General Meeting of Shareholders approves the proposed amendments to the Remuneration Policy, according to the written materials. Insofar as the Scheme for share-based remuneration of the members of the Board of Directors for 2021 that was adopted by the General Meeting of Shareholders on 28.06.2021, applies to the results achieved in 2021, this Scheme shall remain unchanged and in force for the current members of the Board of Directors and shall not apply to the newly elected members of the Board of Directors until a new scheme is approved.

Appendix: Draft of Remuneration policy for the members of the Board of Directors reflecting the proposed amendments and supplements

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ON ITEM 3. ADOPTION OF DECISION ON THE REMUNERATION, THE COMPENSATIONS AND THE MANAGEMENT GUARANTEES OF THE NEWLY ELECTED MEMBERS OF THE BOARD OF DIRECTORS

Whereas:

- The Board of Directors will appoint its members a Chairperson, Vice Chairperson, Executive Member(s);
- The proposed new members of the Board of Directors have high professional qualifications and proven international experience, which are essential for the next stage in the development of the Company and the building of the Company's international image;
- The proposed new members of the Board of Directors will work exclusively to develop the Company's business abroad by building and managing the relevant local business units

THE BOARD OF DIRECTORS PROPOSES THE GENERAL MEETING OF SHAREHOLDERS TO ADOPT THE FOLLOWING RESOLUTION:

Proposal for Resolution: The General Meeting of Shareholders determines the remuneration, the management guarantee and compensations of the newly elected members of the Board of Directors in the amount as follows:

1. Remuneration

Within the framework of the Remuneration Policy and according to the position held by each of them, as to be determined by a resolution of the Board of Directors, the following fixed remuneration is determined for the newly elected members of the Board of Directors:

- Gross monthly remuneration of an executive member of the Board of Directors: EUR 25 000 (BGN 48 895.75);
- Gross monthly remuneration of a non-executive member of the Board of Directors: EUR 10 000 (BGN 19 558.3) and additional remuneration for participation in a regular meeting of the Board of Directors of up to EUR 2 000 per month

2. Management Guarantee

The management guarantee of each of the newly elected members of the Board of Directors shall be in the amount of three gross monthly remunerations or as follows:

- for a newly elected member of the Board of Directors to be appointed as an executive member of the Board of Directors - EUR 75 000 (BGN 146 687.25)
- for a newly elected member of the Board of Directors who is appointed as a non-executive member of the Board of Directors - EUR 36 000 (BGN 70 409.88)

3. Compensation for earlier termination of the management contract

- In the event of termination of the management contract of any of the newly elected members of the Board of Directors due to expiration and non-renewal of the term for which he was elected, the Company shall not owe any compensation;

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- In the event of early termination by the Company of the management contract with any of the newly elected members of the Board of Directors, the maximum amount of compensation payable by the Company to the relevant board member, in addition to any compensation payable by law (when applicable), shall not exceed the amount of the fixed remuneration paid, but for not more than 12 months preceding the termination. Compensation shall not be payable in the event that the termination is due to unsatisfactory performance and/or breach of contract on the part of the respective board member.

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ON ITEM 4. ADOPTION OF AMENDMENTS AND SUPPLEMENTS TO THE STATUTE OF THE COMPANY, THE BOARD OF DIRECTORS PROPOSES THE GENERAL MEETING OF SHAREHOLDERS TO ADOPT THE FOLLOWING RESOLUTION:

Proposal for a Resolution: The General Meeting of Shareholders approves the following amendments and supplements to the Statute of the Company:

4.1. Article 15, para. 4 is amended as follows:

The decision of the General Meeting of Shareholders for the buying back of shares shall be taken by a majority of the capital represented at the meeting. The decision of the General Meeting of Shareholders for buying back should have the following content: the minimum and maximum number of shares to be bought back; the terms and conditions under which the Board of Directors shall make the buying back within a specified period not exceeding five years from the date of the decision; the minimum and maximum value of one share to be bought back, as well as the investment intermediary through which the buying back will take place.

4.2. Article 28, para. 3 is amended as follows:

Decisions under Article 28, para. 1 and para. 2 shall be taken unanimously by a majority of more than half of all members of the Board of Directors.

4.3. Article 29, para. 2 is amended as follows;

At its first meeting after its election, the Board of Directors shall adopt its rules of procedure and shall elect its President, Vice-President and one or more Executive Directors. The number of the executive board members shall not exceed the number of the rest of the board members.

The General Meeting of the Shareholders assigns the representatives of the Company to take all legal and factual actions for entry of the Articles of Association with the amendments reflected in it in the Registry Agency - Commercial Register and Register of Non-Profit Legal Entities.

Appendix: Draft of Statute reflecting the proposed amendments and supplements

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ON ITEM 5. ADOPTION OF DECISION ON REPURCHASING OF SHARES (BUYBACK), THE BOARD OF DIRECTORS PROPOSES THE GENERAL MEETING OF SHAREHOLDERS TO ADOPT THE FOLLOWING RESOLUTION:

Proposal for Resolution: The General Meeting of Shareholders decides on buyback of its own shares under the following conditions:

- Purpose - provision of shares for the implementation of incentive programs for members of the corporate management and employees of the Company and its subsidiaries by granting shares
- Maximum number of shares subject to buyback – 80 000 shares;
- Buyback term – until 31.12.2022;
- Buyback price - in the range of BGN 15.00 per share (minimum price) and BGN 30.00 per share (maximum price);
- Terms and conditions of the buyback – at once or in part in one or several buyback procedures (until the maximum number of shares is reached) by the Company and/or any of its subsidiaries through an investment intermediary from any shareholder through stock exchange and/or OTC transactions. The General Meeting of Shareholders hereby entitles the Board of Directors of the Company to undertake to determine all other specific parameters of the buyback and to take all necessary legal and factual actions in execution of this resolution of the General Meeting of Shareholders, including but not limited to
 - (i) to conduct an unlimited number of buyback procedures, subject to the terms and conditions set forth herein, applicable law and the Company's Articles of Association;
 - (ii) to approve buyback by subsidiaries of the Company, by setting the specific parameters of each individual buyback procedure within the limits set forth in this Resolution;
 - (iii) to determine the start and end date of each specific buyback procedure,
 - (iv) to select the investment intermediary through which the buyback is to take place;
 - (v) to determine the specific share price within each specific procedure, and during the term of each specific procedure, depending on the market conditions, the Board of Directors may, at its discretion, change the buyback price within the limits set forth in this Shareholders' Meeting resolution;
 - (vi) to transfer the shares acquired by the Company as a result of the buyback, or approve the transfer thereof by the subsidiaries, to the qualified participants in share-based remuneration programmes and schemes.

On behalf of ALLTERCO JSCo

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Dimitar Dimitrov, CEO

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