

Appendix to the Written Materials in connection with a proposal for a resolution under item 19 of the agenda of the Ordinary Annual General Meeting of Shareholders of Allterco JSCo scheduled for 28.06.2021: Adoption of a decision for approval of the accomplishing of an incentives program for employees of the company and its subsidiaries based on shares from the capital of the ALLTERCO JSCO

INCENTIVES PROGRAM FOR EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES BASED ON SHARES FROM THE CAPITAL OF THE ALLTERCO JSCO

The Board of Directors of Allterco JSCo („the Company) proposes to implement an Employee Incentive Program (the “Program”), which will create an opportunity for providing of additional annual remuneration (bonus) in shares of the capital of Allterco JSCo to the employees of the Company and its subsidiaries (collectively referred to as the 'Group').

The proposed Program is a framework program, which is not bound by a specific term for its implementation and lays down the principle provisions for additional remuneration in shares for employees in the Group.

Throughout this Program, the granting of an annual bonus in shares represents the right to receive shares by transfer of ownership or the provision of rights for subscription of shares according to the specific way of obtaining them - transfer of own of the relevant company in the Group shares, purchase of shares (including redemption of shares) or issuance of new shares by Allterco JSCo by capital increase for the purposes of the implementation of the Program.

The implementation and execution of this Program is entirely at the discretion of the Board of Directors of Allterco JSCo, which independently determines the criteria, evaluates their implementation and determines the provision and amount of the respective bonus in shares.

The obtaining of shares for the implementation of the Program by way of redemption of shares or capital increase, and when required by law, is based on the decision of the General Meeting of Shareholders of Allterco JSCo.

This Program is subject only to the provision of an annual bonus in shares and does not apply to the provision of other additional remunerations, according to the internal rules of the companies in the Group.

1. Purpose

- The creation of possibility for the annual provision of an additional remuneration in shares to employees in the Group based on achieved individual and / or corporate results - annual bonus in shares ("annual bonus" / "bonus")
- Attraction, retention and development of employees, coordination of their work with group objectives while balancing salaries with short and long term corporate objectives and insurance of transparency and accountability in the performance of duties;

2. Maximum number of shares to be granted to employees of the Group within the Program

The maximum number of shares that may be granted as an annual bonus of Group employees is up to 140 000 shares per year, representing a total of 0,777 % of the capital of the Company at the date of preparation of this Program.

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The determined maximum annual number of shares is based on the average annual price of shares of Allterco JSCo as of the date of preparation of this Program. To the extent that the implementation of this Program is related to the Company's share prices, the number of shares subject to an annual bonus is expected to decrease with a positive development of the market capitalization.

3. Criteria for granting an annual bonus in shares

The provision of an annual bonus in shares and its amount is determined according to the level of each employee in the staff structure of the particular company of the Group and achievement of the individual and / or corporate goals.

The individual goals are determined on an annual basis by each company within the Group according to the specifics of its activity and are approved by the Board of Directors of Allterco JSCo.

The corporate goals are determined by the Board of Directors according to the development strategy of the Group, the long-term and short-term goals set before it.

4. Target audience

Subjects of the Program are employees from the top and middle management and expert staff at the Company and its subsidiaries, according to the levels in the personal structure of these companies ("the Employees").

To participate in the Program staff of expert positions at the Company and / or its subsidiaries should have a minimum of 12 months experience within the Group completed up to the date, on which a decision by the Board of Directors of Allterco JSCo for provision of bonuses is taken.

Taking into account the requirements and the professional experience to the position they take and the importance of their leadership qualities for achieving the individual and / or corporate goals, the participation of top and middle-level managers in the Program does not require a minimum experience within the Group.

5. Order and manner of provision of the bonus in shares

5.1. Criteria

The Employees participating in the Program can receive as an additional incentives a number of shares determined based on their respective position and the achieved individual and / or corporate goals for the particular period within the Program.

The criteria for achieving the goals are strictly in accordance with the specifics of each company and the respective position of service.

The Individual goals may include financial and non-financial indicators depending on the specific position of the employee. The individual goals are determined independently by each company of the Group and are approved by the Board of Directors.

The Corporate objectives may include criteria such as consolidated financial results of Allterco JSCo, financial indicators such as but not limited to consolidated earnings before taxes, interest, depreciation and amortization (EBITDA), consolidated profit from sales growth in consolidated revenue, consolidated profit, sales of products, market capitalization of Allterco JSCo, according to the statistics of the BSE. The corporate goals are determined annually or for a certain period by the Board of Directors of Allterco JSCo.

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Both individual and corporate goals are subject to changes and updates within the reporting period based on the business dynamics and strategic goals of the Group, without the need of discretion by the General Meeting of Shareholders.

5.2. Providing a bonus in shares

For the middle-level management and the expert staff the granting of an annual bonus and its specific amount are determined on an annual basis by the representative of the respective company of the Group and are approved by the Board of Directors of Allterco JSCo after review of the achievements individual and / or corporate goals.

For the top-level management, the provision of an annual bonus and its specific amount are determined on an annual basis directly by the Board of Directors of Allterco JSCo after reviewing the achieved individual and corporate goals.

The companies within the Group are not entitled to independently and at their own discretion to accrue and provide bonus in shares, which was not approved by a resolution of the Board of Directors of Allterco JSCo.

For the purposes of granting the annual bonus in shares, the Board of Directors determines the manner in which to procure the shares for the purposes of implementation of the Program - transfer of own shares to the respective company, purchase of shares (including redemption of shares) or issuance of new shares by Allterco JSCo by capital increase and the terms for their procurement.

The Board of Directors may decide to grant a bonus only on the basis of audited financial statements of Allterco JSCo. Nevertheless, bonus in shares in implementation of the Program may not be actually provided in any form until the approval of the consolidated annual financial statements of Allterco JSCo by the General Meeting of the Shareholders.

The provision of shares through capital increase and / or redemption of shares, as well as in all other cases provided by law, is subject to prior approval by the General Meeting of Shareholders of Allterco JSCo.

At the discretion of the Board of Directors, where this is economically advantageous and permissible by law, the Board of Directors may decide to ensure the shares for the purposes of the Program - subject to an annual bonus through their direct acquisition from the market or provision of own shares held by the Group companies, without an approval by the General Meeting of the Shareholders to be needed.

5.3. Calculate the bonus

For the **middle-level management and expert staff** the annual bonus in shares for the achieved individual and/or corporate goals is defined as a sum of money and provided in shares from the capital of Allterco JSCo, whereas the specific number of shares is determined as follows:

The sum of money is divided by the average market price per share of " Allterco" JSCo, according to statistics of the Bulgarian Stock Exchange (BSE) at closing , for a period of 10 days before the date of the decision of the Board of Directors of Allterco JSCo for the provision of the bonus. The number of shares received is rounded down to an integer number.

For the **top- management level Employees** the annual bonus in shares for the achieved corporate goals is defined as a fixed number of shares, and for the achieved individual goals – as a sum of money that must be converted into shares as described here above.

All expenses for opening personal accounts of the Employees for the purposes of receiving a bonus in shares with an investment intermediary chosen by each company of the Group shall be at the expense of the respective company. All expenses for maintaining the opened personal accounts are at the expense

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of the Employees. All obligations for declaring and paying tax liabilities in connection with the provided bonus are at the expense of the Employees.

5.4. Additional conditions

Except under the conditions of fulfillment of the envisaged individual and corporate goals, the shares are also provided under the cumulative presence of the following additional conditions:

- For the Employees of the **top-level management** - the shares subject to the annual bonus are provided under the condition for their lock-up by the Employees in favor of Allterco JSCo for a period of 3 years, as of the date of their receipt;
- For the Employees of the **middle-level management** - the shares subject to the annual bonus are provided under the condition for their lock-up by the Employees in favor of Allterco JSCo for a period of 2 years, as of the date of their receipt;
- For the Employees at **expert level** - the shares are provided as an opportunity (option) to receive / subscribe for shares (according to the way of their provision) after the expiration of 3 years as of the date of the resolution of the Board of Directors for provision of bonus in shares, provided that as of the date of exercising the option the employee's employment agreement is not terminated regardless of the reasons for that termination. Upon termination of the employment agreement, regardless of the reasons for this, the possibility for acquiring the shares subject to the bonus shall cease.

5.5. Exceptions

The provision of an annual bonus in shares within the described Program is an opportunity that is implemented entirely at the discretion of the Board of Directors of Allterco JSCo for each particular year.

By decision of the Board of Directors or in the presence of regulatory or operational obstacles to the payment of the bonus in shares, when such is determined to be provided, the annual bonus may be paid in cash, and the decision may be taken at any time until the effective provision of the bonus by providing the shares to the Employees. For the avoidance of any doubt, the sum of money approved as an annual bonus by the decision of the Board of Directors of Allterco JSCo is subject to payment, and not the monetary equivalent of the number of shares as of the date of payment. When the bonus was determined in fixed number of shares, subject of payment is their weighted-average market price according to the statistics of the BSE as of the date of the decision of the Board of directors for provision of the bonus.