

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



**15.10.2021
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 FOR 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:

1.1. Article 7, para. 1 is amended as follows:

(1) The capital of the Company may be increased by:

- (i) issue of new shares;
- (ii) conversion of bonds issued as convertible into shares;
- (iii) exercising rights to subscription of new shares on the basis of issued warrants, which give the right to subscribe for new shares from the capital of the Company;
- (iv) conversion of part of the profit into equity.

1.2. Article 7, para. 2 is amended as follows:

(2) The increase of the capital of the Company shall be carried out by a decision of the General Meeting of Shareholders with the majority provided for in this Statute, except in cases where according to this Statute and / or the applicable legislation another procedure is provided.

1.3. Article 7, para. 3 is amended as follows:

(3) In case of increase of the capital, each shareholder shall have the right to acquire shares corresponding to its share in the capital before the increase, unless the capital increase is conditional.

1.4. Article 7, para. 4 is amended as follows:

(4) Right to participate in the increase of the capital shall have persons who have acquired shares or warrants at latest 5 business days following the date of publishing of the announcement for public offering.

1.5. Article 7, para. 5 is amended as follows:

(5) In case of increase of the capital through the issue of new shares, rights shall be issued within the meaning of §1, item 3 of the Public Offering of Securities Act whereas one right is issued against each existing share. This rule shall apply accordingly where warrants or convertible bonds are issued and shall not apply in the case of capital increase, in which only members of the Board of Directors and / or employees of the Company shall be entitled to participate in *The appendixes to the proposals of the Board of Directors are integral part of these Written materials*

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compliance with the applicable restrictions in accordance with the applicable Bulgarian legislation.

1.6. Article 7, para. 8 is amended as follows:

(8) The conditional capital increase within the meaning of the applicable law, shall be admissible, where necessary for the purpose of merger, commercial offering for shares exchange or for securing the rights of holders of warrants or convertible bonds.

1.7. Article 7, para. 9 is amended as follows:

(9) Up to five years as of 27.06.2019, the Board of Directors is entitled to take decisions to increase the capital of the company, under any of the methods provided for under para. 1 except for by converting part of the profit into capital, until reaching a total nominal value of BGN 25,000,000 (twenty five million) by issuing and public offering of up to 10,000,000 (ten million) new dematerialized ordinary registered shares with the right of one vote, with a nominal value of BGN 1 (one) each and an issue value of one share, determined by an express decision of the Board of Directors of the Company. The restrictions set out here above shall apply in general regardless of which of the methods provided for under para. 1 here above has been used for the capital increase.

The capital increase by the Board of Directors pursuant to Art. 196, para 1 of the Commercial Code may be exercised without a specific proper delegation for this by the General Meeting of Shareholders on a case-by-case basis, but entirely on the basis of the powers conferred on it by this provision of the Statute. Within the limits set out here above, the Board of Directors shall also have the power to decide on the issue of warrants and convertible bonds, in which case the rules of this provision shall apply accordingly.

In the decision for issuance of the respective type of securities for the purposes of capital increase by one of the methods under para. 1 above, the Board of Directors shall determine:

1. the size and purpose of each increase;
2. the number and type of the new shares, which are to be issued as a result of the capital increase, their rights and privileges;
3. the terms and conditions for transfer and exercise of the rights within the meaning of § 1, item 3 of the POSA, issued against the existing shares;
4. the term and conditions for the issue of warrants or convertible bonds, including issue value, term and conditions for their subscription and payment, as well as the conditions for their conversion and the exercise of the rights under them, if applicable;
5. the terms and conditions for subscription of the new shares, including the amount of the issue value, the term, and the conditions for its payment depending on the choice of method for capital increase in accordance with para. 1 hereof;
6. the investment intermediary designated to implement the subscription;
7. all other parameters and circumstances required under the provisions of the effective legislation necessary for the implementation of the respective capital increase in accordance with the method for capital increase under para. 1 here above that have been chosen.

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1.8. Article 7, para. 10 is amended as follows:

(10) In case of increase of the capital of the Company in accordance with the preceding paragraph, the Board of Directors shall be empowered:

1. to prepare a prospectus for public offering of the shares of the capital increase of the Company together with the designated investment intermediary;
2. to adopt the respective amendments of the Statute of the Company, insofar as such are required, in relation to the implementation of the decisions taken for capital increase;
3. to prepare an update of the Statute, as of the date of the decision of the Board of Directors for amendment of the Statute, in accordance with the preceding sentence, and to announce the Statute to the Registry Agency - Commercial Register and Register of Non-Profit Legal Entities
4. to request the entry of the capital increase in the Registry Agency - Commercial Register and Register of Non-Profit Legal Entities;
5. to declare for entry the issue of shares in the register under Art. 30, para. 1, item 3 of the Financial Supervision Commission Act,
6. to declare for registration the issue in Central Depository AD;
7. to declare the admission of the issue for trading on the regulated market, operated by the Bulgarian Stock Exchange - Sofia AD;
8. to carry out any and all legal and factual actions in connection with the capital increase, which it deems necessary and / or appropriate.

When warrants or convertible bonds are issued, in addition to the above powers, which shall apply accordingly, the Board of Directors also has the following powers:

9. to take a decision for the issuance of warrants or convertible bonds, within the delegation under para. 9 of this Article, including up to the amount and within the terms provided for in the same provision;
10. to take a decision for the conditional capital increase in compliance with the provisions of the applicable legislation and this Statute in order to ensure the rights of the owners of warrants and convertible bonds.

1.9. In Article 16 a new para. 2 is added as follows:

(2) The advisory body of the Company is the Advisory Board (if such is constituted)

1.10. In Article 28, para. 1 a new item xiv is added as follows:

(xiv) to constitute and deconstitute the Advisory Board, to take decisions on all matters concerning the Advisory Board, except those previously determined by this Statute or by a decision of the General Meeting of Shareholders, including but not limited to: to determine the number and personnel of the Advisory Board, to appoint and dismiss its members at its discretion, the term of its existence, the remuneration and the mandate of its members, to adopt, amend, revoke and monitor the implementation of any and all documents concerning the Advisory Board, including the Rules on the functioning of the Advisory Board.

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The decisions of the Board of Directors shall not take effect if they are contrary to the law, to this Statute or to a previous decision of the General Meeting of Shareholders on the same matter.

1.11. A new Article 34a Advisory Board is added as follows:

(1) At the discretion and initiative of the Board of Directors, an Advisory Board may be established in the Company. The Advisory Board is a collective advisory body, which assists the members of the Board of Directors and the senior management of the Company, based on the expertise of each of its members and according to the goals set by the Board of Directors in its constitution, as for this purpose it can (the enumeration is exemplary):

- (i) to prepare and provide strategic guidelines and programs for development of the Company;
- (ii) to monitor the activity and the results of the activity of the Company, to prepare reports and to give proposals for improvement of some aspects of the Company's activity;
- (iii) to provide information on the current developments and trends in the business sector in which the Company operates;
- (iv) to provide information on innovative practices, as well as to recommend and develop programs for introduction of such practices in the activities of the Company;
- (v) to propose improvements regarding the products and / or services offered by the Company, as well as the development of new ones;
- (vi) to propose strategies for improving the Company's position in the current markets in which it operates, to explore opportunities for access to new markets, as well as for the implementation of new market mechanisms;
- (vii) to perform any other activity assigned to it by the Board of Directors, which is in the interest of the development of the Company.

(2) The Advisory Board does not explicitly and cannot be assigned any management, controlling or supervisory functions. The members of the Advisory Board have the right to access information belonging to the Company in the volume determined by the Board of Directors and subject to the requirements for handling such information no less restrictive than the requirements applicable to members of the Board of Directors.

(3) The Decisions, reports, strategies and all other documents issued by the Advisory Board, regardless of their name, are not explicitly binding and are not enforceable, unless a decision of the Board of Directors has given them such force that the document in question will be considered incorporated in the decision of the Board of Directors.

(4) The numerical composition of the Advisory Board is determined by a decision of the Board of Directors. Each of its members shall be elected for a term of office determined by the Board of Directors, not exceeding five years, which may be renewed without restriction or terminated before its expiry:

- (i) by decision of the Board of Directors for dismissing the relevant member of the Advisory Board;

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- (ii) at the request of the relevant member of the Advisory Board concerned;
- (iii) in the event of inability to perform the functions of a member of the Advisory Board due to death, illness or any other circumstance preventing them from performing them.

(5) The personnel of the Advisory Board shall be determined by a decision of the Board of Directors. Any natural person who, in the opinion of the Board of Directors, has expertise that can contribute to the development of the Company may be elected a member of the Advisory Board. The members of the Board of Directors, the procurators, the Investor Relations Director, the employees of the Company and the persons who directly or indirectly hold at least 25% of the votes at the General Meeting of Shareholders or control it, may not be explicitly elected as members of The Advisory Board.

(6) The Chairman and the Secretary of the Advisory Board are determined in accordance with the procedure provided for in the Rules of Procedure of the Advisory Board, adopted by a decision of the Board of Directors upon its constitution.

(7) The amount and the type of remuneration of each of the members of the Advisory Board shall be determined by the Board of Directors upon their election. The remuneration may be changed, both by type and amount, at any time by a decision of the Board of Directors.

(8) The annual expenses related to the activity of the Advisory Board, incl. for remuneration, may not exceed 2% of the annual revenues of the Company on a consolidated basis according to the adopted annual consolidated financial statements for the previous year. This provision shall apply respectively in the years of constitution and deconstitution of the Advisory Board, whereas the limit shall be calculated proportionally on the basis of the respective number of days during the period of existence of the Advisory Board towards to the total number of days in the calendar year.

1.12. Article 35, para. 1 is amended as follows:

(1) The members of the Board of Directors, the Procurators, the Investor Relations Director, the members of the Advisory Board and persons who directly or indirectly hold at least 25% of the votes of the General Meeting of Shareholders or control it shall be obliged to declare to the Board of Directors information:

- (i) about the legal entities in which they directly or indirectly hold at least 25% of the votes in the general meeting or which they control;
- (ii) about the legal entities in which management or supervisory bodies they participate, or whose procurators they are;
- (iii) about the known current and future transactions for which they believe that maybe recognized as interested parties.

1.13. Article 42 is supplemented by the date of the Decision of the General Meeting of the Shareholders at which the above amendments were adopted.

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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, containing the proposed amendments and supplements

On behalf of ALLTERCO JSCo

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Dimitar Dimitrov, CEO

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