



## Material on item 3 of the agenda

### of the Extraordinary General Meeting of CEZ Electro Bulgaria AD scheduled for 18<sup>th</sup> April 2022

#### Adoption of a resolution for amendments and supplementations to the By-laws of the Company

The amendments and supplementations to the By-Laws of CEZ Electro Bulgaria AD (hereinafter referred to as the “**Company**”), as proposed by the Management Board of the Company, are brought to life by the following updates:

On 27.07.2021 ČEZ, a.s. disposed of the 67% of the shares held of the capital of CEZ Electro Bulgaria AD, as have sold and transferred the shares to the company from the Group of Eurohold Bulgaria AD - Eastern European Electric Company B.V. (the Netherlands). As a result, by means of item 1 of the invitation for the extraordinary General Meeting of the Company, scheduled for 18.04.2022, has been made a proposal for change of the trade name of the Company from CEZ Electro Bulgaria AD to Electrohold Sales AD.

Pursuant to Art. 221, item 1 of the Law on Commerce and Art. 47, Par. 1, item 1 of the By-laws of the Company the General Meeting of the Company has competence to make any amendments and supplementations to the By-laws.

The specific proposals for amendments and supplementations to the By-laws of the Company are set out in the appended list.

Draft resolution: *“The General Meeting, on the grounds of Art. 221, item 1 of the Law on Commerce and Art. 47, Par. 1, item 1 of the By-laws of the Company, amends and supplements the By-laws of the Company, as follows:*

1. *On page 1 of the By-laws the words “of CEZ Electro Bulgaria AD” shall be deleted from the title and substituted by the words “of Electrohold Sales AD”;*

2. *In Art. 1 of the By-laws shall be made the following amendments:*

a) *item 2 shall be amended, as follows: ““Auditors” means persons/firm properly licensed to audit financial statements within the Republic of Bulgaria and approved/elected pursuant to the terms of these By-laws”;*

b) *in item 4 the words “By-laws of CEZ Electro Bulgaria AD” shall be deleted and substituted by the words “By-laws of Electrohold Sales AD”;*

c) *in item 6 the words ““Company” means CEZ Electro Bulgaria AD” shall be deleted and substituted by the words ““Company” means Electrohold Sales AD”;*

d) *in item 11 the words “of the Shareholdres” shall be deleted;*

e) *item 16 shall be repealed;*

f) *item 18 shall be amended, as follows: ““Central Depository” shall mean the Central Depository AD, where have been registered the Company`s securities”;*

g) *in Art. 1, item 1 of the By-laws shall be created a new item 19, as follows: ““Central Registry of Securities” shall mean the registry kept by the Central Depository AD by organizing and managing a registration system for financial instruments in a book-entry form.”;*

3. *Art. 3 of the By-laws shall be amended, as follows: “The name of the Company shall be „Електрохолд Продажбу“ АД. In English it shall be written as follows: Electrohold Sales AD.”;*

4. *In Art. 8 of the By-laws the words “seal with the inscription „ЧЕЗ Електро България“ АД“ shall be deleted and substituted by the words „seal with the inscription „Електрохолд Продажбу“ АД“;*

5. *In Art. 10 of the By-laws the words “seal with inscription CEZ Electro Bulgaria AD, Sofia“ shall be deleted and substituted by the words „seal with inscription Electrohold Sales AD, Sofia”;*



6. The following amendments shall be made to Art. 20 of the By-laws:

a) Par. 2 shall be amended, as follows: "The issuance and disposal of Shares of the Company shall have effect from their registration in the central register of securities.";

b) in Art. 3 shall be made the following amendments:

(i). in the first sentence the word "document" shall be deleted and substituted by the word "act";

(ii). The second sentence shall be deleted.

7. In Art. 26, Par. 3 of the By-laws shall be deleted the words "members of the Management Board and/or members of the Supervisory Board and/or";

8. In Art. 38 of the By-laws shall be created a new Paragraph 2, as follows: "The right to vote shall be exercised by the persons entered as such with the right to vote in the Central Registry of Securities 14 days before the date of the general meeting."

9. In Art 45 of the By-laws shall be made the following amendments:

a) in Art. 45, Par. 2 of the By-laws shall be created new item 6, as follows: "the required information pursuant to the provisions of the LPOS.";

b) Paragraph 4 shall be amended, as follows: "The written materials related to the agenda of the General Meeting shall be made available to the Shareholders at the Company's seat address, to the general public, to the Financial Supervision Commission, to the Bulgarian Stock Exchange AD and to the Central Depository and shall be disclosed on the Company's website on the Internet for the whole period since the sending of the invitation until the date of the session."

10. In Art. 46, Par. 3, first sentence of the By-laws after the words "shareholders attending and represented" shall be added a slash and the word "vote-holders";

11. In Art. 47, Par. 1, item 11 the words "State Commission for Energy Regulation" shall be deleted and substituted by the words "Energy and Water Regulatory Commission";

12. In Art. 49 of the By-laws shall be made the following amendments:

a) in Paragraph 1 the words "transactions may be undertaken only upon a resolution of the General Meeting" shall be deleted and substituted by the words "decisions of the General Meeting may be undertaken only upon";

b) in Art. 49, Par. 1 of the By-laws shall be created a new item 9, as follows: "decision for writing off the Company from the register, under Art. 30, Par. 1, item 3 of the Financial Supervision Commission Act and when the conditions pursuant to the requirements of the LPOS are present."

c) Paragraph 2, item 1, letter "a" shall be amended, as follows: "1/3 of the lower value of the assets according to the last 2 drawn up accountancy balances of the company, at least one of which has been audited, and which are disclosed in public under Art. 100m of LPOS; or";

d) Paragraph 2, item 1, letter "b" shall be amended, as follows: "2% of the lower value of the assets according to the last 2 drawn up accountancy balances of the company, at least one of which has been audited, and which are disclosed in public under Art. 100m of the LPOS, when in the transaction participate interested persons;";

13. Art. 51, Par. 1, item 3 of the By-laws shall be amended, as follows: "the number of the persons exercised their voting right in the General Meeting and the number of the held shares;";



14. In Art. 52, second sentence of the By-laws the words “attending Shareholders or their representatives” shall be deleted and substituted by the words “vote-holders and the representatives of the vote-holders attending the General Meeting”;

15. In Art. 54 of the By-laws the words “General Meeting of the Shareholders of the Company” shall be deleted and substituted by the words “General Meeting of the Company”;

16. In Art. 60, third sentence of the By-laws after the word “facsimile” shall be added the words “or e-mail”;

17. Art. 62, Par. 1, item 9 of the By-laws shall be amended, as follows: “approve the operating plans, the budget and the amendments to the accountancy policy of the Company;”;

18. In Art. 65 of the By-laws shall be made the following amendments:

a) in Paragraph 1, first sentence after the words “Minutes of proceedings shall be kept for each meeting of the Supervisory Board” shall be added the words “on paper or on electronic device”;

b) in the end of Paragraph 1 shall be created new fourth sentence, as follows: “When the minutes are signed as an electronic document, the originals shall be kept in an electronic registry.”;

c) in Paragraph 2, first sentence the words “take effect following such entry” shall be deleted and substituted by the words “have effect from their entry”;

19. In Art. 67, Par. 1, third sentence of the By-laws shall be amended, as follows: “If the mandate of any member of the Management Board expires, such member shall continue being able to exercise his rights (including, without limitation, the right of voting at meetings of the Management Board and the right of taking in-absentio resolutions of the Management Board) and performing his obligations as a member of the Management Board until dismissed from office by the Supervisory Board of the Company or de-registered from the Commercial Registry as such following the procedure for de-registration provided for in the applicable law.”;

20. Art. 72, Par. 1, item 11 of the By-laws shall be amended, as follows: “adoption of rules for voting through proxy, the samples, being used for voting through a proxy, and the ways, by which the company will be notified about electronically accomplished authorizations; and”;

21. In Art. 73, second sentence of the By-laws after the words “at the request of a member of the Management Board” shall be put comma and shall be added the words “by the vice-chairperson, when the chairperson is absent or by the secretary of the Management Board, if he/she has been authorized in writing for that by the chairperson.”;

22. In Art. 75 of the By-laws shall be made the following amendments:

a) in the first sentence after the words “Minutes of proceedings at each meeting shall be kept for each meeting of the Management Board” shall be added the words “on paper or on electronic device”;

b) in the end of Art. 75 of the By-laws shall be created new fourth sentence, as follows: “When the minutes are signed as an electronic document, the originals shall be kept in an electronic registry.”;

23. In Art. 76, third sentence of the By-laws after the word “facsimile” shall be added the words “or e-mail”;

24. In Art. 78, Par. 1 of the By-laws shall be created a new item 3, as follows: “has been a manager, a member of a management or controlling body of a company, which in a penal decree in force has been found to violate its obligations to establish and maintain certain designated levels of reserves as set out in the Act on Reserves of Crude Oil and Petroleum Products.”

Appendices:

1. By-laws of Electrohold Sales AD with the respective amendments and supplementations

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**BY-LAWS OF ELECTROHOLD SALES AD**

*(amended by a decision of the General Meeting of the  
Company of 18 April 2022)*

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## GENERAL TERMS

### Definitions

#### Article 1

In these By-laws unless the context otherwise requires the following words and expressions shall have the following meanings:

- 1 *(repealed by a decision of the General Meeting of Shareholders of 15 August 2011);*
- 2 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* **“Auditors”** means persons/firm properly licensed to audit financial statements within the Republic of Bulgaria and approved/elected pursuant to the terms of these By-laws.
- 3 *(repealed by a decision of the General Meeting of Shareholders of 27 June 2013)*
- 4 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* **“By-laws”** shall mean these By-laws of Electrohold Sales AD;
- 5 *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* **“Capital”** shall mean the monetary amount, which represents the aggregate nominal value of the subscribed Shares and which is registered with the Commercial Register;
- 6 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* **“Company”** shall mean Electrohold Sales AD;
- 7 **“Company Logo”** shall mean the Company’s trade mark used in the Company’s documentation and correspondence as approved by the General Meeting;
- 8 **“Dividend”** shall mean income deriving from the Shares, which income shall be distributed among the Shareholders in proportion to the number of Shares owned;
- 9 **“Energy Act”** shall mean the Bulgarian Energy Act promulgated in State Gazette issue 107 of 9 December 2003 with all subsequent amendments and supplements
- 10 *(repealed by a decision of the General Meeting of Shareholders of 15 August 2011);*
- 11 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* **“General Meeting”** shall mean the general meeting of the Company;
- 12 **“Law on Commerce”** shall mean the Bulgarian Law on Commerce promulgated in State Gazette issue 48 of 18 June 1991 with all subsequent amendments and supplements;
- 13 **“Shareholder”** shall mean a person who owns a Share or Shares in the Capital of the Company;
- 14 *(amended by a decision of the General Meeting of Shareholders of 15 August 2011)* **“Shares”** shall mean non-materialized shares of the capital of the Company in the meaning of Art. 178, Par. 2 of the Law on Commerce, which certify the rights and obligations of their owners in their capacity as Shareholders;
- 15 *(repealed by a decision of the General Meeting of Shareholders of 27 June 2013);*
- 16 *(repealed by a decision of the General Meeting of the Company of 18 April 2022);*
- 17 *(new, adopted by a decision of the General Meeting of Shareholders of 15 August 2011)* **“LPOS”** shall mean the Law on Public Offering of Securities, promulgated in State Gazette,

issue 114 of 30 November 1999, in force and effect as from 31 January 2000, with all subsequent amendments and supplements; and

- 18 *(new, adopted by a decision of the General Meeting of Shareholders of 15 August 2011; amended by a decision of the General Meeting of the Company of 18 April 2022)* “**Central Depository**” shall mean the Central Depository AD, where have been registered the Company`s securities;
- 19 *(new, adopted by a decision of the General meeting of the Company of 18 April 2022)* “**Central Registry of Securities**“ shall mean the registry kept by the Central Depository AD by organizing and managing a registration system for financial instruments in a book-entry form. .

## **Corporate form**

### **Article 2**

The Company shall be a joint stock company organised under the laws of the Republic of Bulgaria.

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Company is a publicly traded company in the meaning of the LPOS.

## **Company Name and Company Logo**

### **Article 3**

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* The name of the Company shall be „Електрохолд Продажби“ АД. In English it shall be written as follows: Electrohold Sales AD.

### **Article 4**

The Company shall have a Company logo, which shall be approved by the General Meeting.

### **Article 5**

The name and logo, as well as the registered office and address of the Company, shall be placed on all documents issued by the Company.

## **Principal Place of Business and Address**

### **Article 6**

*(amended by a decision of the General Meeting of Shareholders of 15 June 2007; amended by a decision of the General Meeting of Shareholders of 25 June 2015)* The seat of the Company is the city of Sofia and its address of management is: Republic of Bulgaria, Sofia, Mladost District, 159, Tsarigradsko Shosse Blvd., BenchMark Business Centre.

## **Scope of Activities**

### **Article 7**

The Company shall have the following scope of activities:

1. public supply of electricity pursuant to the Energy Act subject to obtaining a license for public supply of electricity, and in compliance with the terms of such license; and
2. any other activity not prohibited by the law and/or the license for public supply of electricity.

## Corporate Seal

### Article 8

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* The Company shall have a corporate seal with the inscription “Електрохолд Продажби” АД, гр. София and an image of the Company logo.

### Article 9

The seal of each branch of the Company shall state the name and the location of the principal place of business and address of the respective branch.

### Article 10

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* In its international correspondence the Company shall use a corporate seal with the inscription: Electrohold Sales AD, Sofia.

## Registered Capital

### Article 11

The registered Capital of the Company shall be BGN 50,000 (in words: fifty thousand).

### Article 12

The registered Capital shall be divided into 5,000 (in words: five thousand) registered Shares with nominal value BGN 10 (ten) each.

## Shares

### Article 13

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011)* The Shares of the Company shall be ordinary, registered, non-materialized, voting and freely transferable.

### Article 14

The Shares of the Company shall be of one class and shall give equal rights to their holders.

### Article 15

Each Share shall entitle its holder to one vote at the General Meeting, right to Dividend and a right to liquidation quota *pro rata* to its nominal value.

### Article 16

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Shares of the Company are indivisible. In the event a Share is owned by two or more persons, they shall determine by a written agreement which one of them shall represent the Share at the General Meeting.

### Article 17

*(repealed by a decision of the General Meeting of Shareholders of 15 August 2011)*

## **Article 18**

*(repealed by a decision of the General Meeting of Shareholders of 27 June 2013)*

## **Article 19**

The issue value of a Share may not fall below its nominal value.

*(title amended by a decision of the General Meeting of Shareholders of 15 August 2011)*

### **Non-Materialized Shares. Disposal of Shares.**

## **Article 20**

- (1) *(amended by a decision of the General Meeting of Shareholders of 15 August 2011)* The Company shall issue only non-materialized shares under Art 178, Par. 2 of the Law on Commerce in relation to Art. 111, Par. 3 of the LPOS.
- (2) *(new, adopted by a decision of the General Meeting of Shareholders of 15 August 2011; amended by decisions of the General Meeting of Shareholders of 27 June 2013 and of 18 April 2022)* The issuance and disposal of Shares of the Company shall have effect from their registration in the central register of securities.
- (3) *(new, adopted by a decision of the General Meeting of Shareholders of 15 August 2011; amended by a decision of the General Meeting of the Company of 18 April 2022)* The issuance and disposal of Shares of the Company shall be verified by a registration act issued by the Central Depository.

## **Article 21**

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011; repealed by a decision of the General Meeting of Shareholders of 6 April 2016)*

### **Transfer of Shares**

## **Article 22**

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Shares shall be transferable as per provisions in the existing legislation and the transfer shall be binding vis-à-vis the Company after its registration into the Central Depository.

## **Article 23**

*(amended by a decision of the General Meeting of Shareholders of 6 April 2016)* In the event that any Shares in the Company are transferred to a third party and any contributions in consideration for which such Shares have been issued remain outstanding at the time of transfer, then the transferor will remain jointly liable with the transferee for such outstanding contributions. The transferor's joint liability with respect to such obligations will expire on the second anniversary of the date on which the transfer of the Shares has become binding vis-à-vis the Company.

### **Shareholders Register**

## **Article 24**

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011)* The Book of Shareholders containing information about the Shareholders as required by law shall be kept by the Central Depository.



## Article 25

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012; repealed by a decision of the General Meeting of Shareholders of 6 April 2016)*

### Increase of the Registered Capital

## Article 26

(1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Registered Capital of the Company may be increased by:

1 issuance of new Shares;

2 *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* conversion of the Company's bonds which have been issued as convertible into Shares.

(2) *(new, adopted by a decision of the General Meeting of Shareholders of 26 April 2012)* In the event of capital increase by issuing of new Shares, the Company shall meanwhile issue the corresponding rights under § 1, item 3 of the LPOS. The rights under the preceding sentence are securities entitling the holder to subscribe a certain number of Shares under the adopted decision for the capital increase. For each existing Share shall be issued respectively one right.

(3) *(new, adopted by a decision of the General Meeting of Shareholders of 27 June 2013; amended by a decision of the General Meeting of the Company of 18 April 2022)* The requirement under Par. 2 shall not apply where entitled to participate in the capital increase are only employees of the Company. Increase of the capital under the preceding sentence shall be executed in compliance with the requirements of the LPOS.

(4) *(former Par. 3, new, adopted by a decision of the General Meeting of Shareholders of 26 April 2012)* The capital of the Company may not be increased under the provisions of Art. 193, 195 and Art.196, Par.3 of the Law on Commerce, except in the following cases:

1 when the capital increase is necessary to implement the restructuring program to bring the capital adequacy of the Company in accordance with the requirements of law or has imposed compulsory measure requiring increased capital pursuant to Art. 195 of the Law on Commerce;

2 when the capital increase under the provisions of Art. 195 of the Law on Commerce is necessary to implement the merger, tender offer to exchange Shares or ensuring the rights of holders of warrants or convertible bonds.

## Article 27

(1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The resolution of the General Meeting for increase of the capital should have the content specified in the Law on Commerce and the LPOS and other necessary data for emission rights and Shares, including:

1 the amount of the increase;

2 the type of Shares, by which the registered Capital is being increased;

3 the deadline for subscription and payment of the new Shares;

4 the minimum sale price of the new Shares, in case they will be offered at a price higher than their nominal value;

5 whether the increase will take place only with the value of the subscribed Shares, should there be any new Shares that have remained unsubscribed; and

6 setting an investment firm that serves the capital increase.

- (2) *(new, adopted by a decision of the General Meeting of Shareholders of 26 April 2012)* When the capital is increased the issue price of new Shares must be paid in full, except for capital increase under Art. 197 of the Law on Commerce, and by conversion of bonds into Shares. Article 188, para. 1, second sentence of the Law on Commerce shall not apply.

#### **Article 28**

*(repealed by a decision of the General Meeting of Shareholders of 26 April 2012)*

#### **Article 29**

*(repealed by a decision of the General Meeting of Shareholders of 26 April 2012)*

### **Increase of Registered Capital with Company's Own Resources**

#### **Article 30**

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011 and by a decision of the General Meeting of Shareholders of 26 April 2012)* The registered Capital of the Company may be increased through the conversion of part of or all of the Company's profits into registered Capital. The resolution of the General Meeting for an increase of registered Capital in this manner shall be made by a 3/4 (three-quarters) majority of the Shares represented at the General Meeting provided always that the General Meeting at which such conversion shall be considered shall be held no later than 3 (three) months after the adoption of the annual financial statements for the past year. The new Shares shall be distributed among the Shareholders *pro rata* to their share in the registered Capital prior to the increase. The right of the Shareholders to receive new shares cannot be waived by a decision of the General Meeting within the context of a capital increase under this Article.

### **Decrease of the Registered Capital**

#### **Article 31**

The registered Capital of the Company may be decreased through:

- 1 decrease of the nominal value of the Shares; or
- 2 *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* cancellation of Shares after they have been acquired by the Company.

#### **Article 32**

The decrease of the registered Capital shall be made by resolution of the General Meeting, which must state the purpose of the decrease and the manner in which it shall be made.

### **Cancellations and Redemptions of Shares**

#### **Article 33**

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Company is allowed to cancel or redeem shares only under the terms and conditions of the LPOS and Law on Commerce. During one calendar year the Company is allowed to acquire more than 3 percent of its own shares with voting rights in the case of capital reduction by cancellation of shares and redemption

only under the terms and conditions of the tender offer under Art. 149b (in Bulgarian: чл. 149б) of the LPOS.

## **Shareholders; Rights and Obligations of the Shareholders**

### **Article 34**

The Shareholders of the Company shall have the following rights:

- 1 to participate in the management of the Company, to vote at the General Meeting as one Share shall count for one vote;
- 2 to receive a Dividend;
- 3 to receive a liquidation quota of the property of the Company *pro rata* to the owned Shares;
- 4 the preferential right to acquire a portion of any new Shares issued for the increase of the registered Capital, *pro rata* to their share in the registered Capital prior to such increase, unless otherwise provided for in these By-Laws or an applicable law;
- 5 to be informed of General Meetings, to receive written materials related to the agenda of General Meetings and to have access, at the registered office of the Company, to such materials and to the record of decisions taken at General Meetings; and
- 6 to authorise another person in writing to represent them at the General Meeting.

### **Article 35**

The Shareholders of the Company shall have the obligation to make contributions against the Shares subscribed by them under the terms specified in these By-laws. The Shareholders shall not be personally liable for the liabilities of the Company.

### **Article 36**

The Shareholders may finance the activities of the Company by granting Shareholder loans to the Company on terms and conditions to be agreed with the Company in each particular case.

## **Bodies of the Company**

### **Article 37**

The bodies of the Company shall be:

- 1 the General Meeting of Shareholders;
- 2 the Supervisory Board;
- 3 the Management Board.

## **General Meeting**

### **Article 38**

(1) The General Meeting shall consist of all Shareholders entitled to vote. The Shareholders shall participate in the General Meeting personally or through an authorised proxy. The Shareholders, which are legal entities, shall participate in the General Meeting through their legal representatives or through a specially authorised person by virtue of an express power of attorney.

(2) *(new, adopted by decision of the General Meeting of the Company of 18 April 2022)* The right to vote shall be exercised by the persons entered as such with the right to vote in the Central Registry of Securities 14 days before the date of the general meeting.

#### **Article 39**

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The members of the Management Board and of the Supervisory Board, acting in their capacity as such, may participate in the General Meeting, but shall not have voting rights, unless they represent shareholder(s) in any General Meeting and the shareholder(s) has/have expressly stated the way of voting on each item of the agenda. So long as the Company has more than 50 employees, one representative of the Company's employees may participate in the General Meeting but shall not have voting rights.

#### **Article 40**

Shareholders entitled to take part in the General Meeting shall have the right to be accompanied by legal or other advisors.

#### **Article 41**

Persons not authorised under these By-laws or under the Law of Commerce to attend the sessions of the General Meeting shall be admitted to attend only with the permission of the General Meeting.

### **Calling of the General Meeting**

#### **Article 42**

- (1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* A regular session of the General Meeting shall be held at least once a year, not later than 6 months after the end of the financial year. The General Meeting shall be held at the Company's seat.
- (2) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* Each session of the General Meeting shall be chaired by a chairperson elected by a simple majority, who will manage such session. The term of office of such chairperson shall expire at the following General Meeting. Each session of the General Meeting shall elect a secretary and one or more vote-tellers where the secretary and the vote-tellers may, but will not necessarily be Shareholders.
- (3) *(new, adopted by a decision of the General Meeting of Shareholders of 26 April 2012)* Each session of the General Meeting may be held by using electronic means through one or more of the following forms or through combination of the one of the following forms with meeting with attendance:
  - 1 real-time transmission of the General Meeting;
  - 2 two-way communication in real time, allowing shareholders to participate in discussions and decision making in the General Meeting from a distance;
  - 3 mechanism to vote before or during the General Meeting, without the authorization of an individual to participate in person at the General Meeting.

#### **Article 43**

*(amended by a decision of the General Meeting of Shareholders of 27 June 2013)* Any sessions of the General Meeting shall be called by the Management Board. A session may be called, as well, by the Supervisory Board or upon request of Shareholders who possess, individually or collectively, shares, representing at least 5% (five percent) of the Company's registered capital. The request shall be delivered to the District Court at the Company's seat. The court convokes the General Meeting or

authorises the Shareholders that have requested the convocation or their representative to call the General Meeting.

#### **Article 44**

In addition to regular sessions of the General Meeting, the Management Board shall call the General Meeting within 1 (one) month if:

- 1 there are losses exceeding 1/2 (one-half) of the registered Capital. In such case the General Meeting must be held not later than 3 (three) months after such losses are established;
- 2 bankruptcy proceedings against the Company have been initiated; or
- 3 the economic stability of the Company is jeopardised and there is need for action by the General Meeting.

#### **Invitation**

#### **Article 45**

- (1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012 and by a decision of the General Meeting of Shareholders of 27 June 2013)* The sessions of the General Meeting shall be called by a written invitation and the Company is obligated to announce the invitation in the Commercial Registry and to disclose the invitation under the conditions and provisions of Art. 100t (in Bulgarian: чл. 100т), para. 1 and 3 of LPOS at least 30 days before its opening;
- (2) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The invitation shall contain the following information:
  - 1 the company and its headquarters;
  - 2 the place, date and time of the session of the General Meeting;
  - 3 the type of General Meeting to be held - regular or extraordinary;
  - 4 notice as to the formalities that need to be complied with, for the Shareholders to be able to attend and vote at the General Meeting; and
  - 5 the proposed issues to be put on the agenda for discussion and the proposals for resolutions thereon;
  - 6 *(new, adopted by a decision of the General Meeting of the Company of 18 April 2022)* the required information pursuant to the provisions of the LPOS.
- (3) *(repealed by a decision of the General Meeting of Shareholders of 26 April 2012)*
- (4) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012; amended by a decision of the General Meeting of the Company of 18 April 2022)* The written materials related to the agenda of the General Meeting shall be made available to the Shareholders at the Company's seat address, to the general public, to the Financial Supervision Commission, to the Bulgarian Stock Exchange AD and to the Central Depository and shall be disclosed on the Company's website on the Internet for the whole period since the sending of the invitation until the date of the session.

*(title amended by a decision of the General Meeting of Shareholders of 26 April 2012)*

#### **Quorum**

## Article 46

- (1) *(amended by a decision of the General Meeting of Shareholders of 15 August 2011 and by a decision of the General Meeting of Shareholders of 27 June 2013)* The session of the General Meeting shall be able to make decisions, provided it has been called in compliance with the law and the By-laws, and provided that at least ½ (one half) of the issued share capital is represented at the meeting. Shareholders, who possess, individually or collectively, shares representing at least 5% of the Company's registered capital are entitled to include additional items in the agenda under the procedure provided for in the Law on Public Offering of Securities, even after the invitation is already announced at the Commercial Registry. Decisions on matters, which were not included in the announced agenda, may still be taken if the holders of all Shares attend or are represented at the session and there are no objections to such decisions being made.
- (2) *(new, adopted by a decision of the General Meeting of Shareholders of 27 June 2013)* The shares held by:
- 1 an employee of the Company;
  - 2 a shareholder holding directly or through affiliated persons at least 25% (twenty five percent) of the votes in the General Meeting or being affiliated to the Company;
  - 3 a person in continuous business relationship with the Company;
  - 4 a member of a managing or controlling body, procurist or employee of a company or another legal entity under items 2 and 3; and
  - 5 a person affiliated to another member of a managing body or controlling body of the Company,
- shall be included in the calculation of quorum at the election of independent members of the Supervisory Board only in the case that no other shareholders attend or are represented at the General Meeting.
- (3) *(former Par. 2; amended by a decision of the General Meeting of the Company of 18 April 2022)* Should there be no quorum present at a meeting on first calling, a new session shall be scheduled for a date not earlier than 14 days, and it shall be deemed quorate, regardless of the level of Shareholders attending and represented/ vote-holders. The date of such new session may also be specified in the invitation for the adjourned session.

## Powers of the General Meeting

### Article 47

- (1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012; supplemented by a decision of the General Meeting of Shareholders of 6 April 2016)* The General Meeting shall have the power to:
- 1 amend and supplement the By-laws of the Company;
  - 2 resolve on (a) any capital increases or capital reductions in respect of the registered share capital of the Company, (b) the acquisition by the Company of its own Shares, or (c) the issuance of convertible bonds or other similar instruments affecting the share capital of the Company;
  - 3 transform or terminate the Company;

- 4 elect and dismiss the members of the Supervisory Board;
  - 5 *(supplemented by a decision of the General Meeting of Shareholders of 27 June 2013)* determine the amount of remuneration to be granted to the members of the Supervisory Board and the members of the Management Board, their entitlement to participate in the Company's profits, and their right to acquire shares or debt instruments of the Company;
  - 6 determine the amount of any surety to be given by members of the Supervisory Board and the Management Board;
  - 7 discharge from liability any members of the Supervisory Board and the members of the Management Board;
  - 8 appoint and dismiss the registered Auditors;
  - 9 approve the annual financial statements after the audit of the appointed registered Auditors;
  - 10 make decisions as to distribution of the Company's profit for filling in the Reserve Fund and payment of Dividends;
  - 11 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* appoint liquidators in the case of dissolution of the Company, except in the case of bankruptcy and except in case of the appointment of a special administrator under the Energy Act by the Energy and Water Regulatory Commission;
  - 12 *(new, introduced by a decision of the General Meeting of Shareholders of 6. April 2016)* adopt its own Rules of Procedure; and
  - 13 *(former item 12)* decide on other matters within the scope of its powers.
- (2) In all cases the decisions of the General Meeting should be in compliance with the requirements regarding the independence of the operators of the electricity distribution networks in the vertically integrated undertaking as a group of the electricity distribution undertakings and the electricity supply undertaking - the Company.

### **Decisions and Majorities**

#### **Article 48**

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011)* Decisions of the General Meeting shall be made by simple majority, constituting more than 1/2 (one-half) of the Shares represented at the General Meeting, unless the law requires a higher majority.

#### **Article 49**

(1) *(amended by a decision of the General Meeting of Shareholders of 15 August 2011; amended by a decision of the General Meeting of the Company of 18 April 2022)* The following decisions of the General Meeting may be undertaken only upon a resolution that has been passed by votes of 2/3 (two thirds) of the Shares represented at the General Meeting:

- 1 amend, repeal or supplement the By-laws of the Company;
- 2 increase the registered Capital;
- 3 waive the pre-emption rights of the shareholders as provided by Art. 194(1) of the Law on Commerce in connection with a capital increase;

- 4 (amended by a decision of the General Meeting of Shareholders of 15 August 2011) decrease the registered Capital;
  - 5 (amended by a decision of the General Meeting of Shareholders of 15 August 2011) liquidate the Company;
  - 6 (repealed by a decision of the General Meeting of Shareholders of 15 August 2011);
  - 7 (repealed by a decision of the General Meeting of Shareholders of 15 August 2011);
  - 8 (repealed by a decision of the General Meeting of Shareholders of 15 August 2011);
  - 9 (new, adopted by a decision of the General Meeting of the Company of 18 April 2022) decision for writing off the Company from the register, under Art. 30, Par. 1, item 3 of the Financial Supervision Commission Act and when the conditions pursuant to the requirements of the LPOS are present.
- (2) (repealed by a decision of the General Meeting of Shareholders of 15 August 2011, new, introduced by a decision of the General Meeting of Shareholders of 26 April 2012) The following resolutions of the General Meeting require votes of 3/4 (three quarters) of the Shares represented at the General Meeting:
- 1 approval of transactions of acquisition or disposal, receipt or making available for use or providing as collateral of long-term assets in the cases under Art. 114, Par. 1 of the LPOS at the total amount of more than;
    - (a) (amended by a decision of the General Meeting of the Company of 18 April 2022) 1/3 of the lower value of the assets according to the last 2 drawn up accountancy balances of the company, at least one of which has been audited, and which are disclosed in public under Art. 100т of LPOS; or;
    - (b) (amended by a decision of the General Meeting of the Company of 18 April 2022) 2% of the lower value of the assets according to the last 2 drawn up accountancy balances of the company, at least one of which has been audited, and which are disclosed in public under Art. 100т of the LPOS, when in the transaction participate interested persons;
  - 2 approval of the entry by the Company into a common enterprise agreement in the meaning of Art. 126b (in Bulgarian: чл. 126б) through Art. 126z (in Bulgarian: чл. 126з) of the LPOS;
  - 3 transformation of the Company.

## Article 50

- (1) (amended by a decision of the General Meeting of Shareholders of 26 April 2012) The decisions:
- 1 to amend and supplement the By-laws;
  - 2 to terminate the Company
- shall be entered into the commercial registry and shall take effect following such entry. Any other decision shall take effect immediately, unless the effect of such decision is expressed to be deferred.
- (2) (amended by a decision of the General Meeting of Shareholders of 26 April 2012) The decisions:
- 1 to increase and decrease the registered Capital;



- 2 to reorganise the Company;
- 3 to appoint and dismiss the members of the Supervisory Board; and
- 4 to appoint liquidators

shall have effect from the date of entering into the commercial registry.

### **Minutes of Proceedings of the General Meeting**

#### **Article 51**

Minutes of proceedings shall be taken for each session of the General Meeting in Bulgarian and shall be filed in a specially designated book. The minutes of proceedings shall record:

- 1 the place and time of holding the session;
- 2 the names of the chairperson, the secretary and the recorders of the votes;
- 3 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* the number of the persons exercised their voting right in the General Meeting and the number of the held shares;
- 4 the names of members of the Management Board or the Supervisory Board or other persons who are not Shareholders attending the meeting;
- 5 the substantive proposals made;
- 6 the voting and the results thereof;
- 7 the objections made.

#### **Article 52**

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* The minutes shall be signed by the chairperson, the secretary, and the recorders of the votes at the session. A list of the vote-holders and the representatives of the vote-holders attending the General Meeting, as well as the documents related to convening of the General Meeting shall be appended to the minutes. The minutes and the appendices thereto shall be kept for 5 (five) years.

### **Supervisory Board**

#### **Article 53**

The Supervisory Board shall supervise the exercise of powers of the Management Board and the business activities of the Company.

#### **Article 54**

*(amended by a decision of the General Meeting of Shareholders of 13 November 2008, supplemented by a decision of the General Meeting of Shareholders of 26 April 2012 and by a decision of the General Meeting of Shareholders of 27 June 2013; amended by a decision of the General Meeting of the Company of 18 April 2022)* The Supervisory Board shall consist of 3 (three) to 7 (seven) members. The members of the Supervisory Board of the Company shall be elected by the General Meeting for a term of 5 (five) years save for the members of the first board who shall be elected for a term of 3 years and may be re-elected without limitation. If the mandate of any member of the Supervisory Board

expires, such member shall continue being able to exercise his rights (including, without limitation, the right of voting at meetings of the Supervisory Board and the right of taking *in-absentio* resolutions of the Supervisory Board) and performing his obligations as a member of the Supervisory Board until dismissed by the General Meeting of the Company or de-registered from the Commercial Registry as such following the procedure for de-registration provided for in the applicable law.

#### **Article 55**

The Supervisory Board shall elect a chairperson and a vice-chairperson among its members. The performance of duties by the Chairperson and vice-chairperson shall start on the day of his/her election and shall terminate on his/her removal by the Supervisory Board.

### **Invitation**

#### **Article 56**

The sessions of the Supervisory Board shall be called by a written invitation sent to all members at least 14 (fourteen) days before the date of the session. The invitation for the session shall contain the following information:

- 1 the name and the registered office of the Company;
- 2 the place, date and time of the session of the Supervisory Board;
- 3 the type of the session to be held - regular or extraordinary;
- 4 notice as to the formalities that need to be complied with, for the members to be able to attend and vote at the session; and
- 5 the proposed issues to be put on the agenda for discussion and the proposals for decisions thereon.

### **Meetings of the Supervisory Board**

#### **Article 57**

The Supervisory Board shall convene regular meetings, at least once every three months, to discuss the status and development of the Company. Extraordinary meetings of the Supervisory Board shall be convened by the chairperson upon his/her own initiative or at the request of a member of the Supervisory Board. If the request to convene an extraordinary meeting of the Supervisory Board is not honoured within 30 (thirty) days following its receipt by the chairperson of the Supervisory Board, the requesting member may convene the meeting himself/herself.

#### **Article 58**

The meetings of the Supervisory Board shall be chaired by the chairperson, in his/her absence by the vice-chairperson, and shall be legitimate, if all the members have been duly invited and a majority of the members attend in person, or are represented by another member of the Supervisory Board who has been so authorised in writing. Each member of the Supervisory Board may represent only one non-attending member of the Supervisory Board.

#### **Article 59**

The session of the Supervisory Board shall be able to make decisions, provided it has been called in compliance with the law and the By-laws. Decisions on matters, which were not included in the announced agenda, may still be taken if all members attend or are represented at the meeting and there are no objections to such decisions being made.

## Article 60

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* The Supervisory Board may make decisions *in absentio* (via correspondence), provided all members of the Supervisory Board agree with the decision by signing a document setting out such decision. Counterparts of such document shall be deemed one and the same document when put together so long as all signatures of all members of the Supervisory Board have been obtained. Facsimile or e-mail signatures shall be given the same effect as original documents.

## Article 61

A meeting of the Supervisory Board may take place and valid resolutions of the Supervisory Board may also be passed by way of a telephone conference conversation or any other similar means of communication between the members, provided that the members attending the meeting are able to hear and talk to each other. Participation in a meeting of the Supervisory Board in such a manner shall be regarded as equivalent to attendance in person, subject to the same requirements in respect of quorum. The resolutions passed at any such meetings of the Supervisory Board shall be confirmed in writing by the members attending the respective meeting as soon as reasonably possible after its conclusion pursuant to Article 60.

### Powers of the Supervisory Board

## Article 62

(1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Supervisory Board shall have the power to:

- 1 adopt its own Rules of Procedure;
- 2 appoint and dismiss the members of the Management Board;
- 3 approve the decisions of the Management Board to delegate authority to one or more of its members or to one or several *procurists* to represent and bind the Company;
- 4 require that the Management Board provides information or a report on any matter concerning the Company;
- 5 approve the procedural rules of the Management Board;
- 6 approve the election and authorisation of the Executive Director(s) (if any) by the Management Board;
- 7 approve the essential changes in organizational structure and personnel organization structure of the Company proposed by the Management Board (for avoidance of any doubt, the change leading to dismissal of the personnel with more than 5% of the total number of the personnel and any increase is considered to be an essential change);
- 8 determine the main strategies for development of the Company's scope of activities, subject to approval of the General Meeting where any proposed strategy would require an amendment to the By-laws of the Company;
- 9 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* approve the operating plans, the budget and the amendments to the accountancy policy of the Company;

- 10 review and approve the annual financial statements, the annual report on the activities of the Company and the proposal for distribution of profit, and to propose the foregoing for approval by the General Meeting;
  - 11 decide on other matters which by virtue of the law are in its competence.
- (2) In all cases the decisions of the Supervisory Board in compliance with the requirements regarding the independence of the operators of the electricity distribution networks in the vertically integrated undertaking as a group of the electricity distribution undertakings and the electricity supply undertaking - the Company.

### **Decisions and Majorities**

#### **Article 63**

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011; supplemented by a decision of the General Meeting of Shareholders of 27 June 2013)* The Supervisory Board shall adopt its decisions by a simple majority of its members attending the respective session in person or duly represented by proxies, unless the law requires a higher majority. If, at the voting of any resolution, the number of the votes “for”, on the one side, is equal to the total of the votes “abstained” and the votes “against”, on the other side, the vote of the Chairperson of the Supervisory Board shall be decisive. For the avoidance of doubt, in the case under the proceeding sentence, the respective resolution shall be considered as taken, if the Chairperson of the Supervisory Board voted “for” it, or as not taken, if the Chairperson of the Supervisory Board voted “abstained” or “against” it. The decisive vote may be exercised by the Chairperson of the Supervisory Board through a proxy. The Vice-Chairperson of the Supervisory Board shall not have a decisive vote, including, among other cases, in the case of absence of the Chairperson and a proxy of his from a validly convened meeting of the Supervisory Board.

#### **Article 64**

*(amended by a decision of the General Meeting of Shareholders of 15 August 2011 and by a decision of the General Meeting of Shareholders of 26 April 2012)* The following transactions, specified in Art. 236 para 2 from the Law on Commerce may be undertaken only after prior approval by the Supervisory Board

- (a) transfer or making available for use by a third party of the whole business enterprise of the Company;
- (b) disposal of assets, whose total value in the current year exceeds  $\frac{1}{2}$  of the total value of the assets of the Company in the latest audited annual Balance Sheet; and
- (c) assumption of liabilities or provision of security to a stand-alone third party or to a group of third parties affiliated to each other, whose total value in the current year exceeds  $\frac{1}{2}$  of the total value of the assets of the Company in the latest audited annual Balance Sheet.

### **Minutes of Proceedings from the Meetings of the Supervisory Board**

#### **Article 65**

(1) *(amended by a decision of the General Meeting of the Company of 18 April 2022)* Minutes of proceedings shall be kept for each meeting of the Supervisory Board on paper or on electronic device and shall be signed by a secretary (which shall be determined by the Supervisory Board) of such meeting and by all the attending members. Appended to the minutes of proceedings shall be the documents presented at the meeting and the written powers of attorney given by the non-attending members. The minutes of meetings of the Supervisory Board shall be filed in books which are maintained solely for that purpose and such books shall be kept for at least 5 (five) years. When the minutes are signed as an electronic document, the originals shall be kept in an electronic registry.

(2) *(amended by a decision of the General Meeting of the Company of 18 April 2022)* The decision of the Supervisory Board to appoint and dismiss the members of the Management Board shall be entered into the commercial registry and shall have effect from their entry. Any other decision shall take effect immediately, unless the effect of such decision is expressed to be deferred.

## **Management Board**

### **Article 66**

The Company shall be managed on an on-going basis by the Management Board.

### **Article 67**

- (1) *(supplemented by a decision of the General Meeting of Shareholders of 26 April 2012; amended by a decision of the General Meeting of the Company of 18 April 2022)* The Management Board shall consist of 3 (three) members. The members of the Management Board shall be appointed by the Supervisory Board for a term of 5 (five) years save for the members of the first Management Board who shall be appointed for a term of 3 (three) years and may be re-elected without limitation. If the mandate of any member of the Management Board expires, such member shall continue being able to exercise his rights (including, without limitation, the right of voting at meetings of the Management Board and the right of taking *in-absentio* resolutions of the Management Board) and performing his obligations as a member of the Management Board until dismissed from office by the Supervisory Board of the Company or de-registered from the Commercial Registry as such following the procedure for de-registration provided for in the applicable law.
- (2) A person could not be appointed as a member of the Management Board if as of the date of his/her appointment he/she (a) is a member of a board of an electricity distribution company or (b) is responsible for the management of an electricity distribution company, including the operational management of an electricity distribution network.
- (3) *(amended by a decision of the General Meeting of Shareholders of 27 June 2013)* The Management Board shall elect from among its members one or more Executive Directors to manage the day-to-day operation of the Company and to represent the Company before third parties. The Executive Director(s) shall be elected by simple majority of the Management Board. The authorisation may be withdrawn at any moment by simple majority. The name of the person(s) authorised to represent the Company shall be entered in the Commercial Register.

### **Article 68**

The Management Board shall elect a chairperson and a vice-chairperson among its members.

### **Article 69**

The Management Board shall appoint a secretary who need not be a member of the Management Board.

## **Powers of the Management Board**

### **Article 70**

- (1) The Management Board shall make decisions within its competence in compliance with the decisions of the General Meeting, these By-laws and the law in effect. The Management Board shall report on its activity to the Supervisory Board at least once every three months and to the General Meeting.

- (2) In all cases the decisions of the Management Board should be in compliance with the requirements regarding the independence of the operators of the electricity distribution networks in the vertically integrated undertaking as a group of the electricity distribution undertakings and the electricity supply undertaking - the Company.

#### **Article 71**

The Management Board may not decide on the matters that require the prior consent of the Supervisory Board or the General Meeting, as the case may be, unless such consent has been obtained.

#### **Article 72**

- (1) *(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Management Board may, by simple majority of the attending members of the Management Board, pass resolutions on:

- 1 formulation of the main strategies for development of the Company's scope of activities for approval by the Supervisory Board and where required, by the General Meeting;
- 2 opening and closing of branch office, subject to approval by the Supervisory Board;
- 3 election of a chairperson and a vice-chairperson;
- 4 delegation of authority to two or more of its members to represent and bind the Company subject to approval by the Supervisory Board;
- 5 determination of the organisational structure and personnel organisation structure of the Company subject to approval by the Supervisory Board in the cases under Art. 62, item 7;
- 6 enacting rules for the organisation and activity of the particular structural units of the Company, subject to approval by the Supervisory Board;
- 7 appointment of the senior management of the Company such as the chief accountant of the Company;
- 8 appointment of procurators or commercial representatives;
- 9 any long-term co-operation of essential significance to the Company, and the termination thereof;
- 10 transactions under Art. 236 (2) of the Law on Commerce subject to authorization by the Supervisory Board;
- 11 *(amended by a decision of the General Meeting of the Company of 18 April 2022)* adoption of rules for voting through proxy, the samples, being used for voting through a proxy, and the ways, by which the company will be notified about electronically accomplished authorizations; and
- 12 any other matter with respect to which the General Meeting does not have exclusive decision making power or with respect to which the prior written consent of the General Meeting or the Supervisory Board as provided for in these Bylaws is not required.

- (2) *(new, adopted by a decision of the General Meeting of Shareholders of 27 June 2013)* If, at the voting of any resolution, the number of the votes "for", on the one side, is equal to the total of the votes "abstained" and the votes "against", on the other side, the vote of the Chairperson of the Management Board shall be decisive. For the avoidance of doubt, in the case under the

proceeding sentence, the respective resolution shall be considered as taken, if the Chairperson of the Management Board voted “for” it, or as not taken, if the Chairperson of the Management Board voted “abstained” or “against” it. The decisive vote may be exercised by the Chairperson of the Management Board through a proxy. The Vice-Chairperson of the Management Board shall not have a decisive vote, including, among other cases, in the case of absence of the Chairperson and a proxy of his from a validly convened meeting of the Management Board.

### **Meetings of the Management Board**

#### **Article 73**

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* The Management Board shall convene regular meetings, at least once every month, to discuss the status and development of the Company. Meetings of the Management Board shall be convened by the chairperson upon his/her own initiative or at the request of a member of the Management Board, by the vice-chairperson, when the chairperson is absent or by the secretary of the Management Board, if he/she has been authorized in writing for that by the chairperson. If the request to convene a meeting of the Management Board is not honoured 10 (ten) days following its receipt by the chairperson of the Management Board, the requesting member may convene the meeting himself/herself.

#### **Article 74**

The meetings of the Management Board shall be chaired by the chairperson, in his/her absence by the vice-chairperson, and shall be legitimate, if all the members have been duly invited and if more than 1/2 (one-half) of the members attend in person, or are represented by another member of the Management Board who has been so authorised in writing. Each member of the Management Board may represent only one non-attending member of the Management Board.

### **Minutes of Proceedings from the Meetings of the Management Board**

#### **Article 75**

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* Minutes of proceedings at each meeting shall be kept for each meeting of the Management Board on paper or on electronic device and shall be signed by the secretary of such meeting and by all the attending members. Appended to the minutes of proceedings shall be the documents presented at the meeting and the written powers of attorney given by the non-attending members. The minutes of meetings of the Management Board shall be filed in books which are maintained solely for that purpose and such books shall be kept for at least 5 (five) years. When the minutes are signed as an electronic document, the originals shall be kept in an electronic registry.

#### **Article 76**

*(amended by a decision of the General Meeting of the Company of 18 April 2022)* The Management Board may make decisions *in absentio* (via correspondence), provided all members of the Management Board agree with the decision by signing a document setting out such decision. Counterparts of such document shall be deemed one and the same document when put together so long as all signatures of all members of the Management Board have been obtained. Facsimile or e-mail signatures shall be given the same effect as original documents.

#### **Article 77**

A meeting of the Management Board may take place and valid resolutions of the Management Board may also be passed by way of a telephone conference conversation or any other similar means of communication between the members, provided that the members attending the meeting are able to hear and talk to each other. Participation in a meeting of the Management Board in such a manner shall be regarded as equivalent to attendance in person, subject to the same requirements in respect

of quorum. The resolutions passed at any such meetings of the Management Board shall be confirmed in writing by the members attending the respective meeting as soon as reasonably possible after its conclusion.

### **General Provisions for the members of the Management Board and the Supervisory Board**

#### **Article 78**

The members of the Management Board and the Supervisory Board shall be natural or legal persons having legal capacity to exercise their rights and perform their obligations. The Management Board and the Supervisory Board may not have as its member a person who:

- 1 has been a member of an executive or supervisory body of, or a partner of unlimited liability in, a company which has been dissolved due to bankruptcy, if, following dissolution, unsatisfied creditors remained;
- 2 is a spouse or a direct or collateral relative or in-law of another member of the Management Board or the Supervisory Board respectively;
- 3 *(new, adopted by a decision of the General Meeting of the Company of 18 April 2022)* has been a manager, a member of a management or controlling body of a company, which in a penal decree in force has been found to violate its obligations to establish and maintain certain designated levels of reserves as set out in the Act on Reserves of Crude Oil and Petroleum Products.

#### **Article 79**

The members of the Management Board shall have no right to perform commercial transactions on their own behalf or on behalf of third parties, to participate in commercial companies as partners with unlimited liability, as well as to be appointed as legal representatives or members of management bodies of other companies which are unaffiliated competitors of the Company, except with the consent of the Supervisory Board.

#### **Article 80**

Before being elected as members of the Management Board or Supervisory Board the persons nominated for members of the Management Board or the Supervisory Board are obliged to inform respectively the Supervisory Board or General Meeting in writing, in case they participate in commercial companies as partners with unlimited liability, hold more than 25% of the capital of another commercial company or participate in the management of other commercial companies as managing directors, legal representatives or board members. In case such circumstances occur after the election of the member of the Management Board or the Supervisory Board, he/she is obliged to notify respectively the Supervisory Board or General Meeting immediately.

### **Rights and Obligations of the members of the Management Board and the Supervisory Board**

#### **Article 81**

*(amended by a decision of the General Meeting of Shareholders of 27 June 2013)* The members of the Management Board and the Supervisory Board shall have equal rights and obligations notwithstanding the inner allocation of their functions, the decisive votes of the Chairperson of the Supervisory Board and of the Chairperson of the Management Board and the managing powers granted to the Executive Director(s).

#### **Article 82**



The members of the Management Board and the Supervisory Board shall not disclose any information relating to the Company of which they become aware in their capacity as members of the Management Board and the Supervisory Board if such disclosure may affect the business affairs and/or the development of the Company. Such obligation of non-disclosure shall continue to apply after a member has ceased to be a member of the Management Board or the Supervisory Board. The non-disclosure obligation shall not apply to any information which by the application of law is available to third parties, to any information that has already been disclosed by the Company to third parties without the imposition of a confidentiality obligation.

### **Remuneration of the members of the Management Board and the Supervisory Board**

#### **Article 83**

*(repealed by a decision of the General Meeting of Shareholders of 27 June 2013).*

### **Liability of the members of the Management Board and the Supervisory Board**

#### **Article 84**

The members of the Supervisory and Management Boards shall provide a surety for their activities in an amount to be determined by the General Meeting, which surety shall in no event be less than 3 (three) months gross remuneration. Following dismissal from office and release from liability of the respective member, the guarantee shall be returned along with any accrued interest thereon. The members of each of the Management Board and the Supervisory Board shall be jointly liable for damages caused to the Company. The General Meeting may release a member from liability in the event it is established that such damage has not been incurred through the faulty behaviour of such member.

### **Funds**

#### **Article 85**

The Company shall form a Reserve Fund. The Reserve Fund shall be formed by:

- 1 at least 1/10 (one tenth) of its after-tax profit before the payment of Dividends until the amount in the fund becomes equal to 1/10 (one tenth) of the registered Capital;
- 2 amounts received above the nominal value of the Shares upon their issue;
- 3 other sources determined by decision of the General Meeting.

#### **Article 86**

Amounts in the Reserve Fund may only be used to cover losses from the activities of the Company, for the current and the previous years. In case the amounts in the Reserve Fund exceed 1/10 (one tenth) of the registered Capital of the Company, the surplus may be used for the increase of the registered Capital.

#### **Article 87**

In case the amounts in the Reserve Fund fall below 1/10 (one tenth) of the registered Capital, the Company shall restore the minimum amount required for the Reserve Fund within one year.

## **Article 88**

Pursuant to a decision of the Management Board, the Company may form other funds. Such a decision shall specify the sources for raising such funds and the manner in which such funds will be spent.

## **Branch Offices**

## **Article 89**

The Company may establish Branch Offices in the country and abroad in the manner provided for by these By-laws. The branch offices shall not be legal entities. In the town where the Company's registered office is situated an enterprise unit may be established, which shall work in the same manner as the Branch Offices. Each Branch Office shall be managed by a branch office manager, who shall represent the Company and manage the activity of the branch office on behalf and for the account of the Company.

## **Article 90**

The employment or management contract with a branch office manager shall be executed, amended and terminated by the Executive Director following a resolution of the Management Board.

## **Article 91**

The Branch Offices shall conduct their activities in the best interests of the Company in compliance with their given instructions, the law, the By-laws and the resolutions of the management bodies of the Company.

## **Annual Closing**

## **Article 92**

*(amended by a decision of the General Meeting of Shareholders of 6 April 2016)* By the end of February each year, the Management Board shall prepare the annual financial statements as of December 31 of the previous calendar year. The financial statements shall be prepared pursuant to the Law on Accounting, and shall be accompanied by a report on the activities of the Company, describing the activities and the financial status of the Company and giving clarifications on the annual financial statements and be accompanied with a proposal for distribution of profits.

## **Article 93**

The annual financial statements shall be examined by the Auditors who shall be certified public accountants, to be appointed by the General Meeting. The Auditors shall establish whether the annual financial statements have been duly prepared pursuant to the Law on Accounting and to the By-laws. The results of the audit shall be reported by the Auditors in a separate report, a copy of which, together with the annual financial statements, the report on the activities of the Company and the proposal for distribution of profit made shall be submitted by the Management Board to the Supervisory Board. The meeting of the Supervisory Board held for the approval of the documents mentioned in the foregoing sentence shall be attended by the appointed Auditors. After these documents have been approved by the Supervisory Board, the latter shall pass a decision for convening the General Meeting.

## **Article 94**

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* After the General Meeting has approved the documents referred to in the foregoing article, the annual financial statements shall be filed with the Commercial Registry.

## **Article 95**

*(amended by a decision of the General Meeting of Shareholders of 27 June 2013)* Shareholders holding, individually or collectively, at least 5% (five percent) of the Company's capital shall be entitled to request the General Meeting to appoint a controller who would review and examine the whole accounting documentation of the Company.

### **Distribution of Profit**

## **Article 96**

The balance-sheet profit shall be distributed based on a decision of the General Meeting and in compliance with both these By-laws and the law. Any amounts to be contributed to the Reserve Fund shall be withheld from the profit after tax.

### **Distribution of Dividend**

## **Article 97**

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The amount of any Dividend shall be determined by the decision of the General Meeting pursuant to Art. 247a of the Law on Commerce. Dividends shall be paid within 3 (three) months following the date of the resolution of the General Meeting on the annual closing under the provisions of the LPOS.

### **Reorganisation and Dissolution**

## **Article 98**

*(amended by a decision of the General Meeting of Shareholders of 26 April 2012)* The Company may be transformed in accordance with the relevant provisions of the Law on Commerce and the LPOS.

## **Article 99**

The Company shall be dissolved:

- 1 *(amended by a decision of the General Meeting of Shareholders of 15 August 2011)* upon resolution of the General Meeting passed by a 2/3 (two thirds) majority of the Shares represented at the General Meeting;
- 2 if it is declared bankrupt;
- 3 by court decision in the case of a claim by the prosecutor, if
  - (a) the Company pursues objectives prohibited by law;
  - (b) the net value of the Company's assets determined under Article 247a(2) of the Law on Commerce falls below the amount of the Capital and within one year the General Meeting fails to adopt decision to appropriately decrease the amount of registered capital, to reorganise or to terminate the Company; or
  - (c) for more than 6 (six) months, the number of members of each Board is less than three persons.

### **Final Provisions**

## **Article 100**

The laws of the Republic of Bulgaria shall apply to all matters not provided for in these By-laws.

These By-laws were adopted by a decision of the founding meeting of the shareholders of 7 August 2006 and amended by a decision of the General Meeting of Shareholders of 15 June 2007, by a decision of the General Meeting of Shareholders of 13 November 2008, by a decision of the General Meeting of Shareholders of 15 August 2011, by a decision of the General Meeting of Shareholders of 26 April 2012 (such decision taking force and effect upon the Company becoming a publicly-traded company in the meaning of the LPOS), by a decision of the General Meeting of the Shareholders of 27 June 2013, by a decision of the General Meeting of the Shareholders of 25 June 2015 and by a decision of the General Meeting of Shareholders of 6 April 2016 and by decision of the General Meeting of the Company of 18 April 2022.

**Chairman of the Extraordinary General Meeting of the Company held on 18 April 2022:**

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**Secretary of the Extraordinary General Meeting of the Company held on 18 April 2022:**

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