

## **Material on item 12 of the agenda**

### **of the regular Annual General Meeting of Electrohold Sales AD, scheduled for 27<sup>th</sup> June 2022**

#### **Approval of the amendments to the Rules of Procedure of the General Meeting of the Shareholders of the Company**

The amendments to the Rules of Procedure of the General Meeting of the Shareholders of Electrohold Sales AD (hereinafter referred to as the “Company”), are caused by the following circumstances:

On 27<sup>th</sup> July 2021, ČEZ, a.s. disposed 67% of the shares of the capital of CEZ Electro Bulgaria AD (with actual trade name Electrohold Sales AD) owned by it, having sold and transferred them to the company from the group of Eurohold Bulgaria AD - Eastern European Electric Company B.V. (the Netherlands). As a result of the change of the majority shareholder and the corporate group, in which participated the Company, at the Extraordinary General Meeting of the Company, held on 18<sup>th</sup> April 2022, was adopted a resolution for change of the trade name of the Company from CEZ Electro Bulgaria AD to Electrohold Sales AD.

In view of the above, was prepared a draft amending the Rules of Procedure of the General Meeting of the Shareholders of the Company, adopted by the General Meeting of the Company on 27<sup>th</sup> June 2013.

Pursuant to Art. 47, Par. 1, item 12 of the Company`s By-laws the General Meeting of the Company has the power to adopt rules for its activities. In view of the above and in relation to Art. 221, item 11 of the Law on Commerce the approval of the Rules of Procedure of the General Meeting of the Company was included as a separate item 12 in the agenda of the General Meeting of the Company, scheduled for 27<sup>th</sup> June 2022.

#### Draft resolution:

*“The General Meeting, on the grounds of Art. 221, item 11 of the Law on Commerce and Art. 47, Par. 1, item 12 of the By-Laws of the Company, approves the Rules of Procedure of the General Meeting of the Shareholders of the Company, as follows: everywhere in the body of the document the business name of the company CEZ Electro Bulgaria AD shall be replaced by the name Electrohold Sales AD. All other provisions of the Rules of Procedure of the General Meeting of the Shareholders of the Company shall remain unchanged. The Rules of Procedure of the General Meeting of the Shareholders of the Company are set out in an appendix to the Minutes of the General Meeting.”*

#### Appendices:

1. Draft for amendment of the Rules of Procedure of the General Meeting of the of the Shareholders of Electrohold Sales AD.

**RULES OF PROCEDURE  
OF THE GENERAL MEETING OF THE SHAREHOLDERS OF  
ELECTROHOLD SALES AD**

*(amended by means of decision of the General Meeting of the Company as of 27<sup>th</sup> June 2022)*

**1. GENERAL PROVISIONS**

1.1. These present rules (hereinafter referred to as the “**Rules**”) serve the purposes of:

- (a). *(amended by means of decision of the General Meeting of the Company as of 27<sup>th</sup> June 2022)* setting forth the technical terms and conditions of the operation of the General Meeting of the Shareholders of Electrohold Sales AD (hereinafter referred to as the “**GMoS**” and the “**Company**”, respectively) held at either attendance regular or extraordinary sessions; and
- (b). enhancing the procedural efficiency of the GMoS.

Such purposes shall be taken into primary consideration when interpreting the Rules.

- 1.2. The Rules do not purport to regulate comprehensively any and all matters relating to the GMoS. The Rules only complement the regulation of such matters, which is contained in law and/or in the By-Laws of the Company, as amended from time to time (hereinafter referred to as the “**By-Laws**”) and/or in the Good Corporate Governance Policy adopted by the Company (hereinafter referred to as the “**Policy**”) and address other matters, which do not have such higher-ranking regulation.
- 1.3. The operation of the GMoS shall run in full compliance with the Rules, unless any of the provisions of the law or of the By-Laws or of the Policy requires otherwise.

**2. ATTENDANCE AT SESSIONS OF GMoS**

- 2.1. Beside the people, who are entitled or required by law or by the By-Laws or by the Policy to attend a session of the GMoS, attendees could also be legal, financial or other professional advisors of eligible or required attendees. The personal details of such advisors shall be recorded by the Chair of the RC (as determined in Art. 4.1.2 of the Rules) and notified to the Secretary of the session of the GMoS for listing in the Minutes of the GMoS. The Chairman could restrict the number of counsels to any shareholder on a non-discriminatory basis by an instruction given on the spot of the GMoS.
- 2.2. Outside of the counsels under Art. 2.1 of the Rules, other people are allowed to attend a session of the GMoS, only if the respective GMoS approves such attendance by a resolution taken by ordinary majority.

**3. CHAIRMAN, SECRETARY AND VOTE-TELLER/S**

- 3.1. Each session of the GMoS shall be opened by the Executive Director of the Company (hereinafter referred to as the “**Executive Director**”) or another member of the Management Board of the Company or by a third party specifically authorized and appointed for the opening by the Executive Director (hereinafter referred to as the “**Opening Person**”). After the opening, the GMoS shall elect *ad-hoc* 1 Chairman, 1 Secretary and 1 or more vote-teller/s amongst the attendees of the GMoS, each of whom may or may not be a shareholder or a representative of a shareholder.

- 3.2. The following people are entitled to nominate people for the positions of Chairman, Secretary and vote-teller/s:
- (a). shareholders or representatives of shareholders;
  - (b). members of the Supervisory Board or the Management Board or the Audit Committee of the Company; and
  - (c). representatives of the Financial Supervision Commission, if attending the respective GMoS.
- 3.3. Any and all resolutions on the election of Chairman, Secretary and vote-teller/s shall be taken by ordinary majority and shall be recorded in the Minutes of the respective GMoS.
- 3.4. The Chairman of the GMoS:
- (a). shall preside and govern the work of the respective GMoS; and
  - (b). is entitled to give instructions on procedural matters to any and all participants in the respective GMoS, which shall be mandatory to the instructees, insofar as they do not breach provisions of law, the By-Laws, the Policy or the Rules.
- 3.5. The Secretary shall:
- (a). assist the Chairman with technicalities relating to the work of the respective GMoS, as requested by the Chairman;
  - (b). keep the Minutes of the respective GMoS in compliance with any and all requirements to their substance and form contained in law, the By-Laws, the Policy and the Rules; and
  - (c). ensure the truthfulness, completeness and accuracy of the records in the Minutes in any and all substantial respects.
- 3.6. Each of the vote-tellers shall:
- (a). count the votes cast by shareholders or representatives of shareholders on matters put to voting; and
  - (b). report the result of such count to the Secretary or the Chairman in writing or verbally or in any technical manner, as determined by the Chairman on the spot of the respective GMoS.

#### **4. PROCEDURAL MATTERS**

##### *4.1. Registration and Accommodation*

- 4.1.1. Any and all attendees at a session of the GMoS shall register their attendance before a registration committee, which shall be welcoming them at the point of entry into the venue of the respective GMoS (hereinafter referred to as the “**RC**”).
- 4.1.2. The number of the members and the personal composition of the RC shall be determined by the Executive Director by a written order to be executed not later than the day, which precedes immediately the day of holding the GMoS. One of the members of the RC, as determined by the Executive Director in the order under the preceding sentence, shall manage the operations of the RC (hereinafter referred to as the “**Chair of the RC**”). The instructions of the Chair of the

RC on organizational matters shall be mandatory for the other members of the RC. In the event that any of the persons so determined refuses to act as a member of the RC, the Executive Director shall determine a substitute, such determination being done in writing or verbally not later than the time announced in the invitation to the GMoS as kick-off for registration.

4.1.3. The members of the RC shall:

- (a). record the attendance at the respective GMoS until the Chairman announces the session of the GMoS closed;
- (b). draft the list of shareholders and representatives of shareholders, who/which attend the respective GMoS (hereinafter referred to as the “**Attendance List**”) in compliance with the requirements to the substance and form of such list contained in the law, the By-Laws and the Policy; and
- (c). verify the truthfulness, completeness and accuracy of the records in the Attendance List by undersigning the latter not later than the end of the day of holding the GMoS.

4.1.4. After the verification under Art. 4.1.3, letter “c” of the Rules is completed, the Chair of the RC shall, without undue delay, provide the Attendance List to the Chairman, Secretary and vote-teller/s of the respective GMoS for signing.

4.1.5. The start-time of the registration shall be as announced in the invitation to the respective GMoS. The end-time of the registration shall be the start-time of the Voting Regime (as determined in Art. 4.2.1, letter “c” of the Rules) on the latest item of the agenda, as the latter could be amended on the spot of the GMoS. The passing of such end-time without a completed registration shall time-bar the right of any non-registered shareholders or representatives of shareholders to vote at the respective GMoS.

4.1.6. The Chair of the RC shall, without undue delay, notify verbally the Chairman and the Secretary of any shareholder or representative of a shareholder, who has registered after the kick-off of the respective GMoS (hereinafter referred to as “**Post Kick-Off Registration**”).

4.1.7. Notwithstanding Art. 4.1.5 of the Rules, in the event of a Post Kick-Off Registration where a shareholder or a representative of a shareholder has registered after the start-time of the Voting Regime on any item of the agenda of the GMoS, the right of such shareholder or representative of a shareholder to vote on such item and on any and all other items, on which the voting has been completed beforehand, shall be time-barred.

4.1.8. Any member of the RC is entitled to instruct attendees of the GMoS to take a seat within a specifically designated section of the venue of the GMoS. Such instructions shall be mandatory for the attendees, unless reasons of convenience in communicating or efficiency of the vote-telling process prompt otherwise.

4.2. *Regimes of Operation of GMoS*

4.2.1. The operation of the GMoS on matters of substance (as opposed to matters of procedure) shall at any time develop in either of the following regimes:

- (a). regime of presentation of an item of the agenda (hereinafter referred to as “**Presentation Regime**”);
- (b). regime of discussions on an item of the agenda (hereinafter referred to as “**Discussion Regime**”); and

- (c). regime of voting on an item of the agenda (hereinafter referred to as “**Voting Regime**”).
- 4.2.2. In the Presentation Regime, the Chairman or a third party, as implied by the specifics of the respective item of the agenda or as determined by the Chairman, shall present the item, notify the attendees of the facts and circumstances relating to the item and present the available proposals for draft-resolutions on the item.
- 4.2.3. In the Discussion Regime, the shareholders and representatives of shareholders are entitled to make statements and counter-statements on the respective item of the agenda, ask questions and, where allowed by law, the By-Laws and the Policy, propose draft-resolutions on the item.
- 4.2.4. In the Voting Regime, the shareholders and representatives of shareholders are entitled to cast votes on any and all draft-resolutions proposed for the respective item of the agenda, with the sequence of putting the draft-resolutions to voting being determined by the Chairman.
- 4.2.5. The start-time and end-time of the Presentation Regime, Discussion Regime and Voting Regime shall be determined by the Chairman verbally on an item-by-item basis, provided, howsoever, that such determination shall not restrict the voting right of any shareholder and/or the right of the shareholder of having the basis for an informed decision.
- 4.2.6. The rights of shareholders under Art. 4.2.3 of the Rules with respect to any particular item of the agenda shall be time-barred at the moment when the Chairman announces the end-time of the Discussion Regime for the respective item.

#### 4.3. *Calculation of Quorum*

- 4.3.1. The quorum of each session of the GMoS shall be calculated, as follows:
- (a). original calculation, which shall be done by the RC immediately after the kick-off of the respective GMoS; and cumulative with that,
  - (b). one or more follow-up calculation/s, in accordance with the number of the items of the agenda of the respective GMoS, each of which shall be done by the vote-teller/s immediately before the start-time of the Voting Regime for the respective item.

The Chair of the RC shall notify verbally the Opening Person of the result of the original calculation of the quorum immediately after the completion of the calculation. The vote-teller/s shall notify the Chairman and the Secretary of the result of each follow-up calculation of the quorum immediately after the completion of the calculation.

- 4.3.2. In the event that the original calculation under Art. 4.3.1, letter “a” of the Rules results in the non-availability of quorum, the Opening Person shall close the session of the GMoS and adjourn it as per the invitation to the respective GMoS. In the event that the original calculation under Art. 4.3.1, letter “a” of the Rules results in the availability of quorum, the Opening Person shall notify verbally the Chairman and the Secretary of the quorum immediately after the latter are elected.
- 4.3.3. In the event that any follow-up calculation under Art. 4.3.1, letter “b” of the Rules results in the non-availability of quorum, the Chairman shall disallow the voting and the taking of a resolution on the respective item of the agenda of the GMoS. The item shall be put to discussion and voting at the secondary session of the GMoS (i.e. the session, for which the primary session has been adjourned and to which apply the mandatory provisions of law regulating descending quorum).

4.3.4. Any resolution taken despite the disallowance under Art. 4.3.3 of the Rules, shall not be enforceable against the Company. The disallowance of the voting and the taking of the resolution shall not anyhow affect the voting and the taking of any other resolution of the GMoS on other items of the agenda, for which the respective follow-up calculation has resulted in availability of quorum. Neither shall the unenforceability of the disallowed resolution against the Company anyhow affect the enforceability against the Company of any other resolution of the GMoS on other items of the agenda, for which the respective follow-up calculation has resulted in availability of quorum.

4.3.5. Art. 4.3.1, Art. 4.3.2, Art. 4.3.3 and Art. 4.3.4 of the Rules shall not apply to secondary sessions of the GMoS.

#### 4.4. *Calculation of Majority*

The number of the shares held by a shareholder and/or a representative of a shareholder, who made a Post Kick-Off Registration, shall count in (for the avoidance of doubt, shall be added on top of the total number of the shares of the other attending shareholders and representatives of shareholders) when calculating the basis for the majority of the votes cast on any item of the agenda of the GMoS, for which item the start-time of the Voting Regime follows the Post-Kick Off Registration.

#### 4.5. *Manner of Voting*

4.5.1. The voting at any session of the GMoS shall be open, unless the respective GMoS resolves otherwise by ordinary majority upon proposal by the Chairman.

4.5.2. The voting shall be done solely in a Voting Regime immediately after requested to vote by the Chairman by way of the shareholder or the representative of a shareholder holding out his ballot and raising his hand with the ballot in a way as to be visible to a vote-teller during a period of time determined by the Chairman. The Chairman could allow time to the vote-teller/s, as may be needed for accurate vote-telling.

#### 4.6. *Sequence of Votes*

4.6.1. Where a draft-resolution on an item of the agenda is put to vote, the Chairman shall request the votes in the following sequence: votes “*for*” (i.e. affirmative); votes “*against*” (i.e. negative); and abstained votes. After the voting in each of these 3 groups is completed, the Chairman shall announce verbally the number of the total votes in the group. After all 3 totals of votes are announced, the Chairman shall announce verbally the result of the vote.

4.6.2. After a result of a vote is announced, voting on the same draft-resolution by the respective GMoS may not be re-done.

#### 4.7. *Ballot*

4.7.1. The Chair of the RC shall, upon the registration of a shareholder or a representative of shareholder, hand-over to him a hard-paper A4-size ballot indicating:

- (a). the sequential number of the shareholder from the Book of Shareholders of the Company as at the day falling 14 days before the day of holding the GMoS (as such book is provided by Central Depository AD);
- (b). the name or trade name of the shareholder; and
- (c). the number of shares held by the shareholder (inscribed in Arabic numerals).

4.7.2. Each shareholder and representative of a shareholder shall:

- (a). use his ballot exclusively for the purpose of voting on any proposal put to vote (including, among other things, voting on organizational matters, draft-resolutions made on the spot and additionally added items of the agenda, where allowed by law); and
- (b). return his ballot to the Secretary upon exiting the venue of the GMoS.

4.8. *Requesting the Floor*

4.8.1. Each shareholder and representative of a shareholder has the right to request the floor for making a statement at any moment of the GMoS, in which no other participant in the GMoS is using it on a matter of substance (as opposed to matter of organization).

4.8.2. Requesting the floor should be done by raising a hand in a way as to be visible to the Chairman. The Chairman shall give the floor to participants in the GMoS in sequential order of hand-raising. All participants, who have requested the floor simultaneously, shall be given it at the Chairman's discretion of sequence.

4.9. *Asking Questions*

4.9.1. Each shareholder and representative of a shareholder is entitled to ask questions only at the moment when the Chairman approaches the attendees with a question on whether or not they wish to do so (if the question refers to an item on the agenda) or when the "Miscellaneous" item of the agenda is reached (if it does not).

4.9.2. In order to ask a question, after given the floor by the Chairman, the shareholder or representative of a shareholder shall verbally state the question and its addressee. The Chairman shall determine, depending on the specifics of the question and after consulting the addressee, if he so decides, whether the answer would be given immediately or after a reasonably short technical break of the GMoS to allow its preparation or in any other way allowed by law. More than one question could be asked without any restriction to their number.

4.10. *Proposing New Draft-Resolutions on Items Already Included in the Agenda*

4.10.1. Subject to compliance with the statutory restrictions to that, shareholders and representatives of shareholders are entitled to propose draft-resolutions on any item of the agenda only at the moment when the Chairman approaches the attendees with a question on whether or not they wish to do so with respect to that particular item.

4.10.2. In order to propose a draft-resolution, after given the floor by the Chairman, the shareholder or representative of a shareholder shall verbally state the draft-resolution and its justification, if he finds one necessary. The Chairman could revert to the shareholder or representative of a shareholder with the objective of making his draft-resolution fully clear to all attending shareholders and representatives of shareholders. As soon as that is done, the Chairman shall put the proposed draft-resolution to vote.

4.11. *Form for Asking Questions and/or Proposing Draft-Resolution*

At the discretion of the Executive Director of the Company, the Chair of the RC could, upon their registration for the GMoS, hand-over to shareholders and representatives of shareholders a hard-paper A5-size form containing space for hand-writing questions to ask and/or draft-resolutions to propose.

*4.12. Allowance of Time*

4.12.1. The Chairman has the discretion to allow any participant in the GMoS reasonable time for any action, which refers to matters of substance or matters of organization of the GMoS (for example, addressees of questions to prepare answers; or vote-tellers to count votes and/or report votes for Minute-keeping).

4.12.2. If insufficient for a valid purpose in their opinion, shareholders and representatives of shareholders may request additional reasonable time from the Chairman.

*4.13. On-the-Spot Guidance*

The members of the RC shall provide technical assistance on organizational matters to shareholders and representatives of shareholders, as the latter may reasonably request on the spot of the GMoS.

**5. FINAL PROVISIONS**

5.1. The Rules are adopted at the regular annual GMoS held on 27<sup>th</sup> June 2013 in versions in the Bulgarian and the English language and amended at the regular annual General Meeting, held on 27<sup>th</sup> June 2022. In the event of discrepancies between the two versions, the Bulgarian one shall prevail. The Rules shall take force and effect as from the day of their adoption.

5.2. Amendments or supplementations to the Rules shall be made in the way, in which they are originally adopted.

5.3. Amendments and supplementations to the law, which affect any of the provisions of the Rules, shall not have any impact on the remaining provisions of the Rules.