

**INVITATION**  
**TO THE SHAREHOLDERS OF BULGARTABAC-HOLDING AD**

On the grounds of Art. 223, paragraph 1 of the Commercial Act, the Board of Directors of **Bulgartabac-Holding AD**, UIC 831636680, with registered address and address of management in the Republic of Bulgaria, Sofia 1000, Sredets area, 62 Graf Ignatiev Street, calls an extraordinary General Meeting of Shareholders of Bulgartabac-Holding AD on **31 March 2016** at 11.00 a.m. at the company's domicile in the Republic of Bulgaria, Sofia, 62 Graf Ignatiev Street, the administrative building of the company, under the following agenda and draft resolutions:

**1. Discharge of members of the Board of Directors of the company.**

**Draft resolution:**

The General Meeting of Shareholders discharges:

- Vencislav Zlatkov Cholakov as a member of the Board of Directors of Bulgartabac-Holding AD
- Miglena Petrova Hristova as a member of the Board of Directors of Bulgartabac-Holding AD.

**2. Change in the composition of the Board of Directors of the company.**

**Draft resolution:**

The General Meeting of Shareholders passes a resolution that the Board of Directors of the company shall comprise 5 (*five*) members.

**3. Election of new members of the Board of Directors of the company and determination of their mandate.**

**Draft resolution:**

**3.1. The General Meeting of Shareholders elects:**

- Shreyas Kishor Phadnis as a new member of the Board of Directors of Bulgartabac-Holding AD with 3 (three)-year mandate as of the date of registration of this resolution with the Commercial Register.
- Rahul Dattatrya Nimkar as a new member of the Board of Directors of Bulgartabac-Holding AD with 3 (three)-year mandate as of the date of registration of this resolution with the Commercial Register.
- Vladimir Gechev Jekov as a new member of the Board of Directors of Bulgartabac-Holding AD with 3 (three)-year mandate as of the date of registration of this resolution with the Commercial Register.
- Svetlana Raykova Marteva as a new member of the Board of Directors of Bulgartabac-Holding AD with 3 (three)-year mandate as of the date of registration of this resolution with the Commercial Register.

**4. Determination of the remuneration and the management guarantee amount for the members of the Board of Directors of the company.**

**Draft resolution:**

4.1. The General Meeting of Shareholders determines a monthly remuneration amounting to BGN 2,600 (two thousand six hundred Bulgarian leva) to be paid to the newly elected members of the Board of Directors.

4.2. The General Meeting of Shareholders determines a management guarantee amount for the newly elected members of the Board of Directors equal to their 3-month gross remuneration.

The written materials on the agenda, as well as the sample of the power of attorney for representation of a shareholder during the General Meeting of Shareholders, are available to the shareholders at the registered address of the company: Sofia 1000, 62 Graf Ignatiev Street, every working date from 10.00 a.m. to 12.00 a.m and from 2.00 p.m. to 4.00 p.m. Materials are received by the shareholders upon presentation of an identity card and by the shareholders' proxies – against an original express power of attorney in writing. The invitation, together with the written materials for the General Meeting under Art. 224 of the Commercial Act, are published at the website of Bulgartabac-Holding AD – [www.bulgartabac.bg](http://www.bulgartabac.bg), For Investors section, GMS 2016 subsection, for the entire period from announcing the invitation at the Trade Register to the closure of the General Meeting. Upon request of a shareholder, Bulgartabac-Holding AD shall provide him/her with the materials free of charge.

Pursuant to Art. 115, paragraph 2 of Public Offering of Securities Act (POSA), we inform that at 23 February 2016 – the date of the resolution of the Board of Directors to call a General Meeting – the total number of shares and voting rights of the shareholders of Bulgartabac-Holding AD comprises 7,367,222 /seven million three hundred sixty-seven thousand two hundred and twenty-two/ ordinary, dematerialized, registered shares of one class, each one of them giving to the shareholder the right to participate and cast one vote at the General Meeting of Shareholders. The total number of votes at GMS is 7,367,222 /seven million three hundred sixty-seven thousand two hundred and twenty-two/.

Pursuant to Art. 115b, paragraph 1 of POSA only persons registered with the registers of Central Depository AD as shareholders of Bulgartabac-Holding AD not later than 14 days prior to the date of GMS, or by 17 March 2016, have the right to participate and vote at GMS. Only the persons registered as shareholders of the company by 17 March 2016 have the right to participate and vote at GMS.

The shareholders with voting rights participate in the General Meeting of Shareholders in person or through a proxy holding an express written power of attorney certified by a Notary Public for the particular General Meeting after the pattern in accordance with the requirements of Art. 116, paragraph 1 of POSA and the secondary legislation on its application.

The shareholders holding for more than three months shares representing at least 5 per cent of the company's capital have the right to request that certain issues be included in the agenda of the General Meeting and to propose resolutions to be taken on issues already included in the agenda of the General Meeting in accordance with Art. 223a of the Commercial Act and on

the grounds of Art. 118, paragraph 2, i. 4 of POSA. The deadline to exercise the above right is not later than 15 days prior to the date of the General Meeting. Within this time period, the shareholders under the preceding sentence shall present for announcement to the Trade Register a list of issues to be included in the agenda and the draft resolutions thereon. By their announcement to the Trade Register, all issues are considered included in the proposed agenda. Not later than on the next working day following the date of announcement, the shareholders shall present the list of issues, draft resolutions and written materials at the registered address and address of management of Bulgartabac-Holding AD, as well as to the Financial Supervision Commission. The company is obliged to update the invitation and to publish it together with the written material in accordance with the procedure of Art. 100t, paragraph 1 and paragraph 3 of POSA immediately, but in any case not later than by the end of the next working day following the day of receipt of the notice that the respective issues have been included in the agenda.

The shareholders have the right to make proposals for resolutions on an issue already included in the agenda of GMS – until closing the discussions being held on the issue and prior to putting the issue to the vote of GMS.

During the General Meeting of Shareholders the shareholders have the right to raise questions regarding the economic and financial status and the commercial activity of Bulgartabac-Holding AD, except for circumstances that are internal information. The shareholders can ask such questions irrespective of whether the latter are related to the agenda or not.

Rules to vote at the General Meeting of Shareholders through a proxy: pursuant to the effective Articles of Association of Bulgartabac-Holding AD if a vote shall be exercised through a proxy, it is necessary to present an express power of attorney in writing, certified by a Notary Public, with the contents of Art. 116, paragraph 1 POSA, signed by the principal-shareholder with his/her own hand. The proxies of shareholders-legal entities shall prove their identity by: (a) an express power of attorney in writing, certified by a Notary Public and issued for this particular GMS, signed by hand by the legal representative of the shareholder and compliant with the requirements of Art. 116, paragraph 1 of POSA (a sample of the written power of attorney is enclosed to the materials for GMS and is made available in paper and published on the website of Bulgartabac-Holding AD: <http://www.bulgartabac.bg/>, For Investors section, GMS 2016 subsection); (b) a certificate of good standing, and respectively an up-to-date certificate for registration with the Trade Register or another similar document for shareholders-foreign legal entities, and c) an identity document of the authorized person. The proxies of shareholders – individuals shall prove their identity by: a) presenting their identity document and b) an express power of attorney in writing, certified by a Notary Public and issued for this particular GMS, signed by hand by the legal representative of the shareholder and compliant with the requirements of Art.116, paragraph1 POSA (a sample of the written power of attorney is enclosed to the materials for GMS and is made available in paper and published on the website of Bulgartabac-Holding AD: <http://www.bulgartabac.bg/>, For Investors section, GMS 2016 subsection). The certificate of business registration and the power of attorney for representation at GMS issued originally in foreign languages shall be translated into Bulgarian language and legalised in accordance with the effective law.

Pursuant to Art. 115d, paragraph 1-4 of POSA, the shareholders are entitled to authorize any individual or legal entity to participate and vote in the General Meeting on their behalf. A member of the Board of Directors may represent a shareholder, provided the shareholder had explicitly stated how to vote on each item on the agenda. The proxy shall have the same rights

to express an opinion and to ask questions at the General Meeting as that of the shareholder he/she represents. The proxy is obliged to exercise the voting right in accordance with the shareholder's instructions stated in the power of attorney. The proxy has the right to represent more than one shareholder at the General Meeting. If this is the case, the proxy can vote differently on the shares held by the separate shareholders he/she represents.

Pursuant to Art. 115d, paragraph 5 of POSA, Bulgartabac Holding AD provides an opportunity for shareholders to send electronically Powers of attorney. In this case, the company must be informed by receiving on the following e-mail: [E.Stoyanova@bulgartabac.com](mailto:E.Stoyanova@bulgartabac.com) a notification letter signed by universal electronic signature (within the meaning of the Electronic Document and Electronic Signature Act) of the shareholder-principal (for individuals) or the legal representative of the shareholder-principal (for legal entities).

To the electronic notification for granting power of attorney, the principal shall enclose the following scanned documents: (a) a notarized express power of attorney, certified by a Notary Public, in compliance with the requirements specified by the company and POSA, and (b) a certified copy of certificates of good standing or legal registration of shareholders - legal entities. In the event that the above documents are in a foreign language, they shall be translated into Bulgarian and legalised. All electronic documents should be signed by universal electronic signature of the shareholder-principal (for individuals) or the legal representative of the shareholder-principal (for legal entities).

The terms and conditions for obtaining powers of attorney via electronic means are published on the website of the company: [www.bulgartabac.bg](http://www.bulgartabac.bg), For Investors section, GMS 2016 subsection.

Any withdrawal of a power of attorney made electronically shall be made in the same manner and according to the same procedure as the one for granting such a power of attorney.

All powers of attorney together with the accompanying documents shall be submitted to the address of management of the company or received on the above e-mail: [E.Stoyanova@bulgartabac.com](mailto:E.Stoyanova@bulgartabac.com) not later than 12.00 a.m. on the business day preceding the date of the General Meeting.

Voting by correspondence and electronic means is not allowed pursuant to the effective Articles of Association of Bulgartabac-Holding AD.

All shareholders are invited to participate in the Meeting in person or through duly authorized proxies. The registration of the shareholders and proxies will take place from 09:45 a.m. to 10:45 a.m. and will be made in front of the hall where the Meeting will be held. To be registered and allowed to participate at GMS the shareholders – legal entities shall present a certificate of good standing, and respectively an up-to-date certificate for registration with the Trade Register or another similar document for shareholders-foreign legal entities and an identity document of their legal representative. The shareholders – individuals shall present an identity document, and the proxies – an express written power of attorney for the particular General Meeting after the pattern as well.

If there is no quorum, in accordance with Art. 227, paragraph 3 of the Commercial Act the General Meeting will take place on **14 April 2016** at 11.00 a.m. at the same place and under the same agenda, and this meeting will be lawful irrespective of the capital presented thereat. Pursuant to Art. 115b, paragraph 1 of POSA only persons that are registered as shareholders as of 30 March 2016 have the right to participate and vote at this General Meeting. Items under Art. 223a of the Commercial Act may not be included in the agenda.

**Vencislav Cholakov**  
Executive Director  
of Bulgartabac-Holding AD