

**ARTICLES OF ASSOCIATION  
OF  
AGRIA GROUP HOLDING  
A JOINT STOCK COMPANY**

**Chapter I  
GENERAL PROVISIONS**

**LEGAL STATUS**

**Article 1**

- (1) AGRIA GROUP HOLDING shall be a joint stock company within the meaning of the Company Act hereinafter referred to as “the Company.”
- (2) The Company has been set up by way of transformation through a change in the legal form from a limited liability company to a joint stock company and shall carry out its activities in accordance with the commercial and civil legislation in force in the country.
- (3) AGRIA GROUP HOLDING AD shall have the status of a public company pursuant to the Public Offering of Securities Act (POSA).
- (4) The joint stock company shall be a legal entity with its own seal and bank accounts.

**NAME, REGISTERED OFFICE AND BUSINESS ADDRESS**

**Article 2**

- (1) The joint stock company shall carry out its activities under the name of AGRIA GROUP HOLDING AD. The name may be written in latin letters in addition in the following manner – AGRIA GROUP HOLDING JSC.
- (2) Registered office: city of Varna.
- (3) Business address: 111 Knyaz Boris I Blvd, Primorski District, Varna, Business Center, 9<sup>th</sup> floor.

**OBLIGATION TO INDICATE INFORMATION**

**Article 3**

The Company shall indicate the following in its commercial correspondence: registered office and business address; court with which it has been registered; number of registration and its bank account.

**TERM**

**Article 4**

The Company has been set up for an indefinite period of time.

**OBJECTS**

**Article 5**

(1) The objects of the Company shall be: acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies; acquisition, management and sale of bonds; acquisition, management, evaluation and sale of patents, assignment of licenses for the use of patents by companies in which the holding company is a participant; financing of companies in which the holding company is a participant; commercial representation and agency; commission, forwarding, warehouse and lease activities; purchase, building and construction and furnishing of real estate with a view to selling it; architectural, design and construction work; engineering, barter and re-export; commercial activities – import and export in the country and abroad and any other activities not prohibited by law with respect to which no special permits are required and there is no restrictive regime on carrying them out in the country and abroad.

(2) Purpose of the Company: The Company shall set for itself the purpose of taking part in any form in other commercial companies or in their management and to perform its own production and commercial activities.

(3) The Company may carry out the transactions within its objects abroad as well after obtaining the respective due permits when such are required by the legislation as per the place of performing them.

## **LIABILITIES**

### **Article 6**

(1) The Company shall be liable for its obligations with its property.

(2) The Company shall not be liable for the obligations of its shareholders and the shareholders shall not be liable for the obligations of the Company unless to the extent of the contributions made or owed in exchange for subscribed shares.

## **BRANCHES AND REPRESENTATIVE OFFICES**

### **Article 7**

(1) The Company may open branches and/or representative offices outside the population center where its registered office is located in keeping with the requirements of the existing legislation.

(2) The branches of the Company shall be identified with the name of the Company followed by the indication "branch" and the population center where its registered office is located.

(3) In addition to the information under Art. 3 of these Articles of Association, in the commercial correspondence of a branch it shall be mandatory to indicate the court into whose Company Register the branch has been entered and the number of its registration as well.

## **Chapter II**

## **CAPITAL AND SHARES**

### **CAPITAL. NOMINAL VALUE AND ISSUING VALUE OF THE SHARES**

#### **Article 8**

(1) The capital of the Company shall amount to BGN 6,800,000 (six million eight hundred thousand) distributed in 6,800,000 (six million eight hundred thousand) shares at nominal value of BGN 1 (one) each. The subscribed capital of the Company has been paid in full.

(2) The issuing value shall be the value at which the shares are underwritten by the shareholders when they are subscribed for. The issuing value may not be lower than the nominal value. The minimum issuing value for every new issue of shares shall be determined by a decision of the body which is competent to increase the capital of the Company at the given time.

(3) The difference between the nominal value and the issuing value shall be credited to the Reserve Fund of the Company.

## **SHARES**

### **Article 9**

(1) The shares in the Company shall be ordinary, registered, dematerialized, freely transferable conferring the right to 1 (one) vote in the General Meeting of Shareholders, they shall confer the same rights to their holders and shall be of one class.

(2) The shares in the Company shall be indivisible. When a share is held by several persons, they shall exercise their rights associated with it together and they shall designate a representative. The power of attorney must be in writing with notarial certification of the signature.

(3) Every share under Art. 9, para. 1 of these Articles of Association shall confer the right to one vote in the General Meeting of Shareholders in the Company, right to dividend in the distribution of the profit and right to a liquidation share in the event of winding up the Company and liquidation of its property in proportion to its nominal value and the ratio of the share to the overall capital. The right to

vote in the General Meeting of Shareholders in the Company after the latter has acquired the status of a public company shall come into being with the full payment of the issuing value of every share and after entry of the increase in its capital into the Company Register.

(4) Every share under Art. 9, para. 1 of these Articles of Association shall also confer the following additional rights: right of every shareholder to acquire shares in the event of a capital increase which are proportionate to their share in the capital before the increase; right of every shareholder to take part in the management, to elect and be elected to the management bodies; right to information; right to appeal before court any decisions of the General Meeting which are contradictory to the law or the Articles of Association of the Company.

(5) The Company may issue additional preference shares providing a guaranteed or additional dividend, preference shares with a repurchase option or other privileges permitted by law. The Company shall not have the right to issue preference shares conferring the right to more than one vote or an additional liquidation share.

(6) The type of shares in every subsequent issue shall be determined by a decision of the body which is competent to increase the capital of the Company at the given time. The statement with which the decision to increase the capital by way of a new issue of shares is made shall determine the size, date of issue and terms for subscription for the additional capital.

(7) The shares shall be issued under the terms and procedure for the issuance of dematerialized securities provided for in the existing legislation and shall be registered with the Central Depository.

(8) The Company shall register all of its shares with Central Depository AD into whose register the names of all holders of dematerialized securities shall be entered and with the Financial Supervision Commission (FSC).

## **CONTRIBUTIONS OF THE SHAREHOLDERS**

### **Article 10**

(1) Any shares in the capital of the Company, including in the event of capital increase by way of issuance of new shares, shall be acquired in exchange for full payment of their issuing value.

(2) The contributions of the shareholders shall be equal to the full amount of the issuing value of the shares set in the decision of the competent company body and their payment shall be grounds for subscription for the shares.

## **DISPOSAL OF SHARES**

### **Article 11**

(1) Disposal of the dematerialized securities issued by the Company shall be made freely in accordance with the will of their holders without limitations or conditions and in keeping with the requirements for the terms and procedure for transactions in dematerialized securities provided for in the existing legislation.

(2) Any transfer of dematerialized shares shall be effective as of the entry of the transfer into the registers of Central Depository AD. Any transfer shall be effective with respect to the Company as of its entry into the book of shareholders kept by Central Depository AD.

(3) In the event of legal succession or inheritance, the successor, respectively the heir, shall be obligated to reflect the change in the book of shareholders kept by Central Depository AD so that it may have an effect with respect to the Company.

(4) Any trading in shares issued by the Company after it has acquired the status of a public company may be made only on regulated securities markets in observance of the requirements of the Public Offering of Securities Act.

## **BOOK OF SHAREHOLDERS**

### **Article 12**

(1) The book of shareholders in the Company shall be kept by Central Depository AD under the terms and procedure provided for in the rules of the Central Depository and shall be an excerpt from the

register of the Central Depository of the holders of dematerialized securities. Only the names and addresses of the holders of dematerialized securities, nominal value and issuing value, number of shares and their registration number shall be indicated in the book of shareholders.

## **CAPITAL INCREASE**

### **Article 13**

(1) The capital of the Company may be increased in accordance with a decision of the General Meeting of Shareholders taken with a majority of 2/3 (two-thirds) of the votes of the shares represented in the General Meeting.

(2) Within 5 (five) years as of the entry of these Articles of Association into the Company Register, pursuant to Art. 196, para. 1 of the Company Act, the capital of the Company may also be increased with a decision of the Board of Directors who shall have the right to make decisions about increasing the capital of the Company until reaching a total nominal value of up to BGN 50,000,000 (fifty million) by way of issuance of new shares.

(3) The capital of the Company may be increased at one time or in several stages in the following manners:

a) By way of issuance of new shares. In the event of every capital increase, the body of the Company which is competent to increase the capital at the given time shall determine the type of shares and their nominal value and issuing value;

b) By way of conversion of bonds into shares when the bonds have been issued as convertible pursuant to Art. 215 of the Company Act.

(4) If the new shares are sold at a price higher than the nominal value, their minimum selling price shall be determined in the decision of the body of the Company which is competent to increase the capital at the given time.

(5) A capital increase shall be admissible only after the subscribed capital has been paid in full.

(6) Every shareholder shall have the right to acquire a part of the new shares which corresponds to their share in the capital before the increase. This right may not be limited or eliminated by a decision of the General Meeting of Shareholders or by a decision of the Board of Directors of the Company. In exchange for the shares subscribed for in the event of capital increase, the shareholders shall be obligated to make contributions covering the full issuing value of the shares determined with the respective decision of the body which has taken the decision concerning the capital increase.

(7) The capital of the Company may not be increased by way of increasing the nominal value of shares that have already been issued, by conversion into shares of bonds which have not been issued as convertible, or by way of in-kind contributions or under the condition that the shares will be subscribed for by certain persons, at a certain price or under the terms and procedure of Art. 196, para. 3 of the Company Act.

(8) In the event of increasing the capital of the Company, the issuing value of the new shares must be paid in full except for cases of capital increases by way of conversion of part of the profit into capital pursuant to Art. 197 of the Company Act or by way of conversion into shares of bonds which have been issued as convertible.

(9) In the event of increasing the capital of the Company by way of issuance of new shares, rights shall be issued under § 1, para. 3 of the Additional Provisions of the Public Offering of Securities Act. The rights shall be securities conferring the right to subscribe for a certain number of shares in relation to the decision taken to increase the capital. One right shall be issued for every existing share. The transfer of the rights shall be made on a regulated market. The regulated market where the shares in the Company are admitted to trading shall be obligated to accept the rights issued by the Company for trading.

(10) In the event of increasing the capital of the Company, the general requirements of the Company Act and the special requirements of the Public Offering of Securities Act (POSA) and Markets in Financial Instruments Act (MFIA) shall be observed as well as the other existing applicable legislation concerning the issuance, confirmation and publication of a prospectus for the public offering of

securities and also when issuance and confirmation of a prospectus are not required; concerning the publication and promulgation in the State Gazette of a notice about the public offering; concerning the sending of the decision for the capital increase of the respective competent body of the Company to the FSC, Central Depository and the regulated market; concerning the people who have the right to take part in the capital increase; concerning the admission of the shares in the Company to trading on the regulated market; concerning the terms for transfer of the rights and subscription for the shares in the capital increase; concerning the notification of the FSC about the end of the subscription and its results; concerning the entering of the capital increase into the Company Register; concerning the use of the sums received from the sale of the rights to the special account opened.

(11) The General Meeting may take a decision to increase the capital with funds of the Company by way of conversion of a part of the profit of the Company into capital. The decision shall be made by the General Meeting within 3 (three) days as of the adoption of the Annual Financial Statements for the year passed by a majority of 3/4 (three-quarters) of the votes of the shares represented in the General Meeting.

(12) In the event of increasing the capital by way of conversion of profit or reserves of the Company into capital, the new shares issued shall be acquired among the shareholders in a form and proportion in view of their participation in the capital before its increase. When the decision of the increase is entered with the court, the balance sheet shall be submitted and it shall be indicated that the increase is made with the Company's own funds.

## **PUBLIC OFFERING OF SHARES IN THE COMPANY**

### **Article 14**

(1) A public offering of shares in the Company shall be made under the terms and procedure provided for in Chapter Six of the Public Offering of Securities Act. The Company shall publish a prospectus and notice in the manner and with the content laid down in the POSA and its acts of secondary legislation.

(2) The prospectus and notice under the previous paragraph may be published only after confirmation of the prospectus by the FSC in writing.

(3) The Company may not submit a prospectus in the cases set out under Art. 79, para. 1 of the POSA.

## **CAPITAL REDUCTION**

### **Article 15**

(1) A reduction in the capital to the minimum admissible amount shall be made with a decision of the General Meeting of Shareholders taken by a majority of 2/3 (two-thirds) of the votes of the shares represented in the General Meeting.

(2) The decision of reduction must contain the purpose of the reduction and the manner in which it will be made.

(3) The capital may be reduced by way of:

a) Reduction in the nominal value of the shares;

b) Rescission of shares after they are acquired by the Company.

(4) Shares may be rescinded after they are acquired by the Company. The acquisition of the Company's own shares shall be made only in the cases and in the conditions of the Company Act and the special conditions under the POSA.

(5) In a calendar year, the Company may acquire more than 3 percent of its own voting shares in the cases of capital reduction by way of rescission of shares and repurchase only under the terms and procedure of a tender offering provided for in Art. 149b of the POSA. In such a case, the requirements for holding at least 5 percent and minimum amount of repurchase of more than 1/3 (one-third) of the voting shares shall not apply.

(6) Through the bulletin of the regulated securities market, the Company shall be obligated to announce information about the number of its own shares it will purchase in the limits under the previous paragraph and the investment intermediary with whom the repurchase order has been placed.

The announcement must be made no later than the end of the working day preceding the day of repurchase.

(7) In the event of an offer to acquire the Company's own non-voting shares in the cases under Art. 5, the Company shall be obligated to make a repurchase in proportion to the shares of the shareholders who have accepted the offer. In such a case, Art. 149b of the POSA shall not apply.

(8) The capital of the Company may not be reduced by way of mandatory rescission of shares.

## **SIMULTANEOUS REDUCTION AND INCREASE IN CAPITAL**

### **Article 16**

(1) The capital of the Company may be reduced and increased simultaneously in accordance with the requirements of the law so that the reduction will have effect only if the envisaged capital increase is made.

(2) In the case under para. 1, the capital may be reduced under the minimum amount laid down in the legislation if the capital increase reaches at least the minimum amount set out in the legislation.

(3) The rule provided for in Art. 202, para. 1 of the Company Act shall not apply if, as a result of the increase, the amount of the capital before the change is reached or exceeded.

## **BONDS**

### **Article 17**

(1) The Company shall issue bonds under the terms and procedure provided for in the law and these Articles of Association. The Company may issue convertible bonds under the terms and procedure of Art. 215 of the Company Act.

(2) The decision on the issuance of bonds shall be made by the General Meeting of Shareholders or the Board of Directors.

(3) The provisions of the law shall apply to the requirements for offering of Company bonds, representation of the bondholders and conversion of bonds into shares.

## **Chapter III**

## **SHAREHOLDERS. RIGHTS AND OBLIGATIONS**

### **RIGHTS OF THE SHAREHOLDERS**

#### **Article 18**

(1) The shareholders of the Company shall have the right to:

1. Vote in the General Meeting and one share shall confer the right to one vote;
2. Be elected to the Board of Directors of the Company;
3. Dividend in proportion to the nominal value of the shares they hold;
4. Liquidation share in proportion to the nominal value of the shares they hold;
5. Acquire a part of the new shares issued in a capital increase which corresponds to their share in the capital before the increase;
6. Familiarize themselves with the written materials in relation to the agenda of the General Meeting;
7. Authorize another person to represent them in the General Meeting in keeping with the requirements provided for in the law and these Articles of Association.

(2) The right to vote in the General Meeting of the Company shall come into being with the full payment of the issuing value of every share and after the entry of the respective increase in its capital into the Company Register.

(3) When, as a result of legal succession, a share proves to be held by more than one person, the persons who hold the share shall determine among themselves who will represent the share in the General Meeting with a statement in writing.

## **OBLIGATIONS OF THE SHAREHOLDERS**

### **Article 19**

(1) The shareholders of the Company shall be obligated to pay in full the issuing value of the shares subscribed for within the term laid down in the decision about the capital increase of the Company.

(2) The shareholders shall be liable for the obligations of the Company only to the amount of the contributions they have made in exchange for the shares subscribed for. The shareholders shall not be liable for the obligations of the Company with their personal property.

(3) Any persons who hold directly or indirectly no less than 25 percent of the votes in the General Meeting of the Company or control it shall be obligated, within 7 days of acquiring the votes, respectively the control, to declare before the Board of Directors of the Company and before the FSC and the regulated market where the shares in the Company are admitted to trading information about:

1. Legal entities in which they hold directly or indirectly at least 25 percent of the votes in the General Meeting or which they have control;
2. Legal entities in whose management or supervisory bodies they participate or whose procurators they are;
3. Current and future transactions they are aware of with respect to which they believe they may be recognized as interested parties within the meaning of the POSA.

(4) The shareholders of the Company shall be obligated to disclose holdings in the cases and under the terms and procedure provided for in Art. 145 – 148 of the POSA.

## **Chapter IV**

### **MANAGEMENT AND BODIES OF THE COMPANY**

#### **TYPES OF BODIES**

##### **Article 20**

The bodies of the Company shall be the General Meeting of Shareholders and Board of Directors.

#### **GENERAL MEETING OF SHAREHOLDERS**

##### **Article 21**

(1) The General Meeting shall include all shareholders holding shares in the Company. They shall participate in the General Meeting in person or by proxy. The right to vote in the General Meeting shall be exercised by the persons entered into the registers of Central Depository AD as shareholders of the Company 14 (fourteen) days before the date of the General Meeting.

(2) After receiving the invitation about the convening of the Meeting, the regulated market where the shares are traded shall immediately announce the last date of conclusion of transactions in them as a result of which a transferee of shares may exercise the right to vote.

(3) The members of the Board of Directors shall take part in the work of the General Meeting of Shareholders without being entitled to vote, except in the event that they are shareholders. A member of the Board of Directors may represent a shareholder at the General Meeting only when the shareholder has expressly stated the manner of voting on each of the issues on the agenda.

#### **REPRESENTATION TO THE GENERAL MEETING**

##### **Article 22**

(1) Each shareholder of the Company shall be entitled to authorize in writing any natural or legal person that shall represent them in the General Meeting by participating and voting in the General Meeting on behalf of the shareholder by complying with the requirements of the existing legal framework and in accordance with the requirements of the Company necessary for providing identification of the shareholders and their representatives.

- (2) The written power of attorney for representation of a shareholder at the General Meeting shall be valid for a particular general meeting, be an express power of attorney certified by notary, and have the minimum content defined in accordance with the requirements of the existing legal framework.
- (3) The authorization may also be executed via electronic means, and the Company shall provide at least one way of receiving powers of attorney via electronic means.
- (4) Reauthorization with rights under Para. 2, as well as a power of attorney issued in breach of the rules under Para. 1 and Para. 2 shall be void.
- (5) The Company shall not require to be presented with the powers of attorney under Para. 2 earlier than two business days prior to the day of the General Meeting. The Company shall inform the shareholders present at the General Meeting about the received powers of attorney upon the opening of the General Meeting.
- (6) Should there be presented more than one powers of attorney under Para. 2 issued by the same shareholder, the one issued at the later date shall be valid.
- (7) Should there be no written notification of the Company by a shareholder of a withdrawal of a power of attorney before the opening of the General Meeting, the power of attorney shall be valid.
- (8) Should the shareholder be personally present at the General Meeting, the issued power of attorney for that Meeting shall be valid, unless the shareholder declares the contrary. For issues on the agenda that the shareholder votes personally, the respective right of the proxy shall be cancelled.
- (9) A vote given in compliance with the terms of the power of attorney shall be valid regardless of a prior death or incapacitation of the authorizer, withdrawal of the power of attorney, of the powers by virtue of which it has been issued, or transfer of a share pertaining to which the vote was given, should the Company receive no written notification of this death, incapacitation, withdrawal of the power of attorney, or transfer of shares by the time announced for the holding of the Meeting.
- (10) Should there be an amendment in the existing legal framework regarding the authorization and representation at the General Meeting of Shareholders by proxies, the requirements of the amended legal framework shall be applied regardless of the provisions in the Article herein.

## **HOLDING THE GENERAL MEETING**

### **Article 23**

- (1) The General Meeting of the Company shall be held at its registered office at least once a year, and it shall elect a chairperson, a secretary of the meeting, and a teller/s. The Regular General Meeting of the Company shall be held by the end of the first half of the year after the end of the reporting year.
- (2) The General Meeting of the Company may also be held via electronic means using one or more of the forms provided by POSA, as well as by combining physical presence at the meeting with one of those forms.
- (3) The requirements of POSA being met, the right to vote at the General Meeting of Shareholders may also be exercised prior to the date of the General Meeting by correspondence using mail, including e-mail, courier, or another technically possible manner provided for in the Company's Rules on Voting by Proxy.
- (4) The rules on voting via electronic means and by correspondence shall be adopted by the Board of Directors of the Company and shall be published at its web page.
- (5) Regardless of the possibilities provided for in the Articles of Association herein, the Company represented by the Board of Directors shall define the manner of holding the General Meeting of Shareholders and the manner of exercising the right to vote for each separate General Meeting, and the respective information shall be presented to the shareholders and promulgated following the procedure set out in the law.



## **CALLING THE GENERAL MEETING**

### **Article 24**

(1) The General Meeting shall be called by the Board of Directors. It may also be convened on the request of shareholders who hold shares representing at least 5% (five percent) of the capital of the Company.

(2) Should the request of the shareholders under the previous Paragraph owning at least 5 % (five percent) of the Company's capital not be satisfied, or should the General Meeting not be held within three months from the making of the request, the competent court shall call a General Meeting, or shall give the power to the shareholders requesting the calling or their representative to call the Meeting.

(3) The calling shall be done by an invitation promulgated in the Company Register. The invitation shall be promulgated under the terms and procedure of POSA. The invitation for calling a General Meeting of Shareholders shall have contents meeting the requirements of the existing legislation and contain the express mentioning of the manner in which the General Meeting of Shareholders shall be held, and the manners in which the right to vote may be exercised for each particular General Meeting.

(4) The invitation for calling the Meeting, together with the materials for the General Meeting under Art. 224 of the Company Act, shall be sent to FSC and published on the Company's web page before the legally defined deadlines and for the legally defined periods.

(5) In the cases under Art. 223a of the Company Act, the shareholders shall present the materials under Art. 223a, Para 4 of the Company Act to FSC and the Company on the next business day following the promulgation of the issues in the Company Register at the latest.

(6) To exercise the right to vote at the General Meeting, the shareholders who are natural persons and their representatives shall prove their identity by producing an identity document and a power of attorney with a notarial certification. The shareholders who are legal entities shall present a Certificate of Good Standing and an ID, as well as a power of attorney certified by notary, should the legal entity not be represented by its legal representative. Should the authorizing shareholder be a legal entity, the power of attorney shall be signed by the legal representative of the legal entity and be accompanied by a Certificate of Good Standing.

## **RIGHT TO INFORMATION**

### **Article 25**

The written materials related to the agenda of the General Meeting shall be made available to the shareholders on the date of the promulgation of the invitation for a call of a General Meeting at the latest and shall be published on the web page of the Company within the deadlines and under the terms set out in POSA. They shall be given to every shareholder for free upon request.

## **ATTENDANCE LIST**

### **Article 26**

(1) A list of attending shareholders or their representatives and of the number of the owned or represented shares shall be prepared at the General Meeting. The shareholders or their representatives shall certify their attendance by a signature in the event of personal attendance of the General Meeting. The list shall be certified by the Chair and Secretary of the General Meeting.

(2) In the event of holding a General Meeting of Shareholders of the Company via electronic means using one or more of the forms provided for in POSA, as well as by combining physical attendance of the meeting with one of those forms, and in the cases of exercising the right to vote by correspondence, the respective lists of persons exercising their right to vote via electronic means or by correspondence in accordance with the requirements of POSA shall be prepared and attached to the minutes from the General Meeting.

## **COMPETENCE OF THE GENERAL MEETING**

### **Article 27**

The General Meeting shall:

- a) Adopt and amend the Articles of Association of the Company;
- b) Increase and reduce the capital of the Company;
- c) Transform and wind up the Company;
- d) Elect and release members of the Board of Directors and determine their remuneration and amount of their management guarantee, including their right to receive a part of the profit of the Company and to acquire shares in and bonds of the Company;
- e) Appoint and release certified public accountants, respectively a specialized audit company;
- f) Approve the Annual Financial Statements after certification by the appointed certified public accountant or specialized audit;
- g) Take a decision about the distribution of the profit of the Company, filling the Reserve Fund and payment of dividends in accordance with the requirements of the law;
- h) Take a decision to issue bonds of the Company;
- i) Appoint liquidators in the event of winding up the Company except for cases of insolvency;
- j) Release from responsibility the members of the Board of Directors;
- k) Empower the persons managing or representing the Company to enter into transactions under Art. 114, para. 1 of the POSA;
- l) Resolve other issues placed in its competence by law and/or the Articles of Association.

## **QUORUM**

### **Article 28**

(1) The General Meeting shall be lawful and may take decisions if it is attended by or if in it are represented more than one half of the voting shares in the Company. The quorum shall be determined on the basis of the information about the number of shares in the Company in accordance with a list of the shareholders provided by Central Depository AD 14 (fourteen) days before the date of the General Meeting.

(2) Any decisions under Art. 27, littera “a”, “b” and “c” of these Articles of Association shall be taken only if at least half of the capital is represented at the General Meeting.

(3) In the lack of a quorum, a new Meeting shall be scheduled within a month and it shall be lawful regardless of the capital represented to it. In any cases under the previous paragraph, a new Meeting may be scheduled no earlier than 14 (fourteen) days and it shall be lawful regardless of the capital represented to it. The date of the new Meeting may be indicated in the invitation to the first Meeting.

## **DECISIONS, VOTING AND MAJORITY**

### **Article 29**

(1) The decisions of the General Meeting shall be taken by a simple majority of the represented shares with the exception of:

- a) Any decisions under Art. 27, littera “a”, “b” and “c” which shall be taken by a majority of 2/3 (two-thirds) of the capital represented to the General Meeting;
- b) A decision under Art. 27, littera “k” to enter into transactions under Art. 114, para. 1 of the POSA in the cases of acquiring or disposing of fixed assets shall be taken by a majority of 3/4 (three-quarters) of the capital represented to the General Meeting and, in the other cases under Art. 114, para. 1 of the POSA, by a simple majority;
- c) Any decisions for which the law or these Articles of Association provide for another majority.

(2) Any decisions of the General Meeting shall enter into force immediately unless their effect be postponed with a decision of the General Meeting.

(3) Any decisions of the General Meeting concerning any amendments to the Articles of Association, increase or reduction in capital, transformation or winding up of the Company, election and release of members of the Board of Directors and appointment of liquidators shall enter into force after they have been entered into the Company Register.

(4) The General Meeting may not take decisions which have not been announced in accordance with the procedure provided for by law unless all shareholders or their representatives are present and no one objects to the issues raised being discussed.

## **CONFLICT OF INTEREST**

### **Article 30**

A shareholder or their representative may not take part in the vote concerning:

- a) Filing of claims against them;
- b) Taking action or refusal to take action to perform their obligations to the Company.

## **MINUTES**

### **Article 31**

(1) Minutes shall be made at the General Meeting whose contents shall comply with the requirements of the Company Act. The minutes shall be signed by the Chair and Secretary of the Meeting and the Tellers of the votes. A list of attending shareholders, the respective lists of the persons who have exercised their rights to vote via electronic means or by correspondence, if applicable, and other documents related to the calling of a General Meeting shall be attached to the minutes. The minutes compiled in such a manner shall have evidentiary power for the data and circumstances indicated in them. The minutes shall be compiled in a special book and shall be preserved for the entire period of the Company's existence. The minutes shall be provided to every shareholder on request.

(2) The Company shall send the minutes from the General Meeting to the FSC under the legally defined procedure and within the legally defined deadline.

## **BOARD OF DIRECTORS**

### **Article 32**

(1) The Company shall be managed and represented by a Board of Directors comprising 3 (three) to 7 (seven) members. The members of the Board of Directors shall be elected by the General Meeting of Shareholders.

(2) The term of office of the Board of Directors shall be 5 (five) years. The term of office of the first Board of Directors shall be 3 (three) years.

(3) The Board of Directors shall comprise legally capable natural persons or legal entities who meet the requirements of the law and it shall be possible for them not to be shareholders of the Company. The members of the Board of Directors must comply with the requirements of Art. 234, para. 2 of the Company Act and the special requirements of Art. 116a, para. 1 of the POSA. Persons who at the time of election have been sentenced with an effective conviction for any crimes against property, economy or the financial, tax or social insurance system committed in the Republic of Bulgaria or abroad may not be elected members of the Board of Directors unless they have been rehabilitated. Any candidates to become members of the Board of Directors shall prove the lack of the circumstance under the previous sentence with a conviction certificate.

(4) At least 1/3 (one-third) of the members of the Board of Directors must be independent persons. An independent member of the Board of Directors may not be:

- a) Employee of the Company;
- b) Shareholder who holds directly or indirectly through related persons at least 25 percent of the votes in the General Meeting or is a person related to the Company;
- c) Person who has lasting commercial relations with the Company;
- d) Member of a management or supervisory body, procurator or employee of a commercial company or another legal entity under littera "b" and "c";
- e) Related person to another member of the Board of Directors of the Company.

(5) The circumstances under the previous paragraph shall be declared by every candidate to become a member of the Board of Directors. Any persons elected members of the Board of Directors with respect to whom the circumstances under para. 3, sentence three or under para. 4 come into being after

the date of their election shall be obligated to notify the Board of Directors immediately. In such a case, the persons shall stop performing their functions and shall not receive remuneration.

(6) When a member of the Board of Directors is a legal entity, the latter shall designate its representative to perform their obligations on the Board. The legal entity shall have joint and unlimited liability with the other members of the Board of Directors for the obligations arising from the activities of their representative.

(7) The members of the Board of Directors may be reelected without limitation.

(8) The members of the Board of Directors may be released from their position before the elapse of the term of office for which they have been elected.

(9) The Board of Directors shall adopt rules for its work and shall elect a Chair, Deputy Chair and Executive Director from among its members.

(10) Minutes shall be kept of the decisions of the Board of Directors which shall be signed by all Board members present.

## **REPRESENTATIVE POWER**

### **Article 33**

(1) The members of the Board of Directors shall represent the Company collectively and shall assign the management and representation of the Company to one or more of the members (Executive Director).

(2) The Board of Directors shall determine the monthly remuneration of the Executive Director.

(3) The name(s) of the person(s) authorized to represent the Company shall be entered into the Company Register and a signature with notarial certification shall be submitted upon registration.

(4) Any limitation to the representative power of the persons under the previous paragraph shall not have effect with respect to third parties. Authorization and its rescission shall have effect against third bona fide parties after its entry.

(5) The relations between the Company and the members of the Board of Directors, respectively between the Company and the Executive Director, shall be provided for in a contract for assigning the management. The contract shall be concluded in writing on behalf of the Company by way of a person expressly authorized by the General Meeting or by way of the Chair of the Board of Directors.

## **RIGHTS AND OBLIGATIONS**

### **Article 34**

(1) The members of the Board of Directors shall have the same rights and obligations regardless of:

- a) Internal allocation of the functions among them;
- b) Provisions with which the right to management and representation is granted to the Executive Director.

(2) The members of the Board of Directors shall be obligated to perform their obligations to the benefit of the Company and its shareholders and to preserve the secrets of the Company even after they have stopped being Board members. The members of the Board of Directors shall have the obligations under Art. 116b of the POSA.

(3) The members of the Board of Directors shall be obligated to declare before the Board and the FSC and the regulated market where the shares in the Company are admitted to trading information about:

1. Legal entities in which they hold directly or indirectly at least 25 percent of the votes in the General Meeting or over which they exercise control;
2. Legal entities in whose management or supervisory bodies they participate or whose procurators they are;
3. Any current or future transactions of the Company of which they are aware and with respect to which they believe they may be recognized as interested parties within the meaning of the POSA.

(4) The members of the Board of Directors shall not have the right, on their or someone else's behalf, to participate in commercial companies as partners with unlimited liability or to be procurators,

members of the Boards of other companies or cooperatives when activities in competition with those of the Company are carried out. This limitation shall not apply if the General Meeting has granted its express approval or if the Articles of Association expressly allow it.

## **COMPETENCE**

### **Article 35**

(1) The Board of Directors shall resolve all issues which do not fall within the exclusive competence of the General Meeting in observance of these Articles of Association, the existing legislation and the decisions of the General Meeting.

(2) The Board of Directors shall:

1. Adopt rules for its work;
2. Determine the structure and staff positions of the Company;
3. Determine the procedure for appointment and release of staff;
4. Adopt rules for the organization and activities of the individual structures of the Company;
5. Take decisions to acquire, close down, transfer enterprises or significant parts of them;
6. Take decisions about material changes in the activities of the Company;
7. Take decisions about material organizational changes;
8. Take decisions about long-term cooperation of material importance to the Company and about the termination of such cooperation;
9. Take decisions to open or close branches;
10. Take decisions related to the management of the shareholdings of the Company in its subsidiaries and determine the management policy which the Company will pursue in the General Meetings and management bodies of its subsidiaries;
11. Take decisions about all fundamental commercial and financial issues related to the Company outside those which fall within the competence of the General Meeting;
12. Draw up the annual financial statements and annual report about the activities of the Company and submit them to the General Meeting to be adopted after they have been inspected by the chosen certified public accountants;
13. Take decisions to increase the capital of the Company until it reaches a total nominal amount of BGN 50 000 000 (fifty million) in the course of five years as of the entry of these Articles of Association into the Company Register;
14. Take a decision for the Company to issue bonds up to a total nominal amount of BGN 50 000 000 (fifty million) in the course of five years as of the entry of these Articles of Association into the Company Register;
15. Take decisions about preliminary approval of transactions of the Company with the participation of interested persons within the meaning of the POSA outside those under Art. 114, para. 1 of the POSA.

(3) The Board of Directors shall report its activities to the General Meeting.

## **CONDUCTING THE MEETINGS OF THE BOARD OF DIRECTORS**

### **Article 36**

(1) The meetings of the Board of Directors shall be convened in accordance with the Rules for the Work of the Board of Directors.

(2) The Board of Directors shall meet at regular sessions at least once in every three months.

(3) Every member of the Board of Directors may request of the Chair to convene a meeting to discuss certain issues.

(4) The Board of Directors shall resolve all issues which do not fall within the exclusive competence of the General Meeting.

(5) The Board of Directors may take decisions if more than half of its members are present in person or are represented by another Board member.

- (6) Decisions shall be made by a majority of more than half of the members of the Board of Directors represented in a meeting with the exception of the cases provided for in these Articles of Association.
- (7) Minutes shall be kept of the meetings of the Board of Directors and the decisions taken which shall be signed by all members present.
- (8) The Board of Directors may take decisions *in absentia* if all members have expressed their approval of the decision in writing.
- (9) Every member of the Board of Directors may authorize another Board member to represent them and vote on their behalf during the meetings. No member of the Board of Directors may act as the representative of more than one other Board member.

## **LIABILITY**

### **Article 37**

- (1) The members of the Board of Directors shall be jointly liable for any damage they have caused to the Company in a guilty manner.
- (2) Every member of the Board of Directors may be released from liability by the General Meeting if it is found that they are not guilty of causing the damages that have come about.
- (3) On their appointment, the members of the Board of Directors shall pay a guarantee for their management to the amount set by the General Meeting of Shareholders which may not be lower than their three-month gross remuneration.
- (4) The guarantee shall be released in the following cases:
- To the benefit of the member who has paid it within a month as of the date of entry of their deletion from the Company Register if the General Meeting has released them from liability;
  - To the benefit of the Company if the General Meeting of Shareholders has taken a decision to this effect and the respective member has not been released from liability.

## **EXECUTIVE DIRECTOR**

### **Article 38**

- (1) The Board of Directors shall assign the representation and management of the Company to one or more of its members – Executive Director.
- (2) The Executive Director may be changed at any time.
- (3) The Executive Director shall be obligated at any time to report to the Board of Directors and its Chair any circumstances which are of material importance to the Company.
- (4) The Executive Director shall:
- Organize the implementation of the decisions of the bodies of the Company;
  - Organize the activities of the Company, perform operational management and implementation of the quantitative and qualitative indicators concerning the business tasks of the Company, ensure the safekeeping and guarding of its property;
  - On decision of the Board of Directors, authorize procurators and branch managers selected by the Board of Directors.
- (5) The Executive Director(s) of the Company who is assigned to manage and represent it may not conclude the transactions which will bring about the circumstances under Art. 114, para. of the POSA without the express authorization by the General Meeting and may not conclude the transactions under Art. 114, para. 2 of the POSA without the preliminary approval of the Board of Directors.

## **INVESTOR RELATIONS DIRECTOR**

### **Article 39**

- (1) The Board of Directors shall appoint an Investor Relations Director under a labour contract.
- (2) The Investor Relations Director must have an adequate qualification or experience to perform their obligations and may not be a member of the Board of Directors or procurator of the Company. A person who has been sentenced with a conviction that has entered into force for any crimes against property, economy or the financial, tax or social insurance system committed in the Republic of

Bulgaria or abroad may not be appointed an Investor Relations Director unless they have been rehabilitated.

(3) The Investor Relations Director shall:

1. Carry out the effective connection between the Board of Directors of the Company and its shareholders and the persons who have expressed an interest in investing in securities of the Company by providing them with information about the current financial and economic position of the Company and other information which they are entitled to obtain by law in their capacity of shareholders or investors;
2. Be responsible for sending the materials about a convened General Meeting to all shareholders who have requested that they familiarize themselves with the materials within the lawful term;
3. Maintain and keep true and complete minutes of the meetings of the Board of Directors of the Company;
4. Be responsible for the timely sending of all necessary reports and notices of the Company to the FSC, the regulated market where the securities of the Company are traded and the Central Depository;
5. Keep the register about the materials sent under item 2 and item 4 and about the requests submitted and information provided under item 1 and also describe the reasons in the event of failure to provide any requested information.

(4) The Investor Relations Director shall report their activities to the shareholders at the annual General Meeting.

(5) Any persons who manage the Company shall be obligated to cooperate with the Investor Relations Director and control the performance of their functions under para. 3.

(6) The Investor Relations Director shall have the obligations under Art. 116b of the POSA.

## **Chapter V**

### **DISCLOSURE OF INFORMATION**

#### **Article 40**

The Company shall submit its statements and notices under Section IV of Chapter Six of the POSA to the FSC and the Bulgarian Stock Exchange under the procedure and within the terms provided for by law with a view to disclosing information which is necessary for the investors to make a reasoned investment decision. These statements and notices may not contain untrue, misleading or incomplete information.

## **Chapter VI**

### **FUNDS OF THE COMPANY**

#### **Article 41**

(1) The Company shall set up a Reserve Fund and other funds if such are provided for in the existing legislation.

(2) The Reserve Fund shall be set up from the following sources:

- a) At least 1/10 (one-tenth) of the profit after its taxation with the taxes due and before payment of dividends which shall be earmarked until the amount in the fund reaches 1/10 (one-tenth) of the capital;
- b) The funds received above the nominal value of the shares and bonds when they are issued;
- c) The sum of the additional payments made by the shareholders in exchange for the privileges provided with respect to the shares;
- d) Other funds as decided by the General Meeting.

(2) The cash in the Reserve Fund may only be used to:

- a) Cover annual loss;
- b) Cover losses from the previous year.

(3) When the amount in the Reserve Fund exceeds 1/10 (one-tenth) of the capital of the Company, the amount in excess may also be used to increase the capital in accordance with the procedure set out in the existing legislation.

(4) Other funds may be set up upon decision of the Board of Directors of the Company. The decision for setting up such funds shall determine the sources for raising funds and manner of spending them.

## **Chapter VII**

### **RECORDS, ANNUAL REPORTING AND DISTRIBUTION OF THE PROFIT**

#### **RECORDS**

##### **Article 42**

The Company shall maintain its records pursuant to the Accountancy Act and the existing legislation.

#### **ANNUAL REPORTING**

##### **Article 43**

(1) The operational and fiscal year of the Company shall coincide with the calendar year and shall begin on 1 January and end on 31 December included.

(2) Annually, the Board of Directors shall draw annual financial statements and report on its activities and shall submit them for inspection to the certified public accountant or specialized audit company selected by the General Meeting.

#### **INSPECTION AND ADOPTION OF THE ANNUAL REPORTING**

##### **Article 44**

(1) The annual financial statements shall be inspected by the certified public accountant or specialized audit company selected by the General Meeting who shall be responsible for the bona fide and impartial inspection and for preserving the secrets of the Company. The annual financial statements may not be adopted by the General Meeting without an inspection.

(2) The inspection shall aim to establish whether the requirements for annual reporting have been complied with in view of the existing legislation.

(3) When the General Meeting has not selected a certified public accountant or specialized audit company by the elapse of the calendar year, on the request of the Board of Directors or an individual shareholder they shall be appointed by the court.

(4) After the report of the certified public accountant or specialized audit company has been submitted, the Board of Directors shall adopt the annual financial statements, report on the activities and proposal for distribution of the profit and shall take a decision to convene a General Meeting.

(5) The annual financial statements which have been inspected and adopted by the General Meeting shall be submitted for notification to the Company Register and the notice about this shall be promulgated in the State Gazette.

#### **DISTRIBUTION OF THE PROFIT**

##### **Article 45**

The distribution of the profit shall be prepared on proposal of the Board of Directors and shall be made with a decision of the General Meeting of Shareholders pursuant to the requirements of the law and these Articles of Association. Reallocations to the Reserve Fund shall be made from the profit. Funds from the profit may be reallocated for cash funds and dividends only after the necessary cash for the Reserve Fund has been earmarked.

#### **TERMS AND PROCEDURE FOR PAYMENT OF DIVIDENDS**



#### **Article 46**

(1) The amount of dividends shall be set annually by the General Meeting of Shareholders in accordance with the requirements of the law. The amount of the dividend due per share shall be laid down in the decision of the General Meeting.

(2) The right to receive a dividend shall be enjoyed by the persons entered into the registers of Central Depository AD as shareholders on the 14<sup>th</sup> day after the day of the General Meeting at which the annual financial statements have been approved and the decision to distribute the profit has been taken. Central Depository AD shall issue a list of these persons.

(3) The Company shall be obligated to notify the FSC, Central Depository and the regulated market immediately about the decision of the General Meeting about the type and amount of the dividend and the terms and procedure for its payment.

(4) The Company shall be obligated to ensure the payment of the dividend voted at the General Meeting to the shareholders within three months of holding the Meeting. The payment of the dividend shall be made with the cooperation of the Central Depository.

### **Chapter VIII**

#### **TRANSFORMATION, WINDING UP AND LIQUIDATION**

##### **TRANSFORMATION**

###### **Article 47**

(1) The Company may be transformed with a decision of the General Meeting taken by a majority of 2/3 (two-thirds) of the represented capital.

(2) The transformation of the Company shall be made in compliance with the special requirements and procedure for transformation provided for in the POSA.

##### **WINDING UP**

###### **Article 48**

The Company shall be wound up with a decision of the General Meeting of Shareholders taken by a majority of 2/3 (two-thirds) of the represented capital in the cases provided for by law.

##### **LIQUIDATION**

###### **Article 49**

Liquidation under the terms and procedure provided for in the existing legislation shall be made in the event of winding up the Company.

##### **FINAL PROVISIONS**

§1. The provisions of the Bulgarian legislation shall apply to any issues not provided for in these Articles of Association.

§2. These Articles of Association were adopted at the General Meeting of Shareholders of Agria Group Holding AD held on 29 September 2007 in the city of Varna and shall be subject to entry into the Company Register after the successful completion of the subscription for the increase in the capital of the Company simultaneously with the entry of the increase in the capital of the Company.

EXECUTIVE DIRECTOR:

(Emil Veselinov Raykov)