

MINUTES

from the meeting of the Board of Directors of Advance Terrafund REIT

Today, 27 April 2015 in Sofia a meeting of the Board of Directors of Advance Terrafund REIT took place, attended by the members of the Board of Directors as follows:

1. **Borislav Vitanov Petkov** – Chairperson of the Board of Directors;
2. **Radoslav Iliev Manolov** – Executive Director;
3. **Nencho Ivanov Penev**

All members of the Board of Directors attend personally; therefore the meeting is legal and can make decisions.

The meeting was held as per the following Agenda:

- 1 Discussion of the issue of the convocation of the General Assembly of the shareholders.
2. Miscellaneous;

After a discussion of the items of the Agenda the Board of Directors of Advance Terrafund REIT UNANIMOUSLY

DECIDED:

I. The Board of Directors of Advance Terrafund REIT, pursuant to Article 223, paragraph 1, proposal one, convenes a regular General Assembly of the shareholders of the Company holders of ordinary registered voting shares to be held on **09 June 2015** at 1 Zlatovruh Str., Sofia, **12:00 noon**.

II. The General Assembly will be held under the following ***Agenda***:

1. **Report on the activities of the company for 2014; *draft decision*** – the GA adopts the report on the activities of the company for 2014.

2. **Acceptance of the Certified Accountant's Report on the certified annual financial statements for 2014; *draft decision*** – GA adopts the Certified Accountant's Report on the annual financial statements for 2014.

3. **Approval of the certified financial statements for 2014 and making a decision for payment of dividends; *draft decision*** – GA approves the certified financial statements for 2014 and adopts the proposal of the Board of Directors for 99.97% of the profit for financial year 2014 determined following the procedure set out in Article 10, paragraph 3 of the Law on the Special Investment Purpose Companies and in compliance with the requirements of article 247a of the Commerce Act at BGN 25 541 276.31 to be distributed as dividends and sets a gross dividend of BGN 0.30 per share of the capital of the Company.

4. **Appointing a Certified Accountant /registered auditor/ for certification of the annual financial statements for 2015; *draft decision*** – GA appoints the proposed by the Board of Directors at the recommendation of the Audit Committee certified accountant – registered auditor Deloitte Audit OOD, to attest the annual financial report of the Company for 2015.

5. **Releasing from liability the members of the Board of Directors for their activities in 2014; *draft decision*** – GA releases the members of the Board of Directors from liability for their activity in 2014.

6. **Accepting the report of the Audit Committee on its activities in 2014; *draft decision*** – GA accepts the report of the Audit Committee on its activities in 2014;

7. **Report of the Investor Relations Director on his activities in 2014; *draft decision*** – GA accepts the report of the Investor Relations Director;

8. Ratification of a proposal for policy on the remuneration of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements. draft decision - GA ratifies the Policy on remunerations of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements with the following meaning:

Art.10, para 1 and para 2 to be amended as follows:

"Art. 10. /1/ The Management Contract, respectively the Management Participation Contracts with the members of the Board of Directors shall contain a clause allowing the Company to require the return of variable remuneration paid, determined on the basis of the principles of Section V. Returnable shall be any and all amounts given based on data that later proved false. The decision for the return shall be adopted by the General Assembly of Shareholders of the Company.

/2/ In the event of early termination of a Management Contract, respectively Management Participation Contracts with a member of the Board of Directors, the total amount of compensation due to that person in relation to the early termination, as well as any and all payments in relation to the notice term shall not exceed the amount of annual fixed remunerations paid to the person for a period of two years."

9. Miscellaneous

III. All shareholders are invited to attend the Assembly personally or through a proxy. The materials related the Assembly and the respective draft decisions under the Agenda are available to the shareholders at the office of the company at 1 Zhatovruh Str., Sofia. In case of the absence of a quorum pursuant to article 227, paragraph 3 of the Commerce Act the Assembly will be held on **24 June 2015 at 12:00 noon** in the same place and **under the same agenda**.

IV. Charges Mr. **Radoslav Iliev Manolov** - Executive Director of the Company to handle the technical issues related to the convocation and holding of the General Assembly.

Members of the Board of Directors:

1. **Borislav Vitanov Petkov**

2. **Radoslav Iliev Manolov**

3. **Nencho Ivanov Penev**

INVITATION

To the regular session of the General Assembly of the shareholders of Advance Terrafund REIT

Pursuant to Article 223, para. 1 of the Commerce Act, the Board of Directors calls a regular General Assembly of the shareholders of Advance Terrafund REIT which is to be held on 9 June 2015 at 12.00 p.m. at the seat of the company in the city of Sofia, address 1 Zlatovruh Str., with the following agenda and proposals for decisions:

1. Report on the activities of the company for 2014; draft decision – the GA adopts the report on the activities of the company for 2014.

2. Acceptance of the Certified Accountant's Report on the certified annual financial statements for 2014; draft decision – GA adopts the Certified Accountant's Report on the annual financial statements for 2014.

3. Approval of the certified financial statements for 2014 and making a decision for payment of dividends; draft decision – GA approves the certified financial statements for 2014 and adopts the proposal of the Board of Directors for 99.97% of the profit for financial year 2014 determined following the procedure set out in Article 10, paragraph 3 of the Law on the Special Investment Purpose Companies and in compliance with the requirements of article 247a of the Commerce Act at BGN 25 541 276.31 to be distributed as dividends and sets a gross dividend of BGN 0.30 per share of the capital of the Company.

4. Appointing a Certified Accountant /registered auditor/ for certification of the annual financial statements for 2015; draft decision – GA appoints the proposed by the Board of Directors at the recommendation of the Audit Committee certified accountant – registered auditor Deloitte Audit OOD, to attest the annual financial report of the Company for 2015.

5. Releasing from liability the members of the Board of Directors for their activities in 2014; draft decision – GA releases the members of the Board of Directors from liability for their activity in 2014.

6. Accepting the report of the Audit Committee on its activities in 2014; draft decision – GA accepts the report of the Audit Committee on its activities in 2014;

7. Report of the Investor Relations Director on his activities in 2014; draft decision – GA accepts the report of the Investor Relations Director;

8. Ratification of a proposal for policy on the remuneration of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements. draft decision – GA ratifies the Policy on remunerations of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements with the following meaning:

Art.10, para 1 and para 2 to be amended as follows:

"Art. 10. /1/ The Management Contract, respectively the Management Participation Contracts with the members of the Board of Directors shall contain a clause allowing the Company to require the return of variable remuneration paid, determined on the basis of the principles of Section V. Returnable shall be any and all amounts given based on data that later proved false. The decision for the return shall be adopted by the General Assembly of Shareholders of the Company.

/2/ In the event of early termination of a Management Contract, respectively Management Participation Contracts with a member of the Board of Directors, the total amount of compensation due to that person in relation to the early termination, as well as any and all payments in relation to the notice term shall not exceed the amount of annual fixed remunerations paid to the person for a period of two years."

9. Miscellaneous

All shareholders of the company are invited to take part personally or through a proxy.

The written materials for the Assembly will be at the disposal of the shareholders in the city of Sofia, 1 Zlatovruh Str., each working day from 9:30 a.m. to 5:30 p.m. The invitation together with the written materials on the items of the agenda of the Assembly are published at the web page of Advance Terrafund REIT – www.advanceterrafund.bg for the time from the announcement of the invitation in the Trade Register to the closure of the General Assembly.

Persons holding jointly or separately at least 5% of the capital of Advance Terrafund REIT may request the addition of issues and propose decision on already added issues in the agenda of the General Assembly following the procedure outlined in Article 223a of the Commerce Act. Not later than 15 days prior to the opening of the General Assembly these shareholders submit the issues to be added to the agenda and the decision proposals to be announced in the Trade Register. With their announcement in the Trade Register the issues are considered added to the proposed agenda. Not later than the following working day after the announcement the shareholders submit the list of issues, decision proposals and written materials to the seat and management address of the company and to the Financial Supervision Commission.

During the General Assembly the shareholders of the company have the right to raise questions to all items of the agenda and questions regarding the economic and financial state and commercial activities of the company, regardless of whether the latter are related to the agenda.

The registration of the shareholders will be made on the day of the General Assembly from 11:30 a.m. to 12:00 p.m.

For registration and participation in the General Assembly of the shareholders the natural persons – shareholders have to present an identification document. The legal persons – shareholders present a current certificate for commercial registration and an identification document of the legal representative.

Rules for voting through proxy: in case of representation of a shareholder in the General Assembly pursuant to the provisions of Article 38, para. 2 of the Statutes of the company, it is necessary to present an explicit notarized power of attorney for the specific assembly with the contents under Article 116, para. 1 of the Law on the Public Offering of Securities. In the cases when the legal person is not represented by its legal representative the proxy presents an identification document, a current certificate for commercial registration of the respective company – shareholder and an explicit notarized power of attorney for the specific Assembly with the contents under Article 116, para. 1 of the Law on the Public Offering of Securities.

In case of representation of a shareholder of the company by a legal person – proxy, apart from an identification document of the proxy company's representative, also a current certificate for commercial registration of the respective proxy company and an explicit notarized power of attorney for the specific Assembly with the contents under Article 116, para. 1 of the Law on the Public Offering of Securities.

Pursuant to Article 116, par. 4 of the Law on the Public Offering of Securities re-authorization with the rights granted to the proxy in accordance with the power of attorney is null and void, as well as power of attorneys granted in violation of the provision of Article 116, para. 1 the Law on the Public Offering of Securities.

The certificate for commercial registration and the power of attorney for representation at the General Assembly of the shareholders issued in a foreign language should be accompanied by a legalized translation into Bulgarian language in compliance with the requirements of the applicable laws. In case of discrepancies between the texts, the data in the Bulgarian translation shall prevail.

The Board of Directors of Advance Terrafund REIT – Sofia submits a template for a written power of attorney in hard and digital copies together with the materials for the General Assembly. The template of the power of attorney will also be available at the web page of the company: www.advanceterrafund.bg.

Advance Terrafund REIT will receive and accept as valid notifications and power of attorneys electronically at the following e-mail: atera@karoll.bg with the electronic messages signed with a universal electronic signature (UES) by the principal and with enclosed electronic document (electronic copy) of the power of attorney which should also be signed with a universal electronic signature (UES) by the principal.

Voting through correspondence and electronic means is not acceptable pursuant to the existing Statutes of Advance Terrafund REIT.

The Board of Directors of Advance Terrafund REIT advises that the total number of shares and voting rights of the shareholders of the company as of the date of the decision of the Board of Directors to convene a General Assembly – 27 April 2015 - is 85,110,091 /eighty-five million one hundred and ten thousand and ninety-one / ordinary registered dematerialized voting shares with par value of BGN 1 /one/ each. Pursuant to Article 115b, para. 1 of the Law on the Public Offering of Securities the voting right at the General Assembly can be exercised by the persons entered in the registers of the Central Depository as shareholders of the company 14 days prior to the date of the General Assembly. The date under the previous sentence for the regular session of the General Assembly of the shareholders of Advance Terrafund REIT Sofia convened on 9 June 2015 is 26 May 2015. Only persons entered as shareholders of the company on this date are entitled to participate and vote at the General Assembly.

In case of lack of quorum on the date announced in this invitation for the convening of the General Assembly of the shareholders, pursuant to Article 227, para. 3 of the Commerce Act, the General Assembly shall be held on 24 June 2015 at 12:00 p.m. at the same place and under the same agenda. The agenda of the new session cannot include items pursuant to 223a of the Commerce Act.

Yours faithfully,

Radoslav Manolov
Executive Director
Advance Terrafund REIT

Template

**POWER OF ATTORNEY
For representation of a shareholder in the General Assembly of the
shareholders of
ADVANCE TERRAFUND REIT**

<p>In the case of a shareholder – legal person</p> <p>I, the undersigned,, PIN, with identity document N°, issued on by, with address: town, street.N°, fl....., ap....., in its capacity of lawful representative of, with seat and registered office, street.....N°, fl....., UIC, - shareholder of, holding /...../ registered dematerialized voting shares from the capital of ADVANCE TERRAFUND REIT – Sofia, pursuant to Article 226 of the Commerce Act in connection to Article 116, para. 1 of the Law on the Public Offering of Securities</p>

or

<p>In the case of a shareholder – natural person</p> <p>I, the undersigned,, PIN, with identity document N°, issued on by, with permanent address: town, streetN°, fl....., ap....., in my capacity of a shareholder of, holding /...../ registered dematerialized voting shares in the capital of ADVANCE TERRAFUND - REIT – Sofia, pursuant to Article 226 of the Commerce Act in connection to Article 116, para. 1 of the Law on the Public Offering of Securities</p>
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HEREBY AUTHORIZE

<p>In the case of a proxy – natural person</p> <p>....., PIN, identity card N°, issued by MoI on, address:....., street....., N°....., fl., ap.....,</p>
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Or

In the case of a proxy – legal person
<p>....., with seat and registered office, street.....№., fl....., UIC, represented by, PIN, holder of identity document №, issued on by, with address: town., street.№, fl....., ap....., in its capacity of</p>

to represent the **company managed by me/to represent me** at the regular session of the General Assembly of the shareholders of **ADVANCE TERRAFUND REIT** to be held on 9 June 2015 at 12:00 p.m. in the city of Sofia, 1 Zlatovruh Str., and in case of lack of quorum on this date the General Assembly of the shareholders will be held on 24 June 2015 at 12:00 a.m., at the same place and under the same agenda and to vote with number of shares of the capital of company **ADVANCE TERRAFUND REIT** on the issues of the agenda, pursuant to the manner of voting indicated below, namely:

1. Report on the activities of the company for 2014; draft decision– the GA adopts the report on the activities of the company for 2014.

Manner of voting:

For, against, at his/her discretion, abstained

2. Acceptance of the Certified Accountant's Report on the certified annual financial statements for 2014; draft decision – GA adopts the Certified Accountant's Report on the annual financial statements for 2014

Manner of voting:

For, against, at his/her discretion, abstained

3. Approval of the certified financial statements for 2014 and making a decision for payment of dividends; draft decision – GA approves the certified financial statements for 2014 and adopts the proposal of the Board of Directors for 99.97% of the profit for financial year 2014 determined following the procedure set out in Article 10, paragraph 3 of the Law on the Special Investment Purpose Companies and in compliance with the requirements of article 247a of the Commerce Act at BGN 25,541,276.31 to be distributed as dividends and sets a gross dividend of BGN 0.30 per share of the capital of the Company.

Manner of voting:

For, against, at his/her discretion, abstained

4. Appointing a Certified Accountant /registered auditor/ for certification of the annual financial statements for 2015; draft decision – GA appoints the proposed by the Board of Directors at the recommendation of the Audit Committee certified accountant – registered auditor Deloitte Audit OOD, to attest the annual financial report of the Company for 2015.

Manner of voting:

For, against, at his/her discretion, abstained

5. Releasing from liability the members of the Board of Directors for their activities in 2014; draft decision – GA releases the members of the Board of Directors from liability for their activity in 2014.

Manner of voting:

For, against, at his/her discretion, abstained

6. Accepting the report of the Audit Committee on its activities in 2014; draft decision - GA accepts the report of the Audit Committee on its activities in 2014;

Manner of voting:

For, against, at his/her discretion, abstained

7. Report of the Investor Relations Director on his/her activities in 2014; draft decision – GA accepts the report of the Investor Relations Director;

Manner of voting:

For, against, at his/her discretion, abstained

8. Ratification of a proposal for policy on the remuneration of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements. draft decision - GA ratifies the Policy on remunerations of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements with the following meaning:

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Manner of voting:

For, against, at his/her discretion, abstained

9. Miscellaneous

The proxy is obliged to vote as indicated above. In the cases of voting instructions – against, at his/her discretion, abstained, the proxy has the right to make additional proposals under the items of the agenda at his/her discretion. The authorization covers/does not cover issues included in the agenda pursuant to the provisions of Article 231, para. 1 of the Commerce Act and are not announced and disclosed pursuant to Article 223 and Article 223a of the Commerce Act. In the cases under Article 231, para. 1 of the Commerce Act the proxy has/does not have the right to his/her own discretion as to whether to vote and in what manner. In the cases under Article 223a of the Commerce Act the proxy has/does not have the right to his/her own discretion as to

whether to vote and in what manner, as well as to make/not make proposals for decisions on the additionally included issues of the agenda.

Pursuant to Article 116, para. 4 of the Law on the Public Offering of Securities the re-authorization of the rights listed above is null and void.

PRINCIPAL:



**TO THE GENERAL ASSEMBLY
OF THE SHAREHOLDERS
OF ADVANCE TERRAFUND REIT**

REPORT
OF THE AUDIT COMMITTEE OF ADVANCE TERRAFUND REIT
ON THE ACTIVITIES CARRIED OUT IN 2014

This report of the Audit Committee of Advance Terrafund REIT was prepared on the grounds of Art. 40I of the Independent Financial Audit Act, requiring a report on the activities to be presented annually before the General Assembly, along with the approval of the annual financial statements.

The Audit Committee of Advance Terrafund REIT was established by virtue of decision of the General Assembly of the Shareholders dated 14 May 2014, with a mandate of two years and composition:

- Kamen Petrov Kamenov – Chairperson
- Zhechko Dimitrov Petrov – Member
- Petar Doynov Doynov – Member

During the reporting period the Audit Committee focused its activities on the fulfilment of the following functions:

1. *Participation in the monitoring of the financial reporting processes of Advance Terrafund REIT:*

- The Financial Accounting Department of the servicing company KAROLL FINANCE EOOD, which performs accounting services for ADVANCE TERRAFUND REIT, provides financial information to the Audit Committee by the 15th of each month following the reporting month. The information is understandable and reliable and reflects the financial position of the Company.
- The Company prepares quarterly interim financial statements and annual financial statements, which are submitted to the Financial Supervision Commission, and discloses information before the general public through the EXTRI Information System within the statutory period.
- During the audited period KAROLL FINANCE EOOD, which performs accounting services for Advance Terrafund REIT, has performed ex-ante control as to the lawfulness, prior to undertaking liabilities or incurring expense as well as over the overall activities of the Company.

2. *Participation in the monitoring of the effectiveness of the internal control and risk management systems of the Company:*

- There is an internal control system in place in the Company which applies various control and risk management systems, facilitating the activities of the management, mitigating the financial, operational and legal risks and contributing to the high quality of the financial statements.

- Advance Terrafund REIT has a one-tier management system with a management body - Board of Directors comprising three individuals.
- The internal work rules are clearly defined as well as the rights and obligations of the executives and employees.
- Authorization and approval of transactions and payments are limited to persons authorized with the respective rights.
- The transactions concluded by the Company are properly documented and the complete documentation is stored in an organised manner.

3. *Participation in the monitoring of the independent financial audit of the Company:*

- The independent auditor of Advance Terrafund REIT for 2014 is the audit firm Deloitte Audit OOD.
- The Audit Committee made sure that the registered auditor of the Company is independent in accordance with the requirements of the Independent Financial Audit Act and the Code of Ethics of the Professional Accountants.

4. *Approval of the independent auditor's report*

- The Audit Committee has read the report on the audit carried out for 2014 and approved it unanimously without any remarks.

5. *Participation in the preparation and presentation to the Assignor of a recommendation regarding the appointment of a registered auditor to perform the independent financial audit of the Company for 2015:*

- The Audit Committee has found that there is understanding between the auditor, the management and the Financial Accounting Department, matching of the teams and good joint work. On the grounds of these findings, on the grounds of Art. 40k of the IFAA, the Committee has recommended the appointment of Deloitte Audit OOD as registered auditor of Advance Terrafund REIT in the reporting 2015.

In the course of its operations the Audit Committee can confirm that no weaknesses and irregularities have been found which may impact the true and fair presentation of the operations of Advance Terrafund REIT, as well as its financial results.

This report aims to bring to the shareholders' attention information for the period of the mandate of the Audit Committee and the main principles on the grounds of which operations were carried out.

Audit Committee of Advance Terrafund REIT

26 March 2015

1. Kamen
.....

Kamenov

2. Zhechko Dimitrov
....._____

3. Petar
Doynov....._____



REPORT

ON THE IMPLEMENTATION OF THE POLICY ON THE REMUNERATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS OF ADVANCE TERRAFUND REIT FOR 2014

In this Report the Company discloses the method used to implement the Policy on the remuneration of the members of the Board of Directors and of the Executive Director, as developed by the Board of Directors and adopted at the General Assembly of the Shareholders held on 14 May 2014.

- 1. Information on the decision-making process when determining the remuneration policy, including, if applicable, information on the mandate and composition of the remuneration commission, the names of the external consultants whose services were used when determining the remuneration policy.**

The Remuneration Policy of ADVANCE TERRAFUND REIT ("the Company") is adopted in compliance with Regulation No 48 as at 20 March 2013 on remuneration requirements by the Board of Directors of ADVANCE TERRAFUND REIT and was ratified by the General Assembly of Shareholders of the Company, held on 14 May 2014. ADVANCE TERRAFUND REIT has not set up a remuneration commission and has not used external consulting services when developing its remuneration policy.

The Remuneration Policy determines the principles and requirements on the remuneration of the members of the Board of Directors of ADVANCE TERRAFUND REIT and the practice of its determination and payment in compliance with the statutory requirements and the Statutes of the Company, not allowing for conflict of interests and unequal treatment of persons. Remunerations are formed based on the strategy and goals of the Company that determine its operations as well as the financial and economic performance.

- 2. Information on the relative weighting of the variable and fixed remuneration of the members of governing and supervisory bodies.**

The Company pays the members of its governing body solely a fixed remuneration in the form of fixed monthly remuneration whose amount is determined by the General Assembly of the Company and is paid up under the terms and conditions of the management contracts entered between the members and the Company in accordance with the regulations provided for in the company Statutes.

The members of the Board of Directors may receive, as per a resolution of the General Assembly, additional remuneration /bonuses/ in the event of positive financial performance and in compliance with Art. 55 of the company Statutes. Both the variable and the fixed remuneration complies with the restrictive parameters of Art. 13 of the Statutes.

- 3. Information on the performance criteria based on which share options, Company shares or other types of variable remunerations are granted along with explanation how the criteria under Art. 14, para 2 and para 3 (Regulation No 48) contribute for the long-term interests of the Company**

There are no plans for the provisions of additional remuneration in the form of shares, share options or other types of variable remunerations to the members of the Board of Directors, therefore no performance criteria thereof have been introduced.

4. Clarification on the evaluation methods applied when assessing whether the performance criteria have been met.

In compliance with the Remuneration Policy adopted, the payment of fixed monthly remuneration to the members of the Board of Directors of ADVANCE TERRAFUND REIT does not depend on the performance.

Any and all variable remunerations /bonuses/ and the payment thereof is determined by a resolution of the General Assembly of Shareholders based on performance, by using financial and non-financial criteria thereof, as detailed in the adopted Remuneration Policy. As at the date of the execution of this Report, the General Assembly of Shareholders has not voted nor paid any variable remunerations to the Board of Directors.

5. Clarification on the correlation between remuneration and performance.

The fixed remuneration of the Board of Directors does not depend on performance.

6. Principal payments and justification of the annual scheme for the payment of bonuses and/or any and all other non-cash additional remunerations paid.

The monthly remunerations are paid monthly via bank transfer. Bonuses are paid by a resolution of the General Assembly of Shareholders. As to date, such bonuses have not been determined.

7. Description of the main characteristics of the supplementary voluntary pension insurance scheme and information on the paid and/or outstanding company contributions in favour of the director for the relevant financial year, when applicable.

No supplementary voluntary pension insurance scheme is applied.

8. Information on the deferral periods when paying variable remunerations.

The General Assembly of Shareholders has not determined nor paid any variable remuneration to the members of the Board of Directors.

9. Information on the compensation policy in the event of contract termination.

In the event of early Management Contract termination, respectively Management Participation Contracts, with a member of the Board of Directors, the total amount of compensation cannot exceed the amount of the paid annual fixed remunerations of the person for a period of two years. Such compensations shall not be due in the event of early contract termination through fault of the member of the governing body and/or underperformance.

10. Information on the period when shares cannot be transferred and the share options cannot be exercised with variable remunerations based on shares.

No such remunerations are planned.

11. Information on the policy of preserving a certain number of shares until the end of mandate of the members of governing and supervisory bodies after the expiration of the period under item 10.

The Company does not have such policy.

12. Information on contracts of the members of governing and supervisory bodies, including the term of each contract, the term of termination notice and detailed information on compensations and/or any and all other due payments in the event of early termination.

The existing members of the Board of Directors have been elected for a period of 5 /five/ years by a resolution of the General Assembly of Shareholders of ADVANCE TERRAFUND REIT held at 17 May 2012. The members of the Board of Directors may be re-elected without limitation. The members of the Board of Directors have entered into Management Contracts for the term of exercising their relevant powers whereas such contracts can be terminated on the date of their resignation in compliance with the applicable statutory provisions. The Management Contracts with the Executive Director was signed on 17 May 2012 for a term of five years as at the date of signing, whereas this term may be extended by an annex in writing signed by both Parties. Any and all compensations provided for in the Remuneration Policy in the event of early contract termination with a member of the governing body are stated in item 9 herein.

13. Full remuneration amount and any and all other incentives to the members of governing and supervisory bodies for the relevant financial year.

The full remuneration amount of the members of the Board of Directors of the Company for the financial year 2014 amounts to BGN 68,400.00 /sixty-eight thousand and four hundred/.

14. Information on the remuneration of each person who has been a member of a governing or supervisory body in a public company for a certain period of time over the relevant financial year.

Not applicable for ADVANCE TERRAFUND REIT.

15. Information on the shares and/or share options and/or other incentive schemes based on shares.

The Company does not apply any incentive schemes based on shares.

Programme for the implementation of the remuneration policy for the following financial year.

This Remuneration Policy of ADVANCE TERRAFUND REIT was developed on the grounds of Regulation No 48 dated 20 March 2013 on the remuneration requirements by the Financial Supervision Commission in view of its long-term implementation in accordance to the management and development strategy of the Company. The Board of Directors thinks that the criteria set are objective and the existing practice of remuneration determination and payment to the members of the governing body is adequate and in compliance with the financial performance. In view of the foregoing, the Remuneration Policy shall be applied over the next financial year except in the event of an abrupt change in the financial position of the Company whereas such policy shall be revised and amended in order to reflect any and all changes.

Radoslav Manolov – Executive Director
ADVANCE TERRAFUND REIT

REPORT
of the
Investor Relations Director
of ADVANCE TERRAFUND REIT
for 2014

Dear Shareholders,

This Report on the activity of Atanas Dimitrov – Investor Relations Director of Advance Terrafund REIT for 2014 – was executed in compliance with the requirements of the Law on Public Offering of Securities (LPOS). It is presented to the shareholders at the Regular Annual General Assembly of Shareholders.

The main goals and guidelines of the activities of the Investor Relations Director over the reporting period were aimed at the performance of duties and responsibilities arising from the relevant provisions of LPOS, the Articles of Association of the Company and the Good Corporate Behavior Program.

Over the past 2014 I strived to maintain good and adequate communication in due course with you, that part of potential investors with vested interest in the Company, as well as with the general investor community. In the course of performing my obligations I have duly presented:

- information on the Company, required by LPOS, to the Financial Supervision Commission, the Bulgarian Stock Exchange (BSE), the Central Depository, as well as to any and all shareholders and investors requesting to inspect it;
- periodic and follow-up information under LPOC and Regulation No 2 on the prospectuses and information disclosure by public companies;
- further information to any and all stakeholders on the development investment activity.

Upon the initiative of the Company management, in 2014 another two meetings and conference discussions were held with the shareholders within the Investor's Day in May and November, where the results for the first and third quarter of the reporting year

and the plans for yearly activities were discussed. In 2014 the Company held numerous meetings and conference communications with the shareholders, discussing the results of the company activities, and parallel therewith, presented information on current market trends and the implementation of the development plans of the Company. Apart from this, Advance Terrafund REIT was present in the media with interviews of its executive director and journalistic pieces, focusing on the Company activities.

When performing its statutory obligations for information disclosure before the general public, in 2014 Advance Terrafund REIT used the website with the BSE www.x3news.com to publish its monthly bulletin and all reports as prescribed by law.

In my capacity of an Investor Relations Director, I ensured good communication between the company investors and its corporate management throughout the year. In all my activities I was guided by the equal shareholder treatment principle and the protection of their rights and interests by not disclosing information that is not subject to public domain. In this regard, I have presented information on the Company, its financial reports and investment activities, which I published monthly in Bulgarian and in English on the website with the BSE www.x3news.com. Thus, the information reached the existing and potential company investors, the financial analysts and financial journalists in due time. Upon announcing the relevant information before the capital market institutions and the general public as prescribed by law, such information was published on the webpage "Investor Relations", provided especially for that purpose on the Company's website (www.advanceterrafund.bg).

I have never allowed for any delays in presenting the periodic company information from the date of my appointment as Investor Relations Manager to the end of the reporting 2014. I have maintained continuous telephone communications with shareholders and investors and have promptly replied to their written applications and requests for submission of information.

I kept detailed minutes from all sessions of the Board of Directors of the Company throughout the year and received full cooperation by the Board in the performance of my obligations.

Sofia
27 April 2015

Respectfully Yours,

Atanas Dimitrov
Investor Relations Director,
Advance Terrafund REIT

Proposal of the Board of Directors for a decision under Agenda Item 3 on the distribution for the profit for 2014

The Board of Directors makes a proposal:

The GAS to approve the certified annual financial statements for 2014 and to distribute as dividend 99.97% of the profit for financial year 2014 determined following the procedure set out in Article 10, paragraph 3 of the Law on the Special Investment Purpose Companies and in compliance with the requirements of article 247a of the Commerce Act at BGN 25 541 276.31 to be distributed as dividends and sets a gross dividend of BGN 0.30 per share of the capital of the Company.

Proposal of the Board of Directors for a decision under Agenda Item 4 on the appointment of a certified accountant – registered auditor for 2015

The Board of Directors makes a proposal:

The GAS to appoint the proposed by the Board of Directors at the recommendation of the Audit Committee certified accountant - registered auditor Deloitte Audit OOD, part of the international audit and consultancy group Deloitte Touche Tohmatsu, to audit and certify the annual financial statements of Advance Terrafund REIT as of 31 December 2015.

Proposal of the Board of Directors for a decision under Agenda Item 8 on ratification of a proposal for policy on the remuneration of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements

The Board of Directors makes a proposal:

The GAS to ratify the Policy on remunerations of the members of the management body of the Company, adopted by the Board of Directors, drafted pursuant to the requirements of Regulation No 48 on remuneration requirements with the following meaning:

Art.10, para 1 and para 2 to be amended as follows:

"Art. 10. /1/ The Management Contract, respectively the Management Participation Contracts with the members of the Board of Directors shall contain a clause allowing the Company to require the return of variable remuneration paid, determined on the basis of the principles of Section V. Returnable shall be any and all amounts given based on data

that later proved false. The decision for the return shall be adopted by the General Assembly of Shareholders of the Company.

/2/ In the event of early termination of a Management Contract, respectively Management Participation Contracts with a member of the Board of Directors, the total amount of compensation due to that person in relation to the early termination, as well as any and all payments in relation to the notice term shall not exceed the amount of annual fixed remunerations paid to the person for a period of two years."