

ADVANCE TERRAFUND – ADSIC

**ARTICLES OF
ASSOCIATION**

ADVANCE TERRAFUND

JOINT STOCK SPECIAL INVESTMENT PURPOSE COMPANY

2022

I. GENERAL PROVISIONS:

Art. 1. Advance Terrafund ADSIC, hereinafter referred to as "the COMPANY", shall be a joint-stock special investment purpose company that invests in real estate the funds raised through the issuance of securities.

Art. 2. The COMPANY shall be a materially, organizationally and socially separate commercial subject with the status of a legal entity according to Bulgarian law, operating with bank accounts of its own and preparing independent balance sheet.

Art. 3 The status and activity of the COMPANY are regulated under the Special Purpose Investment Companies and Securitization Companies Act ("SPICSCA"), implementing the provisions of the Public Offering of Securities Act ("POSA") and applicable by-laws thereto, as well as the Commerce Act ("CA"), except where the provisions of SPICSCA explicitly exclude the applicability of general laws.

II. COMPANY NAME, SEAT, SUBJECT OF ACTIVITY AND TERM OF THE COMPANY:

Company name

Art. 4. /1/ The name of the COMPANY shall be "ADVANCE TERRAFUND" ADSIC ("АДВАНС ТЕРАФОНД" АД СИЦ).

/2/ In addition, the COMPANY name may be additionally written using the Latin alphabet as "ADVANCE TERRAFUND" Real Estate Investment Trust /REIT/.

/3/ The COMPANY shall be public upon its registration with the register of public companies and other issuers of securities under Art. 30, para. 1, item 3 of the Financial Supervision Commission ("FSC / the Commission") Act by a duly issued decision of the FSC.

Art. 5. The COMPANY may register a reserved letter-graphical trademark, comprising its company name expressed in words and a graphic image.

Seat and Registered Office

Art. 6. /1/ The seat of the COMPANY shall be in the city of Sofia and the registered office shall be: Sofia Municipality, Lozenets Region, 1 Zlatovrah Str.

/2/ The COMPANY shall specify in all its documents and in the web page: the company name; the seat and registered office; the unified identification number and its bank account.

Subject of Activity

Art. 7 /1/ The subject of activity of the COMPANY shall be execution of the following transactions:

1. raising funds through issuance of securities;
2. purchase of real estates and real rights in real estates, construction works and improvements for the purpose of making them available for management, letting, leasing or tenancy and selling them;

/2/ The COMPANY may not carry out commercial transactions other than those referred to in para. 1 and those directly related to their execution, unless such other transactions are permitted by SPICSCA.

/3/ The activity of the COMPANY shall be carried out in compliance with the general and special statutory provisions.

Term

Art. 8. The COMPANY shall be incorporated without limitation of term or any other pre-defined condition for winding up.

III. TYPES OF ASSETS IN WHICH THE COMPANY SHALL INVEST AND INVESTMENT OBJECTIVES

Types of Assets in which the company shall invest

Art. 9. /1/ The COMPANY shall invest in the following real estates and real rights therein:

A/ LAND PROPERTIES /LAND/ located on the territory of the Republic of Bulgaria and categorized according to their primary and specific use, in accordance with the structure drawings and plans and the detailed structure plan, as follows:

1. land properties in urbanized territories /population centres and settlements/ – intended for residential, public service, production, storage, holiday, villa, sport and entertainment functions;

2. land properties in agricultural territories – arable land (fields, orchards and vegetable gardens, vines, meadows, etc.) and uncultivated land,

3. land properties in forest territories – forests and forest land;

B/ BUILDINGS AND STRUCTURES with residential, public service, commercial, office, production, storage, holiday, villa, sport, entertainment, agricultural and other functions;

/2/ The COMPANY may not acquire real estates which are subject to legal dispute.

/3/ Real estates acquired by the COMPANY shall be located on the territory of the Republic of Bulgaria or on the territory of any of the European Union Member States or the States under the Agreement on the European Economic Area.

/4/ The Company may acquire new assets (real estates).

/5/ The real estate portfolio shall be diversified by means of investing different types of real estates located in different regions in the Republic of Bulgaria in order to reduce the non-systemic risk of the investment portfolio.

Investment objectives:

Art. 10. /1/ The primary objective of the company's investment activity is to ensure the retention and growth of the value of its shareholders' investments by realizing steady income and balanced risk distribution.

/2/ To enable its shareholders to invest in a diversified real estate portfolio, acting in accordance with the principle of risk distribution.

/3/ The strategy of the company involves investment in real estates meeting the requirements of Art. 9 for the purpose of receiving operating income from letting, tenancy, lease contracts, ceded right of use, as well as sale of these properties in order to generate steady income.

/4/ To achieve its primary objective, the COMPANY may implement suitable strategies to ensure protection against market and currency risks.

/5/ Participation in the establishment and/or acquisition of stocks or shares in specialized companies within the meaning of Art. 28, para 1 of the SPICSCA.

IV. LIMITATION OF ACTIVITY AND MANAGEMENT COSTS

Limitation of activity

Art. 11. /1/ The COMPANY may not:

1. be transformed into another commercial company, except in cases under Art. 16, item 4 of the SPICSCA;

2. change the subject of its activity, except in cases under Art. 16, item 4 of the SPICSCA;

3. secure another entity's liabilities, with the exception of bank loans granted to a subsidiary under Art. 28, para. 1 of the SPICSCA, and cannot provide loans and receive loans from entities other than banks. Securing the obligations under bank loans of a subsidiary under Art. 28, para. 1 of the SPICSCA requires prior approval by the General Assembly of Shareholders of the Company;

4. acquire share participations in other companies, except in the cases, under the conditions and up to the amount of the share / shareholding participation, determined in Art. 25, para 4 and para 5 of the SPICSCA;

5. participate in the equity market, making investments in assets other than those referred to in Art. 12, para 1 – 3 of the SPICSCA, or perform redemption under the procedure of Art. 111, para 5 of the Public Offering of Securities Act, except in the cases under Art. 18 of the SPICSCA.

/2/ The COMPANY may:

1. issue debt securities registered for trade on a regulated market;
2. take bank loans for acquisition of real estates and commissioning of the acquired real estates;
3. take bank loans of up to 20 per cent of the net book value of the assets used for interest payment on bank loans under item 2 and on issues of debt securities under item 1, if the loan is for a term of less than 12 months.

Investment of free funds

Art. 12. The COMPANY may invest its free funds in securities, issued or guaranteed by a Member State, and in banks that are entitled to operate on the territory of a Member State, as well as in other assets that are acceptable pursuant to the current legislation.

Management costs

Art. 13. /1/ Costs for the COMPANY's management shall be all costs for the management and servicing, including costs for remuneration of the members of the COMPANY's board of directors, as well as the costs for remuneration of third parties under Art. 27, para. 3 of the SPICSCA, the registered auditor, the valuers and the depository bank.

/2/ The maximum amount of costs for the Company's management in a calendar year may not exceed 7% (seven per cent) of the value of the assets in the balance sheet included in the annual financial statement of the Company for the year of costs accrual.

V. CAPITAL, COMPANY SHARES, SHAREHOLDERS' RIGHTS

Amount of Capital

Art. 14. /1/ The capital of the COMPANY shall amount to BGN 85 110 091 (eighty-five million one hundred and ten thousand and ninety-one Bulgarian leva) divided into 85 110 091 (eighty-five million one hundred and ten thousand and ninety-one) ordinary registered dematerialised shares of BGN 1 (one Bulgarian lev) each. The capital may not be reduced below that amount.

/2/ The capital of the COMPANY is paid up in full at the time of filing the application for registration with the commercial register.

Shares: Types. Nominal Value

Art. 15. /1/ The shares of the Company shall be ordinary, registered, dematerialized, freely transferable, entitling their holder to 1 (one) vote in the General Assembly of shareholders and with a nominal value of BGN 1 (one Bulgarian lev) each.

/2/ The COMPANY may also issue preference shares. The preference shares entitle their holder to additional dividend and one voting right or non-voting right in the General Assembly. Non-voting preference shares shall be included in the nominal value of the capital and shall not exceed 1/2 (one half) of the shares.

/3/ By a decision of the General Assembly of shareholders made by a majority of more than 3/4 /three-fourths/ of represented shares, the COMPANY may issue shares with a right to additional dividend and non-voting right in the General Assembly. Where non-voting preference shares are issued, their holders shall be entitled to additional dividend amounting to a percentage of the dividend determined by the General Assembly for the current year. The exact amount of the percentage under the foregoing sentence shall be determined by the General Assembly that voted the decision on issuance of the preference shares. The Company shall pay out the additional dividend to the shareholders together with the dividend determined for the ordinary shares and in accordance with the terms and procedure specified herein below in the Articles of Association and the decision of the General Assembly on profit distribution.

4/ For making decisions on limiting the preferences pertaining to non-voting preference shares issued by the Company, the consent of the shareholders holding preference shares shall be required, who shall hold a separate meeting of the General Assembly. The General Assembly shall be validly held if at least 50 (fifty) per cent of the preference shares are represented. The decisions shall be made by a majority of no less than $\frac{3}{4}$ /three-fourths/ of represented shares. The shares shall acquire voting right upon revocation of preferences.

/5/ The COMPANY may not issue preference shares entitling their holder to more than one vote in the General Assembly or to an additional liquidation quota.

Issue Value

Art. 16. /1/ The issue value shall be the value at which the shares are underwritten upon their subscription.

/2/ The issue value may not be lower than the nominal value.

/3/ The issue value of every new issue of shares shall be determined by the decision of the competent body of the Company for carrying out the relevant increase of the Company's capital.

/4/ The difference between the nominal value and the issue value shall be allocated to the Reserve Fund of the Company.

Indivisibility

Art. 17. The shares of the COMPANY shall be indivisible. Where a share is held by several persons, they shall exercise the rights thereto together, designating a proxy who shall be authorized by an express written power of attorney with notary certification of the signature.

Contributions

Art. 18. /1/ Shares of the COMPANY shall be acquired at issue value. The shareholders of the Company may not make partial contributions.

/2/ Contributions to the capital of the COMPANY shall be only in cash.

Shareholder's book

Art. 19. The Shareholder's book of the COMPANY shall be kept by Central Depository AD.

Disposal of Shares

Art. 20. Disposal of COMPANY shares shall be effected freely, without limitations or additional conditions, subject to the requirements of applicable legislation for dematerialised securities transactions.

Shareholder's Rights

Art. 21. /1/ Each share shall entitle its holder to one vote, a right to dividend and a liquidation quota, unless otherwise provided for in the decision of the company body on issuance of the relevant issue of shares. A company body may not grant more than 1 (one) vote per share.

/2/ Shares with equal rights shall form a separate class. The rights of individual shareholders of one class may not be limited.

/3/ For making decisions on limiting the preferences pertaining to non-voting preference shares, if such shares are issued, the consent of the shareholders holding preference shares shall be required, who shall hold a separate meeting of the General Assembly. The General Assembly shall be validly held if at least 50 (fifty) per cent of the preference shares are represented. The decisions shall be made by a majority of no less than $\frac{3}{4}$ /three-fourths/ of represented shares. The shares shall acquire voting right upon revocation of preferences.

/4/ Each share shall also entitle its holder to information about the Company's state of affairs, as well as to other rights explicitly stipulated in law or in these Articles of Association.

Voting Right

Art. 22. Each share shall entitle its holder to one vote in the General Assembly of Shareholders, unless it is issued as a non-voting share. The voting right shall be exercised by the

persons registered in the registers of the Central Depository as shareholders 14 days before the date of the meeting of the General Assembly.

Right to Dividend

Art. 23. /1/ The right to receive dividend shall be given to the persons registered in the registers of the Central Depository as shareholders with a right to dividend 14 days after the date of the meeting of the General Assembly at which the annual financial statements were adopted and a decision was made on profit distribution.

/2/ The COMPANY shall distribute dividends, by a decision of the General Assembly, in accordance with the terms and procedure set out in SPICSCA, POSA and CA.

Obligations of the Shareholders

Art. 24 /1/ The shareholders shall be liable for the obligations of the Company only to the amount of the contributions made by them against the subscribed shares. The contributions of the shareholders under the foregoing sentence by law shall always be equal to the full amount of the issue value of the shares determined by the competent company body and the shares may be subscribed subject to payment of the contributions.

/2/ The shareholders shall not harm the Company with their actions.

VI. INCREASE AND REDUCTION OF THE CAPITAL OF THE COMPANY

Methods and Procedures for Capital Increase. Limitations

Art. 25. The capital of the Company may only be increased by one of the following two methods:

- 1. issuance of new shares;
- 2. conversion of bonds issued as convertible into shares.

Art. 26. The capital of the Company may not be increased through:

- 1. increase of the nominal value of already issued shares;
- 2. conversion of bonds issued as non-convertible into shares;
- 3. capitalization of retained earnings of the Company;
- 4. in-kind contributions;
- 5. under a condition that the shares be subscribed by specific persons at a specific price.

Art. 27. /1/ In the event of an increase of the capital of the COMPANY following the obligatorily initial crease of the capital, each shareholder shall be entitled to acquire part of the new shares from the capital increase in proportion to their share of the capital before the increase. The shareholder’s right under the foregoing sentence may not be limited or may not be revoked by a decision of a Company's body under the procedure of Art. 194, para 4, and Art. 196, para 3 of the CA.

/2/ The capital of the Company may not be increased under the procedure of Art. 193, 195 and Art. 196, para. 3 of the CA.

/3/ Paragraph two shall not apply when the increase of the capital under the procedure of Art. 195 of the Commercial Act is necessary for the implementation of a merger, a tender offer for the exchange of shares or for securing the rights of the holders of warrants or convertible bonds.

/4/ In carrying out the increase of the capital of the Company through the issuance of new shares, rights within the meaning of para. 1, item 3 of the Supplementary Provisions of POSA shall be issued. One right is issued against each existing share. One acquired right makes it possible to acquire as many new shares from the capital increase as determined by the body that adopted the decision on the capital increase.

/5/ The persons under Art. 112b, para 2 of POSA shall be entitled to participate in the increase of the capital.

Reduction of the capital

Art. 28 /1/ The capital may be reduced to the minimum amount set out in the SPICSCA by a decision of the General Assembly of shareholders of the COMPANY.

/2/ Should there be several classes of shares, voting shall be conducted by class of shares.

/3/ The capital may be reduced through:

1. reducing the nominal value of the issued shares – where the amount of the nominal value allows this.

2. invalidation of shares, except in the cases of forceful invalidation.

/4/ The capital of the Company may not be reduced through forceful invalidation of shares.

Simultaneous reduction and increase of the capital

Art. 29 The capital of the Company may be reduced and increased simultaneously, so that the reduction shall be valid only after effecting the planned increase.

VII. BODIES OF THE COMPANY, MANAGEMENT AND REPRESENTATION

Bodies of the Company

Art. 30. /1/ The COMPANY shall be managed as a one-tier system.

/2/ The management bodies of the COMPANY shall be:

1. General Assembly of Shareholders;
2. Board of Directors.

Subsection I GENERAL ASSEMBLY OF SHAREHOLDERS

Composition of the General Assembly

Art. 31. /1/ The General Assembly of Shareholders shall comprise of all holders of shares of the COMPANY in compliance with Art. 115a, para. 1 of POSA.

/2/ Shareholders shall participate in the meetings of the General Assembly in person or through a proxy authorised in compliance with the terms and procedure referred to in Art. 38 herein.

/3/ The members of the Board of Directors shall participate in the meetings of the General Assembly without a voting right unless they are shareholders. A member of the Board of Directors may not represent a shareholder, except in cases when the shareholder has explicitly indicated the manner of voting on each of the items on the agenda.

Competence

Art. 32. The General Assembly of Shareholders shall:

1. amend and supplement these Articles of Association;
2. increase and reduce the capital;
3. transform and wind up the COMPANY in compliance with the provisions of SPICSCA;
4. appoint and dismiss the members of the Board of Directors;
5. determine the remuneration of the members of the Board of Directors and the term for which they are due, as well as their right to obtain shares and bonds of the company;
6. determine the amount of the management guarantee of the members of the Board of Directors;
7. grant the Board of Directors a discharge;
8. appoint and dismiss certified public accountants – registered auditors;
9. approve the annual financial statements of the COMPANY after they have been audited by a certified public accountant – registered auditor, and make decisions on distributing the profit, replenishing the Reserve Fund and dividend payment in compliance with the terms and procedure of SPICSCA;
10. make a decision on the issuance of bonds and other debt securities;
11. appoint liquidators upon winding-up of the COMPANY, except in case of insolvency;

12. resolve other issues pertaining to its competence under the law or these Articles of Association.

Holding of a meeting of the General Assembly

Art. 33. /1/ The General Assembly shall meet at least once per year at the seat of the COMPANY.

/2/ The regular meeting of the General Assembly of the shareholders shall be held no later than 6 months after the end of the reporting year.

/3/ The General Assembly shall elect a chairperson, a secretary of the meeting of the General Assembly and vote tellers.

Convening

Art. 34. /1/ Meetings of the General Assembly shall be convened by the Board of Directors and upon demand by shareholders holding shares representing at least 5 per cent of the capital of the COMPANY.

/2/ The meeting shall be convened by an invitation announced in the Commercial Register and released under the conditions and in accordance with the procedure of Art. 100t, para. 1 and para 3 of the SPICSCA. The content of the invitation shall be determined in accordance with the requirements of effective legislation.

/3/ The time period from the publication until the opening of the meeting of the General Assembly may not be less than 30 days.

Inserting Items in the Agenda

Art. 35. /1/ Shareholders holding shares representing at least 5 per cent of the capital of the Company shall be entitled, after publishing of the invitation in the Commercial Register, to request the inclusion of other issues in the agenda of the meeting of the General Assembly in accordance with Art. 223a of the CA.

/2/ No later than 15 days before the opening of the meeting of the General Assembly, the persons under paragraph 1 shall present to the Commercial Register a list of the issues to be included into the agenda, the proposed decisions and related written materials.

/3/ At latest on the working day after following the court ruling under paragraph 2, the shareholders shall present the list of issues, the proposed decisions and related written materials at the seat and registered office of the COMPANY. Article 224 of CA shall apply respectively.

Right to Information

Art. 36. /1/ The invitation under Art. 115, para 2 of the SPICSCA, together with the materials of the meeting of the General Assembly under Art. 224 of the CA, shall be sent to the Commission and to the regulated market where the shares of the Company are admitted for trading within the term under Art. 115, para 4 of the POSA and shall be published on the website of the Company for the period from its announcement, in accordance with Article 115, para 5 of the POSA until the end of the meeting of the General Assembly.

/2/ When the agenda includes election of members of the Board of Directors, the materials under paragraph 1 shall also include data about the names, permanent address and professional qualification of the individuals nominated as members, pursuant to the requirements of the SPICSCA and the POSA. This rule shall also be applied in cases when the issue has been included in the agenda under the procedure in Art. 35 of the Articles of Association.

/3/ Upon request, the written materials shall be presented to each shareholder free of charge.

List of Present Shareholders

Art. 37. A list of the present shareholders or of their proxies and of the number of held or represented shares shall be prepared for the meeting of the General Assembly. The shareholders and the proxies shall certify their presence by signature. The list shall be certified by the chairperson and the secretary of the General Assembly.

/2/ A shareholder and/or their proxy shall be included in the list of the present shareholders subject to compliance with the requirements set out in Art. 38 hereof and the requirements of the CA and the POSA.

Proxies

Art. 38. /1/ Every shareholder may authorize in writing a person to represent them at the meeting of the General Assembly.

/2/ The written authorization for representation of a shareholder in the meeting of the General Assembly of Shareholders of the Company shall be for a specific meeting, shall be express, notary certified and shall have the minimum content subject to the requirements of applicable legislation.

/3/ Sub-authorization with the rights under paragraph 2, as well as any authorization given in violation of the rules under paragraph 2 shall be null and void.

/4/ If the authorizing shareholder is a legal entity, the authorization shall be signed by the legal representative (legal representatives, if they represent it jointly) of the legal entity and shall be accompanied by a certificate of current status issued no earlier than 6 (six) months before the date of the meeting of the General Assembly – for the shareholders who are foreign legal entities and ones that are not entered into the Commercial Register.

/5/ The proposal for representing a shareholder or shareholders with more than 5 per cent of the votes in the General Assembly of the company shall be published in one central daily newspaper or sent to every shareholder concerned. The proposal shall at least contain the following data:

1. the agenda of the issues proposed for discussion at the meeting of the General Assembly and the proposed decisions on them;
2. an invitation for giving instructions by the shareholders regarding the manner of voting on the items from the agenda;
3. a statement of the manner of voting of the proxy on each of the issues included in the agenda if the shareholder that has accepted the proposal does not give instructions on the voting.

/6/ The proxy shall vote at the meeting of the General Assembly of the company in accordance with the instructions of the shareholders included in the authorization, and where no such instructions are given, in accordance with the statement under item 3 of the foregoing paragraph. The proxy may deviate from the instructions of the shareholders, respectively from their statement of the manner of voting respectively, if:

- a) circumstances have arisen which had not been known at the time of making the proposal or signing of the authorizations by the shareholders;
- b) the proxy had not been able to ask for new instructions and/or make a new statement, or had not received new instructions by the shareholders on time;
- c) the deviation is necessary for preserving the interests of the shareholders.

/7/ Any person who is authorized to represent a shareholder/s in a specific meeting of the General Assembly of Shareholders of the COMPANY shall submit the original of the authorization on the basis of which the representation will be effected by 4:00 p.m. two business days before the date of the meeting of the General Assembly at the registered office of the COMPANY. The COMPANY shall inform the persons present at the meeting of the General Assembly of shareholders of the authorizations received at the opening of the meeting of the General Assembly.

/8/ If more than one authorization under paragraph 2 is submitted, issued by one and the same shareholder, the authorization issued at a later date shall be deemed valid.

/9/ If until the opening of the meeting of the General Assembly the COMPANY is not notified in writing of the death of a shareholder of the COMPANY, judicial disability, legal disability, revocation or withdrawal of the authorization, termination of the powers by virtue of which it had been granted, or transfer of the shares, the issued authorization shall be deemed valid and a vote cast in accordance with the conditions of the authorization shall be valid irrespective of a preceding death or legal disability of the authorizing person, disability, legal disability, revocation or

withdrawal of the authorization, termination of the powers by virtue of which it had been granted, or transfer of a share for which the vote had been authorised .

/10/ If the shareholder attends the meeting of the General Assembly in person, the authorization issued by them for the said meeting shall be valid, unless the shareholder states otherwise. With regard to the items in the agenda on which the shareholder votes in person, the corresponding right of the proxy shall be canceled.

Quorum

Art. 39. /1/ The meetings of the General Assembly of the Shareholders shall require a quorum of more than half of the shares of the COMPANY. The quorum shall be determined based on the data about the number of shares of the COMPANY, in accordance with a list of shareholders provided by the Central Depository AD for a date preceding 14 days the date of the meeting of the General Assembly

/2/ In case of a lack of quorum, a new meeting shall be scheduled no earlier than 14 days after the date of the first one, and such a meeting shall be legitimate regardless of the represented capital. The date of the new meeting of the General Assembly may be indicated in the invitation for the first meeting.

Majority

Art. 40. /1/ Voting in the meetings of the General Assembly shall be in person. Voting by proxy shall only be allowed subject to compliance with the requirements set out in Art. 38 hereof.

/2/ The decisions of the General Assembly shall be made with a simple majority of the shares represented at the meeting of the General Assembly, unless effective legislation or these Articles of Association require higher majority for making specific decisions. For making decisions under Art. 32, items 1, 2 and 3 (only for winding up), a majority of no less than 2/3 (two-thirds) of the shares represented at the meeting of the General Assembly shall be required, and for making a decision under Art. 32, items 3 (for transformation) and 4 – a majority of no less than ¾ (three-fourths) of the represented capital shall be required.

Decisions

Art. 41. /1/ The General Assembly may not make decisions on issues which were not disclosed in accordance with the provisions of Art. 223 and Art. 223a of CA and these Articles of Association, unless all shareholders are present or are represented at the meeting of the General Assembly and none of them objects discussion of the issues raised.

/2/ The decisions of the General Assembly shall become effective immediately, unless their effect is postponed.

/3/ Amendment and supplement of these Articles of Association, the change of the members of the Board of Directors, the procurators and the liquidators, as well as the transformation or winding up of the COMPANY, shall be admitted upon approval/permission by the Financial Supervision Commission, and the decisions shall become effective after their registration with the Commercial Register.

/4/ The decisions on appointing and dismissing members of the Board of Directors, procurators, and on appointing liquidators shall be effective upon their registration with the Commercial Register.

Minutes

Art. 42. /1/ Minutes of the meetings of the General Assembly shall be kept in a special book, specifying:

1. the place and time of holding the meetings of the General Assembly;
2. the names of the chairperson, the secretary and the vote tellers;
3. present persons who are not shareholders;
4. proposals made in substance;
5. votings conducted and relevant results;
6. objections made.

7. other information required by law;
- /2/ The minutes of the meetings of the General Assembly shall be signed by the chairperson, the secretary and the vote tellers.
- /3/ The following shall be enclosed to the minutes:
 1. a list of present persons;
 2. the documents relating to the convening of the meeting of the General Assembly.
- /4/ Upon request by a shareholder or a member of the Board of Directors, the meeting of the General Assembly may be attended by a Notary Public who may keep an ascertainment protocol under Art. 593 of the Civil Procedure Code. The costs for the services provided by the Notary Public under the foregoing sentence shall be at the expense of the shareholder/member of the Board of Directors who has requested the presence of the Notary Public. An excerpt from the ascertainment protocol shall be attached to the minutes of the meeting of the General Assembly.
- /5/ The minutes and attachments thereto shall be kept at least 5 (five) years. Upon request, they shall be presented to any shareholder for information.
- /6/ The book of minutes shall be kept and safeguarded by the director for liaison with investors of the Company.

Subsection II BOARD OF DIRECTORS

General rules

- Art. 43. /1/ The COMPANY shall be managed and represented by a Board of Directors in accordance with the provisions of the legislation of the Republic of Bulgaria, these Articles of Association and the decisions of the General Assembly of Shareholders.
- /2/ The Board of Directors shall make decisions on any issues relating to the COMPANY, which fall outside the exclusive competence of the General Assembly of Shareholders.
- /3/ The Board of Directors shall report to the General Assembly of Shareholders for its overall activity.

Composition of the Board of Directors

- Art. 44. /1/ The Board of Directors shall consist of 3 (three) legally capable natural and/or legal persons elected by the General Assembly of Shareholders.
- /2/ Persons who at the time of the election have been convicted with enforced sentence for a general offence committed in the Republic of Bulgaria may not be elected as members of the Board of Directors of the COMPANY, unless they have been exonerated.
- /3/ Legal entities shall be represented in the Board of Directors by their legal representative or a particular proxy specified by the legal entity for performing their obligations at the Board.
- /4/ The legal entities shall be severally and unlimitedly liable together with the other members of the Board of Directors for the obligations arising out of the actions of their representatives.

Requirements to the Members of the Board of Directors

- Art. 45. /1/ The members of the Board of Directors, as well as the company's procurators, shall have higher education and may not:
1. have been convicted for a premeditated general offense;
 2. have been adjudicated in bankruptcy as a sole trader or general partner with unlimited obligations in a commercial company, and may not be undergoing bankruptcy proceedings;
 3. have held previous membership of a management body or supervisory body of a company or co-operative wound up due to insolvency within the two years last preceding the date of the adjudication in bankruptcy, if unsatisfied creditors remain;
 4. be under effective disqualification from occupying a position of property accountability;

5. be spouses or lineal or collateral relatives up to the third degree of consanguinity to each other or to a member of a management or supervisory body of a third party under Art. 27, para. 4 of the SPICSCA, when applicable.

/2/ The members of the Board of Directors of the Company and the procurators of the company must be persons of good reputation, with the necessary knowledge and skills, with qualifications and minimum professional experience of three years, corresponding to the activities carried out by the company.

/3/ The requirements referred to in paragraph 1 and 2 shall also apply to natural persons who represent legal entities – members of the Board of Directors.

/3/ At least one third of the members shall be independent persons. An independent person in the Board of Directors may not be:

1. an employee of the COMPANY;
2. a shareholder who holds directly or indirectly through related parties at least 25 per cent of the votes in the General Assembly, or is a related party to the COMPANY;
3. a person who is in long-term commercial relations with the COMPANY;
4. a member of a management body or supervisory body, a procurator or an employee of a company or another legal entity under item 2 and item 3 of this paragraph;
5. a person related to another member of the management body of the COMPANY.

Term of Office

Art. 46. /1/ The Board of Directors shall be elected for a term of up to 5 (five) years.

/2/ The members of the first Board of Directors shall be elected for a term of 3 (three) years.

/3/ The members of the Board of Directors may be re-elected without limitations.

/4/ Upon expiry of their term of office, the members of the Board of Directors shall continue performing their functions until a new Board of Directors is elected by the General Assembly of Shareholders.

Quorum and Majority

Art. 47. /1/ A Board meeting shall be validly held if all its members are invited no later than three days before the date of the meeting and at least half of its members are present thereat, unless the law or these Articles of Association provide for another quorum.

/2/ Unless the law or these Articles of Association provide for otherwise, the decisions of the Board of Directors shall be made by a majority of 2/3 (two-thirds) of the votes of all directors.

Procedural Rules

Art. 48. /1/ The Board of Directors shall adopt procedural and organisational rules, shall elect a Chairperson, a Deputy Chairperson and an Executive Director from among its members.

/2/ A meeting of the Board of Directors shall be convened by the Chairperson at least twice a month. Should the Chairperson fail to convene a meeting of the Board, it may be convened by any other Board member in compliance with the relevant procedure.

/3/ The meetings of the Board shall be chaired by its Chairperson, and in event of their absence – by the Deputy Chairperson.

/4/ The decisions of the Board shall be made by open voting.

/5/ Every member of the Board of Directors shall be entitled to one vote.

/6/ Minutes of the Board meetings shall be kept, which shall be signed by all present members, specifying the result of their voting on the issues deliberated.

/7/ The Board of Directors may also adopt decisions without attendance if all members have declared their approval of the decision in writing and sign it using a qualified electronic signature. The minutes of such decision may be signed only by the Board's Chairperson, if the approvals under the foregoing sentences are attached thereto.

Competences of the Board of Directors

Art. 49 /1/ The members of the Board of Directors shall have equal rights and obligations

irrespective of the internal distribution of functions among them and the right to management and representation granted to some of them.

/2/ The Board of Directors shall make decisions on the activity of the Company to the extent such decisions do not fall within the exclusive competence of the General Assembly in accordance with effective legislation and these Articles of Association.

/3/ The Board of Directors of the Company shall:

1. assign valuation of real estates prior to their acquisition, respectively sale, by the Company to one or more independent experts with qualification and experience in the field of valuation of the respective real estates in compliance with the requirements of these Articles of Association and the SPICSCA;

2. make a decision on entering into a preliminary contract or a contract in the form of a notary deed for the acquisition and/or disposal of real estate or real right under Article 9 herein in compliance with the limitations provided therein and in the effective legislation;

3. appoint and dismiss Executive Director/s and a Chairperson and a Deputy Chairperson of the Board of Directors.

4. appoint and dismiss the personnel of the COMPANY, including a director for investor liaison, and shall determine the amount of their remuneration;

5. carry out activities for preparation of the annual financial statements;

6. adopt a proposal for profit distribution;

7. subject to approval by the FSC, enter into, amend or supplement contracts with third parties under Art. 27, para. 4 of the SPICSCA, and replace the depository bank. The Board shall respectively decide on the termination/cancellation of the contracts under the previous proposal in accordance with the procedure and on the grounds provided for therein or in the current Bulgarian civil legislation. The Board of Directors shall provide a detailed report on the grounds that have led to termination or avoidance of any of the contracts under the foregoing sentence at the first meeting of the General Assembly of Shareholders after the termination or cancellation;

8. control the execution of contracts with third parties under Art. 27, para 4 of the SPICSCA and with the depository bank and assist the same third parties and the depository bank in the execution of their functions in accordance with the effective legislation and these Articles of Association;

9. elect and authorize investment intermediaries to underwrite and/or service the issues of the Company's capital increases and the issues of bonds issued by the Company;

10. adopt its Procedural Rules and approve Organisational Rules of the Company;

11. in the cases provided for by law and/or at the judgment of the Board of Directors shall, upon occurrence of any circumstances of material importance for the Company, convene a meeting of the General Assembly of Shareholders;

12. make decisions on investing the free funds of the Company in assets under Art. 12 hereof and in compliance with the limitations provided herein;

13. make a decision on entering into a bank credit agreement in compliance with the provisions of Art. 11, paragraph 2, items 2 and 3 of these Articles of Association, as well as on provision of collateral for obligations of the Company in compliance with the statutory limitations;

14. Within 5 (five) years, effective as of the date of incorporation of the COMPANY, the Board of Directors may increase the capital of the COMPANY through issuance of new shares. The total amount by which the capital of the COMPANY may be increased under the foregoing sentence may not exceed BGN 150,000,000 (one hundred fifty million leva) irrespective of the number of realized issues (separate increases) through which the said maximum increase is realized. For an increase under the terms of this provision, the rules of Art. 27 hereof shall apply. In case of a successful capital increase under the terms of this provision, the Board of Directors shall file the increase for registration with the commercial register, attaching to the application the confirmation of the prospectus for the increase issued by the FSC, an excerpt of the Company's Articles of Association with the recorded amount of the Company's capital and number of shares after the increase;

15. make decisions on effecting all transactions of the Company with interested persons subject to compliance with the limitations hereof and the effective legislation. In the cases under

the foregoing sentence, the decision of the Board of Directors shall specify the material conditions of the transaction, including parties, subject and value, as well as in whose favour the transaction is effected;

16. appoint a procurator of the Company;

17. adopt a program for good corporate governance of the Company in compliance with internationally recognized standards for good corporate governance determined by the Deputy Chairperson heading Investment Supervision Division at the Financial Supervision Commission;

18. Within 5 (five) years effective as of the date of incorporation of the COMPANY, the Board of Directors may issue bonds through public offering. The total amount of the nominal value of the bonds issued under the procedure of the foregoing sentence may not exceed BGN 150,000,000 (one hundred fifty million leva) irrespective of the number of realized issues through which the said total amount is reached. For every proposal for issuance of a new issue of preference bonds, the General Assembly/s of bondholders from previous unredeemed issues shall give its/their consent therefor before the competent body of the Company makes a final decision on issuing the bonds. Issuance of bonds by the Company shall be carried out in accordance with the requirements of section V in chapter VI of the POSA and the applicable provisions of section VII in chapter XIV of the CA;

19. make decisions on insuring the real estates acquired by the COMPANY;

20. elect and enter into a contract with an investment firm with which client sub-accounts for the new shares shall be opened for their holders in the event of an increase of the Company's capital in accordance with the provisions of Ordinance No. 38 of 21.05.2020 on the requirements to the activity of investment firms;

21. make decisions on any other issue falling outside the exclusive competence of the General Assembly under a legal provision or these Articles of Association.

/4/ Subject to compliance with the limitations under Art. 114 et seq. of the POSA and the effective legislation, the Board of Directors of the Company shall be entitled by unanimous decision to authorize initiation of the transactions under Art. 236, para. 2 of the Commerce Act.

/5/ The expression "interested parties" within the meaning of paragraph 3, item 15 of this Article, as well as anywhere referred to in these Articles of Association, shall cover: the members of the management and governing bodies of the Company, the persons who represent legal entities, members of such bodies, persons who directly or indirectly hold at least 25% of the votes in the General Assembly of the Company or control it, and in the event of transactions of a subsidiary - the members of the management and governing bodies, the persons who represent legal entities, members of such bodies, its procurator, persons who directly or indirectly hold at least 25% of the votes in the General Assembly of the Company, other than the special purpose investment company, as well as the persons related to them, when they:

1. are a party, its representative or intermediary on a transaction, or the transactions or actions are effected in their favour, or

2. directly or indirectly hold at least 25% of the votes in the General Assembly or control a legal entity that is a counterparty, its representative or intermediary on the transaction or in whose favour the transactions or actions are effected;

3. are members of the Board of Directors or procurators of legal entities, members of such bodies, or procurators of a legal entity under item 1 and item 2.

Limitations in the Competences of the Board of Directors

Art. 50 /1/ In conducting its COMPANY management functions, the Board of Directors shall strictly observe the limitations of Art. 114 et seq. of the POSA and the effective legislation.

Obligations of the Members of the Board of Directors

Art. 51 /1/ A person nominated as a member of the Board of Directors shall, before their election, notify the General Assembly of Shareholders of their participation in companies as unlimited liability partner, of their holding of more than 25% (twenty five per cent) in the capital of another company, and of their participation in the management of other companies or co-operatives as a procurator, managing director or a board member. Where these circumstances

arise after the person is elected as member of the Board of Directors, they shall notify in writing within seven days from occurrence of the respective event the Chairperson of the Board of Directors of the Company, who shall in turn inform the shareholders about the notifications received at the next meeting of the General Assembly of shareholders.

/2/ The members of the Board of Directors may, acting on their own behalf or on behalf of other persons, effect commercial transactions, participate in companies as general partners, be procurators, managing directors or members of boards of other companies or co-operatives in which a competitive activity is carried out, provided that the Company's Board of Directors has issued a prior consent for such participation by unanimous decision of all its members.

/3/ The members of the Board of Directors shall:

1. perform their obligations with due care and shall use their best efforts to protect the interests of investors and the COMPANY, using only information which they reasonably deem reliable and complete;

2. be loyal to the Company by:

a) putting the interest of the Company before their own interest;

b) avoiding direct or indirect conflicts between their interest and the Company's interest, and where such conflicts arise, disclose them to the Board of Directors or the General Assembly in writing, promptly and completely, and shall not influence the other Board members in making decisions in such events.

/4/ The activity of the Board of Directors shall be confidential. The Board members shall not disclose in any manner any information that has come to their knowledge regarding the activity of the Company and the decisions of its bodies. The members of the Board of Directors may not disclose, unless authorized therefor, not seek benefits for themselves or for other persons for, any facts and circumstances constituting inside information or trade secret, which has come to their knowledge during the performance of their official and professional duties, including after they lose the capacity of Board members, until the public disclosure of said circumstances. This obligation shall not apply to information which by virtue of a law is publicly accessible or has been already disclosed by the Company.

/5/ The members of the Company's Board of Directors shall provide the statutory required information, data and documents to the Financial Supervision Commission, other authorized bodies, and to the shareholders of the Company.

/6/ The members of the Board of Directors shall declare to the Board of Directors within seven days from their election as well as to the Deputy Chairperson heading the Investment Supervision Division at the Financial Supervision Commission and the regulated market on which the shares of the Company are admitted for trading, any information:

a) about the legal entities in which they directly or indirectly hold at least 25% (twenty five per cent) of the votes in the General Assembly or which they control;

b) about the legal entities in whose management or governing bodies they participate or whose procurators they are;

c) about existing and future transactions that they know of in respect of which they may be recognized as interested parties.

The persons under the first sentence shall update the declaration within seven days from the occurrence of such events.

/7/ The members of the Board of Directors shall, within 90 days of the end of the respective calendar year, file an annual declaration of their property and business interests to the Financial Supervision Commission in a sample form determined by the Deputy Chairperson.

Management

Art. 52. /1/ The COMPANY shall be operationally managed by an Executive Director elected by a majority of 2/3 of the votes of the Board of Directors.

/2/ The term of office of the Executive Director shall be equal to the term of office of the Board of Directors, and the Executive Director shall continue performing their functions until the election of a new Executive Director.

/3/ The management authority of the Executive Director shall be determined by the decision of the Board of Directors on their election and their management contract.

/4/ Authorisation of the Executive Director may be withdrawn at any time by a decision of the Board of Directors made by the majority required for their election.

/5/ The Executive Director shall report to the Board of Directors for their overall activity.

/6/ They shall make a current report for their activity at every meeting of the General Assembly of the Board of Directors.

/7/ In their absence, the management functions of the Executive Director shall be temporarily performed by the Chairperson of the Board of Directors.

Representation

Art. 53. /1/ The COMPANY shall be represented by the Executive Director (executive member) elected by the Board of Directors.

/2/ The persons authorized to represent the COMPANY shall have permanent residence in the Republic of Bulgaria;

/3/ The names of the persons under paragraph 1 shall be entered in the Commercial Register.

Liability

Art. 54. /1/ The members of the Board of Directors shall perform their functions in person and only in the interest of the COMPANY.

/2/ The members of the Board of Directors shall have joint and unlimited liability for damages caused to the COMPANY through their fault.

/3/ A member of the Board of Directors may be released from liability if it has been established that the damages in the patrimony of the COMPANY have not been caused through their fault.

Art. 55. Every member of the Board of Directors shall provide guarantee for their management determined in type and amount by a decision of the General Assembly of Shareholders, the amount of which shall not be less than their three-month gross remuneration.

Rules for Determining the Remuneration of the Members of the Board of Directors

Art. 55. /1/ Every member of the Board of Directors shall receive annual remuneration in the amount determined by decision of the General Assembly in compliance with the provisions of the law and the rules and limitations hereof.

/2/ By decision of the General Assembly of Shareholders, in case of achieved good financial results by the COMPANY, the members of the Board of Directors may receive a bonus representing a percentage of the profit generated by the COMPANY for the respective year.

/3/ In any case, the remuneration of the members of the Board of Directors under paragraphs 1 and 2 of this Article shall be in compliance with the limitations under Art. 13, paragraph 2 hereof, setting out the maximum amount of the COMPANY's management costs.

Investor Relations Director

Art. 56. /1/ The Board of Directors of the COMPANY shall appoint an investor relations director under an employment contract.

/2/ The investor relations director shall have the required qualification or experience in order to perform their duties, and shall not be a member of the Board of Directors or a procurator of the COMPANY.

/3/ The investor relations director shall:

1. maintain effective contact between the Board of Directors of the COMPANY and its shareholders and the persons that have shown interest in investment in the COMPANY's securities, providing them with information about the current financial and economic standing of the COMPANY as well as any other information to which they are entitled by law in their capacity as shareholders or investors;

2. be responsible for sending, within the legally set deadline, the materials for a convened meeting of the General Assembly to all shareholders that have requested to acquaint with them;

3. keep and store a log of the meetings of the Board of Directors which chronologically reflects the date, time of opening, time of closing of the meeting, agenda and decisions made, in a way that does not allow any future amendments or supplements thereto;

4. keep and store truthful and complete minutes of the meetings of the management and governing body of the company;

5. be responsible for the timely sending of all required reports and notifications by the company to the Commission, the regulated market on which the Company's securities are traded, and the Central Depository at which the securities are registered;

6. keep a register of the materials sent under items 2 and 4, as well as of received requests and information provided under item 1, stating the reasons in the event of non-submission of any requested information.

/4/ The investor relations director shall report for their activity to the shareholders at the annual meeting of the General Assembly.

/5/ The members of the Board of Directors of the COMPANY shall support the investor relations director and shall control the performance of the functions under paragraph 3.

/6/ Art. 116a, paragraph 1 and Art. 116b of the POSA shall apply to the investor relations director.

Inside Information. Insiders.

Art. 57. For the purposes of these Articles of Association the terms "Inside information", "persons with access to inside information", and "market abuse of financial instruments" shall have the meaning given to them in the effective legislation.

VIII. VALUATION OF REAL ESTATES

Valuation of Real Estates and Real Rights on Real Estates

Art. 58 /1/ Under the conditions and in accordance with the procedure of the SPICSCA and other normative acts, before the purchase (except in cases under Art. 22, para 7 of the SPICSCA), respectively the sale, of real estates and real rights on real estates the COMPANY shall assign their valuation by one or more independent valutors or a company to an independent valuator with qualification and experience in the valuation of real estates of the respective type.

Subsequent Valuation of Real Estates

Art. 59. The COMPANY shall perform subsequent valuations of the real estates and real rights owned by it under the terms and conditions of the SPICSCA.

IX. DEPOSITORY BANK

Functions of the Depository Bank

Art. 60 /1/ The cash and securities of the Company shall be kept at a depository bank.

/2/ Relationships between the Company and the depository bank shall be established on the basis of a written contract.

/3/ The depository bank shall make all payments for the account of the Company, with the exception of the payments for cases under Art. 19, para 4 of the SPICSCA.

/4/ Dematerialized securities held by the Company shall be recorded in the register of the Central Depository to a sub-account of the depository bank, and cash and materialized securities owned by the Company shall be kept in a depository bank.

Contract with the Depository Bank

Art. 61 /1/ The contract with the depository bank shall contain at least:

1/ full data about the parties under the contract;

- 2/ exact description of the activities subject of the contract;
 - 3/ rights and obligations of the parties;
 - 4/ term of the contract, terms and procedure for amendment, cancellation and termination;
 - 5/ expenses by type and the manner of their distribution between the parties;
 - 6/ responsibility of the parties in case of non-performance of their obligations under the contract and manner of realization thereof;
 - 7/ regime of contract termination by mutual consent and at the initiative of one of the parties, notice term or absence thereof depending on the grounds of termination, consequences of the termination;
 - 8/ reasonable and fair way of settling disputes between the parties and filling in gaps in the contract, applicable law;
 - 9/ manner, addresses and contact persons for communication between the parties;
 - 10/ other provisions required under the SPICSCA and the POSA.
- /2/ The remuneration of the depository bank shall be determined in the contract entered into with it within the general limitation under Art. 13, para 2 hereof and it may not exceed the usual amount for the services provided.

Requirements to the Depository Bank

- Art. 62 /1/ The respective requirements of Chapter Five of the Collective Investment Schemes and Other Undertakings for Collective Investments Act shall apply to the depository bank.
- /2/ In performing its obligations, the depository bank shall be guided by the interests of the Company.
- /3/ Replacement of the depository bank shall be allowed upon approval by the Financial Supervision Commission.

X. THIRD PARTIES UNDER ART. 27, PARA 4 OF THE SPICSCA

Assignment of activities to third parties under Art. 27, para 4 of the SPICSCA

- Art. 63** /1/ The company may not directly carry out the activities for construction and improvement of the acquired real estates.
- /2/ The Company shall assign the activities under para 1 to one or more commercial companies having the necessary organization, resources and experience for carrying out the assigned activities (third parties under Art. 27, para 4 of the SPICSCA).
- /3/ The Company shall assign the keeping and storing of accounting and other reporting and correspondence, the activities for maintenance and operation of the acquired real estates, the collection of receivables under concluded lease/rental/leasing contracts, as well as the performance of other necessary activities directly related to the performance of the activity under Art. 7, para 1, item 2, to one or more third parties under Art. 27, para. 4 of the SPICSCA.
- /4/ The third party may not set off any funds of the company in exchange for their remuneration.
- /5/ The servicing company in the sense of Art. 18 of the repealed Special Purpose Investment Companies Act (SPICA) is a third party under Art. 27, para 4 and the requirements of the SPICSCA and these Articles of Association shall be applied to them accordingly.

Contracts with Third Parties under Art. 27, Para 4 of the SPICSCA

- Art. 64 /1/ By unanimous decision of the board of directors, the Company shall assign the activities under Art. 63, para 2 and para 3 by concluding a written contract with one or more third parties under Art. 27, para 4 of the SPICSCA having the necessary organization, resources and experience for carrying out the assigned activities.
- /2/ The assignment under para 1 shall only be allowed after preliminary approval for that issued by the Financial Supervision Commission. The company may unanimously assign by written contract to the board of directors the keeping and storing of accounting and other records and

correspondence, as well as the performance of other necessary activities of one or more companies meeting the requirements specified in para 1 above.

/3/ Third parties under Art. 27, para 4 of the SPICSCA shall carry out the activities under Art. 63, para. 2 and para 3 with due care, in accordance with the law and with these Articles of Association.

/4/ The remunerations paid to all third parties under Art. 27, para 3 of the SPICSCA together in a calendar year may not exceed 6% (six per cent) of the value of the assets in the balance sheet included in the annual financial statement of the Company for the year of costs accrual.

/5/ Amendments and supplements to the contract with a third party shall only be allowed if prior approval has been issued by the Financial Supervision Commission.

/6/ The contracts concluded with the servicing company (within the meaning of Art. 18 of the repealed Special Purpose Investment Companies Act) of the Company before the entry into force of the SPICSCA shall remain valid and shall not require approval by the FSC, as para 5 applies accordingly.

XI. SERVICING COMPANIES

Art. 65. According to the terms and conditions of the SPICSCA, the Company may establish or acquire units or shares in a commercial company (a specialized company), whose exclusive subject of activity is the acquisition of real estates and real rights on real estates, construction and improvements in order to provide them for management, renting, leasing or renting and selling them.

XII. ANNUAL CLOSING

Annual Closing Documents

Art. 66. /1/ After the end of each calendar year, the Board of Directors shall prepare annual financial statements and a management report for the past calendar financial year within the terms and in accordance with the conditions of the effective legislation and shall present them to the registered auditors selected by the General Assembly.

/2/ The annual financial statements shall be audited by the registered auditors appointed by the General Assembly. The purpose of the audit is to establish whether the requirements of the Accounting Act and the Articles of Association for the annual closing have been met. The General Assembly shall approve the annual financial report for the activity after the completion of the audit and the presentation of the audit report.

/3/ If no certified public accountant is appointed by the end of the calendar year by the General Assembly, an official at the Registry agency shall do that instead.

Obligation for Disclosure of Company Information

Art. 67. The Company shall publicly disclose regulated information with minimum content under the conditions and within the terms provided for in the current legislation.

Acceptance

Art. 68. /1/ The annual financial report for the activity and a proposal of the Board of Directors for profit distribution shall be presented for deliberation at the meeting of the General Assembly of Shareholders.

/2/ The annual financial statements adopted by the General Assembly of Shareholders shall be submitted to the Commercial Register within the terms and in accordance with the conditions provided for in the current legislation.

Dividend and Dividend Payment

Art. 69. /1/ The Company shall distribute as dividend not less than 90 per cent of the profit for the financial year set out under paragraph 3 and in accordance with the provisions of Art. 247a

of the Commerce Act. Art. 246, paragraph 2, item 1 of the Commerce Act shall not apply.

/2/ The annual dividend shall be paid within 12 months from the end of the corresponding financial year.

/3/ The profit for distribution is the financial result (accounting profit/loss) adjusted as follows:

1. increased/decreased with expenses/income from subsequent valuations of real estates;
2. increased/decreased with losses/profits from transactions for transfer of ownership on real estates;

3. increased/decreased during the year of transfer of ownership on real estates with the positive/negative difference between:

a) the selling price of the real estate, and

b) the sum total of the historical value of the real estate and subsequent expenses which have led to increase in its net book value;

4. increased/decreased with losses/profits from sales reported in the year of conclusion of financial lease contracts;

5. increased/decreased in the year of expiry of the financial lease contract with the positive/negative difference between:

a) the revenue from the sale of the real estate recorded at the beginning of the term of the financial lease contract, and

b) the sum total of the historical value of the real estate and subsequent expenses which have led to increase in its net book value.

6. decreased in the year of their execution with the payments for interests on debt securities under Art. 26, para 2, item 1 of the SPICSCA and on bank loans under Art. 26, para 2, item 2 of the SPICSCA, not included in the statement of comprehensive income;

7. decreased in the year of their execution with the payments for principal repayments on debt securities under Art. 26, para 2, item 1 of the SPICSCA and on bank loans under Art. 26, para 2, item 2 of the SPICSCA.

/4/ The expenses for dividend payment shall be borne by the Company.

/5/ The right to receive dividend shall be given to the persons registered in the registers of the Central Depository as shareholders with a right to dividend 14 days after the date of the meeting of the General Assembly at which the annual financial statements were adopted and a decision was made on profit distribution.

/6/ The Company shall immediately notify the Deputy Chairperson heading the Investment Supervision Division at the Financial Supervision Commission, the Central Depository and the regulated market of the decision of the General Assembly regarding the type and amount of the dividend, as well as the terms and procedure for its payment.

/7/ After receipt of the notification under paragraph 5 above, the regulated market on which the shares are traded shall immediately announce the last date for conclusion of transactions therein, as a result of which the transferee of the shares shall be entitled to dividend thereon that has been voted at the meeting of the General Assembly.

XII. FUNDS

Reserve Fund

Art. 70. /1/ The Company shall set up a Reserve Fund.

/2/ The difference between the issue value and the nominal value of the shares shall be carried to the Reserve Fund.

/3/ Funds from the Reserve Fund may be used for covering the Company's operating losses.

XIII. TRANSFORMATION, WINDING UP AND LIQUIDATION

Transformation

Art. 71 /1/ The Company may not be transformed into another commercial company and may not change the subject of its activity, except in cases under Art. 16, item 4 of the SPICSCA.

/2/ Transformation through merger or bundling shall be carried out with the authorization of the Financial Supervision Commission only with another special purpose investment company which invests in real estates.

/3/ Transformation through demerger or separation shall be carried out with the authorization of the Financial Supervision Commission, and the newly established company or companies shall also be special purpose investment companies with the same subject of activities.

Winding Up

Art. 72. /1/ The Company shall be wound up:

1. by a decision of the General Assembly;
2. upon declaring it in bankruptcy;
3. upon withdrawal of its authorisation for carrying out activity by the Financial Supervision Commission, except in the hypothesis of Art. 16, item 4 of the SPICSCA;
4. in the other cases stipulated by law.

/2/ An authorization by the Financial Supervision Commission shall be issued for the winding up of the Company.

/3/ The persons designated as liquidators or trustees in bankruptcy of the Company shall be approved by the Financial Supervision Commission.

/4/ Within 7 days from the decision of the General Assembly on the Company's winding up or withdrawal from activity, or upon occurrence of other grounds for winding up set out hereof, the Company shall request from the Financial Supervision Commission to withdraw its authorisation for carrying out activity as a special purpose investment company.

/5/ The liquidation of the Company shall be carried out under the procedure of chapter XVII of the CA, taking into account all applicable provisions of the POSA and the SPICSCA.

XIV. FINAL PROVISIONS

Art. 73. For any matters not dealt with in these Articles of Association, the provisions of the Special Purpose Investment Companies and Securitization Companies Act, the Public Offering of Securities Act, the Commerce Act (except for the provisions explicitly excluded under the SPICSCA) and relevant by-laws shall apply.

Art. 74. In case of any inconsistency between the provisions of the Articles of Association and a statutory instrument, the latter shall apply and the Articles of Association need not be amended, unless the statutory instrument provides for otherwise.

These Articles of Association were adopted at the extraordinary General Assembly of Shareholders held on 2022.

Executive Director:

/Radoslav Manolov/