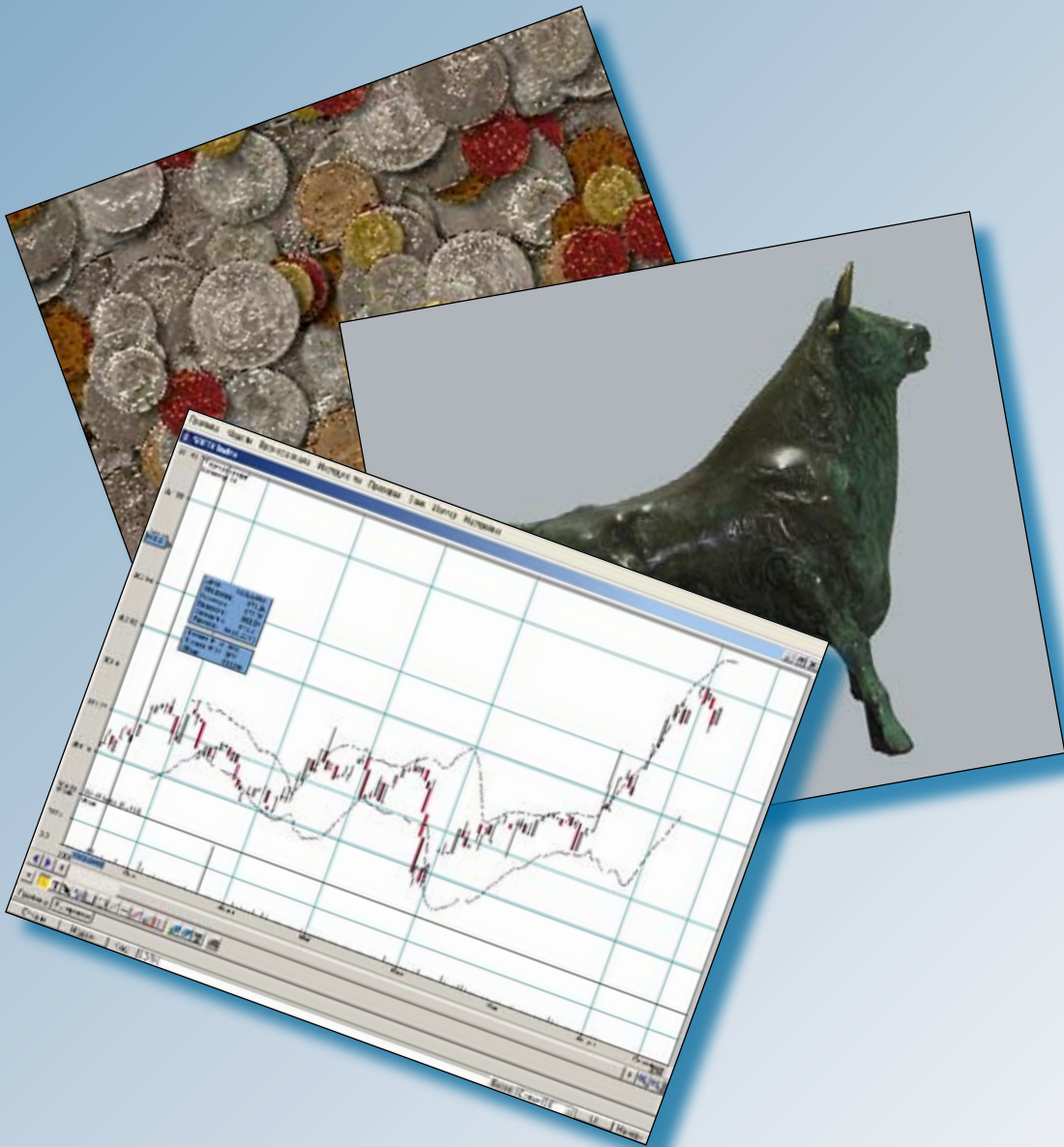


Corporate Governance Code

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**BULGARIAN STOCK
EXCHANGE - SOFIA**

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CORPORATE GOVERNANCE CODE

SECTION I: BASIC PRINCIPLES OF APPLICATION OF THE CODE OF CORPORATE GOVERNANCE OF BSE-SOFIA

This Provisional Code of Corporate Governance ("the Code") was adopted by the Board of Directors of BSE-Sofia under Minutes of Proceedings No.23 dated 12 October 2006 and amended under Minutes of Proceedings No.3 dated 29 January 2007.

The Code of Corporate Governance of BSE-Sofia will be in force until the adoption of a national code of corporate governance.

The Code of Corporate Governance of BSE-Sofia is consistent with the basic principles set out in international and nationally recognized good corporate governance standards, as well as with the Principles of Corporate Governance of the Organisation for Economic Co-operation and Development.

By adopting this Code, BSE-Sofia aspires to enhance the confidence of national and international investors and of the general public at large in the management and supervision of the corporations whose securities are traded on BSE-Sofia, ensuring transparency and understandability of the corporate governance systems of public companies in Bulgaria.

Conformity with and application of the basic principles set out in this Code is mandatory for the corporations whose securities are traded or which wish their securities to be admitted to trading on the Official Market, Equities Market, Segments A and B. For the companies traded on the rest of the markets and market segments of BSE-Sofia, the application of this Code in whole or in part is recommended.

The application of this Code presupposes drafting or updating of a Good Corporate Governance Programme containing the basic principles set out in the Code.

In connection with the application of this Code, the company must draft and adopt a Code of Ethical Conduct of its employees.

All companies, applying the principles in this Code, in their annual report on the application the Good Corporate Governance Programmes should disclose information about the extend to which they comply with the principles in this Code and explain why one or another principle is not applicable to their activities and how the problematic situations will be solved.

In case this Code has to be amended and supplemented due to revisions in the domestic legislative framework or other factors influencing the operation of BSE-Sofia and the companies traded on it, BSE-Sofia will propose and approve revisions of this Code, allowing the companies which apply it time to bring themselves into conformity with the revisions.

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SECTION II: PROTECTION OF SHAREHOLDER RIGHTS

1. GENERAL PRINCIPLES APPLICABLE TO PROTECTION OF SHAREHOLDER RIGHTS

The management bodies of the company shall ensure the equitable treatment of all shareholders, including minority and foreign shareholders, and shall be obligated to protect their rights.

2. PARTICIPATION AND VOTING IN SHAREHOLDERS' GENERAL MEETING

2.1. All shareholders shall have the right to participate in the Shareholders' General Meeting, to express their opinion, and to make proposals on the items of the agenda.

2.1.1. Voting shareholders may exercise their voting power in the General Meeting of the company either personally or by proxy.

- The management bodies of the company shall exercise effective control over and, where necessary, shall make the necessary arrangements for, the voting by authorized representatives, in accordance with the instructions of the shareholders or in the manners permitted by the law.

2.1.2. The management bodies of the company shall make efforts so that the procedure and rules governing the Shareholders' General Meeting ensure equitable treatment of all shareholders, including minority and foreign shareholders.

- The management bodies shall draft rules for organization and conduct of ordinary and extraordinary Shareholders' General Meetings of the company, which ensure equitable treatment of all shareholders and guarantee the right of each shareholder to express an opinion on the items on the agenda of the General Meeting.

2.1.3. The management bodies of the company shall organize the procedure and rules for conduct of the Shareholders' General Meeting in a manner which does not make it unduly difficult or expensive to cast votes.

2.1.4. The management bodies of the company shall take action to encourage the participation of more shareholders in the Shareholders' General Meeting, inter alia by ensuring a possibility to follow the General Meeting and to cast votes in absentia using technical means (Internet) whenever this is possible or necessary and does not contradict with Article 2.1.3 of this Code.

2a. Attendance of the members of the management and supervisory bodies of the company at the Shareholders' General Meeting

2a.1. All members of the management and supervisory bodies of the company shall make efforts to attend the Shareholders' General Meetings of the company.

2b. Material for Shareholders' General Meeting

2b.1. The texts in all written materials concerning the agenda of the General Meeting must be to-the-point and clear, without misleading shareholders, observing the rule that all proposals regarding important corporate events be presented as separate items on the agenda of the General Meeting, including a proposal on distribution of profits as a separate item on the agenda.

2b.2. On the corporate Internet site, the company shall maintain a special

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section which:

- shall describe in detail the rights of the shareholders according to each class of shares in the public company;
- shall describe in detail the conditions and procedures for participation of shareholders in the General Meetings of the company;
- shall provide information regarding the possibilities and requirements for proxy representation of a shareholder in the Shareholders' General Meeting;
- shall describe in detail the conditions and procedures for placing additional items on the agenda;
- shall post, on a timely basis, the material concerning the agenda of the Shareholders' General Meeting.

2b.3. The management bodies of the company shall assist where needed the shareholders who have held at least 5 per cent of the capital of the company for a period exceeding three months, to place, if they wish so, other items on the agenda of the General Meeting after publication in the Commercial Register or dispatch of the notice.

2c. Transactions with stakeholders and related parties above the legally established thresholds

2c.1. The company shall develop and adopt a policy on transactions with stakeholders and related parties.

2c.2. The management bodies of the company shall keep record of the transactions effected by the company during each of the three last preceding years in favour of a single person or of related parties and stakeholders, which separately fall below the legally established thresholds, lest they lead in aggregate to a change of property exceeding the said thresholds.

2c.2.1. Should there be reason to believe that a circumstance referred to in the foregoing sentence is to occur, the management bodies shall proceed with convocation of an extraordinary Shareholders' General Meeting for the purpose of obtaining preliminary approval from the Shareholders' General Meeting or shall take other measures to prevent the possible exceeding of the statutory thresholds.

2c.3. The management bodies of the company must disclose, on a timely basis, comprehensive information regarding the actions they have taken for conclusion of transactions and/or disposition of assets above a limit value specified by the law for which they are empowered by the Shareholders' General Meeting, the results achieved and other material information which does not constitute inside information, in a special section on the Internet site of the company.

2d. Election of members of the Board or Directors or of the Supervisory Board, as the case may be, of the company.

2d.1. The members of the management or supervisory bodies of the company shall be elected according to a transparent procedure which ensures, inter alia, sufficient information on a timely basis regarding the personal and professional competence of the candidates for board membership.

2d.2. The list of candidates for membership of the management and supervisory bodies of the company, together with the information on the said candidates, shall be posted also on the Internet site of the company on the special section described

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in Art. 2b.2.

2e. Minutes of proceedings at the Shareholders' General Meetings of the company.

2e.1. The minutes of proceedings and the decisions (resolutions) taken at the Shareholders' General Meeting shall be submitted to the Financial Supervision Commission and to the Bulgarian Stock Exchange - Sofia and shall be posted on the Internet site of the company.

3. PROVISION OF INFORMATION RELATED TO COMPANY ON REGULAR AND TIMELY BASIS

3.1. The management bodies of the company shall ensure the disclosure, on a regular and timely basis, of information regarding important corporate events related to the operation and the state of affairs of the company, to the shareholders and the investment community.

3.2. The management bodies of the company shall make every effort to make the aforementioned information readily and promptly accessible so that the shareholders could exercise their rights on an informed basis and, respectively, the investors could make an informed investment decision.

3.3. Upon disclosure of information, the management bodies of the company shall comply with the requirements of the law regarding the scope, types, manners and timeframes, as well as the accepted principles for disclosure of information in accordance with the Good Corporate Governance Programme as adopted by the company.

4. TENDER OFFER

4.1. Within three days after receipt of notification that a tender offer has been made on the part of a majority or minority shareholder on which the Financial Supervision Commission has not yet given an opinion, the management bodies of the company affected shall be obligated:

- to familiarize themselves in detail with the offer made and with the methods employed by the tender offeror for determination of the fair price of the shares of the company;
- to prepare a reasoned opinion on the transaction proposed, inter alia as to whether the said offer is fair in respect of the shareholders, analyzing and commenting on the projections made by the tender offeror regarding the state of affairs and the future development of the company, so that the shareholders could make an informed decision;

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SECTION III: MAXIMIZING RETURN FOR SHAREHOLDERS

5. MANAGEMENT BODIES

5.1. A key priority in the operation of the management bodies shall be to ensure a return for shareholders. The said bodies shall be obligated to discharge their duties exercising the care of responsible merchantship in a manner which they reasonably believe is in the best interest of all shareholders of the company.

5.1.1. In carrying out their activity, the management bodies shall take into account the accepted principles of corporate governance of the economic group of which the company is a part, if the company is part of such a group. If the company is a part of an economic group, the management bodies shall also take advantage of the benefits which the company enjoys as a result of affiliation to the relevant economic group.

5.1.2. Where the decisions of the management bodies affect different shareholder groups differently, the management bodies must treat all shareholders fairly.

5.2. In case a tender offer has been made, the executive members of the Board of Directors of the company or the members of the Management Board, as the case may be, shall not take any actions outside the ordinary course of business that could prevent the success of the offer, unless the said members have been authorized by the Shareholders' General Meeting of the company or the Board of Directors or the Supervisory Board, as the case may be, has given its approval. In making its decision in such cases, the Board of Directors or the Management Board, as the case may be, shall be bound by the obligation to act in the best interests of the company.

5.3. The management bodies shall ensure adherence to applicable law and shall take into account the interests of the company stakeholders and, to this end:

- shall guarantee the respect for the law-established rights of supervisory bodies, counterparties, creditors, investors, media, auditors, consultants and other company stakeholders;
- shall guarantee the company stakeholders the relevant access to information;
- shall ensure the company stakeholders effective redress in the cases where their interests are protected by law or consequent to a contract.

5.4. The management bodies shall implement effective risk management so as to minimize company- or sector-specific risks.

6. GOVERNANCE SYSTEM

6a. One-tier governance system

6a.1. Functions (Duties) of the Board of Directors

The Board of Directors of the company shall perform the following functions (duties):

6a.1.1. develop and approve the vision and the mission of the company, the strategic, operational and financial plans thereof, both in particular and within the context of the economic group headed by the company, where there is such a group;

6a.1.2. assess the adequacy of the administrative, organizational and accounting structures of the company and the subsidiaries thereof, which are strategically

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relevant, for the purpose of ensuring maximum effectiveness of the operation of the company;

6a.1.3. entrust the management of the company to one or several executive members, elected from amongst the members of the Board, determine the extent of their delegated authority, the manner of application of the said authority, and the intervals at which they shall report back to the Board of Directors on actions related to the authority delegated thereto. The executive members shall be fewer than the rest of the members of the Board;

6a.1.4. evaluate the overall performance of the company, paying special attention to the information received from the executive members, and periodically check achievements against plans;

6a.1.5. at least once a year, evaluate its own performance and structure and, where necessary, select replacements for the key executives, oversee succession planning and possibly designate new persons of specific professional backgrounds whose inclusion in the Board of Directors would be in the interest of the company and the shareholders;

6a.1.6. ensure a formal and transparent procedure for the appointment of the members of the Board of Directors;

6a.1.7. see to the application of the adopted corporate governance principles integrated into the Good Corporate Governance Programme as adopted by the company and introduce necessary changes;

6a.1.7.1. the executive members shall submit to the Board of Directors a report on the implementation of the Good Corporate Governance Programme during the year. Any such report shall contain, at a minimum, a description of the problems that have arisen upon application of the Programme and the solutions applied by the executive members;

6a.1.7.2. the executive members shall report back to the Board of Directors at least two times a year;

6a.1.7.3. the reports on the implementation of the Programme shall be made public, inter alia by posting on the Internet site of the company;

6a.1.8. provide information for the attendance of the meetings of the Board of Directors held during the year for each one of the members.

6a.2. Composition of the Board of Directors

6a.2.1. The members of the Board of Directors, who are elected executive members, shall contribute by their specific skills and expertise to reasoned and balanced decision-making by the Board of Directors, especially where there is a possibility of a conflict of interest.

6a.2.1.1. The number, the competences, the powers and the presence of the members of the Board of Directors who are not executive members must ensure significant influence over the decisions of the Board of Directors.

6a.2.2. Concentration of numerous responsibilities related to the operation of the company in a single person shall not be recommended.

6a.2.2.1. In case the Board of Directors delegates managerial powers to the Chairperson of the Board of Directors, information on this shall be disclosed in the annual report on the implementation of the Good Corporate Governance Programme, including the reasons for making such a decision.

6a.2.3. The members of the Board of Directors must be familiar

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with the rights and duties related to the position held thereby. The Chairperson of the Board of Directors shall make efforts to encourage the participation of the rest of the members of the Board in initiatives intended to enhance their knowledge and skills for the purpose of effective discharge of their duties as members of the Board of Directors of the company.

6b. Two-tier governance system

6b.1. Cooperation between Management Board and Supervisory Board

6b.1.1. The Management Board and the Supervisory Board shall work in close cooperation to the benefit of the company.

6b.1.2. Providing sufficient information to the Supervisory Board shall be the joint responsibility of the Management Board and Supervisory Board.

6b.1.2.1. The Management Board shall inform the Supervisory Board on a regular basis, without delay and comprehensively, of all events concerning planning and business development of the company, its risk situation and risk management.

6b.1.2.2. The Supervisory Board shall specify the type, amount and regularity of the information submitted by the Management Board. As a rule, the Management Board shall submit information to the Supervisory Board in writing, as well as in electronic form.

6b.1.2.3. Documents on the agenda of a Shareholders' General Meeting shall be sent/submitted to the Supervisory Board as early as possible before the convocation of the meeting.

6b.1.3. Good corporate governance requires an open discussion between the Management Board and Supervisory Board as well as among the members within the boards. The comprehensive observance of confidentiality shall be of paramount importance for such discussion.

6b.1.3.1. The board members shall ensure that the employees of the company observe the confidentiality obligation.

6b.2. Functions (Duties) of the Management Board

The Management Board of the company shall perform the following functions (duties):

6b.2.1. meet at least once every two months.

6b.2.2. report on the activity thereof to the Supervisory Board at least once every three months. The report can be posted on the Internet site of the company;

6b.2.3. develop and approve the vision and the mission of the company, its strategic, operational and financial plans, both in particular and within the context of the economic group headed by the company, where there is such a group, and coordinate the said plans with the Supervisory Board, discussing, on a regular basis, their implementation in the day-to-day operation of the company with the Supervisory Board;

6b.2.4. assess the adequacy of the organizational, administrative and accounting structures of the company and its subsidiaries, which are strategically relevant, and reports on this to the Supervisory Board;

6b.2.5. prepare regular analyses of the operation and prospects of the company;

6b.2.6. inform without delay the Chairperson of the Supervisory Board

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of all circumstances that materially affect the company and submit information or a report to the Supervisory Board of each matter which concerns the company whenever the Supervisory Board so requests;

6b.2.7. prepare a report on implementation of the Good Corporate Governance Programme of the company. The reports shall contain, at a minimum, description of the problems that have arisen upon application of the Programme and the solutions applied to address the said problems. The Management board shall prepare reports at least four times a year, and any such reports shall be made public, inter alia by posting on the Internet site of the company.

6b.3. Composition of members of Management Board

6b.3.1. The rules of procedure of the Management Board as adopted shall expressly define the functions and powers of the members of the said Board.

6b.3.2. Concentration of numerous responsibilities related to the operation of the company in a single person shall not be recommended.

6b.3.3. The members of the Management Board must be familiar with the rights and duties related to the position held thereby. The Chairperson of the Management Board shall make proposals to the Supervisory Board, and after approval thereby shall organize or facilitate the involvement of the members of the Management Board in initiatives intended to enhance their knowledge and skills for the purpose of effective discharge of their duties as members of the Management Board.

6b.4. Functions (Duties) of the Supervisory Board

The Supervisory Board of the company shall perform the following functions (duties):

6b.4.1. take part in decision-making of fundamental importance to the operation of the company;

6b.4.2. determine the extent of the authority delegated to the members of the Management Board, the manner of application of their authority, and the intervals at which they report to the Supervisory Board;

6b.4.2.1. adopt rules regarding the admissible minimum age limit for eligibility to the Management Board;

6b.4.3. evaluate the overall performance of the company, paying special attention to the information received from the Management Board, and periodically check achievements against plans, as well as analyze the reasons for this;

6b.4.4. approve reports on the implementation of the Good Corporate Governance Programme adopted by the company.

6b.4.5. whenever needed, review the structure of the Management Board, the allocation of obligations, powers and the compensation fixed for each of the members of the Management Board and, where necessary, take action for revision.

6b.4.6. The Supervisory Board shall ensure a formal and transparent procedure for the appointment of the members of the Management Board.

7. ELECTION OF MEMBERS OF BOARD OF DIRECTORS/SUPERVISORY BOARD OF COMPANY

7.1. Each of the board members, before accepting the position, must assess his or her capabilities of devoting the time necessary for adequate discharge of the duties thereof. In such assessment, the person should also give consideration to the duties

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thereof to other companies of whose management and supervisory bodies he or she is a member.

7.1.1. A list of the companies referred to in sentence two shall be posted on the Internet site of the company and updated whenever needed.

7.2. The Board of Directors/Supervisory Board shall adopt directions regarding the maximum number of companies referred to in the foregoing item, wherein the participation is regarded as acceptable, within the context of the requirement for effective discharge of the duties as board member, and shall also:

7.2.1. determine the criteria differentiating participation in other commercial corporations depending on the position held therein and the time required by each such position for discharge of the relevant duties (executive member, /independent/ member of the Board of Directors).

8. INDEPENDENT MEMBERS OF BOARD OF DIRECTORS / SUPERVISORY BOARD

8.1. The Board of Directors/the Supervisory Board shall select and shall post on the Internet site of the company criteria for determination of independence, including in the cases of a selection of a registered auditor/audit enterprise. The selected criteria shall be an integral part of the Good Corporate Governance Programme as adopted by the company.

8.2. Any persons who have been elected members of management and supervisory bodies, in respect of whom any factors affecting independence under the criteria adopted by the company arise after the date of election thereof, shall be obligated to notify the competent body of the company without delay.

8.2.1. The Board of Directors/the Supervisory Board shall verify on a regular basis whether any factors affecting the independence under the criteria adopted by the company have arisen in respect of the independent members of the board. The results of such verification shall be made public, inter alia by posting on the Internet site of the company.

8.3. Independent directors must meet at least once a year in the absence of the rest of the members of the Board of Directors/Supervisory Board.

9. COMPENSATION OF MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES OF COMPANY

9.1. The compensation and tantiemes of the members of the management and supervisory bodies of the companies shall be sufficient to attract and motivate persons of a professional quality required to contribute to the successful governance of the company.

9.2. The compensation and tantiemes of the executive members of the Board of Directors/the members of the Management Board of the company shall be sufficient to engage the interest and efforts thereof on a priority basis for ensuring a return for shareholders in the medium and long term.

9.2.1. Upon determination of the compensation, consideration shall be given to the workload, commitment and involvement of the members in the governance of the company.

9.3. The amount of the compensation and tantiemes must be specifically

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determined or determinable, being bound to clear and specific criteria and indicators.

9.3.1. The compensation and/or tantiemes of the executive and non-executive members of the Board of Directors, whose duties are strategically important for the operation of the companies and, respectively, of the members of the Management Board, may be contingent to a large extent on the economic performance of the company and/or on the attainment of objectives set in advance by the Board of Directors/the Supervisory Board.

9.3.2. The compensation and/or tantiemes of the non-executive members of the Board of Directors and, respectively, of the members of the Supervisory Board, shall not be contingent or shall be contingent to a smaller extent, compared to the compensation and/or bonuses of the executive and non-executive members of the Board of Directors, whose duties are strategically important for the operation of the companies and, respectively, of the members of the Management Board on the economic performance of the company.

9.4. The rules for determination of compensation and tantiemes of the members of the management and supervisory bodies of the company, as well as the total amount of money received thereby during the year in connection with the position held thereby, shall be part of the information posted on the Internet site of the company.

9.5. The management and supervisory bodies of the company shall adopt rules and restrictions regarding the value of the gifts which may be received.

10. INTERESTS OF MEMBERS OF BOARD OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES AND STAKEHOLDERS

10.1. The Board of Directors/the Supervisory Board shall adopt rules intended to ensure transparency of the transactions whereto the parties include any members of the management or supervisory boards of the company or any other stakeholders. The said rules must guarantee that the provisions of the law are abided by and that the interests of shareholders are respected.

10.2. Complying with the requirements and restrictions regulated in Articles 114 and 114a of the Law on Public Offering of Securities, the management body of the company shall study and approve in advance the effecting of transactions by the company and/or the subsidiaries thereof which would materially affect the operation of the company and specifically its rate of return, the value of assets and liabilities, or the financial position thereof.

10.3. The Board of Directors/the Supervisory Board of the company shall pay particular attention to the transactions in which one or more of the directors have an interest of their own or an interest involving third parties.

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SECTION IV: DISCLOSURE OF INFORMATION

11. GENERAL DISPOSITIONS

11.1. Companies shall publish periodic reports and notices of the inside information under Art. 4 of the Law on Measures Against Market Abuse With Financial Instruments affecting the price of securities within the time limits and of a content as specified in the Law on Public Offering of Securities, at a minimum submitting the said reports and notices to the Financial Supervision Commission and to BSE-Sofia, as well as posting the said reports and notices on the Internet site thereof.

11.1.1. Company's annual financial statements and interim financial reports (including consolidated financial statements and quarterly consolidated reports if the company prepares such statements and reports) shall be prepared and published both in Bulgarian and in English language.

11.2. The management bodies shall make every effort to make the aforementioned information readily and promptly accessible so that the shareholders could exercise their rights on an informed basis and, respectively, the investors could make an informed investment decision.

11.2.1. The management bodies of the company shall treat equitably all shareholders in respect of the disclosure of information.

11.3. With a view to maintaining effective liaison between the management bodies of the company and the shareholders thereof and the persons who have expressed interest in investing in securities of the company, the management body of the public company shall appoint an investor relations director to serve under an employment contract.

11.3.1. CVs of the Investor Relations Directors shall be posted on the Internet site of the company.

11.4. The investor relations director shall provide information regarding the current financial position and economic situation of the company, as well as any other information which shareholders and persons who have expressed interest in investing in securities of the company wish and are entitled to receive under the law in their capacity as shareholders or investors.

11.5. The management and supervisory bodies of the company shall compile a list of the accomplishments and professional qualifications which a person must possess in order to perform effectively the functions of an investor relations director.

12. ACCOUNTS AND AUDIT OF ANNUAL FINANCIAL STATEMENTS

12.1. Annually, until the end of February, the Board of Directors or the Management Board of the company, as the case may be, shall prepare an annual financial statement on the past year and an activity report and shall submit the said reports to registered auditors elected by the General Meeting.

12.2. A registered auditor/audit enterprise shall be elected according to a transparent procedure which ensures comprehensive, accurate and timely information on the auditor/audit enterprise, regarding the professional background thereof.

12.2.1. The auditors of the company shall be elected from among such as could be regarded as independent under the independence criteria in the Good Corporate Governance Programme adopted by the company. Particular attention shall

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be paid to the independence of the auditors from the executive members of the Board of Directors or of the Management Board of the company, as the case may be.

12.2.2. Before preparation of a nomination of an auditor, the non-executive members of the Board of Directors or the members of the Supervisory Board of the company, as the case may be, shall require from the elected auditors an opinion (insofar and where applicable) as to whether there exist any business, financial, personal or other connections and relationships between the auditors and/or the management of the auditor company and the executive members of the Board of Directors or the members of the Management Board of the company, as the case may be, which could affect their independence in respect of the audit of the financial reports of the company. The opinion must furthermore contain historical information regarding past relationships between the company and the registered auditor/auditor company, including in respect of consulting services rendered to the company.

12.3. Detailed information on the candidate-auditors about the details of their the professional backgrounds thereof and the opinion on the independence by the executive members of the Board of Directors or of the Management Board of the company, as the case may be, shall be provided to the shareholders of the company within the statutory time limits for publication of the material on the agenda of the Shareholders' General Meeting including as an item an election of a registered auditor of the company. The aforementioned information shall likewise be posted on the Internet site of the company.

12.4. The auditors shall act independently of the shareholders who elected them.

12.5. The management bodies of the company shall adopt appropriate measures to ensure the effective discharge of the duties of the auditors of the company.

12.5.1. The annual financial statement of the company, as prepared by the management bodies of the company, shall be submitted to the registered auditor/audit enterprise within a time limit making it possible to audit the said statement not later than the 15th day of the month of expiry of the time limit for submission of the said statement to the Financial Supervision Commission and BSE-Sofia.

12.6. The companies audit their annual reports in English or translate the audited report in English using the services of a licensed translator.

The contract concluded between the company and the registered auditor/audit enterprise shall include, inter alia, a clause requiring that the report of the registered auditor/audit enterprise include information regarding flaws of the management and/or supervisory bodies of the company, detected during the audit as conducted, in respect of the Good Corporate Governance Programme as adopted.

12.6.1. The contract concluded between the company and the registered auditor/audit enterprise shall include, inter alia, a clause requiring certification of the annual financial statement of the company prepared in the English language.

12.7. At the Shareholders' Regular General Meeting, the management bodies of the company shall present the annual financial statement of the company to the shareholders after certification by the registered auditor as appointed. The Corporate Governance Report, prepared by the management bodies of the company, providing information on the business development and the state of affairs of the company, as well as on the future prospects of the company, shall be an integral part of the annual financial statement of the company.

12.7.1. The Board of Directors shall disclose to the shareholders and the

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investors information on the fee of the registered auditor/audit enterprise.

13. DISCLOSURE OF INFORMATION BY COMPANY VIA INTERNET

13.1. The company shall develop a special, easily identifiable and accessible section on the Internet site of the company, wherein information on all matters concerning the company shall be provided.

The aforementioned section shall contain at least but shall not be limited to the following:

1. Vision of the company.
2. Description of the Good Corporate Governance Programme as adopted, including:
 - a. Shareholder rights:
 - i. description of the types of shares issued by the company;
 - ii. description of the rights of minority shareholders within each class of shares of the public company under the Law on Public Offering of Securities and commercial legislation.
 - b. Shareholders' General Meeting:
 - i. the rules adopted for organization and conduct of ordinary and extraordinary Shareholders' General Meetings, including the intervals at which General Meetings are held;
 - ii. description of the conditions and procedures for participation of shareholders in the General Meetings of the company;
 - iii. information regarding the possibilities and requirements for proxy representation of a shareholder in the Shareholders' General Meeting;
 - iv. the policy of shareholder representation according to the procedure established by Article 116 (4) of the Law on Public Offering of Securities, as adopted by the management bodies of the company, if the company has adopted such a policy;
 - v. details of the conditions and procedures for placing items on the agenda by shareholders of the company before and after publication of the notice of the Shareholders' General Meeting;
 - vi. information on the possibilities to follow the Shareholders' General Meeting and to cast votes in absentia using the Internet, in the cases where the management bodies of the company have made the technical arrangements for this.
 - c. Organizational structure of the company:
 - d. Governance system:
 - i. the directions adopted regarding the maximum number of companies wherein the participation is regarded as acceptable, within the context of the requirement for effective discharge of the duties as member of the management and supervisory bodies of the company, including the basic criteria differentiating participation in other commercial corporations depending on the position held therein and the time required by each such position for discharge of the relevant duties;
 - ii. the adopted independence criteria for the members of the Board of Directors/Supervisory Board;
 - iii. rules for determination of the compensation of the members of the management and supervisory bodies of the companies, including the aggregate amount of tantiemes that the said members may receive;

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iv. adopted rules and restrictions regarding the value of the gifts which the members of the supervisory and management bodies of the company may receive;

v. adopted rules regarding the intervals at which the management bodies analyze the operation and the prospects of the company.

e. Company policy on transactions with stakeholders and related parties.

f. Company policy on disclosure and dissemination of information.

g. the affiliation of the company to a economic group which principles of corporate governance the Company's management bodies take into account when performing their duties, if any.

3. The Articles of Association of the public company.

4. The Code of Ethical Conduct of the company employees.

5. Presentation of the management bodies: the governance system, including:

a. CVs of the members of the Board of Directors or of the Management and Supervisory Boards of the company, as the case may be, including information on the other public companies (including such traded on foreign securities markets), financial corporations, banks, insurance companies or other companies of whose management and supervisory bodies the person is a member;

b. information on the amount of the compensation voted by the Shareholders' General Meeting for each of the members of the management and supervisory bodies, including the total amount of money received by each member in connection with the position held thereby since the date of his or her election;

c. the aggregate value of the gifts received by the members of the management and supervisory bodies of the company;

d. percentage record of attendance of the meetings of the relevant boards held during the year for each one of the members of the management bodies;

e. all information regarding the management bodies of the company shall be presented in the English language as well.

6. Calendar of the planned and foreseeable corporate events, including at a minimum:

i. tentative dates for conduct of meetings of the management bodies of the company, including meetings of the Supervisory Board in a two-tier governance system;

ii. tentative items on the agenda of each one of the tentative meetings (discussion of current performance, adoption of quarterly financial reports, half-year and annual reports etc.);

iii. tentative dates for conduct of the meetings of the independent members of the Board of Directors/Supervisory Board of the company;

iv. tentative dates for publication of the analyses of the operation and prospects of the company, as prepared on a regular basis by the management bodies;

v. tentative dates for publication of the interim financial reports and the annual financial statements of the company;

vi. any other corporate events projected in advance.

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7. A News section, including subsections on:

- a. information under Article 28 (1) of Ordinance No. 2 dated 17 September 2003 on the Prospectuses upon Public Offering of Securities and on Disclosure of Information by Public Companies and Other Issuers of Securities;
- b. the Shareholders' General Meetings, with timely posting of:
 - i. the material concerning the agenda of the Shareholders' General Meeting;
 - ii. comprehensive information on the matters to be addressed at the meeting;
 - iii. the decisions taken at the previous Shareholders' General Meetings;
- c. the acquisition or sale of shares in the company or other financial instruments based on the shares in the company by the members of the management or supervisory bodies of the company or by other persons having managerial functions and permanent access to inside information in respect of the company, whereto rights have been delegated enabling them to make decisions affecting the economic situation of the company, as well as by parties related to such members or persons.

8. An Analyses section, including:

- a. the analyses of the state of affairs and the prospects of the company, as prepared on a regular basis by the management bodies of the company;
- b. the reports on the implementation of the Good Corporate Governance Programme as adopted by the company, prepared on a regular basis by the Board of Directors/the Supervisory Board;
- c. the results of the verifications as to the independence of the independent board members, as conducted on a regular basis by the Board of Directors/the Supervisory Board.

9. The rules and directions adopted by the management and supervisory bodies of the company, including:

- a. the adopted criteria for determination of independence of the members of the Board of Directors/Supervisory Board and the registered auditor/audit enterprise.

10. Company reports, including the interim financial reports and the annual financial statements of the company, including the consolidated interim and annual financial statements, in the cases where the company prepares such statements, as well as the governance reports prepared by the management bodies of the company.

11. Information on the dividends voted and distributed by the company for a period of at least five years.

12. Information on the auditors of the company.

13. The reports on implementation of the Good Corporate Governance Programme adopted for each one of the last five years.

14. Address, telephone and Internet address for contact with the Investor Relations Director of the company.

13.2. The material information affecting the price of the securities of the company, disclosed on the Internet site of the company, must be identical with the information which is or has already been submitted to the Financial Supervision Commission and

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BSE-Sofia in connection with the requirements for disclosure of information established by the law.

13.3. The information on the Internet site of the company must be published after being transmitted to the Financial Supervision Commission and BSE-Sofia and before being made available to the media, financial analysts and other users.

13.4. The information on the Internet site of the company should cover a period of at least three years, except in the cases where the company has not yet completed three full financial years.

The requirements about the development and acceptance of policies, rules, guidance and criteria connected with the application of the principles of corporate governance set out in this Code, shall be considered fulfilled when incorporated in the accepted by the company Good Corporate Governance Programme and Code of Ethical Conduct of its employees.