

Procedure for Initial Public Offering of Securities through the BSE-Sofia

1. On the grounds of an application filed by an issuer or by a Central Depository Member authorized by the issuer, a temporary issue for public offering of securities through the Exchange (IPO) will be registered with the Central Depository under a special code.
2. The Exchange Member performing the IPO will specify to the Central Depository an accumulation bank account, in which the IPO subscribers will remit their payments. The Central Depository will be entitled to require from the investment intermediary additional documents and agreements, if necessary. The bank, via the investment intermediary, will certify to the Central Depository that the respective account has been blocked (no money could be transferred out of it) (on the grounds of Art. 89 of the POSA), unless:
 - If the subscription has finished successfully but when shares are concerned – if the capital increase has been written within the Commercial Registry, the **unblocking of the account will be performed upon an order of the Central Depository**
 - If the subscription has failed, the **Central Depository (through immediate encashment) will pay the money back to the Exchange Members** who have subscribed shares for own account or for the account of clients. The member performing the IPO will be obligated to notify the Central Depository in a written form within the term as of Art. 84 (3) of the POSA
 - The member will be obligated to pay back the money to all subscribers to shares. The term for payment back will be one month following the announcement pursuant to Art. 84 (3) of the POSA. Money will be paid back with the current interest accrued. The issuer or the authorized investment intermediary will have to point out in the announcement as of Art. 89 (3) that every subscriber will receive its money back from the respective Exchange Member via whom the one has performed the subscription. This notice as well as the method for distribution of the interest accrued in the accumulation account should be defined in the Prospectus or in the proposed decision as of Art. 112 (5) of the POSA as well as the General Meeting's decision for a capital increase in case of a prospectus relief.
3. After notification by the Central Depository about compliance with items 1 and 2, the Exchange will register the temporary IPO issue within the terms of Annex 3 to the BSE Rules and Regulations. The Exchange will inform the Central Depository about the BSE code assigned to the respective issue.
4. The offering will start in compliance with Annex 3 to the BSE Rules and Regulations by entering of an "ask" order into the Trading System.
5. The Exchange Members will subscribe to shares through entering of "bid" orders at the issuing value (the price of the "ask" order) unless otherwise settled within the BSE Rules and Regulations or the Annex thereto.
6. The System of the Exchange will register transactions and report to the Central Depository till 3:00 p.m. on the "T" day.
7. The settlement procedures of the Central Depository will be the same applied to other exchange transactions but the clearing account of the seller will always be the one as of item 2.
8. After the end of the subscription, the Central Depository will terminate the temporary registration of the issue and register it again with the same holders but as a normal issue (already issued). In case of a capital increase, the subscription will be considered successfully finished after presenting to the Central Depository of a Court Decision certifying the writing of the capital increase within the Commercial Registry.
9. The Central Depository will inform the Exchange about the successfully finished subscription and the registration of the new issue. The Exchange will terminate the registration of the

respective issue on the IPO market and will undertake actions for its registration for trading under a new BSE code, for which the Central Depository will be notified.

10. In case of a failed subscription, after receipt of a notification from the Central Depository, the Exchange will immediately terminate the registration of the respective issue on the IPO market and inform the Central Depository thereof.
11. In the cases as of item 10, the transaction fees paid to the Exchange and to the Central Depository will not be payable back.