



# BSE ANNUAL GENERAL MEETING (AGM)

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**THE GENERAL MEETING IS THE MAIN COLLECTIVE MANAGEMENT  
BODY OF BSE AD.**

The AGM comprises all voting shareholders. As a main collective management body of the Exchange the competences of the General meeting include:

- amendment and supplement of the Articles of Association of BSE;
- election and discharge the members of the Board of Directors;
- taking decisions on profit distribution, etc.

The AGM of BSE is convened at least once per year. Persons who are registered as shareholders in the Central Depository at the date of the meeting have voting rights in the AGM.

According to the Article of Association a GM session is valid if more than one-half of the shares are represented at the said session. The GSM decisions come in power immediately unless their action is delayed. The discussions and the GM resolutions are documented in the GSM minutes of proceedings.

## **AGM - DEFINITION AND COMPOSITION**

The general meeting comprises all voting shareholders. A voting shareholder may participate in a BSE general meeting either in person or by proxy.

A member of the Board of directors may not be proxy for any shareholder.

If the personnel of BSE exceeds 50 employees, they can be represented in the General meeting by one person with a consultative vote. Their proxy have the rights referred to in Article 224 of the Commerce Act.

## **COMPETENCE OF THE AGM**

The general meeting of BSE is competent to:

- amend and supplement the Articles of Association of BSE AD;
- resolve on an increase and reduction of capital;
- determine the number, elect and remove the members of the Board of Directors, and fix the compensation thereof;
- appoint and dismiss certified public accountants;
- approve the annual report of the Board of Directors and resolve on the discharge from liability of the members of the said Board;
- approve the Annual Financial Statement after certification by the professional accountants as appointed, resolve on the distribution of profit and on replenishment of the Reserve Fund;
- determine the amount of the Reserve Fund and the sources from which the said Fund is raised;
- resolve on dissolution of the Exchange and elect liquidators.

## **TYPES OF AGM**

BSE Annual General Meetings are convened at least once a year and are held at the seat of the Exchange.

The General meetings of BSE are regular or extraordinary.

Regular AGMs are held no later than 6 months after the end of the reporting year.

Unlike the regular AGMs, for the extraordinary general meetings there are no special regulations in respect to the time they are convened. These general meetings can be convened by the Board of directors, or on the request of the owners which have held, for more than 3 months, shares representing at least 5 per cent of the capital when specific circumstances occur. For example, if the losses exceed one-half of the capital of BSE, a general meeting must be held not later than three months after establishing the said losses.

## **GENERAL MEETING CONVOCATION**

The GSM can be convoked by:

- the Board of Directors or;
- on the requisition of shareholders who have held shares representing at least 5% (five per cent) of the capital for a period exceeding three months.

The general meeting is convened by notice posted in the Commercial Register. The notice states the venue, the date, the time, the agenda of the session, and the date of a possible new meeting in the case of absence of a required quorum (According to the Article of Association the GM session is valid if more than one-half of the shares are represented at the said session.) In the absence of such quorum (50% of the shares) the Board of the directors of BSE may set a new meeting date which cannot be sooner than 14 days (and the general meeting at such latter date is valid regardless of the equity represented).

The time period from the posting in the Commercial Register until the opening of the meeting cannot be less than 30 days.

In the case when the AGM is convoked on the requisition of shareholders who have held shares representing at least 5% (five per cent) of the capital for a period exceeding three months, their requisition should be granted within one month. If the request has not been granted, or if a General Meeting has not been held within 3 months after submission of such request, the District Court calls a General Meeting or authorizes the shareholders who requested the Meeting, or a representative thereof, to call a Meeting. The fact that the stock has been held for more than 3 months should be established before the court with a notarized statement of certification.

## **ATTENDING AND VOTING AT THE AGM**

Persons who are registered in the Central Depository as shareholders 14 days prior the date of the meeting have voting rights at the AGM. To certify the right to attend the General Meeting, shareholders register with a person empowered by the Exchange. After registering the shareholders /or their representatives/ receive a card for participation and voting which shows the shareholder's name and the number of shares represented.

## LIST OF THE ATTENDING SHAREHOLDERS

A name list is prepared for the General Meeting containing information about the shareholders attending or of the representatives thereof and of the number of shares represented. Proxies are attached to the said list.

The shareholders and the representatives sign the said list in witness of the attendance thereof.

The attendance list is certified by the Chairperson and the Secretary of the General Meeting session.

## SHAREHOLDER REPRESENTATIVES

The voting right at BSE's general meetings may be exercised personally or by proxy. The shareholders who are natural or legal persons may authorize other persons to represent them at the AGM.

A shareholder may not, either in person or by proxy, vote on:

- actions brought by the company against it;
- proceedings to realize the liability of such shareholder to the company.

## INCLUDING ADDITIONAL ITEMS IN THE AGENDA

Shareholders who for more than three months have owned shares representing at least 5 percent of BSE's capital stock can, following the posting a notice in the Commercial Register or the sending out of invitations, also include other subjects on the General Meeting agenda.

Not later than 15 days prior to the opening of the General Meeting the said persons should file with the Commercial Register a list of the items to be included in the agenda, together with any motions for decisions. By virtue of being posted in the Commercial Register, said issues are considered as listed on the proposed agenda. The fact that the stock has been held for more than 3 months is attested to by a declaration.

## MAJORITY

A General Meeting session is valid where more than one-half of the shares are represented at the said session.

Unless the required number of shares is represented at the time and on the date appointed in the notice, the Board of Directors may schedule a new General Meeting within not less than 14 days thereafter.

The majority necessary for passing a resolution can be: ordinary and qualified.

Any resolution of the General Meeting is passed by a majority of the votes represented, unless a law or the Articles of Association of BSE provide otherwise.

Decisions related to dissolution of the Exchange can be taken by a majority of three-fourths of the votes represented.

## **GENERAL MEETING RESOLUTIONS**

The General Meeting may not pass resolutions on matters that have not been announced pursuant to the law, unless all shareholders are present or are represented at the meeting and no one objects to the submission of such matters to debate.

General meeting resolutions take effect immediately, unless such effect is deferred.

Resolutions to amend or supplement the Articles of Association, or dissolve the company take effect after registration in the commercial register.

Capital increases or decreases, transformation of the company, election or dismissal of members of the boards, as well as appointment of liquidators come into effect after their entry in the Commercial Register.

## **MINUTE BOOK**

The minutes of proceedings at the sessions of the General Meetings and at the meetings of the Board of Directors, after being signed by the relevant persons, are bound in a minute book, separately for each year. The minutes of an AGM comprise:

- the place, date and hour of the meeting;
- the names of the chairman and the secretary, and of the vote tellers;
- the attendance of the Board of directors, and of other persons which are not shareholders;
- the motions made on the substance of the debate;
- the votes taken and the results thereof;
- the objections made.

The minutes of the meeting are signed by the chairman and the secretary, and by the vote tellers. Attached to the minutes are:

- the list of participants;
- the documents relative to the convening of the meeting.

The minute books are in the custody of the Executive Director throughout the duration of the existence of the Exchange.

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