

**Information regarding the public company – Sopharma AD**

*1. Structure of the capital of the Company, including securities not admitted to trading on a regulated market in Bulgaria or another Member State, indication of the different classes of shares, the rights and obligations of each class of shares and the portion of the total capital represented by each class.*

Structure of the capital of Sopharma AD as at 31 December 2013:

Capital	132 000 000 BGN,	Ticker:	3JR
Physical persons	/4 443/ -	4 653 557 shares -	3,53%
Legal persons	/186/ -	127 346 443 shares -	96,47%

The shares of the Company are traded on the Bulgarian Stock Exchange – Sofia AD, Main Market (BSE), Segment PREMIUM.

The capital of the Company is divided into 132 million registered dematerialized shares each with a nominal value of 1.00 BGN.

Each share entitles to one vote at a General Meeting of Shareholders, right to dividends and a liquidation share in proportion to its nominal value.

The capital of the Company may be increased by a decision of the General Meeting of Shareholders adopted by majority as required by law.

In case of capital increase, each Shareholder has the right to acquire shares of the new emission, which correspond to their share in the capital before the increase.

A shareholder cannot participate in person or by proxy in voting related to:

- claims against them.
- taking action or refusal to act, related to the fulfillment of obligations to the Company.
- taking of decision under art. 114, par. 1 of POSA, in case they are an interested party within the meaning of POSA.

*2. Restrictions on transfer of securities, such as restrictions for possession of securities or the need to obtain approval of the Company or another shareholder:*

There is no restriction on the ownership of shares or need to obtain approval from Sopharma AD or another shareholder. No information has been received by the Company, which gives reason to believe that there are any restrictions on the transfer of shares.

The replacement of dematerialized registered shares with bearer shares and placement of restrictions on their transfer is allowed after removal of the Company from the register of the Financial Supervision Commission.

Transactions with dematerialized shares of the Company may be made only on the regulated markets of securities by investment intermediaries, as well as in other way, regulated by law.

The transfer of registered dematerialized shares, issued by the Company, is effective at the time of entering of the transaction in the register of the Central Depository, proving the

rights to these shares. The transfer of registered shares is in accordance with the requirements of current legislation.

**3. Information regarding the direct and indirect ownership of 5 percent or more of the voting rights at the General Meeting of the Company, including details of the Shareholders, the size of their shareholding and the type of shareholding.**

Shareholders holding more than 5 percent of the Company's capital as at 31 December 2013 are as follows:

**„Donev Investment Holding” AD,**

UIC 0831915121,

Sofia, 12 Positano Str.

Shareholding – direct 33 587 661 - /25,45%/

**“Telecomplect invest” AD,**

UIC 201653294,

Sofia, 9 Slaveikov Square

Shareholding – direct 26 948 052 - /20,42%/

**„Rompharm Company” EOOD**

UIC 200732874, Sofia,

Mladost,

7 Boian Damianov Str.

Shareholding – direct 18 619 212 - /14,11%/

**“Universal Pension Fund Doverie” AD,**

UIC 130474628,

Sofia, 5 Dunav Str.

Shareholding – direct 8 907 997 - /6,75%/

**4. Information on Shareholders with special control rights and a description of those rights - none.**

**5. The control system for exercising votes when employees of the Company are also its Shareholders and when the control is not exercised directly by them:**

The Shareholders may attend the General Meeting either personally or through an authorized representative. Several Shareholders may authorize a joint representative.

To participate in the General Meeting of Shareholders the Shareholders shall identify themselves with the statutory document certifying their rights on the shares they own. Representatives of the General Meeting of Shareholders shall identify themselves with an explicit written authorization having a minimum content set by Decree.

The voting right shall be exercised by persons who acquired shares not later than 14 days prior to the General Meeting.

There is no special system for control of voting in the event that employees of the Company are also its shareholders and when the control is not exercised directly by them.

**6. Restrictions on the voting rights, such as limitations on the voting rights of Shareholders by a certain percentage or number of votes, deadlines for exercising the**

***voting rights or systems in which with the cooperation of the Company the financial rights attached to shares are separated from the ownership of shares – no restrictions.***

***7. Agreements between Shareholders which are known to the Company and which may lead to restrictions on the transfer of shares or voting right - none.***

***8. The provisions concerning the appointment and dismissal of members of the governing bodies of the Company and on the making of amendments to the Articles of Association.***

Members of the Board of Directors may be physical or legal persons meeting the requirements of art. 234 of the Commercial Act and art. 116, par. 2 of POSA.

When a member of the Board of Directors is a legal person, it shall appoint a representative/s/ to fulfill their obligations towards the Board. The legal person is jointly and unlimitedly liable together with the other members of the Board for obligations resulting from the actions of its representative/s/.

Physical persons, who represent legal persons – members of the Board of Directors, must meet the requirements of art. 234, par. 2 of CA.

Members of the Board of Directors shall not be persons who have been members of a management or control body of a company liquidated by reason of insolvency during the past two years preceding the date of the bankruptcy decision, if any unsatisfied creditors remain.

Members of the Board of Directors shall not be persons who have been members of a management or control body of a Company for whom it has been proven through a penal provision the breaching of obligations on reaching and maintaining the prescribed reserve levels under the Oil and Oil Products Reserves Act.

At least one third of the members of the Board of Directors must be independent persons.

The independent member may not be:

- an employee in the public company;
- a shareholder, who holds directly or through related parties at least 25% of the votes of the General Meeting or is a person, related to the company;
- a person who has a long-term business relation to the public company;
- a member of a managing or controlling body, a procurator or an employee of a company or other legal person under item 2 and 3;
- a person related to another member of a managing or controlling body of the public company.

The members of the Board of Directors may be reelected without any restrictions.

In the event of changes in legislation the next General Meeting of Shareholders shall adopt amendments to the Articles of Association in order to align its provisions with those of the existing regulations. Until the adoption of such amendments, the affected parts of the Articles shall be interpreted in accordance with the Constitution and the laws of the country.

The Articles of Association shall be amended by a decision of the General Meeting of Shareholders with a two-thirds majority of the represented capital at the General Meeting. The current Articles of association have been registered in the Commercial Register under № 20130705100544.

***9. The powers of the governing bodies of the Company, including the right to decide on the issuing and buyback of shares of the Company.***

The powers of the Board of Directors are regulated in the Articles of Association of the Company. They determine the decisions, which can be taken with a qualified majority of two thirds of the members of the Board of Directors in order for them to be valid.

The Board of Directors is authorized to buy treasury stocks under certain conditions, according to decisions of the AGM from 23 June 2010, the EGM from 30 November 2011, the EGM from 1 November 2012 and the EGM from 28 February 2013.

*10. Significant contracts of the Company, which become effective, modified or terminated due to a change in control of the Company upon conducting a mandatory tender offer, and the consequences thereof, unless such disclosure may cause serious harm to the Company; the exception in the preceding sentence shall not apply in cases where the Company is legally obliged to disclose information – none.*

*11 Agreements between the Company and its governing bodies or employees for payment of compensation for termination or dismissal without legal basis or termination of employment for reasons relating to a tender offer - none.*

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**Ognian Donev, PhD**  
**Executive Director**