*Translation from Bulgarian*

---

# A R T I C L E S  O F  A S S O C I A T I O N

**of**

# " I N T E R C A P I T A L  P R O P E R T Y  D E V E L O P M E N T "

**J o i n t  s t o c k  s p e c i a l  i n v e s t m e n t  p u r p o s e  c o m p a n y – s e c u r i t i s a t i o n  o f  p r o p e r t y**

---

(Amended by the General Assembly of Shareholders (GAS) on 30 June 2015)

## SECTION I
## GENERAL PROVISIONS

### STATUTE

1. "INTERCAPITAL PROPERTY DEVELOPMENT", hereinafter referred to as "the Company", is a joint stock special investment purpose company within the meaning of Article 3, para 1 of the Act on the Special Investment Purpose Companies.

2. The Company is public as of the date of its enrollment in the Register of public companies and other issuers of equity under Article 30, para 1, point (3) of the Financial Supervision Commission Act.

3. The Company name is "INTERCAPITAL PROPERTY DEVELOPMENT" ADSIC.

4. The Company was registered and these Articles (hereinafter "the Articles") were adopted by the Incorporation meeting, held in Sofia, in the presence of the founder-members, signatory to these Articles.

### REGISTERED OFFICE AND PLACE OF BUSINESS

5. The registered office of the Company is in Sofia.

6. *(Amended by GAS on 24.3.2006)* The Company place of business is: City of Sofia, "Sredets" district, Aksakov Str. No 7 A, 4.

7. The name of the Company, together with details on its registered address and place of business, the court of registration and the reference number of court registration and bank account shall be stated in all business correspondence documents of the Company.

### BUSINESS ACTIVITY

8. The Company business activity shall be limited exclusively to: investment of cash assets, raised by means of supply of securities, in the purchase of property and limited rights in rem; development of own property by means of construction and improvement works; sales of property; lease or management of own property and other activities, related to securitisation of property, permitted by applicable law.

### TERM

9. The Company shall be established for an unlimited term.



***Managing Director:*** _____
*Velichko Klingov*

## INVESTMENT PURPOSES

10. The Company investment purposes are, as follows:

(a) To ensure the highest return on capital for its shareholders, at optimum risk/investment yield ratio;

(b) To increase the value of the Company shares;

(c) To guarantee current revenues for the shareholders in the form of cash divident;

(d) To increase the value of the property estates owned by the Company by means of their development, building and/or improvement.

11. The investment activities of the Company shall be limited within the statutory requirements, the provisions of these Articles, the decisions of the General Assembly and the provisions of the Prospectuses for the public offering of securities. The Company bodies shall be limited in no other way in seeking the optimum proportion of assets to invest in and the investment risk, at the best possible yield rates for the investors.

## INVESTMENT POLICY

12. The investment policy of the Company consists in the purchase of land which has not been built on, regulated or not regulated, and/or the construction of buildings on company property with the view of selling those buildings.

13. The Company may invest in all kinds and types of property on the territory of Republic of Bulgaria, including, but not limited to, plots which have not been built on or which have been built on, regulated or not regulated; residential buildings; commercial, industrial and administrative buildings; hotels; agricultural land and forests, etc., as well as in the acquisition of limited rights in rem on such property.

14. The Company shall not acquire property or limited rights in rem on property, which is subject to legal dispute at the time of investment.

15. The Company may from time to time acquire new assets without any limitations on the kind, type, location or value of the property, provided that the requirements of these Articles and the provisions of Bulgarian legislation are complied with.

# SECTION II

# CAPITAL AND SHARES. EXTERNAL FINANCING

## CAPITAL

16. (*Amended pursuant to Decision by the Board of Directors to increase the capital on 10.03.2010*) The capital of the Company is BGN 6,011,476 (six million eleven thousand four hundred seventy-six) Bulgarian lev.

17. (*Amended pursuant to a Decision by the Board of Directors to increase the capital on 10.03.2010*) The capital is divided into 6,011,476 (six million eleven thousand four hundred seventy-six) dematerialized registered shares with a right to vote, each with a nominal value of 1 (one) BGN.
18. The capital shall be registered and the full amount paid in as the Company is established.

## SHARES AND CLASSES OF SHARES

19. The Company shall issue book entry shares only, which shall be registered in accounts in the Central Depository. The Shareholders book of the Company shall be kept by the Central Depository.
20. Company shares shall be subscribed only against cash payments and after the full issue value has been paid in, except where bonds, issued as convertible debentures, are converted into shares.
21. The Company shall not issue any shares having more than one voting right or shares having additional share in the surplus upon liquidation.
22. The Company shall issue different classes of shares. The shares from one class provide all shareholders with equal rights.
23. The Company shall issue the following classes of shares.
    (a) Class A – ordinary registered voting shares;
    (b) Class B – preferred shares conferring rights to guaranteed or additional dividend but not conferring voting rights;
24. The Company may also issue varieties of Class B shares in the form of subclasses of shares, based on the amount of the guaranteed/additional dividend or the voting rights they confer.
25. The amount of the guaranteed or additional dividend accrued on the Class B shares shall be determined by the General Assembly by means of the decision on the increase in the capital of the Company with shares from the relevant class.
26. The Company shares shall be transferred freely, subject to no limitations or conditions, provided that the requirements of Bulgarian legislation and the provisions of the Central Depository on acquisition and disposal of book entry shares are complied with.
27. The transfer of shares shall have effect on the Company only to the extent that such transfer is registered in the Central Depository.

## RIGHTS OF SHAREHOLDERS

28. Each ordinary Class A share confers to its owner, hereinafter referred to as "Shareholder", the following rights:
    (a) The right to 1 (one) vote in the General Assembly of the Company;

(b) the right to subscribe for a part of each new issue of shares of the Company, corresponding to his/her capital share, excluding the issue for initial capital increase within the meaning of Article 13 of the Act on the Special Investment Purpose Companies;

(c) The right to receive dividend of the Company profits, corresponding to the nominal value of the capital share;

(d) The right to receive share in the Company assets upon liquidation, corresponding to the nominal value of the capital share;

(e) the right to receive the financial statements and the management reports of the Company, a copy of all Company prospectuses for the public offering of securities and corporate bonds, approved by the Financial Supervision Commission, as well as information on the essential points of the contracts with service agencies and the depository bank.

29. Each preferred Class B share conferring the right to guaranteed divident entitles its owner, hereinafter referred to as the "Shareholder", with the following rights:

(a) The right to participate in the General Assembly without a voting right, unless specified otherwise in the decision on the relevant issue of shares;

(b) the right to receive a guaranteed or additional dividend from the Company profits before holders of shares of class A in the amount stated in the decision on the emission of the relevant issue of shares;

(c) The right to subscribe for the corresponding part of each new emission of shares of the same class where an increase in the Company capital is performed;

(d) The right to receive a share in the Company assets upon liquidation, corresponding to the nominal value of the share in the Company capital;

(e) the right to receive the financial statements and the management reports of the Company, a copy of all Company prospectuses for the public offering of securities and corporate bonds, approved by the Financial Supervision Commission, as well as information on the essential points of the contracts with service agencies and the depository bank;

(f) the right to acquire 1 (one) voting right for each share he/she holds, in cases where the guaranteed or additional dividend has not been paid within one year period and the outstanding payment has not been paid in the following financial year, together with the due guaranteed/additional dividend for the same year.

## INCREASE IN CAPITAL

30. The capital of the Company may be increased exclusively by means of the public emission of new shares, including preferred shares, or by means of conversion of bonds, issued as convertible debentures tradable on a public market, into shares.

31. The Company shall not perform any raise in the capital by means of the conversion of part of the profits into securities or by means of increase in the nominal value of the shares already issued.

32. Except in the cases provided under item 35 of these Articles the increase in capital shall be performed by decision of the General Assembly of Shareholders. By means of such decision the Board of Directors may be authorized to carry out an increase in the capital by a fixed amount and within a set term, which shall not exceed 5 (five) years.

33. *(Amended by GAS on 29.06.2007, amended by GAS on 30.12.2009, amended by GAS on 30.06.2015)* By these Articles the Board of Directors shall be authorized, within a maximum period of 5 (five) years following the date of the General Assembly of Shareholders, at its own discretion and having defined all parameters of the issue concerned, to perform an increase in the capital of the Company until it reaches a maximum amount of BGN 50,000,000 (fifty million BGN), by means of emission of new shares, including preferred shares.

33a. (*New GAS 30.12.2009, amended by GAS on 30.06.2015*) By these Articles the Board of Directors shall be authorized, within a period of 5 (five) years following the date of the General Assembly of Shareholders, by its own discretion and having defined all parameters of the issue concerned, to issue warrants and/or convertible bonds, on the basis of which the capital of the Company may reach the maximum amount of BGN 50,000,000 (fifty million BGN). In cases where the Board of Directors issues convertible bonds it shall be authorised to determine the parameters of the conversion of bonds into shares, even after the term stated in the above sentence has expired, if the emission has been issued within the said period.

34. *(Amended by GAS on 30.12.2009.)* For each decision on the increase in capital or the issue of warrants and/or convertible bonds, the Board of Directors shall submit to the shareholders at the following regular general assembly a report, substantiating the type, class and amount of the emission of securities issued.

## INITIAL CAPITAL INCREASE

35. Within a period of six months following the incorporation of the Company, the capital of the Company shall be increased subject to the conditions of the public offering of shares of the same class as the shares subscribed for at the Incorporation meeting, with an amount of not less than 30% (thirty percent) of the registered capital (compulsory initial increase in the capital).

36. The compulsory initial increase in the capital shall be carried out based on a prospectus, approved by the Financial Supervision Commission. In addition to the prospectus, the Board of Directors is obliged, within the term stated under item 35, to also file an application for a license to perform the activities of a special investment purpose company for the securitization of property.

## REDUCTION IN THE CAPITAL

37. Reduction in the capital of the Company may not be performed by means of compulsory withdrawal of shares.

38. The capital of the Company may only be reduced by the decision of the General Assembly of the Shareholder, adopted by a majority of 2/3 of the represented capital and subject to the limitations of the applicable Bulgarian legislation.

39. The Company may not carry out buy-back of shares, as specified in Article 111(5) of the Public Offering of Securities Act (ЗППЦК).

## SECTION III
## INVESTMENT ACTIVITIES

### ACQUISITION OF ASSETS

40. The acquisition, management, and disposal of assets of the Company shall be performed by the Board of Directors subject to the limitations of these Articles and the provisions of the applicable law.

41. These Articles confer to the Board of Directors the powers, subject to the conditions of item 43 and within the object of the Company and its investment policy, by its own discretion, to carry out, without the prior consent of the General Assembly, transactions for the acquisition, transfer of company assets, entrusting for administration of immovable property and rights in rem, which exceed:

(a) one third of the lower value of the assets according to the most recent balance-sheet or the last audited balance-sheet of the Company, or

(b) 2 (two) percent of the lower value of the assets according to the most recent balance-sheet or the last audited balance-sheet of the Company, where interested parties participate in the transactions.

42. Before any acquisition or disposal of property is carried out, the Board of Directors shall commission to the servicing company that provides investment consultations or advice, to perform an assessment of the expedience of the investment and the opportunities to achieve the investment purposes of the Company. In cases where the opinion of the servicing company regarding the expedience of the investment is negative, the delegation of powers under item 41 shall not take effect.

43. Without prejudice to the authorization under item 41 and the provision of item 42, The Board of Director may not, without the prior consent of the General Assembly, acquire any immovable property or other rights in rem at prices that are significantly higher than the evaluation made, or dispose of immovable property or rights in rem at prices that are significantly lower than the evaluations made.

44. In performing the transactions under item 40, the Board of Directors shall be subject to the requirements of these Articles and the Prospectuses for the public offering of securities of the Company, as well as to the provisions of the applicable legislation.



***Managing Director:*** _____
*Velichko Klingov*

45. Before any acquisition and/or disposal of property is carried out, the Board of Directors shall commission the property evaluation to one or more experts having the qualififcations and experience in this field, corresponding to the requirements under item 46 of these Articles.

46. The evaluation of property shall not be commissioned to any person who:

(a) is a holder of shares in the Company, directly or indirectly;

(b) is a member of the Board of Directors of the Company;

(c) is a person related to a Board member or to any person that holds more than 5 (five) percent of the shares of the Company, directly or indirectly;

(d) is a seller/purchaser of the property, a member of a managing or supervisory body, a partner or a holder of shares in the selling/purchasing company, or a person, related to the selling/purchasing company, to a member of its managing or supervisory body, to its partner or to a holder of shares in the selling/purchasing company;

(e) may be subject to influence by some other form of dependency or a conflict of interests.

47. The Board of Directors shall adopt rules and criteria for the selection of expert asset valuers.

48. The immovable property held by the Company shall be evaluated at the end of every Quarter and at the end of every financial year or in case of occurrence of any changes in the immovable property price index with more than 5 (five) percent.

## LIMITATIONS

49. The Company shall not guarantee any third party debts or provide any loans.

50. The Company shall not invest more than 10% (ten percent) of its capital in servicing companies.

51. The Company shall not invest in participation shares in any companies except those stated under item 50.

52. The Company shall not participate on the equity market as an investor in assets, different from the ones defined under item 57 and item 58 of these Articles.

## FINANCING

53. The Company shall finance its investment activities by means of:

(a) own funds, raised by way of public offering of shares of the Company;

(b) the issue of bonds that are listed for trading on a regulated equity market;

(c) bank loans, provided in view of the acquisition of assets and the commissioning of those assets;

(d) bank loans with residual maturity of not more than 12 (twelve) months for the payment of interest. Those loans shall not amount to, at any point in time, more than 20% (twenty percent) of the carrying amount of the assets of the Company.

54. (*amended by GAS on 30.12.2009.)* The resources raised as specified under subparagraphs (b), (c), and (d) of the above item, may not, at any point in time, exceed more than 10 (ten) times the capital of the Company.

55. The Company shall issue bonds by the decision of the General Assembly of Shareholders or by the Board of Directors, acting in compliance with the conditions of item 56 or following due authorization by the General Assembly.

56. (*amended by GAS on 30.12.2009, amended by GAS on 30.06.2015)* By these Articles the Board of Directors shall be authorised, within a period of 5 (five) years following the date of the General Assembly of Shareholders, to issue corporate bonds at the total value of BGN 50,000,000 (fifty million BGN), subject to the limitations of item 54. The Board of Directors shall be free of any pressure in its decision regarding the type of bonds, the collateralization of the bond lendings, the amount of the interest payments and the method of payment of the maturity, taking into account the needs of the Company and the market conditions related to mobilization of external funding.

## INVESTMENT OF FREE RESOURCES

57. The Company may invest its free resources in equities, issued or guaranteed by the Bulgarian State, as well as in bank deposits.

58. The Company may invest up to 10 (ten) percent of its assets in mortgage bonds.

59. The Company may invest its free resources in other assets, provided they are eligible according to the applicable legislation.

## MANAGEMENT COSTS

60. The management costs of the Company shall be defined on a yearly basis by the General Assembly of Shareholders, and their maximum amount may not, at any point in time, reach more than 30% (thirty percent) of the balance-sheet value of the company assets.

61. The management costs, related to the remuneration of the servicing company providing investment consultations or advice, may not exceed 20% (twenty percent) of the value of assets, recorded on the balance-sheet of the Company at the end of every financial year.

62. The management costs of the Company, excluding those stated under item 61, may not exceed 10% (ten percent) of the value of assets, recorded on the balance-sheet of the Company at the end of every financial year.

63. The remuneration of the members of the Board of Directors shall include:

(a) flat monthly pay, the amount of which shall be determined by the General Assembly for the entire mandate of the Board at the point of its election, and which shall not exceed 10 minimum monthly salaries.

(b) one-off premiums amounting to not more than 0,1% of the Company profits before distribution of dividends, for each Board member, but not exceeding 0.5% for the Board of Directors as a whole.

## SECTION IV
## SERVICING COMPANIES. DEPOSITORY BANK

### DEPOSITORY BANK

64. The funds and equities of the Company shall be placed in safekeeping at a depository bank.

65. The depository bank shall be determined by unanimous decision of the Board of Directors.

66. The depository bank may not be an entity subject to bankruptcy or insolvency proceedings or one that is unable to adequately fulfil its obligations as a depository bank.

67. The depository bank may not be a creditor or a guarantor of the Company, except with regard to its claims related to the depository services contract.

68. The depository bank may not be the same entity as, or an entity, related to the servicing company, to members of the Board of Directors or to another person, who fulfils administrative or supervisory functions in the Company, to the investment firm that concludes and carries out the investment transactions, neither to persons in control of the Company.

69. The depository bank shall carry out payments on behalf of the Company subject to the conditions laid down in these Articles and a Prospectus for the public offering of securities.

70. The depository bank shall:

(a) takes care of all payments, related to transactions with Company assets, their conformity with the applicable legislation, these Articles and the prospectuses of the Company, as well as the performance of payments within the prescribed time-limits;

(b) ensures the collection and implementation of the company revenues in accordance with the law and the Articles of the Company;

(c) disposes of the Company assets, entrusted to it, only by the orders of authorized persons, unless these are contrary to the law, the company Articles or the depository services contract;

(d) reports to the Company on a regular basis about the entrusted assets and the concluded transactions.



***Managing Director:*** _____
*Velichko Klingov*

## SERVICING COMPANIES

71. The Company may not carry out autonomously any activities related to the operation, maintenance or development of property, including the performance of any construction and fitting out works, accounting, or any other activity, incompatible with the statute of the special investment purpose company.

72. The Board of Directors assigns by decision the implementation of the activities under item 71 above to Servicing companies, having at their disposal the necessary organisation structure and resources.

## CONTRACTS WITH SERVICE COMPANIES

73. The contracts with the service companies must include:

(a) subject-matter of the contract;

(b) rights and obligations of the parties;

(c) term of validity of the contract, procedures for amendment, annulment and termination of the contract;

(d) liability for damages, caused to the Company by means of the failure of the Servicing company to fulfill its obligations or the faulty fulfillment of those obligations;

(e) rules on loss settlement with regard to third party claims against the Company, recognized by the court, for damages, caused by the activities of the Servicing companies;

(f) rules on indemnification in case of administrative sanctions, imposed on the Company as a result of the activities of the Servicing companies;

(g) penalties for failure to comply with the obligations under the contract or annulment/termination of the contracts before the term set;

(h) other circumstances, required under the applicable legislation.

74. The servicing companies are entitled to remuneration for the activities they carry out, they shall receive from the Company all information necessary for the fulfillment of the tasks assigned to them, as well as the cooperation they may need.

75. The servicing companies are obliged to fulfill their contractual obligations with due commercial care, giving priority to the interests of the Company rather than to their own interests.

## REMUNERATION FOR THE SERVICING COMPANIES

76. The remuneration for the servicing companies shall be defined depending on the type, the specificity and the volume of the services delivered. It may be set as an absolute amount, an amount per unit of service performed, as a proportion to the revenues or to the value of the Company assets.

77. The remuneration of the servicing company providing investment consultations or advice shall be determined as a percentage of the surplus of the final over the initial net value of the assets.

78. Where necessary, the Board of Directors may also conclude contracts with other servicing companies, not explicitly defined in these Articles, their remuneration being determined in accordance with the rules laid down in item 76 above and the established commercial practices.

79. One servicing company may provide simultaneously more than one type of service. In such cases its remuneration may be determined as the sum of the remunerations, calculated based on the relevant rules.

**SERVICING COMPANY PROVIDING INVESTMENT CONSULTATIONS OR ADVICE**

80. In the performance of its activities the Board of Directors shall be supported and consulted by the servicing company that provides investment consultations and advice.

81. The Servicing company under item 80 shall draw up and propose to the Board of Directors the investment strategy of the Company, propose and explore the investment projects, provide advice regarding the management of the company assets and liabilities and the funding mechanisms.

82. The servicing company under item 80 shall be elected by the General Assembly of the Company. The first servicing company shall be elected at the Company incorporation meeting.

83. The contract with the servicing company under item 79 may be suspended unilaterally without any fault on the part of the servicing company, only by decision of the General Assembly of Shareholders, adopted by a majority of ¾ of the voting shares issued. By means of such decision a 6 (six) months period notice for the termination of the contract is given.

84. The contract with the servicing company under item 80 may be terminated at any point in time by the Board of Directors in the following cases:

(a) in case of deliberate breach of the obligations under the contract, for reasons within the responsibilities of the servicing company under item 80;

(b) in case of presence of conflict of interests between the servicing company and the Company, which may not be solved within the time-limits and following the procedures, provided under the contract with the servicing company under item 80;

## SECTION V
## COMPANY BODIES. MANAGEMENT

85. The bodies of the Company are the General Assembly of Shareholders and the Board of Directors.

## GENERAL ASSEMBLY. POWERS

86. The General Assembly consists of all persons, registered at the Central Depository as holders of shares of the Company 14 days before the date, on which the General Assembly is to be held.

87. The meetings of the General Assembly of Shareholders shall be attended also by the holders of shares without a voting right.

88. The shareholders participate in person or by authorized representative. The authorized representatives are not entitled to delegate their powers to third parties.

89. *(Amended by GAS on 18.06.2009.)* The power of attorney for participation in the General Assembly of Shareholders shall be written, explicit, undersigned autographically by the authorizing party – holder of shares, and shall comply with the requirements of Public Offering of Securities Act (ЗППЦК) and the implementing regulations.

89a. *(new, GAS of 18.06.2009)* The authorization may be effected also by electronic means. The Board of Directors shall adopt the terms and conditions for the reception of authorizations by electronic means, which shall be published on the website of the Company, and shall define the method/methods for acceptance of authorizations by electronic means.

89b. *(new, GAS of 18.06.2009.)* The shareholders may exercise their right to vote by means of correspondence, provided that their vote is received at the Company no later than two days before the date on which the General Assembly is held. The shares of the persons voting by means of correspondence shall be taken into account in determining the quorum, and the voting shall be registered in the record of the General Assembly. The Board of Directors shall determine the terms and conditions of voting by means of correspondence.

90. The members of the Board of Directors shall take part in the activities of the General Assembly without having the right to vote, unless where the latter are shareholdings with voting rights.

91. The General Assembly shall:

(a) amend the Articles of the Company;

(b) carry out increases and decreases in the Company's capital;

(c) restructure and dissolve the Company;

(d) elect and dismiss the members of the Board of Directors and determine their remuneration and the amount of the management guarantees in compliance with the rules, laid down in these Articles;

(e) appoint and dismiss certified public accountants;

(f) approve the annual accounts of the Company following their certification by the appointed certified public accountant;

(g) take decisions with respect to the emission of bonds and other debt securities;

(h) appoint liquidators in case of closure of the Company;

(i) give discharge from liability to the members of the Board of Directors;

(j) elect and dismiss the Servicing company under item 80 of these Articles.

(k) *(new, GAS of 18.06.2009.)* elect and dismiss the Chairperson and the members of the Auditing committee of the Company.

(l) *(ex. item "k")* decide on all other matters, placed within its discretion by the law or by these Articles.

92. (*Amended by GAS on 30.04.2010*) The decisions under item 91(a), (b), and (c), shall be adopted by a majority of 3/4 of the shares issued conferring a voting right.

93. (*Amended by GAS on 30.04.2010*) The decisions under item 91(d) for the election of members of the Board of Directors shall be adopted by simple majority, and the decision for the dismissal of members before their mandate has elapsed shall be adopted by 3/4 of the represented voting shares, except in cases of faulty failure to fulfil their obligations under these Articles, or in case of voluntary resignation.

## CALLING AND HOLDING MEETINGS OF THE GENERAL ASSEMBLY

94. The General Assembly shall be held at least once a year.

95. The General Assembly shall be called by the Board of Directors, as well as on request of the Shareholders, holding more than 5% (five percent) of the capital.

96. The General Assembly shall be held at the registered office of the Company.

97. *(Amended by GAS on 18.06.2009.)* The call to a General Assembly shall be made by means of convening invitation, announced at the Commercial Register no later than 30 (thirty) days before the opening of the General Assembly. The invitation must contain all requisites stated under the Trade Act and the Public Offering of Securities Act.

98. The printed materials, related to the agenda of the General Assembly, shall be made available to the holders of shares at the registered office of the Company by the date of publication of the invitation at the latest. Upon request these materials shall be provided to any shareholder free of charge.

99. (*Amended by GAS on 30.04.2010*) This statute does not establish a requirement for a quorum at the general meeting, except when the agenda of the General Assembly provides for a decision on the item. 91 letters (a), (b) and / or (c), under which condition for acceptance of a valid decision on the following points is the meeting to attend or be represented at least half plus one of all shares with the right to vote issued by the Company.

99a (*new, GAS of 30.04.2010)* In the absence of required under section. 99 of the Statute quorum for holding a general meeting may be scheduled another meeting not earlier than 14 days and it is legally independent of the represented capital. The date of the new meeting may be indicated in the invitation for the first meeting.

100. When determining the quorum only the voting shares of the Company shall be considered.

101. For each General Assembly a list of the attending shareholders and their representatives shall be compiled, stating also the number of the attending or represented shares. The

shareholders and the representatives shall certify their presence by their signature and shall present identification documents. The list shall be verified by the Chairperson and the Secretary of the General Assembly.

102. The General Assembly may not pass resolutions regarding matters, which were not stated in the invitation, except where all shareholders attend or are represented at the meeting and there are no objections to the matters tabled for discussion, or where they are duly proposed by shareholders holding not less than 5% (five percent) of the Company's capital.

103. At the General Assembly the shareholders may ask questions regarding the financial standing and the commercial activity of the Company, whether or not these questions are related to the declared agenda. The Board members are obliged to answer these questions correctly, exhaustively and on their substance, except with regard to circumstances subject to business secret.

104. Minutes of the meetings of the General Assembly shall be kept, wherein the details provided for in Article 232(1) of the Trade Act shall be stated, and which shall be undersigned by the Chairperson of the meeting and the teller of votes.

105. The minutes of the General Assembly, together with the list of the shareholders attending the meeting and the documents and materials related to the calling and holding of the General Assembly shall be stored for a 5-(five) year period and made available to the shareholders free of charge upon request.

## BOARD OF DIRECTORS

106. The Company shall be managed and represented by a Board of Directors, constituded of 3 (three) to 7 (seven) members.

107. One third of the members of the Board of Directors are independent persons within the meaning of Article 116a(2) of the Act on Public Offering of Securities.

108. The Board members or the natural persons representing legal persons - members of the Board of Directors, shall:

(a) have a higher education degree;

(b) posess relevant professional qualifications and experience;

(c) shall not be convicted of a crime of general nature;

(d) shall not be declared bankrupt as a sole trader or as a partner with unlimited liability in a company and shall not subject to bankruptcy proceedings;

(e) have not been members of a managing or supervisory body of a company or cooperation, terminated due to bankruptcy, during the last two years, preceding the date of bankruptcy, if there are unsatisfied creditors;

(f) shall not be spouses or third-degree relatives in the direct ascending line or the lateral branch inclusive, to each other or to another member of a managing or supervisory body of the servicing company;

(g) shall not be a partner or a shareholder, a member of a managing or supervisory body of the depository bank, neither a person related to that bank;

(h) shall not be stripped of the capacity to be appointed at a position including compensatory damages liability

109. The Board of Directors shall be elected by the General Assembly for a 5-year mandate. This rule shall not be applicable to the first Board of Directors, elected by the Incorporation meeting for a 3-year mandate.

110. The Board of Directors shall discuss and pass decisions on all matters, except those within the exclusive competence of the General Assembly.

111. The Board of Directors is empowered to conclude transactions within the object of the Company for the acquisition, transfer, lease or entrusting for administration of property, the value of which exceeds one third of the total value of assets, according to the most recent balance-sheet or the last audited balance-sheet of the Company, subject to the requirements of items 42 and 43 of these Articles.

112. The decisions of the Board of Directors shall be adopted by simple majority, except in cases of acquisition and sale of property, election or change of the Servicing company and the Deposiory bank, as well as decisions related to the type of shares and bonds and the amount of the issue. Such decisions shall be adopted by a majority of 2/3 of all members.

113. The Board of Directors shall report to the General Assembly of Shareholders for its activities.

114. The Board of Directors shall meet in ordinary session at least every three months.

115. The Board of Directors may also adopt decisions without calling a meeting, provided that all members declare in writing their consent to the decision.

116. The sessions of the Board of Directors shall be deemed as legitimate, provided that all members have been duly invited and at least half of the Board members attend the session. Minutes of the meetings shall be kept that shall be stored for a five(5)-year period following the date of the respective meeting.

117. The meetings of the Board of Directors shall be called by way of written or electronic invitations, sent by a method allowing registration of their receipt. The invitations shall be sent no later than three days before the date of the meeting.

118. The Board of Directors shall elect a Chairperson from among its members.

119. The Board of Directors shall delegate the representation of the Company before third parties to one or two of its members – Managing directors. Their mandate may be withdrawn at any point in time.

120. Where mandate is given to more than one managing director, they shall represent the Company individually, except in cases of:

(a) acquisition/sale of assets whose value exceeds 5% (five percent) of the net value of the company assets at the time of the transaction;

(b) conclusion of contract(s) with the Depository bank or the Servicing company.

121. The names of the Managing directors shall be entered in the Commercial Register and shall be made public.

122. Each member of the Board of Directors may request the Chairperson to call a meeting of the Board.

123. The Board of Directors shall adopt internal rules governing its activities.

124. The members of the Board are obliged to:

(a) manage the operation and the assets of the Company with due commercial care, giving priority to the interests of the shareholders rather than to their own interests;

(b) deposit, in the form of a guarantee in favour of the Company, an amount equal to at least their gross quarterly remuneration as members of the Board of Directors, or company shares with nominal value reaching that amount;

(c) fulfill their obligations acting in the interests of the Company and safeguard the Company's secrets after they are dismissed as members of the Board of Directors;

(d) ensure each real estate immediately after its acquisition.

125. The members of the Board of Directors shall be jointly liable for damages they have caused to the Company. The General Assembly may discharge from liability the Board members, if no fault is established for the damages incurred.

## INVESTOR RELATIONS DIRECTOR

126. The Board of Directors shall appoint by way of employment contract an Investor Relations Director, who may not be member of the Board or procurator at the Company and must posess the relevant qualification and experience.

127. The Investor relations director has the obligations laid down under Article 116d of the Act on Public Offering of Securities.

# SECTION VI
# PROFIT-SHARING

## ADOPTION OF ANNUAL ACCOUNTS

128. Annually, by the end of February, the Board of Directors shall draw up the annual accounts and the annual activity report for the preceding calendar year and shall present them to the Certified Public Accountant, approved by the General Assembly.

129. The annual accounts shall be audited by the certified public accountants appointed by the General Assembly. The latter shall be appointed at the Annual General Assembly within the same calendar year, for which the annual accounts of the Company shall be audited. Should

the calendar year elapse without any certified public accountants being appointed, the Board of Directors or any shareholder may apply to the respective court to appoint a certified public accountant for the elapsed calendar year.

## DISTRIBUTION OF PROFITS

130. Upon submission of the report of the Certified Public Accountants to the Board of Directors, the Board shall call the General Assembly and shall make a motion for the distribution of not less than 90 percent of the profits for that financial year, converted as specified in Article 10 of the Act on Special Investment Purpose Companies.

131. The right to participate in the distribution of profits and to receive dividends shall be reserved for the persons, registered at the Central Depository as shareholders of the Company within 14 days after the meeting of the General Assembly, which adopted the annual accounts and took the decision for distribution of profits, was held.

132. The annual dividend shall be payable within a period of 12 months following the end of the financial year concerned.

133. The Company shall establish a Reserve fund.

134. Financing sources for the Fund shall be:

(a) the funds received above the nominal value of the shares at the time of issue;

(c) other sources, provided for by decision of the General Assembly or the Board of Directors;

135. The assets of the Reserve fund may be used for the following:

(a) to cover the yearly loss;

(b) to cover the losses of the preceding year;

(c) other purposes, as determined by decision of the General Assembly.

136. The Company may also establish other funds by the decision of the General Assembly. By the decision on the formation of the fund the sources of financing shall be determined and the method of spending and goals they shall be used for.

## FINAL PROVISIONS

137. For all cases not expressly regulated in these Articles the provisions of the Act on Special Investment Purpose Companies, the Act on Public Offering of Securities and their implementing regulations and the Trade Act shall be applied, as well as all other relevant law.

138. In case of discrepancies between the text of these Articles and the provisions of the applicable legislation the latter shall prevail without making these Articles null and void in their entirety and no amendments to the latter shall be necessary, unless being expressly provided for in legal regulations.



***Managing Director:*** _____

*Velichko Klingov*

These Articles were adopted on the Incorporation meeting of "INTERCAPITAL PROPERTY DEVELOPMENT" ADSIC held on 18 February 2005, amended by the General assembly of shareholders of "INTERCAPITAL PROPERTY DEVELOPMENT" ADSIC held on 24 March 2006, amended by the General assembly of shareholders of "INTERCAPITAL PROPERTY DEVELOPMENT" ADSIC held on 29 June 2007, amended by the General assembly of shareholders of "INTERCAPITAL PROPERTY DEVELOPMENT" ADSIC held on 18 June 2009, amended by the General Meeting of Shareholders of "INTERCAPITAL PROPERTY DEVELOPMENT" ADSIC held on 30 December 2009, amended by the General Meeting of Shareholders of "Intercapital Property Development" ADSIC held on 30 April 2010, as amended pursuant to the Decision of the Board of Directors to increase the capital as of 10 March 2010, as amended by the General Meeting of Shareholders of "Intercapital Property DEVELOPMENT" ADSIC held on 30 June 2015.

**MANAGING DIRECTOR**:_____



***Managing Director:***_____

*Velichko Klingov*