

‘COMPLY OR EXPLAIN’
REPORT
of the National Corporate Governance Code
# of October 2017, amended and supplemented in 2012 and 2016

DOVERIE – UNITED HOLDING AD

Doverie – United Holding AD compiles a Programme for Good Corporate Governance and every year since 2003 the Holding has reported its activities with regard to good corporate governance in the Management Activity Report.

In October 2007, the Bulgarian Stock Exchange – Sofia (BSE-Sofia) adopted the National Corporate Governance Code, which is mandatory for public companies whose shares are traded on an official market.

On 09 January 2008, Doverie – United Holding AD has signed a statement that it adopts the National Corporate Governance Code and that it will perform its activities pursuant to its provisions.

The Code is adopted and implemented according to the 'comply or explain' principle, which means that the Code should be complied with, yet if not, the corporate boards must explain and disclose the reasons for non-compliance.

This report provides information on the implementation of the National Corporate Governance Code by Doverie – United Holding AD.

The actions of the management and the employees of Doverie – United Holding AD are aimed at strengthening the principles of good corporate governance, enhancing the confidence of shareholders, investors and those, interested in the management and the operations of the Holding.

At its meeting held on 20 February 2012, the National Corporate Governance Committee amended the National Corporate Governance Code (NCGC). The amendments were consistent with the amendments in the current legislative framework since its initial adoption to date. At the end of 2014, an Annex was approved to the NCGC, regarding the content of the reports 'Comply or Explain' in relation to a Recommendation of the European Commission of 9 April 2014 aiming at improving the quality of corporate governance reporting. Subsequent amendment of the Code was made in April 2016.

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Chapter One

CORPORATE MANAGEMENT

Doverie – United Holding AD has a two-tier management system which is why the recommendations of the Code for the one-tier management system are not applicable for the Holding and therefore are excluded from this document.

Two-tier management system -

The Supervisory Board and the Management Board jointly act in the interest of the shareholders and take into consideration the interests of the stakeholders.

1. Management Board

1.1. Functions and tasks

1.1.1. Should manage the company in accordance with the established company visions, goals and strategies in the best interest of all shareholders.

Doverie – United Holding AD applies this practice.

1.1.2. Should monitor the performance of the company and initiate changes in the management of its activities, when necessary.

Doverie – United Holding AD applies this practice.

1.1.3. Should treat equally all shareholders acting in their interest and in a diligent manner.

Doverie – United Holding AD applies this practice.

1.1.4. The members of the Management Board should base their actions on common principles of integrity and managerial and professional competence. The Management Board should adopt and follow a Code of Conduct.

Doverie – United Holding AD applies this practice. A Code of Conduct of the employees of the Holding was approved by Minutes of the Management Board of 20 November 2006.

1.1.5. Should set up and control the establishment and proper functioning of a corporate risk management system, including internal control and internal audit, while informing the Supervisory Board about its actions in a timely manner.

Doverie – United Holding AD applies this practice. By resolution of the General Shareholder Meeting (GSM) held on 14 July 2017 and pursuant to the provisions of Article 107 of the Independent Financial Audit Act (IFAA) a new audit committee was elected. The Rules of Procedure of the Audit Committee of the Company were approved by GSM. A change in the composition of the Audit Committee was made by resolution of GSM, dated 18 June 2019, with regard to a notification submitted by Nikolay Borisov on the changes in the circumstances, which

exclude his capacity as an independent member of the Audit Committee. An Internal Audit Department has been functioning in Doverie – United Holding AD as well. Internal Control and Risk Management Policy has been approved.

1.1.6. Should establish the company's financial and information system and should ensure its reliable functioning according to the directions set by the Supervisory Board.

Doverie – United Holding AD applies this practice. The established financial and information system of the Company is being updated in a timely manner with regard to the legislative changes, IFRS, and the changes in Doverie Group.

1.1.7. Should coordinate with the Supervisory Board its work on the company's business plan, carrying out of material transactions and implementing any other operations and actions required by the company's constitutional documents.

Doverie – United Holding AD applies this practice. The decisions of the Management Board are coordinated with the Supervisory Board in compliance with the provisions of the Commerce Act (CA), Public Offering of Securities Act (POSA) and the Statute of the Company.

1.1.8. Should inform and report to the Supervisory Board on its actions. For that purpose MB should provide the requested information in the format and within the established deadlines.

Doverie – United Holding AD applies this practice. The Management Board informs and reports to the Supervisory Board of Doverie – United Holding AD on its actions on joint meetings, providing periodic information (quarterly unconsolidated and consolidated financial statements, annual financial statements on that basis) as well as other regulated information.

1.2. Structure and competence

1.2.1. The structure and the number of members of the Management Board should guarantee the effective performance of the company.

Doverie – United Holding AD applies this practice. The Management Board consists of: Chairperson and two members (one of them is an Executive Director) with appropriate education, experience and competence, and they guarantee the effective performance of the Company.

1.2.2. Upon proposing new members of the Management Board, the principles of compliance of the candidates' competencies with the nature of the company's activities should be followed.

Doverie – United Holding AD applies this practice.

1.2.3. Management Contracts concluded with the members of the Management Board should stipulate the responsibilities and tasks, the criteria and level of the remuneration, the duty of loyalty to the Company, and the conditions for their dismissal.

Doverie – United Holding AD applies this practice.

1.2.4. The competences, rights and responsibilities of the members of the Management Board should comply with the law, the constitutional documents of the Company, and good professional and management practice.

Doverie – United Holding AD applies this practice.

1.3. Remunerations

1.3.1. In accordance with the law and good corporate governance practices, the amount and structure of the remuneration of the members of the Management Board should take into account the following:

1.3.1.1. The responsibilities and the contribution of each of the members of the Management Board to the Company's performance and results;

1.3.1.2. The ability to attract, select and retain qualified and loyal managers;

1.3.1.3. The need to have the interests of the members of the Management Board aligned with the long-term interests of the Company.

Doverie – United Holding AD applies this practice.

The Remuneration Policy of Doverie – United Holding AD is prepared by the Supervisory Board of the Company pursuant to the adopted regulations and the By-laws of the Company. Any amendment and supplement is made by the Supervisory Board and approved by the General Meeting of Shareholders. At an extraordinary meeting of the shareholders held on 29 September 2020 a new policy on the remunerations of the members of the Management Board and of the members of the Supervisory Board was adopted, which is harmonised with the amendments to Ordinance No.48 of 20 March 2013 on the Requirements to Remunerations, amended and supplemented in No. 61 of 10 July 2020. The new Policy adopted by 100% of the shares presented at the extraordinary general meeting of shareholders enters into force from 29 September 2020, as it cancels the Policy on the remunerations of the members of the Management Board and the Supervisory Board of Doverie – United Holding AD adopted at the general meeting of shareholders of the company held on 08 July 2014.

During the reporting period the Company does not have a Remuneration Committee. External consultants are not used for the development of the Remuneration Policy.

All members of the Management Board of Doverie – United Holding AD receive remuneration, which amount is determined by the General Meeting of Shareholders of the Company. The remuneration is paid under the terms and conditions of the Management Contracts, concluded between the MB members and the Holding.

In accordance with the By-laws, in case of a positive financial result /net profit/, the Executive Director is entitled to receive a one-time remuneration of 1% /one percent/ of the net annual profit of the Company.

1.3.2. It is recommended that the remuneration of the members of the Management Board should consist of basic salary and additional incentives.

1.3.2.1. The additional incentives should be specifically defined or definable and should be linked with clear and specific criteria and indicators with respect to the Company's performance and/or the meeting of targets set by the Supervisory Board.

1.3.2.2. The Company may offer to the Management Board member additional incentives such as shares, options on shares, and other appropriate financial instruments.

Doverie – United Holding AD does not apply this practice. The remuneration consists of one component – fixed remuneration. Until now the members of the Management Board have not been offered shares, options on shares and other appropriate financial instruments.

1.3.3. The disclosure of the remuneration of the members of the Management Board is in accordance with the law and the constitutional documents of the Company. Shareholders should have easy access to the policy, adopted by the Company concerning the determination of the remunerations and the bonuses of the MB members, as well as to the information about the annual remunerations and additional incentives received by them.

Doverie – United Holding AD applies this practice. Information on the annual remunerations received by the Management Board is presented in the annual financial statements of the Company and in the Report on the Implementation of the Remuneration Policy, which is a part of the annual financial statements of the Company. Doverie – United Holding AD publicly discloses the Remuneration Policy and any subsequent changes in clear and simple terms pursuant to the requirements of Article 12(3) of Ordinance No 48. /Website of the Company www.doverie.bg - Section 'About Us', sub-section 'Documents'/

1.4. Conflict of interests

1.4.1. The members of the Management Board should avoid and prevent any real or potential conflict of interests.

Doverie – United Holding AD applies this practice.

1.4.2. The procedures for avoidance and disclosure of conflicts of interests should be stipulated in the constitutional documents of the Company.

Doverie – United Holding AD applies this practice. Rules for avoiding and disclosing conflicts of interests are to be approved and included to the Rules of Procedure of the Management Board and Supervisory Board

1.4.3. The members of the Management Board should immediately disclose any conflicts of interests and provide shareholders with access to information about transactions concluded between the company and the members of the Board or any related party.

Doverie – United Holding AD applies this practice.

1.4.4. The Management Board and the Supervisory Board guarantee that all related party transactions shall be approved and carried out in such a way, which ensures effective management of conflict of interest and protects the interest of the company and its shareholders.

1.4.5. Each conflict of interests should be disclosed to the Supervisory Board. The members of the Management Board should inform the Supervisory board on having any direct, indirect or third-party-related material interest in any transaction or event, which could directly influence the company.

Doverie – United Holding AD applies this practice.

2. Supervisory Board

2.1. Functions and tasks

2.1.1. In accordance with the segregation of functions within the two-tier management system, the Supervisory Board must appoint the Management Board of the company, provide it with strategic guidance, oversee and control its activities.

Doverie – United Holding AD applies this practice.

2.1.2. The Supervisory Board should provide guidance to the Management Board on defining the vision, the goals, the strategy of the Company and the interests of the shareholders and should control their implementation.

Doverie – United Holding AD applies this practice

2.1.3. The Supervisory Board should provide guidance to the Management Board concerning the development and implementation of the risk management system, including the internal control, internal audit, and the financial information systems of the Company, and should control their proper functioning.

Doverie – United Holding AD applies this practice.

2.1.4. The Supervisory Board must ensure compliance with the law and the rules set in the constitutional documents of the company.
Doverie – United Holding AD applies this practice.

2.1.5. The Supervisory Board should carry out its activity by effective information exchange with the Management Board.
Doverie – United Holding AD applies this practice.

2.1.6. It is recommended that the Supervisory Board should evaluate the performance of the Management Board as a whole and the work of each of its individual members at least once per year.
Doverie – United Holding AD will apply this practice.

2.1.7. 1.1.3. The Supervisory Board should treat equally all shareholders, should act in their best interest and in a diligent manner.
2.1.8. When performing their duties, the members of the Supervisory Board should have access to all the necessary information about the company's activities.
Doverie – United Holding AD applies this practice.

2.2. Appointment and dismissal of the members of the Management Board

2.2.1. The Supervisory Board should appoint and dismiss the members of the Management Board in compliance with the legal requirements, constitutional documents of the Company, the best corporate governance standards, while respecting the principles of continuity and sustainability of the work of the Management Board.
Doverie – United Holding AD applies this practice.

2.2.2. The Supervisory Board remuneration policy should guarantee effective performance of the Company in the best interest of its shareholders.
Doverie – United Holding AD applies this practice.

2.3. Structure and competence

2.3.1. The members of the Supervisory Board should carry out their tasks independently and impartially in the best interest of the company.

Upon taking office, the members of the Supervisory Board have signed declarations pursuant to the legal provisions (Article 116a(2) of POSA)

2.3.2. The number of the members of the Supervisory Board, including the number of independent members and the proper segregation of tasks among them, should be stipulated in the constitutional documents of the Company.

2.3.3. The independent member of the Supervisory Board should act impartially and independently in the best interests of the company and all its shareholders. It is recommended to limit the number of the consecutive terms of the independent SB members.

Doverie – United Holding AD applies this practice

2.3.4. The members of the Supervisory Board should have appropriate knowledge and experience required to hold such position. At least one of the members should have financial competences.

Doverie – United Holding AD applies this practice.

2.3.5. After their election the new members of the Supervisory Board have to be familiarized with the basic legal and financial issues related to the activities of the Company. Professional training of the members of the Supervisory Board should be their constant priority.

Doverie – United Holding AD applies this practice.

2.3.6. The members of the Supervisory Board should have sufficient time to carry out their tasks and duties. It is recommended that the constitutional documents of the Company should limit the number of the companies in which the members of the Supervisory Board may hold management positions.

Doverie – United Holding AD does not apply this practice.

Doverie – United Holding AD may not limit the activity of the members of the Supervisory Board.

2.3.7. It is recommended that the procedures for selecting new Supervisory Board members should take into account the requirements for continuity and should ensure sustainability in the functioning of the Supervisory Board.

Doverie – United Holding AD applies this practice.

2.4. Remuneration of the members of the Supervisory Board

2.4.1. The remuneration of the members of the Supervisory Board should be determined by the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice.

2.4.2. It is recommended that the remuneration of the members of the Supervisory Board should be based on their activity and responsibilities and should not relate to the company's results.

Doverie – United Holding AD applies this practice. The remuneration of each member of the Supervisory Board is a fixed monthly amount. All members of the Management Board and the Supervisory Board of Doverie – United Holding AD receive remuneration, which amount is determined by the General Meeting of the Shareholders of the Company.

2.4.3. The remuneration of the independent members should be their basic salary only and should reflect their individual participation in meetings, their performance level in regard with their assigned tasks to control the operations of the executive management and to participated effectively in the work of the Company. ***Doverie – United Holding AD applies this practice.***

2.4.4. The members of the Supervisory Board should not be compensated for their activity with shares or options, or other additional incentives.

Doverie – United Holding AD applies this practice. The remuneration of the Supervisory Board members may not include shares, options and other additional incentives pursuant to the Remuneration Policy of the Company.

2.4.5. The disclosure of the remuneration of the members of the Supervisory Board should be in accordance with the law and the constitutional documents of the Company. Shareholders should have easy access to information concerning the remuneration.

Doverie – United Holding AD applies this practice.

Information on the remuneration of the members of the Supervisory Board is disclosed in the Annual Financial Statements, Annual Management Report of the Company in item 17, as well as in the Report on the Implementation of the Remuneration Policy.

Doverie – United Holding AD publicly discloses the Remuneration Policy and any subsequent changes in clear and simple terms pursuant to the requirements of Article 12(3) of Ordinance No 48. /Website of the Company www.doverie.bg - Section 'About Us', sub-section 'Documents' /

2.5. Conflict of interests

2.5.1. The members of the Supervisory Board should avoid and prevent any real or potential conflict of interests.

Doverie – United Holding AD applies this practice.

2.5.2. The procedures for avoiding and disclosing conflicts of interests should be stipulated in the constitutional documents of the Company.

Doverie – United Holding AD applies this practice.

2.5.3. The members of the Supervisory Board should immediately disclose any conflicts of interests and provide shareholders with access to information about transactions concluded between the company and the members of the Supervisory Board or any related party.

Doverie – United Holding AD applies this practice.

2.6. Committees

2.6.1. The work of the Supervisory Board should be assisted by committees. The Supervisory Board should assess the need for setting up committees in accordance with the specific operations of the company.

2.6.2. Depending on the requirements of the existing legislation and based on the criteria defined therein, the Supervisory Board approves the proposal the Management Board has made to the General Meeting of Shareholders of the company to elect an audit committee, whose composition should comply with the legal requirements and the specific needs of the company.

2.6.3. The committees should be set up according to written pre-established structure, scope of tasks, way of functioning and reporting procedures.

Doverie – United Holding AD applies this practice.

By resolution of the General Shareholder Meeting (GSM) held on 14 July 2017 and pursuant to the provisions of Article 107 of the Independent Financial Audit Act (IFAA) a new audit committee was elected. The Rules of Procedure of the Audit Committee of the Company were approved by GSM. Those who wish may get acquainted with the Rules on the website of the Company www.doverie.bg, Section 'About Us', sub-section 'Management' Audit Committee.

Chapter Two

AUDIT AND INTERNAL CONTROL

1. Corporate boards, assisted by an Audit Committee, and in accordance with the established professional standards and requirements, present in writing at the General Shareholder Meeting a motivated proposal for the selection of an external auditor.

Doverie – United Holding AD applies this practice.

An Audit Committee was elected at the Annual General Meeting of Shareholders, held on 14 June 2017. The Audit Committee is responsible for the selection procedure of a statutory auditor. A written recommendation of the Audit Committee on the statutory auditor is submitted to the attention of the shareholders at the Annual General Meeting of Shareholders pursuant to the provisions of Article 108 of the Independent Financial Audit Act.

2. Corporate boards should ensure compliance with applicable law with regard to independent financial audit.

Doverie – United Holding AD applies this practice.

3. The principle of rotation should be applied in proposing and appointing an external auditor.

Doverie – United Holding AD applies this practice.

The Audit Committee is responsible for the selection procedure of the statutory auditor pursuant to the provisions of the Independent Financial Audit Act and proposes its approval by the General Meeting of Shareholders. The auditors are appointed by the General Meeting of Shareholders for each financial year.

4. The audit committee supervises the internal audit process and monitors the overall relations with the external auditor, including the nature of non-audit services, provided by the latter.

Doverie – United Holding AD applies this practice. By resolution of the General Shareholder Meeting (GSM) held on 14 July 2017 and pursuant to the provisions of Article 107 of the Independent Financial Audit Act (IFAA) a new audit committee was elected. The Audit Committee comprises of three members and two of them are independent members. At the end of the year, a notification was submitted by Nikolay Borisov, in his capacity of an independent member of the Audit Committee, in connection with his election as a member of the Board of Directors of Doverie Invest EAD, which circumstance excludes his capacity as an independent member of the Audit

Committee. Elena Golemanova was elected as a new independent member of the Audit Committee by the General Meeting of Shareholders, held on 18 June 2019.

5. The Company should develop and implement an internal control system, which should identify any risks associated with the operation of the company and should help their effective management. Such system should also ensure the effective functioning of the reporting and the disclosure of information systems.

Doverie – United Holding AD applies this practice. Since 2012 the Holding has a functioning Internal Audit Department. The Company has adopted an Internal Control and Risk Management Policy in accordance with the requirements for the development and the implementation of an internal control system, which will also identify the risks associated with the operation of the company and will help their effective management.

Chapter Three

PROTECTION OF SHAREHOLDERS' RIGHTS

1. Protection of Shareholders' rights

Corporate boards should ensure equal treatment of all shareholders, including minority and foreign shareholders, and should be responsible to protect their rights and to facilitate the exercise of these rights within the limits permitted by the applicable legislation and pursuant to the provisions of the constitutional documents of the Company. Corporate boards shroud ensure that shareholders are well informed about their rights.

Doverie – United Holding AD applies this practice.

2. General Meeting of Shareholders

2.1.1. All shareholders should be informed about the rules for convening and conducting General Meetings of Shareholders, including voting procedures. Corporate boards should provide sufficient and timely information concerning the date and venue of the General Meeting, as well as complete information on the matters to be discussed and resolved at the meeting.

Doverie – United Holding AD applies this practice.

2.1.2. During the General Meeting of the Shareholders, the corporate boards should ensure that each shareholder is in possession of the right to express opinion and ask questions.

2.1.3. Shareholders who have the right to vote should have the opportunity to exercise their voting rights directly or through the use of a proxy at the General Meeting of Shareholders, and where the constitutional documents of the Company stipulate that - by correspondence and/or electronic means.

Doverie – United Holding AD applies this practice. Pursuant to the last amendments to the Articles of Association of the company adopted by the extraordinary general meeting of shareholders held on 15 January 2021 and registered in the registry batch of the company in the Commercial Registry at the Registry Agency on 26 January 2021, voting by correspondence and electronic means is admissible as the Management Board determines the manner of conduction of a general meeting of shareholders and the manner of voting for each separate session. This information is recorded in the invitation for the convening of the general meeting.

There was created a new Article 27a. :

Article 27a. (1) The general meeting of shareholders may also be conducted by the use of electronic means, by one or more of the forms provided for in the Public Offering of Securities Act, as well as by a combination of a physical-attendance session and any of these forms.

(2) Upon observance of the requirements of the Public Offering of Securities Act, the right to vote in the general meeting of shareholders may also be exercised before the date of conduction of the respective session by correspondence, by the use of mail, including email, courier or otherwise in a manner determined in the Rules on Voting by Electronic Means and Correspondence adopted by the company.

(4) Regardless of any opportunities provided for in these Articles of Association, the Management Board shall determine the manner of conduction of the general meeting of shareholders and the manner of exercising of the right to vote for each individual session of the general meeting, as the relevant information shall be made available to the shareholders in the invitation for the convening of the general meeting.

(4) The Rules on Voting by Electronic Means and Correspondence shall be adopted by the Management Board.

2.1.2. Corporate boards should exercise effective control and ensure that necessary arrangements are made for the voting of the authorized representatives (proxies) in accordance with the instructions of the shareholders or in accordance with the law.

Doverie – United Holding AD applies this practice.

2.1.3. Corporate boards should establish rules for the organisation and conduct of regular and extraordinary General Meetings of Shareholders. These rules should guarantee the equal treatment of

all shareholders and the right of each shareholder to express their opinion about the items on the agenda of the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice.

According to the latest amendments to the company's Articles of Association, effective from 26 January 2021, a new Article 38b was created with the following text:

Article 38b. The Management Board shall adopt rules for the voting at a general meeting of shareholders by proxy, which shall regulate the requirements to the contents of the voting form, the manners for receipt thereof by the shareholders and the conditions for shareholder identification."

2.1.4. Corporate boards should establish the rules and procedures for the conduct of the General Meeting of Shareholders in a manner which does not make voting procedure unnecessarily difficult or expensive.

Doverie – United Holding AD applies this practice.

2.1.5. Corporate boards should take actions to encourage the participation of all shareholders at the General Meeting of Shareholders, including by allowing the use of technical means (including internet) whenever possible and necessary.

Doverie – United Holding AD will apply this practice when a statutory regulation is established and a reliable and secure technical possibility is in place.

2.2. It is recommended that all members of the corporate boards should attend the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice.

2.3. Written materials for the General Meeting of Shareholders

2.3.1. Documentation and reference materials related to the agenda of the General Meeting of Shareholders should be clear, accurate and not misleading the shareholders. All proposals concerning major corporate events should be presented as separate items on the agenda of the General Meeting of Shareholders, including the proposal for profit distribution.

Doverie – United Holding AD applies this practice.

2.3.2. The company should maintain a special section on its website describing the rights of shareholders and their participation in the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice. The rights of the shareholders are described on the website of the Company www.doverie.bg in Section "About Investors", sub-section 'Shares and Shareholders'. Within the statutory deadlines, the invitation and the materials for the General Meetings of Shareholders and the GMS Protocols for the last five years are published in sub-section 'General Meeting of the Shareholders'. Through 'Contacts', 'Contact Form' the shareholders may inform themselves about any issues regarding their participation in the General Meeting of the Shareholders.

2.3.3. Corporate managements should assist shareholders, entitled under current law, to include additional items and to propose resolutions on items already included in the agenda of the General Meeting.

Doverie – United Holding AD applies this practice.

2.4. Corporate boards should guarantee the right of all shareholders to be informed about the resolutions that have been made by the General Meeting of Shareholders.

Doverie – United Holding AD applies this practice. The Protocols of the meetings are published within the statutory deadline with the Financial Supervision Commission (FSC), the Bulgarian Stock Exchange (BSE) and in X3News and on the website of the Company www.doverie.bg, Section 'About Investors', sub-section 'General Meetings of the Shareholders'.

2.5. Equal treatment of shareholders of the same class

2.5.1. All shareholders of the same class should be treated equally.

2.5.2. All shares of the same class should give equal rights to the shareholders of the same class.

2.5.3. Corporate boards should guarantee that sufficient information is provided to the investors about the rights attached to the shares of each class prior to their acquisition.

Doverie – United Holding AD applies this practice. The shares of the Company are ordinary, registered, dematerialized, freely transferable shares of one class with one voting right at the General Meeting of Shareholders, right to dividend and right to liquidation share.

2.6. Consultation between shareholders about main shareholder rights

2.6.1. Within the limits of the applicable law and according to the company's constitutional documents, the corporate boards may not hinder shareholders, including institutional investors, to consult each other on matters, related to their main shareholder rights in a manner, which does not allow misuse.

Doverie – United Holding AD applies this practice.

2.7. Controlling rights shareholders' transactions and abusive transactions

2.7.1. Corporate boards must not allow transactions of shareholders with controlling rights, which violate the rights and/or legal interests of other shareholders, including when the controlling shareholders are negotiating with themselves.

The management of Doverie – United Holding AD is not aware of circumstances for shareholders with special controlling rights.

Chapter Four

DISCLOSURE OF INFORMATION

1. Corporate boards must establish the information disclosure policy in compliance with legal requirements and the constitutional documents[1].

Doverie – United Holding AD applies this practice.

2. In accordance with the established policies under item 1, the corporate boards should create and maintain an information disclosure system.

Doverie – United Holding AD applies this practice.

3. The information disclosure system should guarantee equal access to information to shareholders, investors, and other stakeholders and should not allow for any misuse of inside information.

Doverie – United Holding AD applies this practice. The information disclosure to FSC, BSE Sofia AD and the public is done simultaneously by the Specialized Information Disclosure System X3news. Shortly thereafter the information is available on the Company`s website. Inside information is disclosed as soon as possible. This obligation in certain circumstances could harm the legitimate interests of the Company, and in such cases it is permissible to delay the disclosure. An important condition in this case is not to mislead the public and to protect the confidentiality of the information in order to prevent misuse.

4. Corporate boards should guarantee that the information disclosure system provides complete, timely, true and comprehensive information that allows for objective and well-informed decision-making and assessment.

Doverie – United Holding AD applies this practice.

[1] The constitutional documents are the Statute and all the internal documents, establishing specific rules, procedures and criteria for the operation and the management of the Company.

5. Corporate boards should promptly disclose information about the capital structure of the company and agreements that lead to effective control, according to the company's disclosure rules.
Doverie – United Holding AD applies this practice.

6. Within the limits of current legislation and in accordance with the constitutional documents of the company, corporate boards should ensure that the rules and procedures under which corporate control is acquired and extraordinary transactions are concluded, such as mergers and sales of a substantial part of the assets, are clearly and timely disclosed.
Doverie – United Holding AD applies this practice.

5. Corporate boards should establish and oversee the compliance with the internal rules for the preparation of the interim and annual reports and the proper disclosure of information.
Doverie – United Holding AD applies this practice. The Company presents in a timely and exhaustive manner in terms of content all annual and interim financial statements and other regulated information pursuant to the provisions of POSA and its implementing regulations. The information is presented simultaneously to FSC, BSE and the public via the X3news. Immediately after that it is published on the website of the Company www.doverie.bg

6. Corporate boards should adopt internal rules which provide timely disclosure of any significant periodic and ad-hoc information about the company, its management, corporate boards, operations and shareholding structure.

7. It is recommended that the company should set up and maintain a corporate website as part of a well-functioning information disclosure system with approved content, scope and frequency of information disclosure. It is recommended that the official information posted on the website should include at minimum:

- basic commercial and corporate information identifying the company;
- up-to-date information about the shareholding structure;
- constitutional documents of the company and adopted policies, pertaining to the operations and the functioning of the company;
- information about the structure and composition of the managing and supervisory bodies of the company as well as basic information about their members, including information about any committees;
- financial statements for the last ten years at least;

- materials for upcoming General Meetings of the Shareholders as well as any additional materials which have been submitted in compliance with the law; information about resolutions of the General Meetings of Shareholders for the last 3 years at least, including information about the dividends distributed by the company for that period;
- information about external auditors;
- information about up-coming events;
- information about the shares issued and other financial instruments;
- any information that is material to the company's activities;
- information about shareholders' rights, including sufficient information on the shareholders' right to request the inclusion of matters and to propose resolutions on matters already included in the agenda of the General Meeting under the provisions of Article 223a of the Commerce Act;
- contact details of the company's Investor Relations Director.

It is recommended that the company should also maintain an English version of its corporate website with identical content.

Doverie – United Holding AD applies this practice.

The web site of the Company is: www.doverie.bg

The English version of the site is not entirely identical in content with the Bulgarian version.

A new website of the Company was launched at the beginning of 2019.

8. The company should periodically disclose information about its corporate governance. The disclosure of corporate governance information should be effected in line with the 'comply or explain' principle. This principle requires to explain the reasons for not complying with individual provisions of the Code.

Doverie – United Holding AD applies this practice. The Company presents this Report as a separate document to the annual financial statements.

9. Corporate boards should provide disclosure of any material periodic and ad-hoc information about the company through channels that provide equal and timely access to relevant information by users.

Doverie – United Holding AD applies this practice.

Chapter Five

STAKEHOLDERS

1. Corporate boards should ensure effective interaction with the company's stakeholders. This category includes certain interested parties and groups of individuals who are directly influenced by the

company and who are in a position to influence the company themselves, including suppliers, customers, employees, creditors, public pressure groups and others. The company should identify the stakeholders who are interested in its activities, based on their scale and sphere of influence and impact, as well as their role and relationship to the company's sustainable development.

Doverie – United Holding AD applies this practice.

2. In its stakeholder policy, corporate boards should comply with existing laws. The corporate bodies should guarantee respect for stakeholders' rights, established by law or by virtue of mutual agreement with the company. Good corporate governance practice requires taking into consideration the interests of stakeholders with regard to the principles of transparency, accountability and business ethics.

Doverie – United Holding AD applies this practice.

3. Corporate bodies should provide stakeholders with sufficient information about their legal rights.

4. It is recommended that corporate boards should establish specific rules for addressing the interests of stakeholders to ensure appropriate stakeholder engagement when decisions requiring their input are made.

These rules should ensure balance between company development and the economic, social and ecological improvement of the environment in which the company operates.

Doverie – United Holding AD will apply this practice. Preparation and proposal for approval of these rules is forthcoming.

5. Corporate boards should maintain effective relations with the company's stakeholders. The company should periodically and in compliance with the legal provisions and good international practice for disclosure of non-financial information provide information about economic, social and environmental issues of concern to stakeholders, such as: fighting corruption; work with employees, suppliers and clients; company's social responsibility; environmental protection.

Doverie – United Holding AD applies this practice. The Holding compiles a non-financial statement to the annual consolidated financial statements pursuant to Article 48 of the Accounting Act .

6. Corporate boards should guarantee the right of prompt and regular access of stakeholders to relevant, sufficient and reliable information about the company when stakeholders participate in the process of corporate governance.

Executive Director:

/Alexandar Hristov/