



**WRITTEN MATERIALS UNDER THE AGENDA FOR
THE REGULAR ATTENDANCE SESSION OF THE
GENERAL ASSEMBLY OF SHAREHOLDERS
OF SPARKY ELTOS AD, LOVETCH**

27 June 2012

**INVITATION FOR CONVOCAION OF A REGULAR ATTENDANCE SESSION OF
THE GENERAL ASSEMBLY OF THE SHAREHOLDERS OF
SPARKY ELTOS AD, LOVETCH**

The Management Board of SPARKY ELTOS AD, Lovetch, on the grounds of the provisions of Art. 223, paragraph 1 of the Commercial Act convenes a regular attendance session of the General Assembly of the company's Shareholders on 27 June 2012 at 9.00 a.m. at No 9, Kubrat Str., 5500 Lovetch, under the following agenda and draft resolutions:

- 1.** Approving the Annual Report of the Management Board on the company's activities for the year 2011. *Draft Resolution:* The General Assembly of Shareholders approves the Annual Report of the Management Board on the company's activities for the year 2011.
- 2.** Approving the Audited Annual Financial Report of the company for the year 2011 and the Report of the certified auditor. *Draft Resolution:* The General Assembly of Shareholders approves the Audited Annual Financial Report of the company for the year 2011 and the Report of the certified auditor.
- 3.** Approving the Annual Consolidated Report of the Management Board on the company's activities for the year 2011. *Draft Resolution:* The General Assembly of Shareholders approves the Annual Consolidated Report of the Management Board on the company's activities for the year 2011.
- 4.** Approving the Audited Annual Consolidated Financial Report of the company for the year 2011 and the Report of the certified auditor. *Draft Resolution:* The General Assembly of Shareholders approves the Audited Annual Consolidated Financial Report of the company for the year 2011 and the Report of the certified auditor.
- 5.** Approving the Annual Consolidated Report of the Management Board on the company's activities for the year 2010. *Draft Resolution:* The General Assembly of Shareholders approves the Annual Consolidated Report of the Management Board on the company's activities for the year 2010.
- 6.** Approving the Audited Annual Consolidated Financial Report of the company for the year 2010 and the Report of the certified auditor. *Draft Resolution:* The General Assembly of Shareholders approves the Audited Annual Consolidated Financial Report of the company for the year 2010 and the Report of the certified auditor.
- 7.** Adopting a decision to release from responsibility the members of the Management Board for their activities during 2011. *Draft Resolution:* The General Assembly of Shareholders releases from responsibility the members of the Management Board for their activities during 2011.

- 8.** Adopting a decision to release from responsibility the members of the Supervisory Board for their activities during 2011. *Draft Resolution:* The General Assembly of Shareholders releases from responsibility the members of the Supervisory Board for their activities during 2011.
- 9.** Hearing the report on the activities of the company's Investor Relations Director for the year 2011. *Draft Resolution:* The General Assembly of Shareholders hears and approves for its information the report on the activities of the company's Investor Relations Director for the year 2011.
- 10.** Hearing the annual report of the company's audit committee for the year 2011. *Draft Resolution:* The General Assembly of Shareholders hears and approves for its information the annual report of the company's audit committee for the year 2011.
- 11.** Election of a certified auditor to verify and certify the company's Annual Financial Report for the year 2012. *Draft Resolution:* The General Assembly of Shareholders approves a decision for election of a certified auditor to verify and certify the company's Annual Financial Report for the year 2012 in accordance with the recommendation of the company's audit committee.
- 12.** Approving a decision for covering the generated loss in 2011. *Draft Resolution:* The General Assembly of Shareholders approves a decision the loss generated by the company in 2011 to be covered by the premium reserve.

All shareholders of the company are invited to participate personally or by proxy. Written materials for the Assembly are available for the shareholders at the company's office address at No 9, Kubrat Str., 5500 Lovetch every business day from 10.00 a.m. to 4.00 p.m. The invitation together with the written materials under the items from the agenda for the Assembly shall be posted on the website of SPARKY ELTOS AD http://sparkygroup.com/bg/investor_relations/sparky_eltos_ad/sparkyeltosad for the period from the promulgation of the invitation in the Commercial Register until the end of the General Assembly.

Persons holding together or separately at least 5 percent of the capital of SPARKY ELTOS AD can request inclusion of items and suggest resolutions for already included items in the agenda for the General Assembly under the procedure of article 223a of the Commercial Act. Not later than 15 days prior to the opening of the General Assembly those shareholders shall present for promulgation in the Commercial Register a list of the items to be included in the agenda and the draft resolutions. With the promulgation in the Commercial Register the items shall be considered as included in the suggested agenda. Latest on the following business day after the promulgation, shareholders shall present the list of items, draft resolutions and the written materials upon the registered seat and management address of the company as well as to the Financial Supervision Commission.

During the General Assembly, company's shareholders shall have the right to raise questions on all items from the agenda as well as questions regarding the economic and

financial state and the commercial activity of the company, irrespective if the latter are related to the agenda.

In case of lack of quorum on the first announced date for the GAS, on the grounds of article 227, paragraph 3 of the Commercial Act the General Assembly will be held on 12 July 2012 at 9.00 a.m. at the same place and under the same agenda. In the agenda for the new session can not be included items under the procedure of article 223a of the Commercial Act.

Registration of the shareholders will be made on the date of the General Assembly from 8.30 a.m. until 9.00 a.m. For registration and participation at the GAS individuals – shareholders shall present a personal identification document. Legal entities – shareholders shall present an original of a current certificate for a commercial registration as well as an identification document for the representative by law.

Proxy Voting Rules: In case of representation of a shareholder at the General Assembly, on the grounds of the provision of article 21, paragraph 1 of the Articles of Association of SPARKY ELTOS AD and the Proxy Voting Rules, approved by the Management Board, it will be necessary to be also presented an explicit, notary signed proxy for the particular General Assembly with the contents under article 116, paragraph 1 of the Law on Public Offering of Securities. In case when the legal entity is not represented by its representative by law, the proxy holder shall present an identification document, original of a current certificate for a commercial registration of the respective company – shareholder and an explicit, notary signed proxy for the particular General Assembly with the contents under article 116, paragraph 1 of the Law on Public Offering of Securities.

In case of representation of company's shareholder by a legal entity – proxy holder, except for an identification document for the proxy holder, representing the company, it shall be also presented an original of a current certificate for a commercial registration of the respective company – proxy holder and an explicit, notary signed proxy for the particular General Assembly with the contents under article 116, paragraph 1 of the Law on Public Offering of Securities.

On the grounds of the provision of article 116, paragraph 4 of the Law on Public Offering of Securities reauthorization with the rights given to the representative/proxy holder according to the proxy as well as a proxy given in violation of the provision of article 116, paragraph 1 of the Law on Public Offering of Securities shall be invalid.

The certificate for commercial registration as well as the proxy for representation at the General Assembly of the Shareholders issued in a foreign language must be presented together with a legalized translation in Bulgarian language in accordance with the provisions of the existing legislation. In case of any discrepancy between the texts, the data in the Bulgarian translation shall be considered as true.

The Management Board of SPARKY ELTOS AD presents a sample of the written proxy on paper and in electronic version together with the materials for the General Assembly. The proxy sample shall also be available on the website of the company http://sparkygroup.com/bg/investor_relations/sparky_eltos_ad/sparkyeltosad. Upon request, a sample of the written proxy shall be presented also after convocation of the ordinary session of the General Assembly of the Shareholders.

SPARKY ELTOS AD shall receive and accept for valid announcements and proxies by electronic means on the following electronic mail: dvi.se@sparkygroup.com as the electronic announcements should be signed with an universal electronic signature (UES) on the part of the authorizer and an electronic document (electronic image) of the proxy is enclosed to them which also has to be signed with an universal electronic signature (UES) on the part of the authorizer.

Voting through correspondence and electronic means is not admissible according to the current Articles of Association of the company.

The Management Board of SPARKY ELTOS AD informs that the total number of company's shares and voting rights by the date of the decision of the Management Board for convocation of the General Assembly – 11 May 2012 is 16 735 320. On the grounds of article 115b, paragraph 1 of the Law on Public Offering of Securities voting rights at the General Assembly shall be exercised by persons/entities who/which had been entered in the Central Depository's register as shareholders of the company 14 day prior to the date of the General Assembly. The date under the previous sentence for the regular session of the General Assembly of the shareholders of SPARKY ELTOS AD is 13 June 2012. Only persons/entities who/which had been entered as shareholders of the company on that date shall have the right to participate and vote at the General Assembly.

To
the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 1 of the Agenda: Approving the Annual Report of the Management Board on the company's activities for the year 2011.

The Management Board of SPARKY ELTOS AD, having prepared and approved at its session the Annual Report of the Management Board on the company's activities for the year 2011 which was presented to and verified by the certified auditor, suggests to the general assembly of the shareholders to approve the following resolution under item 1 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves the Annual Report of the Management Board on the company's activities for the year 2011.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 2 of the Agenda: Approving the Audited Annual Financial Report of the company for the year 2011 and the Report of the certified auditor.

The Management Board of SPARKY ELTOS AD prepared the Annual Financial Report of the company for the year 2011 which was presented for verification and certification to the elected certified auditor of the company – specialized audit company Grant Thornton Ltd., reg. No 032. The Annual Financial Report of the company was verified and certified without a qualified statement.

With this regard the Management Board suggests to the general assembly of the shareholders to approve the following resolution under item 2 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves the Audited Annual Financial Report of the company for the year 2011 and the Report of the certified auditor.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 3 of the Agenda: Approving the Annual Consolidated Report of the Management Board on the company's activities for the year 2011.

The Management Board of SPARKY ELTOS AD, having prepared and approved at its session the Annual Consolidated Report on the company's activities for the year 2011 which was presented to and verified by the certified auditor, suggests to the general assembly of the shareholders to approve the following resolution under item 3 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves the Annual Consolidated Report of the Management Board on the company's activities for the year 2011.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 4 of the Agenda: Approving the Audited Annual Consolidated Financial Report of the company for the year 2011 and the Report of the certified auditor.

The Management Board of SPARKY ELTOS AD, having prepared the Annual Consolidated Financial Report of the company for the year 2011, presented the report for verification and certification to the elected certified auditor of the company – specialized audit company Grant Thornton Ltd., reg. No 032. The Annual Consolidated Financial Report of the company was verified and certified without a qualified statement.

With this regard the Management Board suggests to the general assembly of the shareholders to approve the following resolution under item 4 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves the Audited Annual Consolidated Financial Report of the company for the year 2011 and the Report of the certified auditor.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 5 of the Agenda: Approving the Annual Consolidated Report of the Management Board on the company's activities for the year 2010.

The Management Board of SPARKY ELTOS AD, having prepared and approved at its session the Annual Consolidated Report on the company's activities for the year 2010 which was presented to and verified by the certified auditor, suggests to the general assembly of the shareholders to approve the following resolution under item 5 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves the Annual Consolidated Report of the Management Board on the company's activities for the year 2010.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 6 of the Agenda: Approving the Audited Annual Consolidated Financial Report of the company for the year 2010 and the Report of the certified auditor.

The Management Board of SPARKY ELTOS AD, having prepared the Annual Consolidated Financial Report of the company for the year 2010, presented the report for verification and certification to the elected certified auditor of the company – specialized audit company Grant Thornton Ltd., reg. No 032. The Annual Consolidated Financial Report of the company was verified and certified without a qualified statement.

With this regard the Management Board suggests to the general assembly of the shareholders to approve the following resolution under item 6 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves the Audited Annual Consolidated Financial Report of the company for the year 2010 and the Report of the certified auditor.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 7 of the Agenda: Adopting a decision to release from responsibility the members of the Management Board for their activities during 2011.

As obvious from the presented report on the activities, no damages have occurred to the company as a result of actions or omissions of members of the Management Board. With this regard the Management Board suggests to the general assembly of the shareholders to approve the following resolution under item 7 of the Agenda

Draft Resolution:

The General Assembly of Shareholders releases from responsibility the members of the Management Board for their activities during 2011.

1. Nikolay Kulbov – Chief Executive Director and Chairperson of the Management Board
2. Ivan Alexiev – Member of the Management Board
3. Gina Kalcheva - Member of the Management Board
4. Anatoliy Ivanov - Member of the Management Board
5. Miroslav Kalonkin - Member of the Management Board
6. Dimitar Bodzhakov - Member of the Management Board

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 8 of the Agenda: Adopting a decision to release from responsibility the members of the Supervisory Board for their activities during 2011.

The Management Board of SPARKY ELTOS AD suggests to the general assembly of the shareholders to approve the following resolution under item 8 of the Agenda

Draft Resolution:

The General Assembly of Shareholders releases from responsibility the members of the Supervisory Board for their activities during 2011.

1. Stanislav Petkov – Chairperson of the Supervisory Board
2. Petar Baburkov – Member of the Supervisory Board
3. Doyno Petrovsky – Independent Member of the Supervisory Board

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 9 of the Agenda: Hearing the report on the activities of the company's Investor Relations Director for the year 2011.

Pursuant to the provision of article 116d, paragraph 4 of the Law on Public Offering of Securities, the IR Director shall report on his/her activities to the shareholders at the annual general assembly. Th IR Director of SPARKY ELTOS AD has presented to the Management Board of the company a Report on her activities in 2011. With this regard the Management Board suggests to the general assembly of the shareholders to approve the following resolution under item 9 of the Agenda

Draft Resolution:

The General Assembly of Shareholders hears and approves for its information the report on the activities of the company's Investor Relations Director for the year 2011.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 10 of the Agenda: Hearing the annual report of the company's audit committee for the year 2011.

Pursuant to the provision of article 40l of the Independent Financial Audit Act, the audit committee shall report on its activities to the general assembly of the company, once per year, together with the approval of the annual financial report. The audit committee of SPARKY ELTOS AD has presented the report on its activities for the year 2011 to the company's Management Board. With this regard the Management Board of SPARKY ELTOS AD suggests to the general assembly of the shareholders to approve the following resolution under item 10 of the Agenda

Draft Resolution:

The General Assembly of Shareholders hears and approves for its information the annual report of the company's audit committee for the year 2011.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 11 of the Agenda: Election of a certified auditor to verify and certify the company's Annual Financial Report for the year 2012.

Pursuant to the provision of article 40k of the Independent Financial Audit Act, election of a certified auditor to perform independent financial audit of a company with activities to the public interest, shall be made based on a recommendation of the audit committee. The audit committee of SPARKY ELTOS AD has presented its recommendation for election of a certified auditor to verify and certify the annual financial report of the company for the year 2012, namely: specialized audit company Grant Thornton Ltd., reg. No 032. With regard to SPARKY ELTOS AD, the key auditor of the audit company meets the requirement of the provision of article 40n, paragraph 2 of the Independent Financial Audit Act due to the fact that the auditor has not performed audit engagements with regard to SPARKY ELTOS AD within a period of 5 years.

With this regard the Management Board of SPARKY ELTOS AD suggests to the general assembly of the shareholders to approve the following resolution under item 11 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves a decision for election of a certified auditor to verify and certify the company's Annual Financial Report for the year 2012 in accordance with the recommendation of the company's audit committee.

Chairperson of the Management Board:

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To the shareholders of
SPARKY ELTOS AD, Lovetch

SUGGESTION

Of the Management Board of SPARKY ELTOS AD, Lovetch through the Chairperson of the Management Board under item 12 of the Agenda: Approving a decision for covering the generated loss in 2011.

The Management Board of SPARKY ELTOS AD, having discussed the financial results of the company as well as the 2011 annual financial report suggests to the general assembly of the shareholders to approve the following resolution under item 12 of the Agenda

Draft Resolution:

The General Assembly of Shareholders approves a decision the loss generated by the company in 2011 to be covered by the premium reserve.

Chairperson of the Management Board:

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