I. GENERAL PROVISIONS

Art. 1. (1) These rules aim to ensure the equal treatment of all shareholders of the company during the organization and holding of a general meeting, and the right of each shareholder to express their opinion on the agenda items.

(2) The rules are adopted in compliance with the requirements set forth in the National Corporate Governance Code.

Art. 2. (1) The Board of Directors of M+S Hydraulic Plc guarantees that the procedures regulated in these Rules are in accordance with the current regulatory framework and are organized in a manner that does not unnecessarily hinder or increase the cost of voting. (2) The members of the Board of Directors of M+S Hydraulic Plc shall make efforts to attend every general meeting of shareholders.

II. ORGANIZATION AND HOLDING OF A GENERAL MEETING

Art. 3. The General Meeting of Shareholders of M+S Hydraulic Plc shall be held in the town of Kazanlak, at the registered office of the company.

Art. 4. (1) The Annual General Meeting of Shareholders shall be held by the end of the first half of the year following the end of the reporting financial year.

(2) It shall be convened after the preparation of the annual financial statements and the annual activity report of the company for the preceding year.

Art. 5. (1) An Extraordinary General Meeting of Shareholders shall be convened when necessary to resolve matters within its competence, in accordance with the procedure established by the current regulatory framework.

(2) If the company's losses exceed 50 percent of its capital, the Board of Directors shall convene a General Meeting of Shareholders no later than three months from the establishment of the losses.

Art. 6. A General Meeting shall be convened by the Board of Directors or at the request of shareholders who have held shares representing at least 5% of the company's capital for more than three months.

Art. 7. (1) The General Meeting shall be convened by an invitation announced in the Commercial Register at least 30 days prior to the date of the meeting. Within the same period, M+S Hydraulic Plc shall publish the invitation and the materials on the agenda in the media it has a contract with and on its website.

(2) The invitation shall state the name and the registered office of the company; the venue, date, time, and type of the general meeting; the formalities to be completed for participation in the meeting and for exercising the right to vote, including deadlines arising from the law, the total number of shares and voting rights in the general meeting as of the date of the resolution to convene the general meeting; the agenda of the items proposed for discussion and the specific draft resolutions.

(3) In addition to the information under the preceding paragraph, the invitation shall contain information regarding the rights of shareholders to participate in the general meeting; to include items on the agenda of the general meeting and to make proposals for resolutions on items included in the agenda of the general meeting, as well as the deadline for exercising this right; to ask questions during the general meeting; the date as of which the persons registered as shareholders have the right to participate and vote in the general meeting; the place and manner of obtaining the written materials on the agenda of the general meeting, and the website where the invitation and the materials on the agenda are published.

(4) An integral part of the invitation shall be the Proxy Voting Rules and a proxy form for the specific general meeting.

(5) All proposals related to major corporate events, including the proposal for profit distribution, shall be formulated as separate items on the agenda.

(6) The general meeting of shareholders may not adopt resolutions on items that have not been included on the agenda in accordance with the procedure of the Commercial Act, except when all shareholders are present or represented at the meeting and no one objects to the matters raised to be discussed.

Art. 8. (1) The written materials on the agenda of the meeting shall be specific and clear and shall be prepared in a manner that does not mislead the shareholders.

(2) The election of members of the Board of Directors shall be conducted through a transparent procedure. The materials under paragraph 1, shall include data regarding the names, permanent address, and qualifications of the candidates proposed for membership, as well as sufficient information concerning their personal and professional qualities. This rule shall also apply when the item is included in the agenda pursuant to Art. 223a of the Commercial Act.

(3) Detailed information regarding the professional qualifications of the auditor candidates shall be included in the materials for the general meeting concerning the item on the election of an auditor.

(4) The written materials on the agenda shall be available to the shareholders within the period under Art. 7, para. 1. Upon request, they shall be provided to each shareholder free of charge by the Investor Relations Director.

Art. 9. (1) A list of the present shareholders or their representatives and the number of shares held or represented shall be prepared at the general meeting. The shareholders and representatives shall certify their attendance with a signature. The list shall be certified by the chairperson and the secretary of the meeting.

(2) The general meeting of shareholders may adopt resolutions if at least 50% of the company's capital is represented.

(3) In the absence of a quorum, a new session shall be scheduled no earlier than 14 days later and it shall be deemed legal regardless of the represented capital. The date of this session shall be stated in the invitation for the first session.

Art. 10. (1) The General Meeting shall elect, by a simple majority, a Chairperson from among the attending shareholders or representatives. The General Meeting shall appoint a Secretary and, if necessary, tellers, who may or may not be shareholders.

(2) Voting shall be open, and each shareholder shall have as many votes as the number of shares they hold.

(3) Decisions shall be adopted by a simple majority of the represented shares, unless the law or the company’s Articles of Association require a larger majority for taking certain decisions. (4) A shareholder or their representative may not participate in the voting for filing of claims against them or for taking actions to realize their liability towards the company.

Art. 11. (1) Minutes shall be kept for each General Meeting of shareholders, which shall state: the place and time of the meeting; the number of represented shares; the names of the Chairperson and the Secretary, as well as the tellers, if such have been elected; the presence of members of the Board of Directors, as well as other persons who are not shareholders; the names of the proxies; the agenda; the substantive proposals made; the objections raised; the votes cast and the results thereof.

(2) The minutes shall be signed by the Chairperson and the Secretary, as well as by the tellers, if such have been elected; the list of attending shareholders and representatives, as well as the documents related to the agenda, shall be attached thereto.

(3) At the request of a shareholder or a member of the Board of Directors, a Notary Public may attend the General Meeting to draw up a certified statement of facts (notarial protocol) in

accordance with the Civil Procedure Code. A copy of this protocol shall be attached to the minutes of the meeting.

(4) The minutes and the materials thereto shall be kept in the company's archives for at least 10 years.

Art. 12. (1) The resolutions of the General Meeting of Shareholders shall enter into force immediately, unless their effect is deferred.

(2) Resolutions concerning amendments and supplements to the Articles of Association and the termination of the company shall enter into force after their entry into the Commercial Register.

(3) Capital increase and decrease, transformation of the company, election and dismissal of members of the Board of Directors, and appointment of liquidators shall have effect from their entry into the Commercial Register.

Art. 13. The Company shall immediately notify the Financial Supervision Commission, BSE – Sofia Plc (Bulgarian Stock Exchange), and Central Depository AD on the resolution of the General Meeting regarding the type and amount of the dividend, as well as the terms and procedure for its payment.

III. PARTICIPATION AND REPRESENTATION IN THE GENERAL MEETING

Art. 14. (1) The General Meeting of Shareholders of M+S Hydraulic Plc shall consist of all shareholders holding voting shares.

(2) The right to vote shall be exercised by the persons registered with Central Depository AD as shareholders of the company 14 days prior to the date of the General Meeting.

Art. 15. (1) Shareholders who are natural persons shall participate in the General Meeting in person or through an authorized representative. Shareholders that are legal entities shall participate in the General Meeting through their legal representatives or through a person authorized by them.

(2) The Board of Directors shall adopt Rules for Voting at a General Meeting of Shareholders by Proxy, which shall be an integral part of the invitation (the notice) for the General Meeting.

IV. RIGHTS OF SHAREHOLDERS UPON CONVENING AND HOLDING OF THE GENERAL MEETING

Art. 15. Every shareholder of M+S Hydraulic Plc shall have the right:

1. to be notified of a convened General Meeting of Shareholders by means of an invitation (notice) announced in the Commercial Register and on the company's website at least 30 days prior to the date of the meeting;

2. to have access to all materials related to the agenda of the General Meeting and, upon request, to receive these materials free of charge;

3. to participate in the General Meeting and to vote, taking part in the decision-making process with as many votes as the number of shares they hold;

4. to express their opinion and to make proposals on any item included in the agenda of the meeting;

5. to be elected to the management bodies of the company;

6. to address questions to the company's management, regardless of whether they are related to the agenda of the meeting, and to receive truthful and comprehensive answers on the merits regarding the economic and financial condition and the commercial activity of the company, except for circumstances that constitute inside information;

7. to review the minutes of the General Meetings, as well as the materials thereto;

8. to request the presence of a Notary Public at the General Meeting of Shareholders to draw up a certified statement of facts (notarial protocol) in accordance with the Civil Procedure Code;

9. to file a claim for the reversal of a resolution of the General Meeting of Shareholders when it contradicts the law or the Articles of Association of the company. The claim shall be filed within a 14-day period from the date of the meeting when the plaintiff was present or was duly invited, and in all other cases – within a 14-day period from becoming aware, but no later than 3 months from the date of the General Meeting;

10. to join the legal proceedings under item 9 and to maintain the claim even if the plaintiff waives it or withdraws it;

11. to file a claim for the protection of their membership right and individual membership rights when they have been violated by the bodies of the company.

Art. 16. (1) Every shareholder may grant their voting right to a person under Art. 145, Para. 1 of the Public Offering of Securities Act (POSA) without transferring their shares by means of:

1. concluding an agreement with the person providing for a temporary transfer of the voting rights associated with the securities;

2. providing the shares to the person as collateral, provided that the person can control the voting rights and has explicitly declared their intention to exercise them;

3. depositing the shares with the person with a transfer of the voting rights, which the person shall exercise at their own discretion without specific instructions from the shareholder;

4. providing the shares to a person in their capacity as a proxy, which the person may exercise at their own discretion without specific instructions from the shareholder.

(2) The transfer of a voting right under Para. 1 shall be registered with the Central Depository.

V. MINORITY SHAREHOLDERS' RIGHTS

Art. 17. (1) Shareholders who, jointly or separately, hold shares representing at least 5 percent of the company's capital may request the convening of a General Meeting of Shareholders.

(2) If the request is not granted within one month, or if the General Meeting is not held within a 3-month period from the date of the request, the District Court shall convene a General Meeting or authorize the shareholders who requested the convening, or their representative, to convene the meeting.

Art. 18. (1) Shareholders who, jointly or separately hold shares representing at least 5 percent of the company's capital may request the inclusion of items and propose resolutions on items already included in the agenda of the General Meeting pursuant to the procedure of Art. 223a of the Commercial Act after the announcement of the invitation for its convening.

(2) Not later than 15 days prior to the opening of the General Meeting, the persons under para. 1 shall submit to the Commercial Register a list of the items to be included in the agenda, the proposed resolutions, and the written materials related thereto.

(3) Shareholders who have exercised this right shall be obliged to submit the materials under Art. 223a, Para. 4 of the Commercial Act to the Financial Supervision Commission and to M+S Hydraulic Plc not later than the next working day following the announcement of the items in the Commercial Register.

(4) M+S Hydraulic Plc shall update the invitation and publish it in the media with which it has a contract, and on its website, along with the written materials, immediately, but not later than the end of the working day following the day of receipt of the notification for the inclusion of the items in the agenda.

(5) In case of necessity, the Board of Directors of M+S Hydraulic Plc shall cooperate with the shareholders under para. 1.

Art. 19. (1) Shareholders who, jointly or separately, hold at least 5 percent of the company's capital may, in the event of inaction by its management bodies that threatens the interests of the company, file the company's claims against third parties before the court.

(2) The persons under para. 1 may:

12. file a claim before the District Court at the company's registered office for compensation for damage caused to the company by actions or omissions of the members of the management and supervisory bodies and the procurators of the company;

13. request the General Meeting or the District Court to appoint controllers to inspect the entire accounting documentation of the company and to prepare a report on their findings.

Art. 20. The Company shall publish on its website these and all other rights of its shareholders in accordance with the provisions of the Commercial Act and the special regulations of the Public Offering of Securities Act.

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The Rules were adopted by the Board of Directors on 16 March 2017.