

SUMMARY

of penal decree for administrative violation of the Deputy Chairman in charge of the Social Insurance Supervision Department

XXXXXXXXXX XXXXXXXXXXXX and XXXXXXXX XXXXXXXXXXXX, acting as executive Directors and representing XXX "XXXXXXXX" XX, which is managing XXXXXXX "XXXXXXXX", have performed actions on behalf of the XXX "XXXXXXXX" for acquisition of shares of "XXXXXX XXXXXX" XXXX with an ISIN issue code XXXXXXXXXXX, in breach of the prohibition regulated in art. 251a, para. 3 of the Social Insurance Code (SIC).

According to the reference submitted by XXX ,XXXXX XX ,XXXXXXXXXXXXXXXX, XXXXX XXXX" from XXXXX, the total value of investments in shares of special purpose investment companies reaches the amount of XXX % of the assets of XXX "XXXXXX". As set out in art. 251, para. 7, first sentence the limit was exceeded by XXX %. The limit has been exceeded as a result of an increase in the price that was used for a further valuation of some of the shares of special purpose investment companies held by the fund. Therefore, there is the hypothesis in art. 251a, para. 2, item 1 of SIC.

According to the provision of Art. 251a, para. 3 of SIC, in the cases under Art. 251a, para. 2 of CSR until the assets of the Supplementary Voluntary Pension Insurance Fund are brought in compliance with the legal requirements, the pension insurance company may not acquire on behalf of the fund assets of which the restriction has been breached.

After assessing all the evidence submitted, I consider that it is established by the law and facts that XXXXXXXXXXX XXXXXXXXXXX XXXXXXXX and XXXXXXXXXXX XXXXXXXX, acting as executive directors and representing XXX "XXXXXXXX" XXXXXX, have committed a breach of the statutory prohibition - in the event of an objective excess of the investments of XXXX 'XXXXXX' in shares of special purpose investment companies and within the time limit for bringing the fund's assets in compliance with the legal requirements, XXXX XXXXXX XXXXXX and XXXXXX XXXX XXXXXXXX have performed actions on behalf of the fund for acquisition of shares of "XXXXXXXXXXXXXXXX" XXXXXXXX.

With these actions XXXXXXXX XXXXXXXX XXXXXX and XXXXXXXXXXX XXXXXXXXXXX XXXXXXXX have breached the provision of Art. 251a, para. 3 of the Social Insurance Code.

The breach was committed on XX.XX.XXXX in the town of Sofia.

Due to the above, administrative fines of BGN 1 500 (thousand and five hundred) have been imposed on each of XXXXXXXXXXX XXXXXXXXXXX XXXXXXXX and XXXXXXXXXXX XXXXXXXXXXX, pursuant to Art. 351, para. 1, item 2 of CIS for the breach of Art. 251a, para. 3 of SIC.