



PROJECT!!!

STATUS

of the Audit Committee of Sirma Group Holding AD

I. Introduction

The present statute of the Audit Committee has been prepared in accordance with Art. 107, para. 7 of the Independent Financial Audit Act and defines the functions, rights and obligations of the Audit Committee with regard to financial audit, internal control, as well as its relations with the management bodies of Sirma Group Holding AD ("the Company"). Defining the functions of an effectively functioning Audit Committee will minimize financial, operational, and compliance risks and enhance the quality of financial reporting.

reporting.

II. Composition, structure and rules for the functioning of the Audit Committee

1. The Audit Committee consists of three members.

2. The members of the Audit Committee are elected by the General Meeting of Shareholders upon proposal of the Board of Directors of the Company.

3. The members of the Audit Committee are elected by the General Meeting of Shareholders for a term of three years.

4. Members of the Board of Directors may be elected as members of the Audit Committee, who are not its executive members.

5. Members of the Audit Committee are elected persons who hold a "Master's" educational qualification, knowledge in the field in which the Company operates, and at least one of its members must have no less than 5 years of professional experience in the field of accounting or auditing.

6. The majority of the members of the Audit Committee should be external to and independent of the Company. An independent member of the Audit Committee may not be:

- a member of the Board of Directors, the executive director or an employee of the Company;
- a person in permanent commercial relations with the Company;
- a member of a Management or Supervisory Body, a procurator or an employee of a person who has permanent commercial relations with the Company;
- a person related to another member of the Company's management body.

7. The absence of circumstances under point 6 shall be established by a written declaration submitted prior to the election to the General Meeting by each person nominated as a member of the Audit Committee.

When one or more circumstances arise after the election, the relevant member of the Audit Committee shall immediately notify the Board of Directors of the Company in writing and shall cease to perform his functions, and a new member shall be elected in his place at the next General Meeting.

new member.

8. The Chairman of the Audit Committee is elected by its members. The chairman must also meet the requirements under point 6.

9. The meetings of the Audit Committee are convened by the Chairman or upon the proposal of any of the members of the Board of Directors. The Chairman of the Audit Committee does not have the right to refuse to convene a meeting.



10. The meetings and work of the Audit Committee are led by the chairman, who is elected at the first meeting.

11. The meeting is regular if all members of the committee are present, except in the cases under point 15.

12. The members of the Company's management boards, preparers of financial statements and the registered auditor of Sirma Group Holding AD for the respective year may also attend the meetings without the right to vote.

13. The decisions of the Audit Committee are made by simple majority.

14. In the event that the number of members of the Audit Committee drops below three members, in cases of decision-making until the full composition is elected and in the event of a tie, the opinion of the Chairman shall prevail.

15. The Audit Committee may also make decisions in absentia if all members have expressed their consent to the decision in writing and signed the minutes.

16. Minutes are kept for each meeting of the Audit Committee, which reflect the agenda, the decisions made and the voting method of the members. The minutes are signed by all members present at the meeting. The retention period for the protocols is five years.

III. Functions, rights and responsibilities of the Audit Committee with regard to the financial audit

17. The Audit Committee:

- informs the management and supervisory bodies of the Company about the results of the statutory audit and explains how the statutory audit has contributed to the reliability of the financial reporting, as well as the role of the Audit Committee in this process; - monitors the financial reporting process and presents recommendations and proposals to ensure its effectiveness;
- monitors the effectiveness of the internal control system, the risk management system and financial reporting in the Company;
- oversees the mandatory audit of the annual financial statements, including its execution;
- verifies and monitors the independence of the registered auditors in accordance with the requirements of chapters six and seven of the Independent Financial Audit Act, as well as, including the appropriateness of providing services outside the audit of the Company; is responsible for the procedure for
- selecting the registered auditor and recommends the appointment
- reports its activities to the General Meeting of Shareholders;
- prepares and submits an annual report on its activities to the Commission for Public Oversight of Registered Auditors by June 30 of the respective year.

18. The Audit Committee is entitled to receive sufficient resources from the Board of Directors of the Company necessary for the effective performance of its duties.

19. The Audit Committee has the right to receive assistance from the members of the Board of Directors and the employees of the Company in carrying out its activities.

20. To fulfill its rights and obligations described in this Statute, the Audit Committee has the right to require Sirma Group Holding AD to receive financial information by the 25th of each month following the reporting month. The information must be understandable and reliable and reflect the specifics of the Company in its activities.



21. After preparing the financial statements, the Audit Committee monitors the consistent application of IFRS.

22. The Audit Committee adopts an additional report from the Company's registered auditor in accordance with Art. 60 of the Independent Financial Audit Act.

23. The Audit Committee oversees the financial reporting processes in the Company.

24. The Audit Committee participates in the assessment of risks for the Company and promptly informs the Company's management bodies about their occurrence, as well as suggests ways to minimize and avoid them.

25. In exercising its rights and responsibilities related to the internal control and audit of the Company, the Audit Committee may submit proposals and recommendations to the Board of Directors regarding:

- availability and sufficiency of risk management measures;
- need to create new measures for new critical risks;
- the need to change risk management measures when those taken have proven to be insufficient;
- the need to reduce risk management measures when they are unnecessary;
- the need to define deadlines and responsibilities for the implementation of the above activities.

V. Relationships of the Audit Committee with the Company's management bodies

26. In exercising its rights and responsibilities, the Audit Committee:

- informs the management bodies of the Company about the results of the statutory audit and explains how the statutory audit has contributed to the reliability of the Financial Reporting, as well as the role of the Audit Committee in this process;
- presents recommendations and proposals to the Board of Directors as necessary;
- monitors the effectiveness of the internal control system, the risk management system in the Company and interacts with the management bodies regarding optimization of the control system;
- verifies and monitors the independence of the registered auditor, including monitoring the appropriateness of the provision of services outside the audit of the Company and, in the presence of such services, notifies the Commission for Public Oversight of Registered Auditors.

Members of the OC: 1.

2.

3.