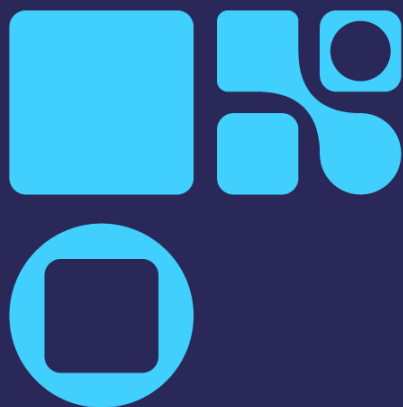




Program for good

Corporate governance of

“Sirma Group Holding” JSC

and its daughter

companies



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General

Application

The current "Program of Sirma Group for Good Corporate Governance" (the Program) is an expression of the principles adopted by „Sirma Group Holding“ JSC and its subsidiaries (Sirma Group, the Companies, the Group) for the implementation of legitimate, ethical, transparent, socially responsible, and socially committed processes of management of the Companies. The program is applicable both to „Sirma Group Holding“ JSC and its subsidiaries, with the exception of cases where „Sirma Group Holding“ JSC is explicitly stated (for example, in relation to its public status), when it applies only to operations within “Sirma Group Holding” JSC.

Legal Framework

The Program has been developed in compliance with all the provisions of the Companies' Articles of Association and the applicable laws and regulations. The current actualization is in force as of January 2022.

The program is in line with the recommendations of the National Corporate Governance Code, which in turn are in line with the internationally accepted and applied corporate governance principles of the Organization for Economic Cooperation and Development, and provides the framework for setting the objectives of the companies, the means to achieve these objectives, and the ways to monitor the achieved results.

Lastly, the European Commission's Green Paper on the European Corporate Governance Framework has been taken into account. The key objective of it is to provide a broad public consultation on all the policy challenges facing corporate governance, focusing on better governance of management bodies, appropriate engagement of shareholders, as well as the "follow or explain" approach which underlies corporate governance within the European Union.

This edition of the Program includes additions in line with the policies of the EU and the Republic of Bulgaria for sustainable development. The objectives set out in the Green Deal, the Taxonomy Regulation, and the Corporate Sustainability Reporting Directive have been taken into account. The provisions of the Code are also in line with the 2015 UN Sustainable Development Goals and the UN Guidelines for Business and Human Rights (2011).

The Boards of Directors of the Companies consider that the effective application of the principles of internationally recognized standards for good corporate governance is of paramount importance for the future development of the companies. In this regard, the Boards believe that it is imperative to strive to establish and validate a modern style of governance which will contribute to the better performance of the companies respectively to provide favorable conditions for sustainable growth and achievement of their long-term objectives, as well as establish a transparent and fair relationship with all stakeholders.

The Companies consider good corporate governance as a set of relations between the management body of the company, its shareholders, and all stakeholders - employees, trading partners, company creditors, potential future investors and society as a whole.

This updated program defines the policy and principles to be followed by the Boards of Directors of the Companies in order to create the necessary conditions and ensure that the shareholders can exercise their rights in full.

Objectives of the Program

1. Introduction, application, and validation of the principles of good corporate governance in the company;
2. Facilitation of decision-making by the Boards of Directors on the short-term and long-term development of the companies, based on mutual benefit, common interests, and the strive to achieve the corporate goals;
3. Providing an opportunity for effective control over the activity of the management bodies;
4. Increasing the transparency and improvement of the processes related to the disclosure of information by the Group;
5. Improving the level of information access for shareholders and all stakeholders;
6. Improving the confidence of shareholders and all stakeholders;
7. Promotion and respect of high ethical principles in order to approximate the global standards for good corporate governance and the imposition of a new style of management in Bulgarian enterprises.

Principles of the Program

The basic principles set out in the Program are limited to:

1. Protection of shareholders' rights;
2. Equal treatment of shareholders, including minority and foreign shareholders;
3. Recognition of the rights of stakeholders and fostering cooperation with them to create wealth, create jobs, and ensure the sustainable development of the companies;
4. Ensuring the strategic management of the companies, the control over the activity of the management bodies, and the accountability of these bodies to the companies and the shareholders;
5. Ensuring the timely and accurate disclosure of information on all matters pertaining to the companies, including the financial position, results of operations, ownership, and management of the companies.

I. Protection of the rights of shareholders

1. Providing safer ownership registration methods

The shares of „Sirma Group Holding“ JSC are registered for trading on the regulated market of the Bulgarian Stock Exchange – Sofia, and all current shareholders and potential investors from November 23, 2015 are free to carry out transactions for the purchase and sale of the securities of the company.

„Sirma Group Holding“ JSC has a contract with the Central Depository for keeping a stock register which reflects the current state and records the changes in ownership.

2. Enabling all shareholders to participate in the work of the General Meeting of Shareholders

- 2.1. Shareholders have comprehensive and timely information on the Agenda, date, and venue of a regular or extraordinary convening of the General Meeting of Shareholders of the Company. The Invitation and the materials related to the Agenda are provided directly to the shareholder or published in the Trade Register, and for the public „Sirma Group Holding“ JSC, also on the website of the specialized financial media at BSE-Sofia, Extri News (www.x3news.com), as well as on the corporate website of the company - www.sirma.com;
- 2.2. Shareholders who are legal entities shall participate in the General Meeting through their legal representatives or through a person authorized in written form by them;
- 2.3. Shareholders who are natural persons participate in the General Meeting in person or through a person authorized by them in written form;
- 2.4. All shareholders are entitled to make proposals for the inclusion of items on the agenda, subject to the provisions of Art. 223 of the Commercial Act;
- 2.5. The members of the corporate board (the Board of Directors) attending the General Meeting of Shareholders shall answer all questions concerning the management of the Company which arise during the discussion of the Agenda items, including the financial situation and business activity, except for questions which are inside information.

3. Corporate policy for the protection of shareholders' rights:

3.1. Each shareholder is entitled:

- 3.1.1. To be informed in due time of the convening of the General Meeting of Shareholders;
- 3.1.2. Receive, upon request, the written materials for the Agenda of the General Meeting of Shareholders (GMS) in paper or electronic format;
- 3.1.3. To get acquainted with the minutes from the GMS;
- 3.1.4. To participate in the GMS by expressing opinions, making suggestions, and asking questions on the items included in the Agenda of the meeting;
- 3.1.5. Exercise the right to vote at the GMS;
- 3.1.6. To receive truthful and comprehensive answers on the merits of the members of the Board of Directors on issues related to the financial position and business of the company, except for the circumstances which constitute inside information;

- 3.1.7. To request the presence on the GMS of a notary to draw up a memorandum of understanding under Article 488a of the CCP;
 - 3.1.8. To initiate the annulment of a decision of the GMS by the order of Art. 74 of the Commercial Code where it is in contradiction with the legal requirements or these of the Articles of Association of the company;
 - 3.1.9. To be elected to the management and supervisory bodies of the company;
 - 3.1.10. The right to a dividend, if the GMS adopts a decision to allocate one;
 - 3.1.11. Upon the increase of the capital of the company, to acquire shares corresponding to his share in the capital before the increase, under the procedure established by the Public Offering of Securities Act and the Commercial Law;
 - 3.1.12. The right to a liquidation share, in the instances stipulated by the law.
- 3.2. Shareholders who, for more than three months, hold shares representing at least 5 percent of the capital of the company are entitled to:
- 3.2.1. To request the convening of a General Meeting of Shareholders;
 - 3.2.2. To include other issues on the Agenda of the GMS following the publication of the Invitation in the Commercial Register. Not later than 15 days prior to the opening of the General Meeting, the shareholders shall present in a Commercial Register a list of the issues to be included in the Agenda, the proposals for decisions and the written materials related to them. At the latest, on the day following the announcement in the Commercial Register the shareholders present the list of questions, the proposals for decisions, and the written materials at the seat and the address of the company's management, as well as to the Financial Supervision Commission.

The shares of „Sirma Group Holding“ JSC are freely transferable, and the disposition thereof is performed without restrictions on the regulated securities market. Therefore, the Board of Directors of the company could not use funds to prevent the takeover of the Company at the stock exchange.

4. Distribution of profits

The right to a dividend is the right to receive parts of the net profit which the company has earned from its business. In order to make the common right to a dividend a specific right to a dividend, it is necessary that the financial year be completed, that the annual financial statements are adopted, and that the GMS has a decision on the distribution of the realized profit.

Within the statutory term following the adoption of the dividend distribution decision, the Board of Directors takes steps to implement the dividend distribution procedure.

In the event that a voting decision is proposed to increase the capital of the company by converting part of the profit into capital, the Board of Directors shall inform the shareholders in accordance with the law. In this case, the capital of the company will be increased by a proportional distribution of new shares among the existing shareholders. In the case of „Sirma Group Holding” JSC within seven days from the recording of the capital increase in the Commercial Register, the company will take all actions for registration of the issue and its entry in the FSC's Register and the Register of the Central Depository.

5. Sirma Group Holding's policy for transactions with interested and related parties

„Sirma Group Holding” JSC has developed and applies rules for transactions with interested parties and related parties. In identifying persons as related and interested, the definitions given by POSA are used, namely:

Interested parties within the meaning of Art.114, para 7 of POSA are the members of the management and control bodies of the public company, its procurator, as well as persons who directly or indirectly own at least 25 percent of the votes in the General Meeting of the company or control it when they or their affiliates are:

- A party, its agent, or intermediary in the transaction, or the transactions or actions are in their favor;
- Hold, directly or indirectly, at least 25 percent of the votes in the General Meeting or control a legal person who is a party, its agent, or intermediary of the transaction, or in whose favor the transactions or actions are carried out;
- Members of management or control bodies or procurators of a legal person under the above 2 items.

Related parties, as per the meaning of paragraph 1, item 13 of the Supplementary Provisions of the Public Offering of Securities Act, are:

- Persons, one of whom controls the other person or its subsidiary;
- Persons whose activity is controlled by a third party;
- The persons jointly controlling a third party;
- Spouses, immediate family relatives and relatives in the collateral line up to the fourth degree, including relatives by affinity up to the fourth degree inclusive.

Control, as per paragraph 1, item 14 of the Supplementary Provisions of the Public Offering of Securities Act is present when a person:

- Possesses including through a subsidiary or by virtue of an agreement with another person, more than 50 percent of the number of votes in the General Meeting of a company or other legal entity;

- May determine, directly or indirectly, more than half of the members of the management or supervisory body of a legal entity;
- It may otherwise exercise a decisive influence on decision-making in relation to the activity of a legal person.

Rules for transactions with interested and related parties:

„Sirma Group Holding“ JSC shall comply with the requirements and restrictions set forth in Art. 114 and 114a of POSA. The Board of Directors monitors the transactions carried out by the company or its subsidiaries, which could have a material effect on the company or, the accumulation of which may lead to a change exceeding those thresholds.

The Board of Directors of the Company closely monitors and controls transactions in which one or more directors have a personal interest or such from a third party. In this regard, the Board of Directors of „Sirma Group Holding“ JSC has prepared, adopted, and applied a Code of Ethics for the internal ethical rules for the standards of business conduct of the managers of the holding structure of „Sirma Group Holding“ JSC and for preventing the abuse of inside information.

The members of the Board of Directors of the Company undertake to disclose the existence of significant interest in transactions or matters concerning „Sirma Group Holding“ JSC in the case of the purchase or sale of shares or assets of the company. They also undertake to disclose the basic parameters of the transaction.

The Executive Director and any other member of the Board of Directors of „Sirma Group Holding“ JSC undertake not to take any action related to his / her participation in the deliberations and not to vote when dealing with matters of personal interest, including through third parties.

The members of the Board of Directors are obliged to establish the fair objectivity of the transaction, the existence or absence of a conflict of interest, the future benefit to the shareholders, and provide justification regarding the significance of the transaction for the interests of the company and the influence it would have on its future development.

6. Conflict of interest

A potential conflict of interest exists when the company intends to enter into a deal with a legal person in which:

- A member of the Board of Directors or related / interested parties has a financial interest;
- A member of the Board of Directors is a member of a Management Board, a Supervisory Board or a Board of Directors.

The members of the Board of Directors have developed a procedure for the avoidance and disclosure of conflicts of interest regulated in the Code of Ethics (the full text of the Code of Ethics is available on the website of „Sirma Group Holding“ JSC - www.sirma.com).

II. Role of interested parties and acknowledgement of their rights and interests

SIRMA GROUP accepts that interested persons are all persons who are not shareholders and who have an interest in the economic prosperity of the companies: employees, clients, suppliers, creditors, and the public as a whole.

The Boards of Directors encourage cooperation between the companies and stakeholders to enhance the welfare of the parties and to ensure sustainable development of the companies as a whole.

The Boards of Directors of the companies undertake to provide the necessary information about the companies' activity, its financial condition and any other information which is necessary and helps to make an informed and reasoned decision.

Regarding the employees, Sirma Group recognizes the role they play in the prosperity of the companies. In this regard, the Boards of Directors conduct a social policy aimed at stimulating the employees through different practices.

With regard to the clients of the companies, Sirma Group acknowledges their value and recognizes their primary role for the sustainable development of the Group. Therefore, the companies pursue a policy of retaining and fully satisfying customers by creating preferential terms for loyal customers.

With respect to creditors, Sirma Group has a consistent policy of correctness in its relationships with creditors (creditor banks and suppliers) by strictly monitoring compliance with repayment schedules and all loan parameters according to the specific contracts with banks, respectively, according to the parameters of the deliveries and commitments on them.

III. Strategic management, control and accountability

1. Management bodies

„Sirma Group Holding“ JSC and its subsidiaries have a one-tier management system - Board of Directors.

The members of the Board of Directors of „Sirma Group Holding“ JSC, in accordance with the requirements of POSA, shall notify the Financial Supervision Commission (FSC), BSE-Sofia, and the public company itself:

- about the legal entities in which they hold, directly or indirectly, at least 25 percent of the votes in the General Meeting or over which they have control;
- about the legal persons in whose management or control bodies they participate or whose procurators they are;
- about current or future transactions, in which they consider that it is possible to be recognized as interested persons.

The members of the Board of Directors of „Sirma Group Holding“ JSC declare these circumstances within seven days of their occurrence.

Sirma Group has developed and implemented regulations for the work of the Board of Directors, which determine its powers and the manner of its work.

The Rules are designed to ensure the effective functioning of the Board of Directors and the management and representation of the company in accordance with internal regulations and in view of the requirements of the law and the interests of the shareholders.

1.1. Competence of the Board of Directors

The Board of Directors has the following powers:

1. Organize, manage, and control the activity of the company and ensure the management and preservation of its property;
2. Manages and represents the company;
3. Through its executive members, it concludes contracts with the employees of the company, amends and terminates the legal relations with them, imposes disciplinary sanctions for the committed offenses, provides incentives to them, and has the rights and obligations of an employer to the employees of the company;
4. Control the costs and revenues of the company;
5. Perform any legitimate actions related to ensuring the normal functioning of the company by following the requirements of the laws, terms of association, and decisions of the General Meeting of the Shareholders;

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6. Convenes the General Meeting of Shareholders, determines the Agenda of the meetings, and observes compliance with the legal requirements for convening the General Meeting of Shareholders;
 7. Make the necessary disclosures and publications related to the company's activities to the relevant state bodies and to the mass media;
 8. Subject to the restrictions laid down in the Public Offering of Securities Act and in the other regulations:
 - (a) adopt decisions to terminate or to transfer daughter companies of the holding or considerable parts thereof, for the acquisition or disposal of holdings in other companies, for the financing of companies in which it participates;
 - b) adopt decisions on acquiring and disposing of the company's long-term assets and of real rights on them, the use of credits, the provision of collateral and guarantees and the taking of guarantees, the conclusion of contracts, the participation in tenders and competitions;
 - c) adopting decisions to substantially alter the company's activities, for substantial organizational changes, long-term co-operation, essential to the company or termination of such cooperation;
 - d) take decisions to open or close branches, representations and offices;
 - e) accept the annual business program of the company;
 - f) develop a program for the company's activity and the conduct of its economic policy;
 - g) adopt investment decisions by the company, including in new product lines.
 9. The Board of Directors makes proposals to the GMS for:
 - a) amendment of the Articles of Association of the Company;
 - b) increase and decrease of the Company's capital;
 - c) the election of a registered auditor or a specialized audit firm;
 - d) the approval of the annual financial statements, the report on the Company's activities and the distribution of profits;
 - e) transformation and termination of the Company;
 10. Performs other tasks, imposed by the legal acts, the statutes and the decisions of the General Meeting of Shareholders.
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1.2. The Board of Directors adopts:

- The Rules of Procedure of the BD;
- This Program;
- Other documents, where deemed necessary by law, Statute or internal documents of the company.

1.3. The Board of Directors elects the Executive Director/s and determines the manner of representation of the Company;

1.4. Each year, the Board of Directors prepares an annual financial report and an activity report and presents it to a registered auditor or a specialized audit firm selected by the GMS;

1.5. The members of the Board of Directors are jointly liable for the damages that they have knowingly caused to the Company. Upon the proposal of the Board of Directors or at the request of any of its members, the GMS may release any member of the Board of Directors from liability for damages, caused to the Company when, in view of the particular circumstances, it can be considered that this member of the Board of Directors is not guilty for the occurred damages.

2. Requirements for the members of the Board of Directors

Besides the explicitly regulated legal requirements for the members of the controlling and management bodies, the candidates for membership of the Board of Directors must also meet the following additional criteria:

- Higher education, Master's degree;
- Experience in a senior management position for at least 5 years with priority being given to candidates who have experience in a company with a similar business profile;

Candidates for members of the Board of Directors should present:

- Detailed professional CV;
- Information about their participation in commercial companies as unlimited liability partners, holding more than 25 percent of the capital of other capital companies, as well as their participation in the management of other companies or co-operatives, such as procurators, managers or members of councils with explicit reference to whether these companies or cooperatives are engaged in a competing activity;
- A criminal record for assessing common selection criteria.

2.1. Election of the Board of Directors

The Board of Directors is elected by the General Meeting of Shareholders. The Company nominates only persons meeting the requirements of the Public Offering of Securities Act, who have previously proved their professionalism, experience and qualities.

Prior to accepting the position, each candidate for membership of the Board of Directors should make a personal assessment of his / her ability to devote sufficient time to adequately fulfill his / her duties, including his / her duties to other companies in which he / she is a member of management and / or supervisory bodies.

At least one third of the members of the Board of Directors of „Sirma Group Holding“ JSC should be independent. An independent member can not be:

- An employee in the public company;
- A shareholder, holding directly or through related parties at least 25 per cent of the voting rights in the General Meeting or is affiliated with the company;
- A person who is in a permanent business relationship with the public company, member of a management or supervisory body, procurator or employee of a commercial company or other legal entity under the preceding two points;
- Associated with another member of a management or supervisory body of the public company.

The candidates for independent members of the Board of Directors prove the absence of these circumstances by a declaration.

3. Remuneration of the members of the Board of Directors

In accordance with the legal requirements and good corporate governance practice, the size and structure of the remuneration of the members of the Board of Directors shall take into account:

- The obligations and contribution of each member of the Board of Directors in the activity and results of the company;
- Ability to retain qualified and loyal managers;
- The need to reconcile the interests of the members of the Board of Directors and the long-term interests of the company.

The remuneration of the members of the Board of Directors consists of two parts: fixed and variable. The remuneration of the members of the Board of Directors is regulated in the Remuneration Policy. The full text of the Policy is available on the website of „Sirma Group Holding“ JSC: www.sirma.bg.

4. Responsibilities of the Board of Directors

Corporate governance provides strategic management of the company, effective control over the activity of management bodies and accountability of the management bodies to the company and shareholders.

4.1. The actions of the members of the Board of Directors should be fully justified, conscientious, carried out with the care of a good trader, be in the interest of the company and be equitable to all shareholders.

The Rules for Operation of the Board of Directors regulates that:

- the members of the Board of Directors have equal rights and obligations, regardless of the internal division of functions between them or the provisions conferring the right of management on the executive directors.
- the members of the Board of Directors are required to perform their duties with due diligence in a manner which they reasonably consider to be in the interest of all the shareholders of the company and by using only information which they reasonably consider to be reliable and complete;
- to show loyalty to the company, preferring the interest of the company to their own interest.

4.2. The Board of Directors should ensure compliance with the applicable law and take into account the interests of the persons concerned, consult with the authorized lawyers in a timely manner on any matter which requires interpretation and enforcement of statutory requirements, prohibitions, etc.

4.3. The board of directors is required to review and manage the corporate strategy, major action plans, risk policy, annual budget and business plans; to set goals related to the holding's activity; to monitor the achievement of the holding's objectives and activities; to control the underlying costs of improvements to tangible fixed assets, acquisitions and sale of participations in companies by:

- Timely resolution of possible conflicts of interest of the members of the Board of Directors and shareholders, including misuse of the company's assets and related party transactions;
- Control the financial and accounting system of the holding, including an independent audit, as well as the availability of appropriate risk control, financial control and compliance controls;
- Monitoring of the effectiveness of the corporate governance mode in which it operates and makes the necessary changes;
- Control of the process of disclosure and communication;
- Makes an objective judgment on corporate matters, without being dependent in particular on the management of the company;
- Assign, if necessary, to a sufficient number of members who are independent members of the Board of Directors and can make an objective judgment, tasks in which a conflict of interest is possible;
- As individual members devote sufficient time to their obligations;
- By requiring accurate, relevant and timely information;

- Periodic and timely inclusion of issues related to the planning and management of the company on the agenda;
- Review of information prepared by the Investor Relations Director.

4.4. Evaluation of the effectiveness of the Board of Directors

The Board of Directors shall conduct an annual evaluation of its own effectiveness, of the effectiveness of the committees to it, and of the contribution of its individual members. This evaluation is distinct from the monitoring of the corporate governance model under item 4.3 above and has as its subject the work of the Board itself.

The evaluation shall cover as a minimum:

- the composition of the Board, including the balance of knowledge, skills, professional experience, independence and diversity of its members;
- the completeness and timeliness of the information provided to the Board;
- the quality and openness of deliberation and of decision-making;
- the functioning of the committees to the Board of Directors and their reporting to it;
- the time which individual members devote to the performance of their duties and their participation in meetings;
- the management of conflicts of interest;
- succession planning for the Board and for key management positions.

The evaluation is carried out in the form of a self-assessment, organised by the Chairman of the Board of Directors. Not less than once every three years, the self-assessment is supplemented by an evaluation carried out with the participation of an external independent adviser.

The results of the evaluation and the measures adopted based on it are reported by the Board of Directors to the regular General Meeting of Shareholders and are disclosed in the annual report on the activity of the Company.

5. Audit Committee

Pursuant to Art. 107 of the Independent Financial Audit Act (IFAA) The General Meeting of Shareholders elects an Audit Committee.

The main functions of the Audit Committee under Article 108 of the IFAA are as follows:

- to monitor the financial reporting processes;
- to monitor the effectiveness of internal control systems;
- to monitor the effectiveness of risk management systems;
- to monitor the independent financial audit;

- to review the independence of the registered auditor in line with the requirements of the Code of Ethics for Professional Accountants, including overseeing the provision of additional services related to the financial reporting process;
- is responsible for the procedure for selecting the registered auditor and recommends his appointment;
- notifies through its chairman the Commission, as well as the bodies of management or control of the enterprise for each given approval under art. 64, para. 3 and Art. 66, para. 3 within 7 days from the date of the decision;
- reports to the appointing authority;
- prepares and, through its chairman, submits to the Commission by 31 May an annual report on its activities. The report shall be prepared in form and content in accordance with an ordinance adopted by the Commission.

6. Independent Audit and Control

The Board of Directors of „Sirma Group Holding“ JSC establishes all the necessary prerequisites for the effective execution of the obligations of the registered auditor / audit firm in the process of carrying out all the necessary procedures defined by the International Auditing Standards on the basis of which they can express an independent auditor opinion on the reliable representation of all material aspects in the financial statements of the company.

The Independent Financial Audit carried out is within the scope of the law by checking:

- Compliance with accounting principles;
- Sequence of the application of the disclosed accounting policy;
- Methodological basis of current reporting for comprehensive and credible disclosure of the company's assets, liabilities and operations limited to the achievement of the audit objectives;
- Effectiveness of internal control limited to achieving the audit objectives;
- The process of accounting closure;
- Correspondence between the information in the financial statements, in the activity report and any other information which management provides with the audited report..

IV. Procedures and rules for convening a general meeting

The General Meeting of shareholders of „Sirma Group Holding“ JSC encompasses all shareholders owning the right to vote.

THE GENERAL MEETING :

1. Changes and makes additions to the bylaws of the company.
2. Increases and decreases the capital.
3. Transforms and terminates the company.
4. Determines the number, elects and releases the members of the Board of directors.
5. Determines the remuneration of the members of the Board of directors, including their right to receive part of the profit of the company, as well as their right to acquire shares and bonds of the company.
6. Appoints and releases the certified auditor.
7. Approves the annual audit report of the company, adopts a decision for distribution of the profit, for the accumulation of the "Reserve Fund" and for the payment of dividend.
8. Determines the issue of bonds.
9. Appoints the liquidators upon termination of the company, except in the instances of bankruptcy.
10. Frees from responsibility the members of the Board of directors.
11. Adopts decision for additional monetary contributions.
12. Determines the amount of interest in case of overdue contributions by shareholders.
13. 13. Authorizes the Board of Directors to conclude transactions under Art. 114, para. 1 of POSA.
14. Resolves all other matters submitted to its competence by the law or the Articles of Association of the company.

Decisions of the General Meeting shall be adopted by a simple majority of the voting shares submitted, unless otherwise provided in the law or the statutes. For decisions under items 1, 2, 3 (only for termination) and 4, a majority of 2/3 of the voting shares represented at the meeting are required.

The right to vote at the General Meeting is exercised by the persons registered in the registers of the Central Depository as shareholder of the Company 14 days before the date of the General Meeting.

All shareholders are entitled to participate in the General Meeting of Shareholders, express their opinion and make suggestions on the issues included in the Agenda. Shareholders - natural persons,

participate in the General Meeting personally or through an authorized representative in writing. Shareholders - legal entities, participate in the General Meeting through their legal representatives or through a authorized in written from other person.

The power of attorney for participation in the General Meeting must be in writing, explicitly for the particular General Meeting, signed by the authorizing person - the shareholder himself. The power of attorney includes: the full names, the unified civil number, respectively the company, the number, the lot, the volume and the registration page in the Commercial register and the BULSTAT register of the authorizing officer and the proxy; the count and the number of the represented shares, respectively the number of the dematerialized shares and the number of the registered certificates; the Agenda of the issues proposed for discussion; proposals for decisions on each of the items on the Agenda; the manner of vote on each issue; date and signature.

Where the agenda includes the election or dismissal of members of the Board of Directors, the power of attorney shall explicitly state the full name or business name of the persons proposed, as well as the manner of voting for each of them individually. In cases where the voting procedure is not specified on the items on the agenda, the power of attorney contains explicit indication that the proxy has the discretion, whether to vote and in what way.

The authorization shall explicitly state whether the authorization also covers issues which are included in the agenda under the terms of Art. 231, para. 1 of the Commercial Act. If authorization also applies to the additional items on the agenda, it is expressly stated that in these cases the proxy has the right to discretion, whether to vote and in what way. Re-authorizing the rights under the preceding paragraphs and the power of attorney given in violation of the above rules is void.

With a view to facilitating and encouraging the shareholders to participate in the General Assembly through a proxy, a power of attorney for representing a shareholder at the General Meeting of Shareholders of „SIRMA GROUP HOLDING“ AD is published on the company's website when announcing the date and the agenda of the meeting.

V. Rules concerning the presentation of shareholders of „Sirma Group Holding“ AD in accordance with art.116 (5) of the POSA

1. The proposal to represent a shareholder or shareholders with more than 5 per cent of the votes in the General Meeting of the Company must be published in one central daily newspaper or sent to each shareholder to whom it relates. The proposal shall contain at least:

1. the agenda of the issues proposed for discussion at the General Assembly and proposals for decisions on them;
2. the invitation to give instructions from the shareholders on the way of voting on the issues on the agenda;
3. a statement on the manner in which the proposer will vote on each item on the agenda if the accepting shareholder does not give instructions on voting.

The proposer is obliged to vote at the General Meeting of the company in accordance with the instructions of the shareholders contained in the power of attorney, and if such have not been given - in accordance with the statement under item 3. the proposer may deviate from the instructions of the shareholders, respectively from his statement on the manner of voting, if:

1. circumstances have arisen which were not known at the time of sending the offer or signing the powers of attorney by the shareholders;
2. the proposer could not request new instructions in advance and / or make a new statement, or did not receive new instructions from the shareholders in time;
3. the deviation is necessary for preserving the interests of the shareholders.

Everyone who is authorized to represent shareholders at a particular General Meeting should provide the address of the company's management with the original of the power of attorney on the basis of which the representation will take place by 12:00 on the working day preceding the day of the General Meeting.

If more than one power of attorney for representation of a shareholder are presented at the General Meeting of Shareholders, issued by the same shareholder, the power of attorney issued later shall be valid.

If by the beginning of the General Meeting the company is not notified in writing by a shareholder for withdrawal of the power of attorney, the latter shall be considered valid.

If the shareholder personally attends the General Meeting, the power of attorney issued by him for this General Meeting remains valid, unless the shareholder states otherwise. With regard to the issues on the agenda on which the shareholder votes in person, the respective right of the proxy shall cease.

VI. Convening and conducting of the General Meeting

1. The regular General Meeting of shareholders shall be held until the end of the first half of the year after the end of the reporting year.

In case the losses of the company exceed $\frac{1}{2}$ of its capital, a General Meeting is held no later than three months from the establishment of the losses.

An Extraordinary General Meeting of Shareholders is convened if necessary to resolve the issue(s) included in the competence of the General Meeting in accordance with the procedure set forth in the current regulations and these rules.

A General Meeting is 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.

The regular annual general meeting is convened by the Board of Directors.

The convening of the General Meeting of Shareholders is carried out by invitation, published in the Commercial Register and publicly announced to the public (X3News) at least 30 days before the date of the meeting.

The invitation shall indicate:

- the total number of shares and the right to vote in the General Meeting;
- the right of the shareholders to include issues in the agenda of the General Meeting, as well as the order and the deadline for exercising this right;
- the right of shareholders to ask questions during the General Meeting;
- rules for voting by correspondence or electronic means;

- the date until which the shareholders, who are registered as holders of shares in the company, can participate in the General Meeting;
- the company's website where the above information can be found.

2. All proposals for major corporate events are presented as separate items on the agenda of the General Meeting. The proposal for profit distribution is also stated as a separate item.

All written materials related to the agenda of the General Meeting are specific and clear, prepared in a way that does not allow misleading of the shareholders. Where the agenda of the General Meeting includes the election of members of the Board of Directors, the materials shall also include information on the names, permanent address and professional qualifications of the persons nominated as members. This rule also applies when the issue is included in the agenda under Article 223a of the Commercial Law.

At least 30 days before the date of the General Meeting, the invitation together with the written materials related to the agenda of the Meeting shall be sent to the Financial Supervision Commission, BSE-Sofia AD and the Commercial Register.

The written materials related to the agenda of the General Meeting shall be made available to the shareholders no later than the date of promulgation of the invitation to convene the General Meeting. They are published on the company's website. Upon request, they are provided by the Investor Relations Director to each shareholder free of charge.

Pursuant to Part 115, paragraph 8 of the POSA, the General Meeting may be held by using electronic means through the following form - two-way real-time messages, allowing shareholders to participate in discussions and decision-making in the General Meeting at a distance and a mechanism for voting before or during the General Assembly without the need to authorize a person to participate in person, on the spot, in the General Assembly.

The General Meeting of Shareholders may not take decisions on issues that have not been disclosed in accordance with the applicable provisions of commercial law, except in cases where all shareholders are present or represented at the meeting and no one objects to the issues raised to be discussed.

The members of the Board of Directors answer truthfully, comprehensively and in essence all the questions asked by the shareholders at the General Meeting regarding the economic and financial condition and commercial activity of the company, except for circumstances that constitute inside information.

All shareholders of the company can ask such questions, regardless of whether they are related to the agenda of the General Meeting.

3. A list of the present shareholders or their representatives and the number of shares held or represented shall be prepared for the General Meeting. Shareholders and representatives certify their presence with a signature. The list is certified by the Chairman and the Secretary of the General Meeting.

The General Meeting of Shareholders is chaired by one of the shareholders elected by a simple majority. Each meeting of the General Meeting appoints a Secretary and enumerator(s), who may or may not be shareholders.

4. The General Meeting of Shareholders may take decisions if it is attended by shareholders holding at least $\frac{1}{2}$ of the company's capital.

In the absence of a quorum, a new meeting is scheduled no earlier than 14 days and it is legal regardless of the capital presented on it. The date of the new meeting shall be indicated in the invitation to the first meeting.

The vote of the General Meeting is obvious and each shareholder holds as many votes as the number of shares he holds.

A shareholder or his representative may not participate in the voting for filing claims against him and for taking actions to fulfill his responsibility to the company.

The decisions of the General Meeting are adopted by a majority of the shares represented, unless the current legislation requires a larger majority to take certain decisions.

The decisions for amendment and supplement of the Articles of Association of the company, increase and decrease of the capital and termination of the company are taken by a majority of $\frac{2}{3}$ of the shares presented at the General Meeting.

The decisions of the General Meeting of Shareholders shall enter into force immediately, unless their effect is postponed.

Decisions on amendments to the Articles of Association and termination of the company shall enter into force after their entry in the Commercial Register.

The increase and decrease of the capital of „Sirma Group Holding“ JSC, the transformation of the company, the election and dismissal of the members of the Board of Directors and the appointment of liquidators have effect from their entry in the Commercial Register.

„Sirma Group Holding“ JSC shall immediately notify the Financial Supervision Commission, BSE-Sofia AD and the Central Depository of the decision of the General Meeting on the type and amount of the dividend, as well as on the terms and conditions for its payment.

5. Minutes shall be kept for each meeting of the General Meeting in a special book, in which the place and time of the meeting shall be indicated; the names of the Chairman and the Secretary, as well as of the enumerators of the votes cast; the presence of the Board of Directors, as well as the persons who are not shareholders; the proposals of substance which are made; the votes cast and the results thereof; the objections made. The Minutes shall be signed by the Chairman, the Secretary and the enumerators of the General Meeting, and a list of the present shareholders or their representatives, and the number of shares held or represented and the documents related to its convening shall be attached.

At the request of a shareholder or a member of the Board of Directors of the General Meeting, a notary may be present to draw up a statement of findings under Article 593 of the Civil Procedure Code. A transcript of the statement of findings shall be attached to the Minutes of the General Meeting.

The Minutes together with the appendices to it shall be provided by the Investor Relations Director to each shareholder who wishes to get acquainted with them. Within 3 days of the General Meeting, „Sirma Group Holding“ JSC sends the Minutes of the General Meeting of the Financial Supervision Commission and the BSE-Sofia AD.

The Minutes and the annexes to them are kept by the company for at least 5 years and upon request they are provided by the Investor Relations Director to each shareholder.

VII. Policy for information disclosure

The Board of Directors of „Sirma Group Holding“ JSC treats all shareholders equally with regard to the disclosure of information. The company discloses at least periodic reports and notifications for inside information, in terms and content, in accordance with the requirements of the Public Offering of Securities Act. „Sirma Group Holding“ JSC has concluded contracts with Service Financial Markets Ltd (the specialized financial media X3News of BSE-Sofia) and with the financial media Investor BG for disclosure of the information regulated as per the Public Offering of Securities Act to the public, the regulated market and the FSC. The information is available on the respective e-mail addresses of the media www.x3news.com and www.investor.bg, as well as on the corporate website of „Sirma Group Holding“ JSC - www.sirma.com.

The Board of Directors instructs the Investor Relations Director to provide all necessary conditions and information so that the company's shareholders can exercise their rights. The members of the Board of Directors periodically monitor the correctness and integrity of the publicly disclosed information. The Investor Relations Director plays an important role in the disclosure process. He is the person who is a mediating unit between the Board of Directors of the company, the shareholders and all potential investors in securities of „Sirma Group Holding“ JSC. In this regard, the members of the Board of Directors of the company state that they will provide the necessary amount of information about the company and will assist the Investor Relations Director in the execution of his activities.

The Investor Relations Director performs the following functions:

1. Develops and proposes for approval in the respective order a strategy and policy for relations with the investors of the company as part of the strategy and policy for disclosure of information.
2. Responsible for the implementation of the investor relations strategy and policy.
3. Develops a program and budget for work on investor relations. Proposes the program for approval in the appropriate order in the organization and is responsible for its implementation.
4. Organizes and implements communications on investor relations between the company, the regulatory body, regulated securities markets, the investment community and the general public.
 - 4.1. Organizes the preparation and disclosure of both regulatory information - periodic and subsequent in accordance with the law, other information about the company in accordance with statutory deadlines, and information about the current financial and economic condition of the company, as well as each other information to which they are entitled by law in their capacity as shareholders or investors.
 - 4.2. Provides effective communication with analysts, brokers, consulting companies, investors, media using a variety of communication channels and means of communication.
 - 4.3. Maintains the Investor Relations section of the company's corporate website. Prepares materials and updates information.
 - 4.4. Responsible for organizing all events for the implementation of external communications on investor relations.
5. Organizes and implements effective internal communication with all departments of the company to obtain timely information from the structural units on the preparation of all materials and documents related to the activity of investor relations.

6. Organizes the preparation of analyzes and information on the capital market in order to systematically inform the management of the company about the state and prospects of the capital market, the attitude of the investment community to the company and the major shareholders.
7. Prepares an annual report on his activities and presents it to the shareholders at the annual General Meeting.
8. Participates in the organization and holding of the General Meetings of the shareholders in accordance with the requirements of the legislation in this field.
9. Monitors the legislative framework, subordinates and complies the investor relations activities of the company with national and European laws and regulations.
10. Performs other tasks specifically assigned by the direct supervisor (Chairman of the Board of Directors), which are related to the objectives of the position.

Requirements for the position holder:

- Degree of education - Master's degree in one of the following areas: economics, finance, management, law, communication, marketing;
- Work experience - 3 years of professional experience in one of the areas: Investor Relations, Financial Management, Communications, Strategic Management, Management and Financial Consulting, Financial Analysis, Asset Management and other relevant areas;
- Requirements for personal qualities and behavioral skills: Analytical thinking, generating rational decisions; Objectivity;
- Ability to predict and plan;
- Organizational skills; Ability to work in a team; Communicativeness; Balance; Discretion; Ability to present convincing information (written and oral); Orientation towards achieving goals and results; Ability to work well under voltage; Striving for success and desire to develop your own potential.

The Board of Directors of „Sirma Group Holding“ JSC assigns the Director of Investor Relations to maintain a specialized section on the company's website to provide information on all matters related to the company's activities and results. The Investor Information Section should contain comprehensive, up-to-date and correct information, with content corresponding to that specified in Chapter 4, item 35 of the National Code for Corporate Governance (revision from 01.07.2021).

VIII. Corporate events calendar

PERIODIC DISCLOSURE OF INFORMATION

- Within 90 days from the end of the financial year, the Company undertakes to submit an annual financial report of its activities;
- Within 120 days from the end of the financial year, the Company undertakes to submit an annual consolidated financial statement for its activities;
- Within 30 days from the end of each quarter to submit a quarterly financial report of its activities;
- Within 60 days from the end of each quarter to submit quarterly consolidated financial statements for its activities; if the company prepares financial statements in accordance with international accounting standards, these statements should also be submitted.

By January 31 each year, the Investor Relations Director publishes on the company's website in the "Investor Relations" section the specific dates for each disclosure throughout the calendar year.

INCIDENTAL DISCLOSURE OF INFORMATION

„Sirma Group Holding“ JSC notifies the Financial Supervision Commission and the Bulgarian Stock Exchange - Sofia AD of all subsequent circumstances within the statutory deadlines. The notification is made electronically through the Extri News platform for the BSE and the respective electronic platform of the FSC.

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