

**DECLARATION OF „SIRMA GROUP HOLDING“ JSC  
FOR CORPORATE GOVERNANCE IN 2019  
AS PER ART.100m, PAR. 8 IN RELATION TO PAR. 7, PT. 1 FROM  
POSA**

„Sirma Group Holding“ JSC (the Company) is a public holding company, recorded in the Registration Agency.

„Sirma Group Holding“ JSC considers that the effective application of the principles of internationally recognized standards for good corporate governance is highly important for the future development of the Company. The Board of directors of the company believes that it is imperative to strive to establish and validate a modern management style that will contribute to the better performance of the company, respectively to provide favorable conditions for achieving sustainable growth and achievement of the long-term objectives, as well as establishing a transparent and fair relationship with all stakeholders.

“Sirma Group Holding” JSC considers good corporate governance as a set of relationships between company’s management body, its shareholders and all stakeholders - employees, trading partners, corporate creditors, potential future investors and society as a whole.

**I. Information as per art. 100m, par. 8, item 1 from the Public Offering of Securities Act**

“Sirma Group Holding” JSC adheres to the National Corporate Governance Code, adopted by the National Corporate Governance Commission and approved as a Corporate Governance Code under Art. 100m, par. 7, item 1 in relation to par. 8, item 1 of the Public Offering of Securities Act (POSA) by Resolution No. 461-CCC dd.: 30.06.2016 of the Deputy Chair of the Financial Supervision Commission in charge of the Investment Activity Supervision Division.

**II. Information under Art. 100m, par. 8 of POSA. Applying the principles of transparency, independence and accountability of the Company's Management Board (Board of Directors) in accordance with established vision, objectives, strategies of the company and interests of the shareholders.**

1. The Board of Directors of the Company consists of 6 (six) members who are elected by the General Meeting of Shareholders for a given term of office.
2. The Board of Directors shall carry out its activities in accordance with the Company's Articles of Association and the Rules for Operation of the Board of Directors.
3. The Board of Directors shall decide on:
  - o Closure or transfer of businesses or significant parts thereof;
  - o A significant change of the company's activity by unanimity of the Board of Directors;
  - o Essential organizational changes;
  - o Long-term cooperation essential for the company or the termination of such cooperation;
  - o Establishment and closure of branches, representations and offices;
  - o Adoption of the annual business program of the company;And all other decisions that are not within the express competence of the General Meeting of Shareholders.
4. The members of the Board of Directors shall be guided in their activities by the generally accepted principles of integrity and managerial and professional competence.
5. The members of the Board of Directors shall apply in their activity the principle of avoidance

and prevention of real or potential conflict of interests. The members of the Board of Directors shall inform the General Meeting of Shareholders whether directly or on behalf of third parties they have a substantial interest in transactions or issues that have a direct impact on the Company. In 2019, no ethical issues arose between the members of the management, including the need to comply with certain written procedures.

6. Main criteria and principles of the diversity policy for selection and evaluation of the Company's management members and management bodies (information under Art. 100m, para 8, item 6 of POSA):
  - The members of the Board of Directors may be only legally capable physical or corporate persons, without any imposed restrictions on age, gender, nationality, education;
  - Good reputation, professional experience and managerial skills;
7. Corporate governance follows rules for the organization and conduct of each general meeting, which are agreed in the form of an organization scenario. The GMS Invitation shall be drafted with maximum detail and in accordance with the regulatory requirements, indicating all of the proposed decisions, in order for each shareholder to have the opportunity to acquaint himself with them in advance, from the moment of its publication. Written procedures for the conduct of the GMS have not been drafted, because the legal framework has explicitly regulated the basic principles and all other specific points are stipulated in the Invitation.
8. Any significant periodic and incidental information shall be disclosed immediately. The company has compiled its activity with the current local legal framework as well as with the European regulations, having direct application in the local legislation. Notwithstanding the above, the corporate management will develop rules as part of the Quality Management and Information Security Policy to assess the materiality of any information or the need for its disclosure.
9. The annual and interim reports are prepared with the involvement and under the strict control of the corporate management, without official formalization in the form of internal rules. However, such rules will be developed and implemented as part of the Quality Management and Information Security Policy.

### **III. System for internal control and risk management (information as per art. 100m, par. 8, item 3 from POSA)**

In “Sirma Group Holding” JSC an internal control system is in place, to ensure the effective functioning of the reporting and disclosure systems. The internal control system is also being developed and functioning in order to identify the risks associated with the Company's activity and to support their effective management. The Company also has elected and Audit Committee, in accordance with the requirements of the Public Offering of Securities Act.

“Sirma Group Holding” JSC has adopted and applies rules and procedures, regulating the effective functioning of the reporting and disclosure systems of the company. The rules describe in detail the different types of information created and disclosed by the company, the internal flow of documents, the different levels of access to different information types, for the persons responsible and the terms for handling and managing the information flows. The established risk management system ensures the effective implementation of internal control in the creation and management of all corporate documents, including financial statements and other regulated information, which the Company is required to disclose in accordance with legal regulations.

#### **1. Control environment.**

The Control environment in „Sirma Group Holding“ JSC is formed on the basis of:

##### **1.1. Communicating and enforcing integrity and ethical values.**

“Sirma Group Holding” JSC has approved a Code of Ethics, which sets a framework for personal integrity and professional ethics in the Company. The Code of Ethics is communicated with all employees who agree to abide by the established ethical norms and professional ethics. It is implemented in the job descriptions of all employees, including the Financial and Accounting Department and is a model for their behavior.

##### **1.2. Commitment and competence**

“Sirma Group Holding” JSC has developed a Procedure for selection and appointment of employees under labor contracts. There are requirements for the education, work experience and professional experience of employees at all levels

##### **1.3. Participation of persons in charge of general management**

The Executive Director of “Sirma Group Holding” JSC has introduced adequate procedures and rules for the implementation of internal control. He is responsible for the implementation of financial management and control in the Company managed by him, in compliance with the principles of legal

compliance, sound financial management and transparency. The Executive Director delegates his powers to other officials of the Company, defining their specific rights and obligations and requires periodic reporting on the implementation of delegated powers.

Management bodies that have certain responsibilities and powers regarding the financial reporting process and respectively other related processes are: the Board of Directors, the Audit Committee, the Chief Financial Officer, the Financial Controller, the Chief Accountant.

The Board of Directors accepts and confirms: the Accounting policy and the changes in it for each reporting period, the developed accounting estimates as of the date of each reporting period, incl. the applied methodology; financial statements, and other public documents containing financial information.

The Audit Committee independently monitors the implementation of the financial reporting processes, the applied accounting policies and the efficiency of the internal control system of the company, incl. risk management, as well as the implementation and results of the external audit.

The CFO is responsible for the overall organization, operation and ongoing control of accounting and financial reporting. He directly manages the whole process, makes all key decisions related to financial statements and other public documents with financial information.

The CFO also approves at the first level the Accounting policy, the main reporting methodologies and evaluates the acceptance of the work of used independent experts (appraisers, actuaries, consultants, etc.) involved in the financial reporting process. He monitors on an ongoing basis, together with the Chief accountant, the effects and risks on the financial statements of the identified business risks for the company.

The Chief accountant organizes and manages the accounting activity of the company - controls and methodologically, directs the current accounting, manages the preparation of financial and management reports; is responsible for the development and implementation of accounting methodologies and techniques; is responsible for the process of accounting closing and preparation of all accounting estimates, proposes and develops accounting policies and changes in them, monitors current changes in IFRS. He is the direct contact with the internal and external experts used for the purposes of financial reporting.

#### **1.4. Philosophy and operational style of leadership**

The management of “Sirma Group Holding” JSC prepares the financial statements, adhering to the principle of providing a true and fair view of the condition of the Company and its accounting results.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in accordance with local law.

Management confirms that it has consistently applied an adequate accounting policy and that the principle of prudence in the assessment of assets, liabilities, income and expenses has been observed in the preparation of the financial statements as of December 31.

Management also confirms that it has adhered to the applicable accounting standards, and the financial statements have been prepared on the going concern basis.

Management is responsible for the proper keeping of accounting records, for the proper management of assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

### **1.5. Human resource management policies and practices.**

In “Sirma Group Holding” JSC a Procedure has been developed for selection and appointment of employees, as well as a Procedure for evaluation of employees;

### **1.6. Competence of the staff.**

The requirements for the competence of the employees are laid down in the job descriptions. The desire and the need for additional qualification are reflected in the annual individual plans of the employees. They are prepared on the basis of the annual evaluation of the company's employees. Following the completion of the annual evaluations, the results in terms of areas for improving skills and competences are discussed with the directors of departments and a training program is prepared. The management provides the opportunity to develop the necessary knowledge and skills by including them in appropriate training programs.

## **2. Process for risk evaluation in “Sirma Group Holding” JSC.**

Risk management is a mandatory element of the overall management process of “Sirma Group Holding” JSC.

It is known that every organization is dynamic and involves a constant transition - in time, money, participants, therefore there is always a certain risk that needs to be managed. The purpose of risk management in the Company is: To maximize the probability of a positive impact on its activities, and to reduce to a minimum the probability of a negative impact.

The management of “Sirma Group Holding” JSC perceives risk management as a key activity contributing to the achievement of the Company's objectives. For this purpose, all decisions / actions

taken to manage the identified risks and to ensure a periodic review of the process, in view of its timeliness, are documented.

The operating environment in which the Management of “Sirma Group Holding” JSC operates is the framework in which risk management should be applied. It consists of external and internal factors for the Company that affect its activities.

The main types of risks and their detailed description related to the company's activities and the policy for their management are regulated in item 8 – “Risk factors” of the Report on the company's activities for 2019, to which this declaration is attached.

The Risk management policy is applied in an integrated manner and in accordance with all other policies and principles regulated in the internal acts of “Sirma Group Holding” JSC.

### **3. Information system**

“Sirma Group Holding” JSC has implemented and uses a set of different software products forming an Information System related to financial reporting and communication. Elements of the overall information system are:

- Financial and accounting software ERP system - serves to reflect all income and expenditure operations on bank accounts and their distribution by items;
- Payroll software - serves to automate the formation of remuneration of employees in the Company and automate the mandatory deductions and installments on individual accounts;

In general, the Information System covers methods and documentation that:

- identify and reflect all valid transactions and operations;
- describe contracts and transactions in a timely manner in sufficient detail to enable them to be properly classified for financial reporting purposes;
- determine the value of transactions and operations in a way that allows their appropriate monetary value to be reflected in the financial statements;
- determine the time period during which the transactions and operations have occurred in order to allow their recording in the appropriate accounting period;
- present deals and transactions and related disclosures in the financial statements as appropriate.



The quality of the information generated by the systems affects the ability of the Management to make appropriate decisions in the management and control of the activities of the enterprise and in the preparation of reliable financial statements.

Communication, which includes providing an understanding of individual roles and responsibilities related to internal control over financial reporting, is done electronically or through the actions of Management.

#### **4. Control activities, policies and procedures.**

The control activities, which are related to the audit, may be categorized as follows:

##### **4.1. Reviews of the implementation and results of the activity**

- reviews and analysis of the real results compared to budgets, forecasts and results from previous periods;
- linking different groups of data - operational or financial - together with analyzes of relationships and exploratory and corrective measures;
- comparison of internal data with external sources of information;
- review of the results of the work by functions or by activities.

##### **4.2. Information processing**

The two common categories of the control activities in information systems are application program controls and general IT controls, which are policies and procedures related to multiple application programs and support the effective functioning of application program controls by helping to ensure the continued proper functioning of information systems.

Examples of application controls include:

- checking the mathematical accuracy of the records;
- maintenance and review of accounts and turnover sheets;
- Automated controls, such as input checks and numbering sequence checks and non-automatic tracking of exception reports.

Examples of common IT controls include:

- controls over the change of programs;
- controls that restrict access to programs or data;
- controls over the implementation of new editions of bundled software applications;
- Controls over system software that restrict access or ongoing monitoring of the use of system support features that could alter financial data or records without leaving a trace.

#### **4.3. Physical controls**

These activities include:

- the physical security of the assets, including appropriate security measures, such as secure facilities and conditions for access to assets and documents;
- approval of access to computer programs and data files;
- periodic counting and comparison with the amounts recorded in the control documents (for example, comparison of the results of the cash counting and the results of the inventories with the accounting documents).

The extent to which physical controls aimed at preventing theft of assets relate to the reliability of the financial statements and therefore to the audit, depends on circumstances, such as cases where the assets are highly susceptible to misuse.

#### **4.4. Distribution of the responsibilities**

Assigning responsibilities for approving transactions and operations, recording them and maintaining responsibility for the assets of various employees. The distribution of duties is intended to reduce the possibility of allowing an employee to be in a position to both commit and conceal errors or fraud in the normal course of his duties.

#### **5. Ongoing monitoring of controls**

The control in “Sirma Group Holding” JSC is a continuous process carried out by the Management, the Administration and the personnel in the Company.

The ongoing control process aims to achieve reasonable confidence in the achievement of the objectives, divided into the following categories:

- implementation and optimization of operations;
- reliability of financial and accounting information;
- compliance with the laws and by-laws.

Management's ongoing monitoring of controls includes an assessment of whether they are operating as intended and whether they are being modified in an appropriate manner to reflect changes in conditions. Ongoing monitoring of controls includes:

- Management review - which addresses the main objectives of the organization, including those related to performance, cost-effectiveness and resource conservation.
- Assessment by internal auditors of compliance with the Company's policy - which includes the preparation of reliable financial statements - interim results and published statements of results.
- Supervision over the observance of the ethical norms or the policy for business practice in the Company - which covers the compliance with the laws and by-laws, regulating the activity of the organization.

Ongoing monitoring is carried out to ensure that controls continue to operate effectively over time.

The assessment of the current monitoring of the controls in “Sirma Group Holding” JSC is assigned on a rotating basis to external Audit companies, which will confirm the proper functioning of the internal controls or give their recommendations for their improvement.

#### Inventory of required documents

1. Code of Ethics;
2. Job descriptions for the following posts:
  - regular accountants, cashiers, accountants and employees of “Reporting” department;
  - senior accountants;
  - deputy Chief Accountants;
  - Controller
  - Chief Accountant;
  - Financial director.

3. Rules of the Board of Directors and the Audit Committee. Both documents must have a section for reviewing the financial statements, accounting policies, significant accounting estimates. Ongoing monitoring at two levels - by the Board of Directors / Management Board and respectively from Audit Committee.
4. Organizational structure of the company with written functions, responsibilities and powers of the individual units in terms of financial reporting;
5. Rules and criteria for selection of qualified persons from the financial and accounting departments and the "Reporting" department - with a focus on educational qualifications, previous professional experience, past achievements and evidence of integrity and ethical behavior.
6. The policy for training of the staff of the financial and accounting departments and the "Reporting" department;
7. Policy for attestations, promotions and bonuses of the financial accounting staff and other persons engaged in the financial reporting process;

**IV. Information on the availability of takeover/merger proposals in 2019 (information under Article 10 (1) (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council from 21 April 2004 on takeover bids pursuant to the provisions of Article 100m (8) (4) of the POSA)**

1. As at 31.12.2019, no proposals for takeover and/or merger with another company have been made to the Company.
2. Information under Art. 10 of Directive 2004/25 / EC of the European Parliament and of the Council from 21 April 2004
  - Participation of the Company in the capital of other commercial companies are described in item 3, "Portfolio of "Sirma Group Holding" JSC" in the Company's Activity Report for 2019, to which this declaration is an Annex.
  - "Sirma Group Holding" JSC does not have shares that give special control rights.
  - There are no restrictions on voting rights, such as restrictions on the voting rights of holders of a certain capital percentage or number of votes, deadlines for the exercise of voting rights in relation to the shares issued by "Sirma Group Holding" JSC.
  - The rules for the election of members of the Board of Directors of "Sirma Group Holding" JSC are regulated in the Company's Articles of Association.

- The powers of the members of the Board of Directors are specified in Art. 41 of the Articles of Association of the company. The rights to issue or buy back shares are within the competence of the General Meeting of Shareholders.

## **V. Composition and function of the administrative and management bodies and their committees (Information under Article 100m, paragraph 8, item 5 of POSA)**

### **BOARD OF DIRECTORS**

#### **1. Functions and duties**

1.1. The Board of Directors of “SIRMA GROUP HOLDING” JSC manages the Company independently and responsibly in accordance with the established Vision, goals and strategies of the Company and the interests of the shareholders. The members of the Board of Directors provide a guarantee for their management to the amount of their three-month gross remuneration, as determined by the General Meeting of Shareholders.

1.2. The Board of Directors of “SIRMA GROUP HOLDING” JSC establishes and controls the strategic directions for development of the Company.

1.3. The Board of Directors of “SIRMA GROUP HOLDING” JSC establishes the Company's risk management policy and controls the establishment and functioning of the internal control and risk management systems.

1.4. The Board of Directors of “SIRMA GROUP HOLDING” JSC shall ensure the observance of the legal, regulatory and contractual obligations of the Company in accordance with the adopted Articles of Association and Rules of Procedure of the Board of Directors.

1.5. The Board of Directors is responsible for the establishment and reliable operation of the financial and information system of the Company.

1.6. The Board of Directors gives guidance, approves and controls the implementation of the business plan of the Company, transactions of substantial nature, as well as other activities established in the Company's statutes.

1.7. The Board of Directors approves the disclosure policy in accordance with legal requirements and statutes. The information disclosure system ensures that addresses of information (shareholders, stakeholders, investment community) are not discriminated and does not allow abuse of insider information and market manipulation of financial instruments.

1.8. During their term of office, the members of the Board of Directors are guided in their activity

by the generally accepted principles of integrity, managerial and professional competence. The Board of Directors adheres to the Code of Ethics of the Company's employees.

1.9. The Board of Directors of “SIRMA GROUP HOLDING” JSC reports its actions to the General Meeting of Shareholders by preparing an annual report on its activities and submitting it for acceptance by the General Meeting of Shareholders.

## **2. Election and dismissal of members of the Board of Directors**

**2.1.** The General Meeting of Shareholders elects and releases the members of the Board of Directors of “SIRMA GROUP HOLDING” JSC, in accordance with the law and the statutes of the Company, observing the principles of continuity and sustainability of the Board of Directors' work. All members meet the legal requirements for taking their position.

**2.2.** The management contracts with the members of the Board of Directors determine their duties and tasks, the criteria for the amount of their remuneration, their loyalty obligations to the Company and the grounds for the waiver. The management contract with a member of the Board of Directors or the Executive Director respectively are in compliance with the Articles of Association of the Company and the Board of Directors' Policy for Determining the Remuneration of the Members of the Board of Directors as approved by the General Meeting of the Shareholders on 04.12.2014.

## **3. Structure and competence**

**3.1.** The number of members and the structure of the Board of Directors is defined in the Articles of Association of the Company. The Company is managed and represented by a Board of Directors, which consists of six individuals, meeting the requirements of Article 234 of the Commercial Act and Article 116 a, paragraph 2 of the Public Offering of Securities Act.

**3.2.** The composition of the Board of Directors elected by the General Meeting is structured in such a way as to ensure the professionalism, impartiality and independence of the decisions and actions of its members in relation to the management of the Company.

**3.3.** The Board of Directors shall ensure a proper division of tasks and duties among its members. The main function of the independent directors is to control the actions of the executive management and to participate effectively in the Company's work in accordance with the interests and rights of the shareholders. The main functions of the members of the Board of Directors, as well as these

of the independent members, are laid down in the Articles of Association of the Company. There is one independent member of the Board of Directors of “SIRMA GROUP HOLDING” JSC.

- 3.4.** The competencies, rights and obligations of the members of the Board of Directors follow the requirements of law, statutes and standards of good professional and managerial practice.
- 3.5.** The members of the Board of Directors of “SIRMA GROUP HOLDING” JSC have the appropriate knowledge and experience, which are required by their position. After their election, the new members of the Board of Directors are acquainted with the main legal and financial issues related to the Company's activities. The Company encourages the improvement of the qualification of the members of the Board of Directors.
- 3.6.** The members of the Board of Directors have the necessary time to perform their tasks and duties. The Statute of the Company does not specify the number of companies in which the members of the Board of Directors may be in managerial positions, as the activity of the members of the Board of Directors cannot be limited.
- 3.7.** The election of the members of the Board of Directors of the Company takes place through a transparent procedure which provides, among other things, timely and sufficient information on the personal and professional qualities of the members. The number of successive mandates of the members of the Board of Directors ensures the effective operation of the Company and compliance with the legal requirements. According to the Articles of Association of the Company, the members of the Board of Directors may be re-elected without any restrictions.

#### **4. Remuneration**

**4.1.** The Board of Directors of “SIRMA GROUP HOLDING” JSC prepared a remuneration policy for the members of the Board of Directors adopted by the General Meeting of Shareholders on 04.12.2014, as amended by a decision of the GMS of 14.06.2016. The remuneration policy has been developed in accordance with Ordinance No 48 from 20 March 2013 of the Financial Supervision Commission and the Public Offering of Securities Act. The amount and structure of remuneration shall be determined by the General Meeting of the Company.

**4.2.** In accordance with legal requirements and good corporate governance practice, the size and structure of the remuneration take into account:

4.2.1. The duties and the contribution of each member of the Board of Directors to the Company's activities and results. The members of the Board of Directors receive a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders paid under the terms and within the periods as determined in the management contracts concluded between them and the Company.

4.2.2. The ability to select and retain qualified and loyal members of the Board of Directors of “SIRMA GROUP HOLDING” JSC. These requirements are applied through the remuneration policy of the members of the Board of Directors adopted by the General Meeting of Shareholders on 04.12.2014.

4.2.3. The need to reconcile the interests of the members of the Board of Directors and the long-term interests of the Company. The remunerations of the members of the Board of Directors are based on the results of the Company's operations and are in line with the Company's business strategy, objectives, values and long-term interests.

**4.3.** The executive member of the Board of Directors receives a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders, paid under the terms and within the periods as set in the management contract concluded between him and the Company.

4.3.1. The remunerations and benefits of the members of the Board of Directors and the Executive Director of the Company shall be determined by the General Meeting of Shareholders.

4.3.2. As of 31.12.2019, the executive members of the BD have not been granted shares or other financial instruments.



**4.4.** The members of the Board of Directors receive a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders paid under the terms and within the periods as set in the management contracts concluded between them and the Company.

**4.5.** The disclosure of information about the remuneration of the members of the Board of Directors is in accordance with the legal requirements and the Company's statutes:

4.5.1. Information about the remuneration of the members of the Board of Directors is presented in the annual financial statements and is published on the website [www.sirma.com](http://www.sirma.com).

## **5. Committees**

**5.1.** The work of the Board of Directors is assisted by committees. The Board of Directors determines the necessity of their establishment in accordance with the specifics of the Company.

**5.2.** In accordance with the requirements of the current legislation and on the basis of the criteria set by it, the Board of Directors proposes to the General Meeting of Shareholders of the Company to elect an Audit Committee with a composition meeting the legal requirements and the specific needs of the Company.

**5.3.** The committees are set up on the basis of a written structure, range of tasks, way of functioning and reporting procedures. The audit committee of “SIRMA GROUP HOLDING” JSC was re-elected the Extraordinary GMS, held on 26.08.2019.

The members of the Audit Committee meet the requirements set forth in Article 40f (3) and (4) of the Independent Financial Audit Act.

## **GENERAL MEETING OF SHAREHOLDERS**

**5.4.** All shareholders are entitled to participate in the General Meeting of Shareholders and to express their opinion:

5.4.1. Shareholders entitled to vote have the opportunity to exercise their voting rights at the General Meeting of the Company in person or through representatives, as well as by correspondence or by electronic means.

5.4.2. The corporate management applies effective control by creating the necessary organization for the voting of the authorized persons in accordance with the instructions of the shareholders or in the ways set forth in the legislation.

- 5.4.3. The corporate management shall establish rules for the organization and holding of the regular and extraordinary General Meetings of the Company's shareholders, which ensures equal treatment of all shareholders and the right of each shareholder to express their opinion on the items on the agenda of the General Meeting.
- 5.4.4. The corporate management organizes the procedures and the terms of the General Meeting of Shareholders in a way which does not make the voting unnecessarily difficult or expensive.
- 5.4.5. The corporate management takes action to encourage the participation of shareholders in the General Meeting of Shareholders, by providing the possibility of remote access by technical means (including the Internet) where this is possible and necessary and does not contradict item 23.2.4. of this Code.
- 5.5. All members of the corporate management shall endeavour to attend the General Meetings of the Shareholders of the Company.
- 5.6. Materials for the General Meeting of Shareholders:
- 5.6.1. All texts in the written materials, connected to the Agenda of the General Meeting of Shareholders must be clear, accurate and to the point in order not to mislead the shareholders. All proposals related to major corporate events shall be presented as separate items on the Agenda of the General Meeting, including the proposal for distribution of dividends.
- 5.6.2. Corporate management assists shareholders, entitled under the current legislation, to include additional items on the agenda of the General Meeting of Shareholders.

“Sirma Group Holding” JSC publishes the Corporate Governance Code and the present Corporate Governance Declaration on the Company's website [www.sirma.com](http://www.sirma.com) for disclosure of information pursuant to Art. 100m, para. 7 and 8 of POSA.

In this respect, the requirement of Article 100m, Paragraphs 7 and 8 of POSA and Article 40, Paragraphs 1 and 2 of the Accountancy Act shall be deemed to be met.

This Declaration of Corporate Governance is an integral part of the 2019 Annual Financial Statements of “Sirma Group Holding” JSC.

Tsvetan Alexiev



CEO of “Sirma Group Holding” JSC