

Policy of “Sirma Group Holding” JSC against corruption and related phenomena

“Sirma Group Holding” JSC

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I. GENERAL PROVISIONS

The present "Policy of "Sirma Group Holding" JSC against corruption and related phenomena" (the Policy) is an expression of the adopted principles by "Sirma Group Holding" JSC and its daughter companies (the Company) for conducting a legitimate, ethical, transparent, publicly responsible, and socially committed business.

"Sirma Group Holding" JSC does not tolerate any form of bribery or corruption. In particular, the Company agrees to refrain from any actions or conduct that might be perceived as active or passive bribery.

The company opposes corruption and illegal practices in all their forms and will not offer, pay, or accept bribes (no matter what kind) or commit any acts of corruption related to its work with the state, foreign officials, or the commercial market. The Company will not engage itself in bribes or any form of unethical incitement or payment, including payments to facilitate procedures, and will not make political donations or spend money for political or other similar purposes.

The company does not tolerate this behavior on the part of its personnel, suppliers, business partners, state or municipal authorities, or anyone it has a business relationship with.

Nobody falling within the scope of the present Policy shall offer, give, request, or accept a personal payment, gift, or service in exchange for more favorable treatment or in order to obtain a business advantage in an illegal way.

The employees of the Company who have breached the principles and rules set forth in the Policy and other external or internal company documents concerning this matter are subject to inspection, and measures are taken against them, including engaging their disciplinary responsibility, including dismissal, and, where appropriate, alerting the police, prosecution, or other competent authorities.

Persons falling within the scope of the present Policy are committed to promoting it and informing third parties, that for the Company corruption and related phenomena are unacceptable, by giving an adequate example of their behavior.

II. OBJECTIVES

- To define clearly what, from the point of view of the Company, represents corruption and related phenomena and to indicate the forms and ways of combating them;
- To underline that any violation of the Policy may not only be detrimental to the Company's reputation and may have an extremely negative impact on its business, but may also lead to further serious consequences, including imposing financial sanctions on the Company or engaging the criminal responsibility of its employees;
- To adopt and implement rules and systems for prevention of all forms of corruption through which to report any act of corruption disclosed, and when there are reasonable grounds for suspicion of such, to ensure an adequate solution to any issue related to corruption;
- To entrust to the management bodies and the operational management of the Company responsibility for the disclosure and prevention of acts of corruption and for the preparation of rules for prevention and control;
- To provide clear and accurate instructions to the employees of the Company and other individuals or legal entities having relationships with the Company to warn them against being involved in corruption practices and to explain to them what steps they shall take in case they become an object or witness of corrupt behavior;
- To ensure that all established acts of corruption and/or any reasonable suspicion of acts of corruption will be investigated fairly, objectively, and to the end.

III. SCOPE

The present Policy is part of the internal regulatory framework applicable to all subsidiaries of the group “Sirma Group Holding” JSC (the Group) and to the relationships with external counterparties and service providers of “Sirma Group Holding” JSC and the subsidiaries. All employees of the Company, as well as any person related to the Company providing services on behalf of and for the account of the Company, including subcontractors, their personnel, and business partners, are obliged to comply with the present Policy. Failure to comply with the Policy may result in disciplinary actions that could result, as the case may be, in the termination of employment with an employee or in the termination of contractual relations with a third party.

The scope of the Policy includes:

- The members of the management bodies and the operational management of the Group;
- Employees of the Group in their relations with each other;
- Relations with state and local administration, political parties and public organizations, politicians and public figures, the media, suppliers and service providers, consultants, subcontractors, and counterparties;
- Relationships with any third party on the part of the Group or its employees, which have followed acts of corruption.

The Policy is applicable to all corruption practices, including, but not limited to:

- Active bribery: giving, promising, or offering bribery;
- Passive bribery: requesting, consenting to receive, or accepting a bribe;
- Bribery of a public or state official;
- Unjustified enrichment: abuse of the assets of the Company or the funds it manages for supplementary pension insurance.

In addition, the present Policy shall always be taken into account when establishing new commercial relationships through merger, acquisition, joint venture, or relationships with new clients and suppliers. With such new relationships, the Company will require careful judgment on the ethical behavior and reliability of each business partner. Existing commercial relationships will also be judged accordingly.

IV. GROUNDS AND APPLICATION

The present Policy is developed as a continuation and applies in addition to the existing and applicable to the Company's internal rules, policies, and work procedures, the internal labor order, as well as the current Bulgarian legislation and normative acts relating to the manifestation of corruption.

V. DEFINITIONS AND MAIN CORRUPTION RISKS

For the purposes of the present Policy, the following definitions of corruption are adopted:

- Abuse of office for personal benefit, or, in particular, the behavior of the persons subject to the present Policy through which they or their relatives illegally and unlawfully benefit by abusing their position and authority;
- Requesting, offering, giving, or accepting, directly or indirectly, bribery or any other benefit, or the promise of such, which affects the due fulfillment of the obligation or conduct required by the receipt of the bribe or the undue benefit or by the one to whom it is promised;
- Abuse of trust, delegated powers, or entrusted property to retrieve personal benefit;
- Promoting, giving, or requesting a sum of money, subject, or service of high value in order to influence actions or decisions, to obtain a personal or corporate

benefit, to achieve a competitive advantage, or to benefit from a change in the legal framework or the actions of officials, control bodies, political parties, etc. to which the act of corruption is directed.

For the purposes of the present Policy, the following major corruption risks are defined:

For the purposes of the present Policy, the following major corruption risks are defined:

- Bribery: offering, promising, or requesting, consent to receive or accept a benefit in order to take any action;
- Facilitate payments: informal payments with the aim of guaranteeing or accelerating the execution of a routine or necessary action that the Company has a legal right or obligation to perform;
- Relations with officials and lobbying: relations with state structures, ministers, and other officials in order to acquire a license, trade activity, public procurement, etc.;
- Giving and receiving benefits: refers to all kinds of gifts;
- Political donations: direct or indirect contributions to political parties, organizations, or politicians;
- Conflict of interests: a situation in which two or more competing interests are in conflict and hamper the ability to make objective and unbiased business decisions;
- Abuse of assets: provision of assets of the Company to officials or to clients for their personal use. The Company's assets are considered in a broad sense, which means all tangible or intangible assets, including know-how and business secrets.

VI. SPECIFIC AND NON-EXHAUSTIVE LIST OF FORMS OF CORRUPTION AND RELATED PHENOMENA SUBJECT TO THE PRESENT POLICY:

- Offering and/or acts of bribery to officials from national regulatory authorities or national revenue authorities, central and local authorities, enforcement authorities, judiciary authorities, and other competent authorities for the purpose of taking and/or revoking decisions related to the activity of the Company;
- Offering and/or giving money to finance political parties or politicians, providing indirect benefits, or providing high-value gifts and/or other forms of benefit that may lead to a reputational risk associated with suspicion of trade with influence, undue lobbying, or taking political or power decisions in favor of the Company;
- Carrying out acts and practices of corruption against media and journalists that may violate the principles of journalistic ethics and objectivity in reflecting the activity of the Company and its competitors;
- Offering and/or acts of bribery to individuals or organizations that perform inspections, audits, credit ratings, or other control or audit functions to influence the performance of their activities and the content of their reports in favor of the Company;
- Abuse on the part of employees of the Company with cash holdings, personal

data, securities, allowances for subsistence, or other assets of the Company for the purpose of providing them to officials or clients for their own benefit;

- Falsifying written documents: contracts, applications, etc., concealment or seizure of documents, and/or their substitution with forged or false ones in order to create a personal benefit for officials or clients of the Company;
- Falsifying of a bank account of the Company, bank or other financial documents, in order to create a personal benefit for officials or clients of the Company;
- Use of the cash holdings and resources of the Company and/or supplementary pension funds managed by it, by its employees for their own purposes, or an authorization of payments or receipts thereof, for undelivered goods or unrecorded services;
- Destruction of documents or other assets of the Company and/or supplementary pension funds managed by it with the ultimate purpose of manipulating or distorting facts to create misleading information resulting in a management assessment or decision, inconsistent with reality, in order to realize a certain personal interest;
- Conflict of interest in the performance of official duties relating to the benefit of employees, suppliers, or subcontractors of the Company;
- Offering or act of bribery in the form of cash holdings or gifts, entry into unregulated agreements, extortion and threats to current or future employees, in order to gain personal benefit, change of information, results of internal audits, taking a party to conflicts, appointment or dismissal, etc.;
- Requiring or accepting bribery, in any form, by external suppliers or subcontractors of the Company in order to reach a decision in their favor;
- Requesting a bribery or other benefit in relationships with clients of the Company in connection with their servicing and performing all actions and activities for which the Company has made a commitment under a contractual relationship;
- Corrupt behavior on the part of employees of the Company towards representatives of state or municipal bodies, outside their office duties.

VII. OFFICIALS AND STRUCTURAL UNITS OF THE COMPANY SUBJECT TO INCREASED CORRUPTION RISK:

- The representatives of the Company by law and members of the managing bodies;
- Financial Director, Chief Accountant;
- Human Resources Department;

VIII. RESPONSIBILITY FOR THE IMPLEMENTATION OF THE PRESENT POLICY

Responsibility for the implementation of the present Policy lies with the Board of Directors of "Sirma Group Holding" JSC. It may carry out its duties directly or delegate them to specially selected, for this purpose, temporary or permanent structural units for combating corruption and related phenomena through the existing security and control systems of the Company, granting

powers to specific employees in this field, hiring external auditors to solve a particular case, or acting permanently.

IX. Actions of employees, clients, suppliers, subcontractors, insurance intermediaries, and other counterparties of “Sirma Group Holding” JSC who have become object to act of corruption, or are aware of or have reasonable doubts about corrupt practices:

Any employee of the Company who has become the object of an act of corruption or is aware or has reasonable doubt of corrupt practices is obliged to report the case by addressing it directly to the Board of Directors of the Company (BD) or to a designated structural unit or an employee who has an obligation to deal with such cases:

- In the case report, employees shall describe clearly and comprehensibly the case and explain the nature of the action and the reasons why they identify it as corrupt in the sense of the present Policy. Anonymous alerts that meet the conditions described in the sentence above will also be considered;
- Employees can report their alert in writing, via e-mail, and/or request a hearing on the case;
- All employees of the Company are required to:
 - be aware of and respect, in their official and personal conduct, the principles and rules of the present Policy;
 - if necessary, to explain in their relationships within the Company and/or with external counterparties or clients that they are complying with the present Policy and require them to behave in a manner consistent with it;
- Upon joining the Company, all its employees agree to be the object of inspections related to the implementation of the present Policy, to participate in trainings, assessments, and certifications regarding its implementation, if any;
- The Company will not tolerate any form of repressive measure against employees who have informed us in good faith of their reasonable doubts about a possible act of corruption. Reporting such anxiety and seeking advice or assistance in good faith will be fully supported by the Company.
- Upon becoming aware or having reasonable doubts about corrupt practices in the activity of the Company or in cases where it has become object to an act of corruption on the part of an employee, its clients may be able to report the case by:
 1. A written alert or a complaint filed in accordance with the order established by the Company for communication with clients;
 2. Alert directly to the BD of the Company or a designated structural unit or employee in writing or by requesting a meeting and a hearing.
- Suppliers, subcontractors, insurance intermediaries, and other counterparties of “Sirma Group Holding” JSC that become the object of an act of corruption on the part of an employee of the Company or who become aware of or have reasonable doubts about corrupt practices in its activities may notify the case by written alert or complaint filed in accordance with the order established by the Company for communication and/or alert directly to the BD of “Sirma Group Holding” JSC or a designated body or employee - in writing or requesting a meeting and a hearing.
- “Sirma Group Holding” JSC undertakes to inform:
 1. its partners, suppliers, subcontractors, etc. for cases where the Company

has been the object of corrupt practices by third parties that may or may be related to their business or activity;

2. non-governmental organizations in which it is a member, for cases in which it has been the object to corruption or has become aware of corruption practices;

- In the event that “Sirma Group Holding” JSC has been the object of an act of corruption or has detected or been informed of corrupt practices or acts, it shall be obliged:
 - to terminate its contractual relationship with the respective counterparty or subcontractor;
 - to inform the competent authorities about the offenses committed;
 - to take disciplinary measures against its employees who have committed acts of corruption or have participated in corrupt practices.

X. INSPECTION AND CONTROL

The BD of “Sirma Group Holding” JSC, or a designated structural unit or employee thereof, is obliged to inspect any received alert, complaint, or information about an act or practice of corruption as follows;

- The inspection is carried out within the deadlines and in a manner determined by a special procedure, which the BD accepts, within six months of the adoption of the present Policy (see “Internal Rules for Submitting Signals and Protection of Persons Submitting Signals or Publicly Disclosing Information for Violations – Whistleblowers”);
- The procedure shall be public, and all persons within the scope of the present Policy shall have unhindered access to it;
- In addition to inspections due to alerts, for the implementation of the present Policy, inspections are carried out according to an annual plan, in a manner and order approved by the BD;
- Objects to inspections may be all employees of the Company, in a personal capacity, its structural units, and, in certain cases, external counterparties, suppliers, and subcontractors;
- Inspections of external counterparties, suppliers, and subcontractors are performed if part of the contractual relationship with the Company or the contracts concluded by them contain analogous texts. They can be inspected with their consent, and the scope of these inspections shall be specified within the contractual process, respecting the principles of good business ethics and the rules of commercial secrecy, personal data protection, etc. related to the activity of the counterparty.

XI. AWARENESS AND PREVENTION

For the implementation of the present Policy, the Company agrees to develop and implement measures and actions of awareness and prevention in order to achieve:

- Communicating and discussing the Policy and relevant guidelines for its implementation with employees and enhancing their responsibility in the performance of their direct duties;
- Training staff to ensure that they are aware of the Policy in its entirety, with the specific risks involved in carrying out their office duties, and lead to their accountability and intolerance to the actions or practices against which the present Policy is targeting, and being encouraged to report such actions or practices without fear of negative consequences for their work;
- Informing suppliers, counterparties, and business partners, as well as other interested parties, about the Policy, its objectives, and the results of its implementation;
- Effectiveness of internal control systems, strengthening their independence and protection against potential acts of corruption;
- Regular and systematic implementation of activities to identify corrupt risks and implement appropriate risk-based procedures aimed at preventing acts or practices of corruption.

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