

Internal Rules for Submitting Signals and Protection of Persons Submitting Signals or Publicly Disclosing Information for Violations – “Whistleblowers”

“SIRMD GROUP HOLDING” JSC

GENERAL

The internal rules for submitting signals and for the protection of persons who submit signals of violations of the legislation of the Republic of Bulgaria and of the regulations of the European Union - whistleblowers in the structure of "SIRMA GROUP HOLDING" JSC establish the rules, order and norms for filing reports of violations of the law of the European Union and the protection of these persons in connection with the reports submitted by them - in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23.10.2019 on the protection of persons who submit reports of violations of EU law and in accordance with the Law on the Protection of Persons Reporting Signals or Publicly Disclosing Information About Violations (in force from 04.05.2023).

These rules and regulations are approved by the employer.

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I. Terms and Definitions

For the purposes of these rules, the following definitions shall apply:

1) "violations" mean actions or lack of actions, which are illegal and/or contrary to the material scope - Section II and are related to Bulgarian legislation or acts of the European Union in the areas of: public procurement; financial services, products and markets and markets and the prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety, animal health and animal welfare; public health; consumer protection; the protection of privacy and personal data; the security of networks and information systems; which affect the financial interests of the European Union within the

meaning of Art. 325 of the Treaty on the Functioning of the European Union; violations of the rules of the internal market within the meaning of art. 26, paragraph 2 of the Treaty on the Functioning of the European Union, including the rules of the European Union and Bulgarian legislation on competition and state aid; violations related to cross-border tax schemes, the purpose of which is to obtain a tax advantage that is contrary to the object or purpose of the applicable law in the field of corporate taxation; committed crime of a general nature, for which a person under Art. 5 found out in connection with the performance of his work or in the performance of his official duties; the rules for payment of due public state and municipal receivables; labor legislation; the legislation related to the performance of public service, etc.

2) "information about violations" means information, including reasonable suspicions, about actual or potential violations that have been committed or are very likely to be committed in the structure of "SIRMA GROUP HOLDING" JSC, in which the reporting person works or has worked, or in another organization with which he is or has been in contact during his work, as well as attempts to cover up violations;

3) "report" or "reporting" means verbal or written transmission of information about violations, including notification in the proper manner described in these Rules of potentially unacceptable behavior noticed by a person falling within the scope of Section III of these Rules, addressed to the person competent to examine the matter;

4) "internal reporting" means oral or written communication of information about violations within "SIRMA GROUP HOLDING" JSC;

5) "external reporting" means the verbal or written communication of information about violations to the competent authorities;

6) "public disclosure" or "to be publicly disclosed" means publicly providing information about violations;

7) "whistleblower" means a natural person who files a report or publicly discloses information about violations noticed in the context of his work-related activities;

8) "assistant" means a natural person who assists a whistleblower in the whistleblowing process in a work context and whose assistance shall be confidential;

9) "work context" means current or past work activities through which, regardless of their nature, individuals receive information about violations and within which such individuals may be subject to retaliatory actions aiming at revenge if they provide such information;

10) "affected person" means a natural or legal person who is indicated in the filing of the report or in the public release of information as the person to whom the violation is attributed or with whom this person is connected;

11) "retaliatory actions aiming at revenge" means any direct or indirect action or lack of action that occurs in a work context, and is triggered by internal or external whistleblowing or public disclosure, and that causes or may cause undue harm to the whistleblower;

12) "follow-up action" means any action taken by the person receiving the report or by a competent authority in order to assess the accuracy of the allegations presented in the report and, where appropriate, to deal with the reported violation, including through actions such as internal inquiry, investigation, criminal prosecution, actions to secure funds, or completion of the procedure;

13) "feedback" means providing the whistleblower with information about the action that is intended or has already been taken as a follow-up action, as well as about the grounds for the follow-up action in question;

14) "competent authority" means any national authority designated to receive alerts in accordance with Chapter III and to provide feedback to whistleblowers and/or designated to carry out the duties necessary, in particular with regard to follow-up actions;

15) "direct manager" means a person hierarchically superior to a given employee in a given structural unit;

16) "violation" means any action or inaction during work that has an impact on it, that damages, exposes to danger, or may harm the objectives or reputation of "SIRMA GROUP HOLDING" JSC or its employee(s), including conduct that is: illegal, dishonest, or unethical; or behavior that violates the law or an internal act of a company from the "SIRMA GROUP HOLDING" JSC group.

II. Material scope and rights violations

These rules are intended to define standards for the protection of whistleblowers in the following areas:

- i) public procurement;
- ii) financial services, products, and markets and prevention of money laundering and terrorist financing;
- iii) product safety and compliance;
- iv) transport safety;
- v) environmental protection;
- vi) radiation protection and nuclear safety;
- vii) food and feed safety, animal health, and animal welfare;
- (viii) public health;
- ix) consumer protection;
- x) protection of privacy and personal data and security of networks and information systems;
- xi) affecting financial interests – fraud and any other illegal activity affecting material interest;

xii) related to the internal market in the EU - free movement of goods, people, services, and capital, as well as violations related to the internal market in relation to actions that violate the rules of corporate taxation or to arrangements the purpose of which received a tax advantage contrary to the object or purpose of the applicable law in the field of corporate taxation.

These rules do not apply to reports of violations: of the rules for awarding public contracts in the field of defense and national security, when they fall within the scope of Art. 346 of the Treaty on the Functioning of the European Union; of the protection of classified information within the meaning of Art. 1, para. 3 of the Law on Protection of Classified Information; which have become known to persons exercising a legal profession and for whom there is an obligation by law to protect professional secrecy; of the confidentiality of health information within the meaning of Art. 27 of the Health Act; of the secrecy of the judicial conference; of the rules of criminal procedure.

III. Personal scope of persons, who submit reports of violations

1. These rules are aimed at and concern the following natural persons:

- a) employees in the structure of "SIRMA GROUP HOLDING" JSC;
- b) employees with a terminated employment relationship with "SIRMA GROUP HOLDING" JSC as of the date of filing the report, in cases where they report violations that became known to them within its framework before the legal relationship in question was terminated;
- c) workers and employees who are about to enter into an employment relationship with "SIRMA GROUP HOLDING" JSC - in the event that the information they signal was received during the selection or in other pre-contractual legal relationships;
- d) self-employed persons who are engaged in the activities of "SIRMA GROUP HOLDING" JSC;
- e) persons working under the supervision and direction of contractors, subcontractors, and suppliers who are in a legal relationship with "SIRMA GROUP HOLDING" JSC;
- f) persons, according to the Law on the Protection of Persons Submitting Reports or Publicly Disclosing Information on Violations.

2. Apart from those listed in letters a) to f) of item 1 of Section III. of these Rules, the protection measures provided for in this document concern and apply to the following categories of persons:

- a) assistants within the meaning of item 8 of Section I, "Terms and Definitions", of these Rules;
- b) third parties who are related to the whistleblowers and who may be subject to retaliatory action in a work context, such as colleagues or relatives of the whistleblowers;
- c) legal entities that whistleblowers own, work for, or are otherwise associated with in a work context.

IV. Conditions for protection of persons

Whistleblowers have the right to protection under these Rules, provided that at the same time:

- a) they had reasonable grounds to believe that the submitted infringement information was true at the time it was submitted and that information fell within the material scope.
- b) they have filed a report in accordance with the established Rules and according to the instructions therein.

V. Report submission channel

1. Whistleblowers submit reports through a channel provided by "SIRMA GROUP HOLDING" JSC, an internal channel within the meaning of Directive No. 2019/1937 and the Act on the Protection of Persons Submitting Reports or Publicly Disclosing Information on Violations (the Law), without the possibility of submitting signals through another type of channel under the Directive and the Law being limited.

2. According to the Law the competent body for external whistleblowing is the Commission for the Protection of Personal Data.

3. The report may be submitted through the internal or external submission channels, or both, as well as through public disclosure within the meaning of the Law.

VI. Whistleblowing and follow-up procedures

1. Any person who falls within the scope of item 1 of Section III. of these Rules has the right to file a report and is hence a whistleblower.

2. The submission of the signal is carried out by sending a written message to the following e-mail address: whistleblowing@sirma.bg or in writing to the address: Sofia, "Tsarigradsko Shose" Blvd. 135, verbally in a personal meeting with the person responsible for processing the signals in a suitable period agreed between the parties, as well as by phone at +359882885616. The signal must necessarily contain at least the following information:

- a) details of the whistle-blower (and/or assistant, if any): three names, address, contact telephone number, fax, and e-mail address of the sender, if any;
- b) date and time of committing the violation, when known;
- c) date and time of knowledge of the violation and the circumstances related to it;
- d) the person who committed the violation or against whom the report is filed and his workplace, in case they are known to the reporting person;
- e) the presence of another person – a witness or accomplice in committing the violation;
- f) a description of what the violation is: specific details of the violation or of a real danger that it will be committed, place and period of the violation, if it was committed, a description of the act itself or the situation; and other circumstances, as far as these are known to the reporting person;
- g) other data and circumstances that the whistleblower considers important;

- h) the real risk of committing an offense;
- i) signature and full identification of the person who filed the report.

2.1. Submission of written signals:

The written signal is sent in one of the specified ways, and should contain the information specified in the previous point. The report should be addressed to the person designated for submitting reports and must contain the information under item 2 of this section. The written report should be submitted using a form available on the following website: www.sirma.com. The written signal may also be submitted by the person responsible for processing the reports in the structure of "SIRMA GROUP HOLDING" JSC.

2.2. Submission of verbal signals:

a) The verbal signal is submitted to phone number +359882885616. The persons submitting a signal to the telephone specified in the previous sentence declare that they are aware of the possibility that their telephone call and conversation may be recorded, and protocolled and they agree to this fact. In addition to calling the above phone number, the person submitting the report can also do so through a personal meeting with the person/persons responsible for processing the reports. This conversation, the actions performed, the evidence presented, etc. are reflected in a special protocol that is signed by the parties. Regardless of the method of submitting a verbal report, the persons who take the actions to initiate such a submission are obliged to identify themselves and indicate means for feedback to them.

b) The person responsible for receiving the signals creates a protocol in which the necessary information under item 2 of this section is noted precisely and specifically and then submits this protocol for the person's signature. If corrections and/or additions to the protocol are necessary, the same shall be reflected by the responsible person receiving the signal and then signed by the parties.

c) The person should appear for the presentation, and signing of the protocol within 7 days from the date of submission of the report.

d) the whistleblower may request a meeting with the person responsible for receiving the reports. The meeting is held within 7 (seven) days from the submission of the signal.

2.3 In the event that the reporting person does not wish to reveal his identity, remaining anonymous, proceedings on the report are not initiated. In the event that a person has filed a report anonymously, but has subsequently been identified or his identity has been revealed, he enjoys all the rights of protection according to the Law.

2.4. In the event that the reporting person does not provide a channel or means for feedback through which to receive confirmation of the receipt of the report submitted by him and/or feedback on the ongoing investigation of the violation described by him and the actions taken, as well as their results, he hereby agrees not to be notified and not to receive subsequent feedback regarding the information described above.

2.5. In the event that the report does not meet the requirements in item 2 of Section VI, it shall be returned to the reporting person for rectification of the irregularity within 7 (seven) days of receipt of the report. In the event that the irregularities are not corrected within 7 (seven) days from receipt of the message under the previous sentence of this point, the signal shall be returned to the reporting person.

3. The signals received on the e-mail indicated above are processed in a secure way, guaranteeing the confidentiality of the identity of the whistleblower and any other person indicated in the signal, and are accessible only to the persons responsible for processing the signals of "SIRMA GROUP HOLDING" JSC. The received signal and any information related to it are strictly confidential.

4. Within a period of no longer than 7 (seven) days from the date of receipt of the signal at the specified e-mail address, the whistleblower receives written confirmation of the fact of receipt.

5. In connection with the procedure for submitting the report and taking subsequent actions in relation to it, an impartial person is responsible for the processing of the report is designated. This person has the right to request additional information from the reporting person, from whom the latter has the right to receive feedback.

6. The responsible person in the sense of the previous point of these Rules is obliged to take the appropriate follow-up actions in a timely manner in connection with the received report, in the direction of its clarification and resolution, and, if necessary, to report this to a competent authority.

7. Within a period of no longer than 3 (three) months from the date of confirmation of the receipt of the signal, the whistleblower receives feedback on the ongoing investigation of the violation described by him and the actions taken.

After completion of the inspection, the signal is presented to the affected person for a written opinion within 7 days of receiving this submission.

8. The verification of the report shall be concluded with a written opinion, which shall be sent within seven days of its issuance to the whistleblower and the affected person, subject to compliance with the obligations to protect the whistleblower.

In cases where the report is filed against the employer, the person responsible for processing reports shall direct the whistleblower to an external reporting channel.

VII. Execution of the verification by the responsible person

1. The person performing the inspection takes the following actions:

1.1. maintains contact with the whistleblower when he has information about his identity;

1.2. may, at his discretion, request additional information on the report from the whistleblower;

1.3. directs the whistleblower to the competent authorities when his rights are affected;

1.4. takes specific measures with the aim of stopping or preventing the violation, in cases where it has been established or there is a real danger of its commission;

1.5. forwards the report to the Commission for the Protection of Personal Data or to another authority, according to its competence;

1.6. terminates the inspection of the signal by taking the actions under items 4 and 5 of Section VI of these rules or due to a lack of sufficient data on a violation or a lack of a real danger for the occurrence of such a violation.

2. Persons from the employer's structure other than the persons responsible for the reports, may be appointed to take follow-up actions.

3. Proceedings shall not be initiated if:

3.1. The report submitted is anonymous;

3.2. The violation reported was committed more than 2 (two) years ago from the date of filing the report.

VIII. Confidentiality obligations

1. The identity of the reporting person is not disclosed to anyone except the persons responsible for processing the reports, who have the right to receive signals or take follow-up actions on the report, without the expressed consent of the whistleblower. This also applies to any other information from which the whistleblower's identity can be determined, directly or indirectly.

2. Through an explicit statement by the whistleblower, his identity and any other information specified in item 1 of Section VII. of these Rules may be disclosed, provided that this is a necessary and proportionate obligation imposed by EU law or national law in the context of investigations by national authorities or judicial proceedings, including with a view to guaranteeing the right of defense of the relevant person.

3. Whistleblowers are informed before the disclosure of their identity in terms of item 2 of Section VII. of these Rules, unless such disclosure would jeopardize relevant investigations or legal proceedings. When informing whistleblowers, the competent authority should send them a written explanation clarifying the reasons for disclosing the relevant confidential data.

4. In the instance of receiving information that contains a commercial secret, it is not used for purposes beyond what is necessary to undertake subsequent actions.

IX. Processing of personal data. Technical and organizational measures.

1. Any processing of personal data carried out pursuant to these Rules, including the exchange or transmission of personal data, shall be carried out in accordance with Regulation (EU) 2016/679 and Directive (EU) 2016/680. Any exchange or transmission of information by institutions, bodies, offices, or agencies of the Union shall be carried out in accordance with Regulation (EU) 2018/1725.

2. No personal data is collected that is clearly not relevant to the consideration of a specific signal, and if it is accidentally collected, it is deleted without undue delay.

3. We do not collect personal data that has been obtained unlawfully or with irrelevant necessity.

4. Access to the personal data of the persons related to the signal is only available to the persons responsible for processing the signals. Access to personal data by third parties is carried out only on a legal basis, in accordance with confidentiality obligations, and in accordance with the Law and the Directive.

5. The categories of personal data processed on the occasion of the submission of signals and carriers of personal data are:

5.1. Information about the person submitting the report: first, middle, and last name;

5.2. Contact details of the whistleblower: address, telephone, fax, and e-mail address;

5.3. Names of the person against whom the report is filed and his place of work;

5.4. Other data collected which is necessary in connection with the investigation of the report.

6. The data processed by the person responsible for receiving the signals, is done in accordance with Regulation (EU) 2016/679 on a legal basis.

7. The processed personal data is stored on electronic and/or paper media, depending on the method of submission of the signal.

7.1. Paper carriers of personal data are kept in a separate archive, with limited access only to the employees responsible for processing the signals and locked with a lock with access to the key only to the persons responsible for processing the signals.

7.1.2. A separate file is created for each case, which is placed in a folder, and the folder is placed by the employee responsible for processing the signals in the archive under item 7.1.

7.1.3. The employee responsible for processing the signals is obliged not to distribute or share information that became known to him during and on the occasion of processing the signals. Any information related to the signals is considered strictly confidential and is processed only by the person responsible for processing the signals. The sharing of information is possible only in compliance with the provisions of the Law and the Directive.

7.1.4. The person responsible for processing the reports has no right to leave documents and information carriers related to the submitted report unattended at his workplace. All information carriers at the person's workplace are placed in a way that ensures the impossibility of other persons receiving information from the information carriers.

7.1.5. Data on electronic media are processed by the employee responsible for processing signals only on his office computer. The employee does not have the right to use different technical means from the official ones provided to him.

7.1.6. The employee creates an electronic file in an electronic folder to which only he has access. The electronic folder is protected by a password created by the employee. The password is for the employee's use only and may not be shared.

7.1.7. The work computer of the person responsible for handling the signals is automatically locked when not in use by the employee. The computer is protected with an individual password, which is subject to change after a period of time determined by the employer. The employee is prohibited from sharing passwords. In any case, when the employee gets up from his workplace, he is obliged to lock his computer.

7.1.8. The employer's internal electronic system uses high levels of electronic data protection and encryption.

8. In the case of a personal meeting with the whistleblower, the meetings are held only in the presence of the whistleblower and the person responsible for handling whistleblowers. Meetings are individual, and the presence of third parties is not allowed. This applies to all face-to-face meetings held by the whistleblower regarding whistleblowing.

9. The signals and the data processed in connection with them are stored for a period of 5 years, counted from the date of the opinion on the measures taken and/or counted from the date of completion of administrative proceedings or judicial proceedings, or for a period longer than that when a law or other act of the Bulgarian legislation requires this. In the event that the report does not meet the requirements introduced by the Law and its shortcomings are not remedied in time, as well as when the report does not contain data on violations, the data is deleted immediately after the opinion of the person responsible for receiving the reports.

10. After the expiration of the storage period, the data is destroyed by the person responsible for processing the signals through permanent destruction, with the impossibility of recovery.

11. The described organizational and technical data protection measures under item 7 of this section are mandatory for the persons responsible for processing the signals.

12. The provision of personal data in connection with the request of persons who are related to the submitted report is carried out without disclosing data to third parties. The sharing of data about the whistleblower is carried out only with his prior consent, except in the cases provided for by law.

13. Personal data not relevant to the submitted signal is not processed. The person responsible for processing the signals, together with the personal data protection person in the structure of "SIRMA GROUP HOLDING" JSC, assesses which information is necessary for the signal, after which the procedure for investigating the signal starts.

[X. Keeping a log of signals and storing signals](#)

1. Each signal received shall be entered into a register upon receipt, in accordance with the requirements and conditions of Section VI.

2. The register is kept in electronic form and is not public. Access to it is locked with a password known only to the people responsible for processing the signals.

3. The rules under Section IX of these Rules apply to keeping and storing the register.

4. The person responsible for keeping the register is also responsible for processing the signals.

5. The register contains at least the following information:

- a) the person who accepted the signal;
- b) the date of submission of the signal;
- c) identification number when the report is submitted anonymously;
- d) the affected person, if such a person is contained in the report;
- e) summary data on the alleged violation, such as place and period of the violation, description of the act, and other circumstances under which it was committed;
- f) connection of the submitted signal with other signals, when such is established during the processing of the signal;
- g) information provided as feedback to the person who submitted the report and the date of its provision;
- h) follow-up actions taken;
- i) the results of the check on the signal;
- j) the signal storage period.

XI. Feedback.

1. At the end of the inspection, an opinion is drafted, which must be provided to the executive director of "SIRMA GROUP HOLDING" JSC or the group company, within which the investigation was conducted.

2. The report:

- a) summarizes the results of the investigation and the evidence;
- b) draws a conclusion and indicates the degree of illegal behavior in breach of the requirements of the law and the rules of "SIRMA GROUP HOLDING" JSC;
- c) makes recommendations and suggestions for actions to eliminate the illegal behavior in order to prevent it from being repeated in the future;
- d) contains information on whether there is a basis for imposing disciplinary punishment on the person who has committed the illegal behavior and what type and severity it should be, provided there is a basis for such.

XII. Protection of whistleblowers and protection of affected persons

1. Whistleblowers shall not violate any restriction on the disclosure of information or bear any liability for such whistleblowing or public disclosure, provided that they have reasonable grounds to believe that the submission of a report was necessary for the disclosure of the violation.

2. Whistleblowers shall not be liable for the acquisition of, or access to, information that has been reported, provided that such acquisition or access does not itself constitute a crime.

3. Whistleblowers within the meaning of these Rules are protected in terms of illegal dismissal, imposition of disciplinary measures and punishments, illegal assignment of work outside official employment; loss of opportunity for education, training, or professional development; loss of opportunity for promotion at work, loss of professional title; deteriorated working conditions; early termination of the contract, reduction of salary and other forms of remuneration; assignment of additional duties or transfer to other positions; suffering retaliation by workers/employees.

4. Whistleblowers may not be subject to discrimination as a result of a report submitted in good faith.

5. The person responsible for conducting the investigation must take all necessary steps and actions to ensure that the investigation is fair and impartial. In this regard, the persons who may be affected by the inspection should be informed of the allegations and evidence against them and have the opportunity to provide an opinion on the case.

6. Any form of retaliatory action for the purpose of revenge against the persons named as whistleblowers, as well as threats or attempts to do so, is prohibited, including in the form of:

6.1. temporary suspension, dismissal, or application of another ground for termination of the legal relationship under which a person is employed;

6.2. demotion or delay in promotion;

6.3. change in the place or nature of work, duration of working hours, and reduction of remuneration;

6.4. refusal to provide training to maintain and increase the professional qualifications of employees;

6.5. negative evaluation of performance, including in a recommendation for work at another employer;

6.6. application of pecuniary and/or disciplinary liability, including imposition of disciplinary sanctions;

6.7. rejection, threats to take retaliatory actions, or actions expressed physically, verbally, or in any other way that are intended to harm the dignity of the person and create a hostile professional environment;

6.8. direct or indirect discrimination, unequal or unfavorable treatment;

6.9. taking away the possibility to switch from a fixed-term employment contract to an employment contract for an indefinite period of time, when the worker or employee had reasonable expectations of being offered a permanent job;

6.10. premature termination of a fixed-term employment contract or refusal to re-conclude it, when such is permissible by law;

6.11. damages, including to the person's reputation, in particular on social networks, or financial losses, including loss of business and loss of income;

6.12. inclusion in a list prepared on the basis of a formal or informal agreement in a sector or an industry, which may result in the person not being able to enter work or being unable to supply a good or service in that sector or industry (blacklist) ;

6.13. early termination or cancellation of a contract for goods or services;

6.14. termination of a license or permit.

7. Any retaliatory actions against whistleblowers are prohibited.

8. The persons against whom a report has been filed or information made public about a violation, shall enjoy to the full extent their right to defense and to a fair trial, as well as the presumption of innocence, including the right to be heard, and the right to access relevant documents.

9. The affected person is entitled to compensation for all pecuniary and non-pecuniary damages, when it is established that the person who filed the report knowingly did so by presenting false information or publicly disclosing false information.

XIII. Final notes

1. These Rules are approved by order of the representative of "SIRMA GROUP HOLDING" JSC.

2. Amendments and additions to these Rules shall be made only in writing in the order of their adoption.

3. These Rules enter into force on 04.05.2023.

4. Until the expiration of a maximum of 3 years from the date of adoption of these Rules, they should be revised, for which purpose an analysis of the practice should be prepared and, if necessary, they should be updated.

5. Annex to these rules: model of the form for submitting a report.

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