

RULES OF OPERATION OF THE BOARD OF DIRECTORS

“SIRMA GROUP HOLDING” JSC

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SECTION I

GENERAL PROVISIONS

Art.1. /1/ These rules of operation are adopted in accordance with Article 43 of the Articles of Association of SIRMA GROUP HOLDING JSC and regulate the organization and activities of the Board of Directors of the company.

/2/ The purpose of these operation rules is to specify the rights and obligations of the members of the Board of Directors of SIRMA GROUP HOLDING JSC, as well as to ensure an effective organization of its work.

/3/ For brevity, hereinafter these rules are simply called "THE RULES", SIRMA GROUP HOLDING JSC - simply "THE COMPANY", and the Board of Directors - "THE BOARD".

Art.2. /1/. The Board of Directors of the Company is elected by the General Assembly for a term of two years.

/2/. The Board members can be re-elected without restrictions.

/3/. The number of members of the Board of Directors, the composition, as well as the remuneration of the members who are not entrusted with the management, are determined by the General Meeting of the company's shareholders.

/4/. The selection of the members of the Board of Directors takes place by means of a transparent procedure, which ensures, among other things, timely and sufficient information about the personal and professional qualities of the candidate members.

/5/. After the expiration of their mandate, the members of the Board of Directors continue to perform their functions until the election of a new Board by the General Assembly.

Art.3. /1/. The composition of the Board of Directors can be changed by the General Meeting at any time.

/2/. If a member of the Board of Directors is a legal entity, in this case the legal entity appoints a representative to fulfill his duties on the Board. The legal entity is jointly and severally liable, together with the other members of the Board for the obligations arising from the actions of their representatives.

Art.4. /1/. The members of the Board of Directors must have a university degree and must not be:

1. convicted of an intentional crime of a general nature;
2. declared bankrupt as a sole trader or as partners with unlimited liability in a commercial company and not be in bankruptcy proceedings;
3. were members of a management or control body of a company or cooperative terminated due to bankruptcy in the last two years, preceding the date of the decision to declare bankruptcy, if there are unsatisfied creditors;
4. deprived of the right to hold materially responsible positions.

/2/. Persons cannot be elected to the Board of Directors if, at the time of election, they have been convicted with an effective sentence for crimes against property, against the economy, or against the financial, tax, and insurance systems, committed in the Republic of Bulgaria or abroad, unless they are rehabilitated.

/3/. At least one third of the members of the Board of Directors must be independent persons. The independent member cannot be:

1. an employee of the company;

2. a shareholder who owns directly or through related persons at least 25 percent of the votes in the General Meeting of Shareholders or is a person related to the company;
3. a person who has permanent commercial relations with the company;
4. a member of a management or control body, procurator, or employee of a commercial company or other legal entity under items 2 and 3;
5. a person related to another member of the Board of Directors.

/4/. Persons elected as members of the Board of Directors for whom, after the date of their election, circumstances under paragraphs 2 and 4 occur, are obliged to immediately notify the Board of Directors. In this case, the person ceases to perform his functions and does not receive remuneration.

SECTION II

RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Art.5. The members of the Board of Directors are obliged to comply with the requirements of the Public Offering of Securities Act, the Law on Special Investment Companies, the Commercial Law, and the Company's Articles of Association.

Art.6. /1/. The members of the Board of Directors are obliged to perform their functions with the care of a good trader, to be loyal to the Company, and to act in the best interest of its shareholders, including:

1. to perform their duties with the skill, diligence, and responsibility inherent in a professional and in a way which they reasonably consider to be in the interest of all the Company shareholders, using only information that they reasonably consider to be reliable, complete, and timely;
2. to prefer the interests of the Company and the investors in the Company to their own interests and not to use, for the benefit of themselves or other persons, at the expense of the Company and the shareholders, facts and circumstances that they learned in the performance of their official and professional duties;
3. to avoid direct or indirect conflicts between their interest and the interest of the Company, and if such conflicts arise - to disclose them in a timely and complete manner and not to participate, as well as not influence the other members of the Board, in making decisions in these cases;
4. not to distribute information about the deliberations and decisions of the meetings of the Board of Directors, as well as other non-public information about the Company, including after they cease to be members of the Board of Directors, until the relevant circumstances are publicly announced by the Company.
5. to provide and disclose information to shareholders and investors in accordance with the requirements of the normative and internal acts of the Company.

The members of the Board of Directors are obliged to comply with the requirements of the Public Offering of Securities Acts, the Special Investment Companies Act, the Commercial Law, and the Company's Articles of Association.

/2/. Paragraph 1 also applies to natural persons who represent legal entities - members of the Board of Directors, as well as procurators.

Art. 7. /1/. Each of the members of the Board of Directors receives a monthly remuneration of a fixed amount, which cannot exceed 10 /ten/ times the amount of the minimum wage for the country.

/2/. In addition to the monthly remuneration under para. 1, the chairman and vice-chairman of the Board of Directors, as well as the executive directors and other members of the Board of Directors, may receive

additional remuneration /bonus/, determined on the basis of additionally accepted indicators, before the payment of dividends.

/3/. The persons under para. 1 and 2 may receive different remunerations.

/4/. The remuneration under para. 1 is paid monthly in cash or to a bank account on the first working day of the month following the month for which it is due, and the remuneration under para. 2 - as defined in the Regulations for the remuneration of the Board of Directors.

Art. 8. /1/. The members of the Board of Directors and persons closely related to them shall notify the Financial Supervision Commission and the Company in writing of the transactions concluded on their behalf with shares issued by the Company, which are admitted to trading on a regulated market with derivatives or other financial instruments related to these shares, when for a period of one year the value of these transactions exceeds EUR 5,000 within one calendar year. The notification shall be made within 3 working days of the conclusion of the transaction that crosses the indicated threshold.

/2/. The notification under para. 1 is done using a special template downloaded from the site of the FSC and contains at least:

1. the three names of the person who is a member of the Board of Directors and the three names of the person closely related to him;
2. the basis of the notification obligation;
3. the name of the company;
4. description of the financial instruments, subject of the transaction;
5. the type of transaction /such as acquisition or disposition/;
6. the date and place of the conclusion of the transaction;
7. the price and number of financial instruments - subject of the transaction.

Art.9. The Board of Directors is obliged to provide the shareholders and the investment community with regular and timely disclosure of information regarding major corporate events related to the activity and state of the company.

SECTION III

STATUTE OF THE BOARD MEMBERS

Art. 10. /1/ The members of the Board of Directors have equal rights and obligations, regardless of the internal distribution of functions between them, as well as the additional management and representative rights and obligations of the executive director /member/.

/2/ The members of the Board of Directors are obliged to perform their duties in the interest of the company, as well as to protect all its secrets during their mandate.

/3/ The members of the Board of Directors are jointly and severally liable for the damage they have culpably caused to the company. Any of the members of the Board can be released from liability if it is established that they are not at fault for the damages that have occurred.

SECTION IV

GUARANTEE FOR GOOD MANAGEMENT

Art. 11. /1/ The members of the Board of Directors give a guarantee for the term of their management in the amount of 3 /three/ initial monthly gross remuneration.

/2/ According to the contracts for the assignment of management, the members of the Board of Directors guarantee the company by signing a "Promissory Note".

/3/ The promissory note shall be returned to the relevant member upon termination of his membership in the Board and his release from liability in connection therewith.

SECTION V

COMPOSITION OF THE BOARD OF DIRECTORS

Art. 12. /1/ In order to better organize their work, the members of the Board of Directors elect among themselves a Chairman and one Executive Member /Executive Director/.

Art. 13. /1/. The Board of Directors may authorize the Executive Director to represent the Company together with another member of the Board of Directors, or with a proxy. Authorization may be withdrawn at any time. The company can be represented by two procurators together.

/2/. The names of the persons authorized to represent the Company shall be entered in the commercial register and made public.

SECTION VI

ACTIVITY OF THE BOARD OF DIRECTORS

Rights and obligations

Art. 14. /1/ The Board of Directors organizes, directs, and controls the activities of the company and resolves all issues related to it, except those that are included in the exclusive competence of the General Meeting of Shareholders and the Executive Director.

/2/ The Board of Directors:

1. governs and manages the company's property with due diligence;
2. organizes, within 7 /seven/ days from the creation of the relevant grounds, the preparation and submission to the relevant court of the necessary documents related to the entry in the Commercial Register of the appropriate court of the circumstances subject to entry, affecting the company;
3. develops and presents to the regular annual general meeting of shareholders business programs and plans for the entire term of office of the Board of Directors and specifically for each year;
4. prepares and presents to the regular annual general meeting of shareholders an annual financial report on the activity during the past financial year and announces it after its adoption;
5. determines and approves the organizational and management structure of the company in accordance with the applicable regulations;
6. adopts the internal organizational acts of the company, such as rules for the work remuneration, rules for the internal work order, etc.;
7. makes decisions on the appointment and dismissal of the chief accountant of the company, as well as the heads of the main departments/units;

8. elects and dismisses the Executive director;
9. assigns the Executive director through a management contract the activity of the immediate organization of the management and representation of the company;
10. determines the remuneration of the Executive director of the company within the framework of the remuneration determined by the general meeting of shareholders;
11. disposes of the material assets of the company;
12. makes decisions for the closing of contracts for granting loans to the company, as well as for establishing a mortgage, pledge, or other collateral;
13. makes decisions on the formation of cash funds and determines the procedure for their accumulation and spending;
14. organizes and prepares the meetings of the General Meeting of the company's shareholders, makes proposals for their agenda;
15. makes decisions on participation in or termination of participation in other corporate legal entities;
16. makes decisions on giving guarantees in favor of third parties;
17. makes decisions on entering into contracts for lending to third parties;
18. makes decisions on opening representative offices of the company;
19. makes decisions on all other issues, in accordance with its rights and obligations arising from the current legislation and the company's statutes.

/3/ In its activity, the Board of Directors is assisted by committees and commissions defined in the management structure adopted by the Board of Directors.

Prohibited activity

Art. 15. The Board of Directors has no right to carry out disposition transactions and other actions for which, according to the statute and the law, a prior decision by the General Meeting of the company's shareholders is required.

Incompatibility

Art. 16. /1/ The members of the Board of Directors, resp. those representing them pursuant to Art. 234 of the Commercial Act, during their term of office cannot:

- a/ be sentenced to imprisonment for an intentional crime of a general nature;
- b/ to be declared bankrupt or to be a member of a management or control body or a partner with unlimited liability in a company dissolved due to bankruptcy, if there are unsatisfied creditors;
- c/ to be spouses or relatives by law or by blood line up to the third degree, as well as by matchmaking up to the third degree, including another member of the Board;
- d/ not meet other requirements of the law or the statute.

/2/ In the event of incompatibility, the relevant member or representative is obliged to immediately submit his resignation as a member of the Board. In the event that he does not do so, the Board of Directors proposes to the General Assembly to terminate his rights as a member of the board, and when the relevant

person is a representative of a legal entity, the Board of Directors proposes that person to immediately change his representative in the Board.

SECTION VII

BOARD OF DIRECTORS MEETINGS

Schedule of meetings

Art. 17. /1/ The Board of Directors holds regular meetings.

/2/ The Board meets at least once every 3 /three/ months, unless it itself decides otherwise.

/3/ Extraordinary meetings may be convened at the request of any member of the Board of Directors.

/4/ The meetings are held in the building where the company's management address is located. The Board may hold a meeting elsewhere if it so decides.

/5/ For each meeting, the Board of Directors appoints, if possible, a reporter on the issues included in the agenda at its previous meeting. The reporter prepares written information, which is sent to the members of the Board along with the invitation to the meeting.

/6/ The meetings of the Board of Directors are closed, unless the Board decides otherwise.

Convening of meetings

Art. 18 /1/. Meetings are convened by the Chairman of the Board of Directors. Each member of the Board of Directors may request that the Chairman convene a meeting to discuss individual issues. In this case, the Chairman is obliged to convene a meeting by sending notifications within 3 days before the date of the meeting, unless, in view of the urgency of the matter, it is necessary to convene the meeting at a shorter notice.

/2/. The meeting notice must state the place, date, time of the meeting, and the proposed agenda.

/3/. Notice of convening a meeting is not necessary for the members present if they were notified at the previous meeting of the Board of Directors of the place, date, time, and agenda of the next meeting. Absent members are notified according to para. 3 and 4.

/4/. Each of the members of the Board of Directors may request from the Chairman or other members of the Board the necessary materials relating to the issues that will be discussed at the upcoming meeting.

Quorum

Art. 19. /1/ The meeting is regular if more than 50% of the members are present.

/2/ In the absence of a quorum, a new meeting is scheduled within 1 /one/ week.

/3/ The members of the Board of Directors present at the meeting are indicated in the minutes of the meeting.

Representation for the meetings

Art. 20. /1/ Each member of the Board of Directors may be represented at a meeting of the Board by another member authorized for this purpose.

/2/ The authorization must be in writing. A copy of it certified by the authorized person is attached to the minutes of the meeting.

/3/ In the minutes of the meeting, it is explicitly noted which member of the Board represents whom.

Majority for decision-making

Art. 21. /1/ The Board of Directors takes its decisions by a majority of more than half of the members present.

/2/ The Board of Directors makes its decisions unanimously in cases where this is specified by law or in the company's articles of association.

/3/ A member of the Board of Directors cannot vote in person or through a representative when making a decision on:

a/ bringing a claim against him;

b/ undertaking actions to fulfill his responsibility towards the company.

Remote decision-making

Art. 22. /1/ The Board of Directors may make decisions on a given issue remotely, if all its members have expressed their consent to the decision in writing.

/2/ The decision is considered to have been taken after the minutes of the remote decision-making are signed by as many members of the Board as are sufficient for the decision-making.

/3/ The organization of remote decision-making is carried out by the Chairman of the Board.

Entry into force of decisions

Art. 23. /1/ The decisions of the Board of Directors enter into force immediately upon their adoption, unless their effect is expressly postponed.

/2/ The Board's decisions have a serial number for each meeting.

Protocol

Art. 24. /1/ Minutes are kept at the meetings of the Board of Directors, which indicate:

a/ the place and time of the meeting;

b/ the names of the present members of the Board, the members represented, and their representatives;

c/ the external persons present;

d/ the agenda;

e/ the proposed solutions;

f/ the votes held and their results;

g/ the decisions taken.

/2/ The minutes are drawn up within 7 /seven/ days of the meeting and are signed by all members of the Board present at the meeting.

/3/ The written materials submitted for discussion, the powers of attorney to represent members of the Board and their possible written opinions on the agenda items are attached to the minutes.

/4/ The originals of the minutes with all their annexes are kept with the Chairman of the Board of Directors or with a person designated by the Board of Directors.

/5/ Copies of the minutes of the Board are provided ex officio to its members immediately after the preparation of the minutes.

/6/ The finished protocols are arranged in a protocol register /book/, which is certified annually by the Chairman of the Board. The minutes and their annexes are kept for 10 /ten/ years from the date of the meeting.

Art. 25. The minutes of the meetings of the Board constitute a trade secret. Facts and circumstances arising from them may be published, disclosed, or brought to the knowledge of third parties only by decision of the Board of Directors, or when required by a regulatory act.

Minuteman

Art. 26. /1/ The Board of Directors may elect a minute-taker to keep the minutes of the meetings and prepare transcripts and extracts from them.

/2/ The recorder is responsible for printing the protocol, the necessary extracts of the decisions from it, as well as for delivering these decisions to the persons to whom they apply.

/3/ The expenses for the preparation, printing, and copying of the minutes and transcripts from them are at the expense of the company.

Information provision for the meetings

Art. 27. /1/ The questions submitted for resolution by the Board of Directors are considered on the basis of written information prepared by the applicant and provided in an appropriate period before the date of the meeting.

/2/ In view of the nature of the issues under consideration, workers and employees of the company, as well as other persons /experts, etc./, whose official competence is related to the issues discussed by the Board, may be present at the meetings.

SECTION VIII

REPRESENTATION AND MANAGMENT

Representation of the company

Art. 28. /1/ The company is managed and represented by the Board of Directors.

/2/ The Board distributes the functions among its individual members, makes decisions, and assigns their implementation to members.

/3/ The company is represented by its executive director before third parties.

Chairman of the Board of Directors

Art. 29. The Chairman of the Board of Directors:

a/ leads the preparation and work of the meetings of the Board;

b/ convenes the meetings of the Board;

c/ prepares the agenda of the meetings of the Board, brings it to the knowledge of the members of the Board and submits for consideration the materials on it, prepared by the rapporteurs determined in advance by the Board;

d/ receives, processes, summarizes, and gives an opinion on the received proposals from the members of the Board;

e/ keeps a report on the decisions taken at the Board meetings, coordinates and supervises their implementation;

f/ seconded the executive members of the Board in the country and abroad.

g/ performs other functions provided for in the law or the statute.

Executive Director

Art. 30. /1/ The executive member /director/ represents the company to third parties and organizes its immediate management.

Management contract

Art. 31. /1/ The Executive Director carries out his activities on the basis of a management contract signed between him and the company, represented by the Chairman of the Board of Directors.

/2/ The management contract contains:

a/ the tasks of the executive director;

b/ the rights and obligations of the executive director;

c/ the financial incentive and responsibility of the executive member;

d/ the possibilities and consequences of termination of the management contract.

Powers of the Executive Director

Art. 32. /1/ The executive director:

a/ organizes, directs, and controls the overall activity of the company in accordance with the current legislation, the decisions of the Board of Directors, the statutes of the company, and these rules;

b/ ensures the management and protection of the company's property;

c/ exercises the rights of an employer with the persons working in an employment relationship with the company;

d/ conclude transactions on behalf of the company, about which he informs the Board of Directors /according to the order specified in the statute and in the decisions of the Board of Directors/;

e/ represents the company before state and municipal authorities, as well as before all other natural and legal persons;

f/ immediately reports to the Chairman of the Board of Directors about any incident that is of essential importance for the company, proposing to convene the Board of Directors if necessary;

g/ solves all other tasks arising from the law, the statute, and the decisions of the Board of Directors.

/2/ If the executive director is unable to fulfill his rights and obligations, they are assumed by the Chairman of the Board of Directors.

SECTION IX

FUNCTIONS OF THE BOARD OF DIRECTORS

Art. 33. /1/ The Board of Directors is a collective body for managing the company. It is accountable for its activities to the General Meeting of the company's shareholders.

/2/ The Board carries out its activities in accordance with the requirements of the current legislation and the company's statutes.

SECTION X

PROPERTY RIGHTS OF THE MEMBERS OF THE BOARD

Business trips of the members of the Board of Directors

Art. 34. /1/ The members of the Board of Directors are seconded to the country by the Executive Director, and he - by the Chairman of the Board.

/2/ The members of the Board of Directors are posted abroad based on a decision of the Board of Directors for each individual case.

/3/ The members of the Board of Directors, who do not live in the town where the relevant meeting of the Board is held, are paid travel allowances for it.

/4/ The expenses for the business trips of the members of the Board of Directors are at the expense of the company.

Use of company property

Art. 35. The members of the Board of Directors may, in the performance of their functions, use the property of the company, including a company mobile phone and a company car.

Financial costs

Art. 36. /1/ In order to carry out its activities, the Board of Directors has the right to financial expenses within the limits of the company's management expenses approved by it.

/2/ For their work, the members of the Board receive remuneration at the expense of the company, as determined by the General Meeting of Shareholders.

SECTION XI

GIFTS

Art. 37. /1/. The members of the Board of Directors have the right to freely receive advertising materials and souvenirs from third parties - companies and organizations with which the company has contractual relations.

/2/. The members of the Board of Directors have the right to freely receive advertising materials and souvenirs from persons related to the company.

/3/. The members of the Board of Directors are not entitled to receive other types of gifts from third parties - companies and organizations with which the company has contractual relations or from persons related to the company.

SECTION XII

ANNUAL REPORTS

Art. 38. /1/. By March 31 every year, the Board of Directors is obliged to ensure the following: drawing up a financial statement and a report on the activity for the past year, presenting the report to the

registered auditor(s) chosen by the General Assembly, as well as certifying the financial statement by the auditor; by April 31 each year - drawing up a consolidated financial statement and a report on the activity for the past year, presenting the report to the registered auditor(s) chosen by the General Assembly, as well as certification of the consolidated financial statement by the auditor;

/2/. After receiving the reports of the registered auditors, the Board of Directors presents to the General Assembly financial statements - individual and consolidated, a report on the activity and the reports of the auditors.

/3/. The activity report describes the progress of the activity and the state of the Company and the Group Companies, and explains the annual financial statements. The report also contains other information required by the current regulations.

SECTION XIII

OBLIGATION FOR SPECIFIC COMPANY REPORTS

Art. 39. /1/. The company submits to the FSC and the regulated market, annual and quarterly individual and consolidated reports with the content and within the terms provided for in the Special Purpose Investment Company Act, the POSA, and the acts on their implementation. The company provides the FSC and other authorized bodies and organizations with other information required by the current legislation.

/2/. The company publishes an announcement about the presentation of the reports and the location, method, and time for familiarization with them within 7 days of their presentation.

SECTION XIV

TRANSITIONAL AND FINAL PROVISIONS

§ 1. All amendments and additions to these rules enter into force the day after the meeting of the Board of Directors at which they were made, unless the Board decides otherwise.

§ 2. The interpretation of these rules is carried out by the Board of Directors itself.

§ 3. The relevant provisions of the Bulgarian legislation and of the company's articles of association shall apply to matters not covered by these rules.

§ 4. These rules are adopted on the basis of Art. 244, para. 2 of the Commercial Law and Art. 43 of the company's articles of association with Decision No. 5 of November 20, 2015 of the company's Board of Directors.

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