



CORPORATE GOVERNANCE

STATEMENT

OF "TELELINK BUSINESS SERVICES GROUP" AD

TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENT

PURSUANT TO ARTICLE 100H, PAR. 8 IN RELATION TO ARTICLE 7, ITEM 1 OF

THE PUBLIC OFFERING OF SECURITIES ACT

Information on the application of the National Code of Corporate Governance

The activity of "TELELINK BUSINESS SERVICES GROUP" AD, after its registration as a public company by a decision of the Financial Supervision Commission dated 28.11.2019, respectively after admission of its shares to be traded on a regulated market, organized and maintained by "Bulgarian Stock Exchange" AD, is in accordance with the normative requirements set in the Public Offering of Securities Act (POSA) and the deeds for its implementation, with the Articles of Association of the company, and with the National Code of Corporate Governance.

In 2020, the corporate management of "TELELINK BUSINESS SERVICES GROUP" AD has taken all necessary legal and factual actions to implement all the recommendations of the Code.

Good corporate governance is a set of balanced relationships between the Management Bodies of the Group, its shareholders and all stakeholders – employees, trading partners, creditors, potential and future investors and society as a whole. The Code is applied on the basis of the **"observe or explain" principle**. This means that the company complies with the Code, and in case of deviation, its management should clarify the reasons for this.

"TELELINK BUSINESS SERVICES GROUP" AD does not apply another corporate governance code, as well as corporate governance practices, in addition to the National Corporate Governance Code.

I. Corporate management of "TELELINK BUSINESS SERVICES GROUP" AD.

"TELELINK BUSINESS SERVICES GROUP" AD (hereinafter referred to as the "Company") is a company with a two-tier management system.

The company is managed and represented by a Management Board, under the control of a Supervisory Board.

As of the date of preparation of this document, members of the Management Board are:

Ivan Krasimirov Zhitiyanov – Chairperson and Executive Member of the Management Board

Teodor Dimitrov Dobrev – Member of the Management Board

Paun Uvanov Ivanov – Member of the Management Board

Nikoleta Elenkova Stanailova – Member of the Management Board

Gojko Martinovic – Member of the Management Board

As of the date of preparation of this document, members of the Supervisory Board are:

Hans van Huvelingen – Chairperson of the Supervisory Board

Ivo Evgeniev – Member of the Supervisory Board

Bernard Jean Luc Mosccheni – Member of the Supervisory Board

Functions and duties of the Management Board

The Management Board of the company makes decisions, as its exclusive competence, for:

1. Closure or transfer of enterprises or significant parts of them to the subsidiaries of the Company;
2. Significant change in the activity of the company;
3. Significant organizational changes;
4. Opening and closing of branches and representative offices of the company in the country and abroad;

5. Acquisition, termination or other disposal of shares, other securities, shares or share participation in commercial companies in the country and abroad, as well as in non-profit legal entities;
6. Formation of monetary funds and the procedure for raising and spending them;
7. Execution of the transactions under Article 236 of the Commercial Law;
8. Acquisition and alienation of real estates and real rights over them;
9. Preparation, acceptance and signing of a prospectus for public offering of securities issued by the company;
10. Selection and release of investment intermediaries to undertake and/or administer an issue of securities issued by the company, which will be the subject of public offering;
11. Acceptance and presentation of the annual financial report of the company, the annual report on the activity and the report of the registered auditors of the Supervisory Board;
12. Acceptance of the annual consolidated financial report of the company;
13. Adoption of an annual budget and business plan of the company and/or its subsidiary, as well as amendments to the annual budget and business plan;
14. Making decisions for transactions or actions, which do not fall within the usual commercial activity of the company, and transactions, which are not concluded under market conditions;
15. Taking bank loans;
16. Transfer of the rights to perform the expanded activity of the company and the persons directly related to it to a person who is not the exclusive property of the company or to a person directly related to the company;
17. Any transfer, rental or establishment of a right of usufruct, rent, pledge, mortgage or other encumbrances on the property of the company and the persons directly related to the company;
18. Proposal to the General Meeting of Shareholders for separation of particular spheres of activity of the company and the persons directly related to it, so that one or more of these spheres of activity to be transferred to a company or companies, which are not related to the company, regardless the form of separation of the respective sphere of activity;
19. Concluding or amending management contracts of the executive director of the company;
20. All other issues related to the management of the Company, which are not within the exclusive competence of the General Meeting of Shareholders or the Supervisory Board.

The Management Board takes decisions if at least half of its members are present in person or represented by another member of the Board. A member present may not represent more than one absent member. Decisions are taken by simple majority.

The Management Board may take decisions in absentia if all members of the Board agree in writing to these decisions.

The Management Board reports on its activities to the Supervisory Board at least once every three months.

Election and dismissal of members of the Management Board

The Supervisory Board elects and dismisses the members of the Management Board in accordance with the law and the Articles of Association of the company, as well as in accordance with the principles of continuity and sustainability of the work of the Management Board.

In case of proposals for election of new members of the Management Board, the principles of compliance of the competence of the candidates with the nature of the National Code of Corporate Governance in the activity of the company are observed.

All members of the Management Board should meet the legal requirements for holding office. The functions and obligations of the corporate management, as well as its structure and competence, are in accordance with the requirements of the Code.

The contracts for assignment of management, concluded with the members of the Management Board, determine their obligations and tasks, their obligations for loyalty to the company and the grounds for dismissal.

Structure and competences of the Management Board

The number of members and the structure of the Management Board are determined in the Articles of Association of the company.

The composition of the Management Board is structured in a way that guarantees the professionalism, impartiality and independence of its decisions in connection with the management of the company. The functions and obligations of the corporate management, as well as its structure and competences are in accordance with the requirements of the Code.

The Management Board ensures a proper division of tasks and responsibilities between its members in order to achieve efficiency of the activities of the company, in accordance with the interests and rights of the shareholders.

The competences, rights and obligations of the members of the Management Board follow the requirements of the law, the by-laws and the standards of good professional and managerial practice.

The members of the Management Board should have the appropriate knowledge and experience required for the position they hold.

Improving the qualification of the members of the Management Board is their constant commitment.

The members of the Management Board should have the necessary time to perform their tasks and duties. The Articles of Association of the company do not determine the number of companies in which the members of the Management Board may hold managerial positions.

Conflict of interests

The members of the Management Board must avoid and not allow real or potential conflicts of interest.

The members of the Management Board will immediately disclose conflicts of interest and provide access to information on transactions between the company and members of the Management Board or persons related to it by submitting the declaration under Art. 114b of the POSA.

In 2020, the Management Board has developed a procedure for avoiding conflicts of interests in transactions with stakeholders and disclosure of information.

Functions and duties of the Supervisory Board

The Supervisory Board of the company makes decisions, as its exclusive competence, on the following:

1. Election and dismissal of the members of the Management Board and determination of the remuneration of the members of the Management Board and the Executive Directors;
2. Approval of the business plan and the annual budget of the company and its subsidiaries;
3. Approval of the following decisions of the Management Board:

- 3.1. Distribution of functions between the members of the Management Board and the authorization of members of the Management Board to represent the company;
 - 3.2. Opening and closing of branches and representative offices of the company in the country and abroad;
 - 3.3. Acquisition, termination or other disposal of shares, other securities, shares or share participation in companies in the country and abroad, as well as in non-profit legal entities;
 - 3.4. Carrying out the transactions under Art. 236 of the Commercial Law;
 - 3.5. Approval of the Rules of Procedure of the Management Board and any proposed amendments or additions thereto;
 - 3.6. Other matters explicitly stated in the Rules of Procedure of the Supervisory Board.
4. The Supervisory Board has the right to request, at any time, the Management Board to submit information, reports or draft decisions on all matters affecting the Company.

The Supervisory Board has the right to check all documents, books and reports concerning the activities of the company and to request written and oral information on all matters from all members of the Management Board and from all employees of the company.

The Supervisory Board meets at least once every three months. The meetings are convened by the Chairperson of the Supervisory Board on his/her initiative or at the request of a member of the Supervisory Board or at the request of a member of the Management Board, made through the Chairperson of the Management Board.

The Supervisory Board takes decisions if at least half of its members are present in person or represented by another member of the Board. A member present may not represent more than one absent member. Decisions are taken by simple majority.

The Supervisory Board may take decisions in absentia if all members of the Board agree in writing to these decisions.

Election and dismissal of members of the Supervisory Board

The Supervisory Board is elected and dismissed by the members of the General Meeting of Shareholders in accordance with the law and the Articles of Association of the company, as well as in accordance with the principles of continuity and sustainability of the work of the Supervisory Board.

When considering proposals for election of new members of the Supervisory Board, the principles of compliance of the competence of the candidates are observed, as required by the National Code of Corporate Governance applied in the activity of the company.

All members of the Supervisory Board should meet the legal requirements for holding office. The functions and obligations of the corporate management, as well as its structure and competence, are in accordance with the requirements of the Code.

The contracts for assignment of the management, concluded with the members of the Supervisory Board, determine their obligations and tasks, their obligations for loyalty to the company and the grounds for dismissal.

Structure and competences of the Supervisory Board

The number of members and the structure of the Supervisory Board are determined in the Articles of Association of the company.

The composition of the Supervisory Board is structured in a way that guarantees the professionalism, impartiality and independence of its decisions. The functions and obligations of the corporate

management, as well as its structure and competences are in accordance with the requirements of the Code.

The competences, rights and obligations of the members of the Supervisory Board follow the requirements of the law, the by-laws and the standards of good professional and managerial practice.

The members of the Supervisory Board should have the appropriate knowledge and experience required for the position they hold.

Improving the qualification of the members of the Supervisory Board is their constant commitment.

The members of the Management Board should have the necessary time to perform their tasks and duties. The Articles of Association of the company do not determine the number of companies in which the members of the Management Board may hold managerial positions.

The election of the members of the Supervisory Board of the company is done through a transparent procedure that provides, among others, timely and sufficient information about the personal and professional qualities of the candidates for members. As part of the documentation for the General Meeting, at which the election of a new member of the Supervisory Board is proposed, all declarations required by the POSA and the Commercial Law, a criminal record certificate and a professional biography of the candidate for elected position are submitted.

Upon election of members of the Supervisory Board, the candidates confirm, by a declaration or in person, to the shareholders the accuracy of the submitted data and information. The election procedure are conducted by open voting and taking into account the votes "For", "Against" and "Abstentions". The results of the voting are announced through the minutes of the General Meeting of Shareholders.

Conflict of interests

The members of the Supervisory Board must avoid and not allow real or potential conflicts of interest.

The members of the Supervisory Board will immediately disclose conflicts of interest and provide access to information on transactions between the company and members of the Supervisory Board or persons related to it by submitting the declaration under Art. 114b of the POSA.

The Articles of Association of the company explicitly provide that no later than at the beginning of the meeting, a member of the Supervisory Board is obliged to notify in writing its Chairperson that he/she or a related person has a conflict of interests on an issue included in the agenda and will not participate in the decision-making.

Remuneration of the members of the Supervisory and Management Boards

The remuneration policy for the members of the Supervisory and Management Board of "TELELINK BUSINESS SERVICES GROUP" AD was adopted by a decision of the Supervisory Board of the Company on 03 August 2020 and was approved by the first regular annual General Meeting of the Company's shareholders held on 10 September 2020, after it obtained public status. The policy has entered into force on the date of its approval by the General Meeting of Shareholders of the Company. During the reporting period there was an amendment to the remuneration policy, approved by a decision of the General Meeting of Shareholders held on 10 December 2020. Until the approval of the remuneration policy, the Company has paid remunerations in accordance with the applicable requirements, long-term interests and the strategy for future development, taking into account the recommendations of the National Corporate Governance Code. Information on the principles for formation of the remuneration of the members of the Management and Supervisory Boards of the Company, as well as on their amount, were disclosed in a report on the implementation of the remuneration policy for the members of the Supervisory and Management Boards.

Conflict of interest with respect to the Management of the subsidiaries

The members of the Management Boards of the subsidiaries must avoid and not allow real or potential conflicts of interest.

The members of the Management Boards of the subsidiaries will immediately disclose conflicts of interest and notify the Management Board of "TELELINK BUSINESS SERVICES GROUP" AD, providing access to all information on transactions between the companies and members of the management boards of the companies in the Group or their related parties.

The members of the Management Boards of the subsidiaries are obliged to comply with the Code of Ethics and Professional Conduct, the Rules for disclosure of inside information and the Procedure for avoiding conflicts of interest in transactions with interested parties and disclosure of information.

II. Description of the internal control and risk management system of "Telelink Business Services Group" AD (TBSG) and the Group in connection with the financial reporting process.

The Company has an Audit Committee elected by the General Meeting of Shareholders. The procedures for selection of members of the Audit Committee, manner of its functioning, reporting and mandate are described in the Audit Committee Statute approved by the General Meeting of Shareholders.

The Group Companies have established and operate a system for internal control and risk management, which provides the Companies with a holistic management approach, applying preventive (risk assessment and treatment), control (internal control) and corrective actions (internal audit) that provide a mechanism for continuous improvement of the processes in the Companies and ensure the effective functioning of the reporting and disclosure systems.

The system for internal control and financial reporting has been developed as a result of studies of good accounting practices, as well as in compliance with legal requirements, in accordance with the activities of the companies in the Group. It is in a constant process of monitoring by the Management, further development and continuous improvement.

Internal control

The **purpose of the internal control** in TBSG is to monitor the functioning of the processes, the implementation of the adopted rules, compliance with the applicable legislation and standards, identification of audit processes / areas, as well as risk indicators for monitoring. The internal control system of financial reporting is based on previous experience of the Management, studies of good reporting and control practices, compliance with legal requirements to ensure the effective functioning of reporting systems and disclosure of information. It is in a constant process of monitoring and continuous improvement.

On the basis of internal control, data is provided for making informed decisions regarding the functioning of processes, risk and opportunities management, improvement of control and operations, as well as reliable information on compliance with the applicable legislation and standards.

Internal control is exercised over all activities, whether financial or not.

The Management of the Companies in the Group is responsible for the preparation of the annual financial statements, which give a true and fair view of the financial condition of each enterprise, in accordance with the applicable accounting policy.

Management's responsibility also includes implementation of an internal control system to prevent, detect and correct errors and misstatements resulting from actions of the accounting system based on the following main principles:

- Observance of the accounting policy, completeness and correctness of the accounting information disclosed in the financial statements;

- Recording of all operations in accordance with the laws and regulations;
- Timely recording of operations and events, with their exact amount, during the preparation of financial statements;
- Observance of the precautionary principle in the valuation of assets, liabilities, income and expenses; detection and cessation of fraud and errors;
- Preparation of reliable financial information;
- Adherence to international financial reporting standards and compliance with the "going concern" principle.

Risk Management

The purpose of the Risk Management is to create a mechanism for making informed and consistent decisions by the Management of the companies in the TBSG Group in order to achieve sustainable business development.

In order to achieve maximum efficiency, the risk management process is an integral part of the activities of the companies in the Group, built as a structured approach according to the internal and external context of the organization and consistent with the dynamic changes that may occur in this context. Historical and current information, future forecasting and the influence that the human factor can have are used to carry out this process.

Telelink Business Services Group constantly monitors and adapts the risk management approach to ensure continuous improvement.

A detailed description of the risks specific to the activity of "TELELINK BUSINESS SERVICES GROUP" AD is presented in the section "MAIN RISKS RELEVANT TO THE GROUP" of the activity report.

Information system and related business processes essential for financial reporting and communication

The Group has an information system, essential for the purposes of financial reporting, corporate governance and communication; it is an integrated set of systems, platforms and procedures that are used to:

- initiating, recording, processing and reporting transactions and operations of the company (as well as events and conditions) and maintaining accounting for related assets, liabilities and equity;
- solving problems with incorrect processing of transactions and operations;
- transfer of information from deal and transaction processing systems to the general ledger;
- coverage of information essential for the financial reporting of events and conditions other than transactions and operations.

The experts from the accounting teams working with the Information System of the Companies and performing the related business processes have the necessary competence and clearly understand the individual roles and responsibilities related to the internal control - their own and those of the management staff, and understand how their activities in the information financial reporting system are related to the work of others and the means to report exceptions to the Corporate Management. Open communication channels help to ensure that exceptions are reported and acted upon.

Ongoing monitoring of controls

Ongoing monitoring of controls is a process for assessing the effectiveness of the results of the functioning of internal control over the time. It includes timely assessment of the effectiveness of controls and taking

the necessary remedial actions. Corporate Management performs ongoing monitoring of controls through ongoing activities, separate assessments, or a combination of both. Ongoing monitoring activities are often embedded in the companies' normal recurring activities and include regular management and supervisory activities.

III. Protection of TBSG shareholders' rights.

The Corporate Management guarantees equal treatment of all shareholders, including minority and foreign shareholders, protects their rights, as well as facilitates their exercise within the limits allowed by the current legislation and in accordance with the provisions of the company's bylaws.

The invitation for the General Meeting contains the information required under the Commercial Act and the POSA, as well as additional information regarding the exercise of the right to vote and the possibility to add new items to the agenda under Art. 223a of the Commercial Act.

The Corporate Management ensures that all shareholders are informed about their rights through the information published on the company's website, the announced Articles of Association of the company and the invitation for each specific General Meeting of the shareholders.

General Meeting of the shareholders

All shareholders are informed about the rules according to which the General Meetings of the shareholders are convened and held, including the voting procedures, through the Articles of Association of the company, as well as through an invitation for each specific General Meeting of the shareholders.

The Corporate Management provides sufficient and timely information on the date and place of the General Meeting, as well as complete information on the issues to be considered and resolved at the meeting.

The invitation and the materials for the General Meeting of the shareholders are announced through the media agency Extra News and reach the public, the Financial Supervision Commission and the regulated securities market. In order to facilitate the exercise of rights by cross-border shareholders, the Company provides the Central Depository with notifications of upcoming corporate events. After presenting the invitation and the materials for the General Meeting of shareholders, they are available on the company's website.

Shareholders with voting rights have the opportunity to exercise their voting rights at the General Meeting of the company in person or through representatives and by correspondence.

As part of the materials for the General Meeting of shareholders, the Management Board provides a Sample Power of Attorney, Rules for voting by proxy and Rules for voting by correspondence.

The Management Board exercises effective control by creating the necessary organization for the voting of the authorized persons in accordance with the instructions of the shareholders and in the ways permitted by law. By order of the Executive Director, a composition of a Mandate Commission is determined, which registers the shareholders for each specific General Meeting and proposes to the General Meeting the election of a chairperson, secretary and enumerators. The management of the General Assembly strictly monitors the lawful conduct of the General Assembly, including the manner of voting of the authorized persons. When ascertaining differences in the will of the authoriser and the vote of the authorized person, this circumstance is be entered in the minutes and the will of the principal is taken into account accordingly.

The Management Board organizes the procedures and the order for holding the General Meeting of shareholders in a way that does not complicate or increase the cost of voting unnecessarily.

In order to facilitate the exercise of the right to vote of shareholders in a situation of health crisis, the Articles of Association of the Company introduced an additional method for exercising the right to vote by correspondence.

Materials for the General Meeting of shareholders

The texts in the written materials related to the agenda of the General Meeting are specific and clear and do not mislead the shareholders. They are available to the shareholders from the day of the announcement of the invitation for its convening in the Commercial Register and are published on the website of the Company. All proposals regarding major corporate events are presented as separate items on the agenda of the General Meeting, including the profit distribution proposal.

The Management Board, according to the current legislation, assists the shareholders entitled to include additional issues and to propose resolutions on issues already included in the agenda of the General Meeting, performing all necessary legal and factual actions to disclose the additional issues on the agenda of an already convened General Meeting.

The Management Board guarantees the right of the shareholders to be informed about the decisions taken by the General Meeting of shareholders by announcing the Minutes of the General Meeting of shareholders through the selected media agency.

Equal treatment of shareholders of one class

According to the Articles of Association of the company and the internal acts of the company, all shareholders of one class are treated equally, and all shares within one class give equal rights to the shareholders of the same class.

The Management Directors ensures the provision of sufficient information to the investors about the rights granted by all shares of each class before their acquisition through the information published on the company's website, as well as by conducting conversations and personal meetings with the Management and/or the Relations Manager of the investor.

Consultations between shareholders on basic shareholder rights

The Management Board does not prevent shareholders, including institutional ones, from consulting each other on matters relating to their fundamental shareholder rights in a manner that prevents abuse.

Shareholder' transactions with controlling rights and abusive transactions

The Management Board does not allow transactions with shareholders with controlling rights, which violate the rights and/or legitimate interests of other shareholders, including under the conditions of agreement with itself. Upon carrying out such type of transactions, an explicit decision of the Management Board is required, as the interested parties are excluded from the voting. In case of indications for crossing the statutory thresholds under Art. 114, para. 1 of the POSA, the Management Board prepares a reasoned report and initiates the convening and holding of a General Meeting of shareholders, at which the transactions are to be put to a vote.

IV. Disclosure of information.

The Management Board of TBSG has developed "Rules for disclosure of inside information regarding insiders for "Telelink Business Services Group" AD", which are in force since 26 May 2020 and are applied in all companies in the Group. The document has been developed in accordance with the legal requirements and the bylaws of the company. In accordance with the adopted rules, the Corporate Management has created and maintains a system for disclosure of information.

The information disclosure system ensures equality of the addressees of the information (shareholders, stakeholders, investment community) and does not allow misuse of inside information.

The inside information is disclosed in the legally established forms, order and terms through the selected media agency. The company uses a single point for disclosure of information electronically, thus the information reaches both the public and the Financial Supervision Commission and the regulated securities market in an unadjusted form. Information in unadjusted form and in the same volume is also published on the company's website. In this way, the company ensures that the information disclosure system provides complete, timely, accurate and understandable information that allows for objective and informed making of decisions and assessments.

The Executive Management promptly discloses the capital structure of the company and agreements that lead to control according to its disclosure rules.

The Management Board ensures that the rules and procedures under which the acquisition of controls and extraordinary transactions, such as conversions and the sale of significant parts of assets, are carried out are clearly and promptly disclosed.

The Management Board approves and controls the process of preparation of the annual and interim reports, as well as the interim financial notifications, as well as the procedure for disclosure of information.

The company maintains a website with approved content, scope and periodicity of the information disclosed through it. The content of the company's website fully covers the recommendations of the National Corporate Governance Code.

The company periodically discloses information about corporate governance.

The Management Board believes that its activities in 2020 have created the conditions for sufficient transparency in its relations with investors, financial media and capital market analysts.

In 2020, the company disclosed any regulated information within the deadlines and in accordance with the procedure provided for in the Public Offering of Securities Act and the deeds on its implementation.

V. Stakeholders

The Company has developed a policy towards stakeholders, which defines stakeholders and establishes the principles of effective interaction with them, in accordance with legal requirements and in compliance with the principles of transparency, accountability and business ethics.

"TELELINK BUSINESS SERVICES GROUP" AD regularly communicates with the stakeholders both financial and non-financial information in connection with the corporate policy adopted by the Management Board.

VI. Information pursuant to Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (Information referred to in Article 10 (1) (c), (d), (f), (h) and (i).

6.1. Information referred to in Article 10 (1) (c) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids – significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC.

As of 31 December 2020 the shareholders holding 5 per cent or more of the capital and the voting rights in the General Meeting of the company are:

- Lyubomir Minchev directly holding 9,066,428 shares with a nominal value of BGN 1 each, representing 72.53% of the total capital of the company;
- UTILICO EMERGING MARKETS TRUST PLC directly holding 1,250,000 shares with a nominal value of BGN 1 each, representing 10.00% of the total capital of the company;

Information on persons who reached, exceeded or fell below one of the following limits of 10%, 20%, 1/3, 50% and 2/3 in 2020:

- UTILICO EMERGING MARKETS TRUST PLC, a shareholder reached 10% of the capital.

6.2. Information referred to in Article 10 (1) (d) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids – holders of all securities with special control rights and a description of those rights.

"TELELINK BUSINESS SERVICES GROUP" AD has no shareholders with special control rights.

6.3. Information referred to in Article 10 (1) (f) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids – any restrictions on voting rights, such as restrictions on voting rights of holders of a certain percentage or number of votes, deadlines for the exercise of voting rights or systems by which, in cooperation with the company, the financial rights granted to the securities are separated from the holding of the securities.

There are no restrictions on the voting rights of the shareholders of "TELELINK BUSINESS SERVICES GROUP" AD.

6.4. Information referred to in Article 10 (1) (h) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids – the rules governing the appointment or replacement of members of the Board and making amendments to the Articles of Association.

According to the provisions of Art. 17, item 4 of the Articles of Association of "TELELINK BUSINESS SERVICES GROUP" AD, the General Meeting of shareholders determines the number, elects and dismisses the members of the Supervisory Board and determines their remuneration.

According to the provisions of Art. 29, para. 2 of the Articles of Association of "TELELINK BUSINESS SERVICES" GROUP AD, the Supervisory Board determines the number, elects and dismisses the members of the Management Board.

The General Meeting of shareholders, respectively the Supervisory Board, may at any time decide to make changes in the number and composition of the Supervisory Board, respectively the Management Board, and the members of the Boards may be re-elected without restriction. A member of the Supervisory and Management Board may be an able-bodied natural person or legal entity that meets the requirements of the law and has the necessary professional qualifications in connection with the activities of the company.

According to the provision of Art. 17, item 1 of the Articles of Association of "TELELINK BUSINESS SERVICES GROUP" AD, the General Meeting of shareholders is the body that may amend and supplement the Articles of Association of "TELELINK BUSINESS SERVICES GROUP" AD.

6.5. Information referred to in Article 10 (1) (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids – powers of members of the Board, in particular the right to issue or buy back shares.

The Management Board cannot make decisions for issuance or buyback of shares of the company. These decisions are within the powers of the General Meeting of shareholders.

In 2020, the Management Board was authorized to repurchase shares under certain conditions and terms, according to decisions of the General Meeting of shareholders held on 30 June 2020 and 10 December 2020.

VII. Description of the diversity policy applied to the Administrative, Management and Supervisory Bodies of "TELELINK BUSINESS SERVICES GROUP" AD and its subsidiaries.

"Telelink Business Services Group" AD and its subsidiaries are committed to maintaining compliance with the highest ethical and legal standards in the field of human rights, labour rights, environmental protection and the fight against corruption.

A number of internal documents have been developed that can be classified as a diversity policy with regard to Management and Supervisory Bodies in relation to aspects such as age, gender or education and professional experience.

Such internal documents are:

- Code of Ethics and Professional Conduct of "Telelink Business Services Group" AD that aims to establish the moral and ethical norms, principles and standards of conduct of employees in accordance with corporate principles such as legality, professionalism, confidentiality, teamwork, responsibility and accountability, mutual respect, respect of personal dignity and knowledge exchange.
- General personal data processing policy.

Each of the above documents, individually and collectively, builds the diversity policy of the Management and Supervisory Bodies in relation to aspects such as age, gender or education and professional experience. The Group companies apply a balanced policy for nominating members of the corporate management who have education and qualifications that correspond to the nature of the company's work, its long-term goals and business plan.

The internal acts of the companies in the Group encourage the search for gender balance at all management levels.

Companies do not discriminate against members of corporate management and administrative bodies on the basis of age or gender.

Date of issue:

28 April 2021

Ivan Zhitiyanov,

"TELELINK BUSINESS SERVICES GROUP" AD