

Approval of a schedule for the provision of remuneration in the form of Company shares to the members of the Managing Board for 2021

I. Schedule for the provision of remuneration in the form of Company shares to the members of the Managing Board for 2021

1. Maximum number of the remuneration shares

Up to 15 000 or 0.12% of all shares in the Company's capital (expressed in percentage of issued share capital as of the date of this approval), which shall be allocated in full or in part based on the satisfaction of the conditions defined in art. 3.1, 3.2 and 3.8 below

2. Rules of granting

- The shares are granted by resolution of the Supervisory board to all members of the Managing Board, within the maximum number of the remuneration shares.
- The shares granted as remuneration to the executive members of the Managing Board, as well as to the members of the Managing Board engaged in the management of a subsidiary, process or function in the economic group of Telelink Business Services Group AD (the Group) will represent approximately 50% of the overall compensation of the respective member of the Managing board, but not more than 60% of their overall target compensation from the Group as a whole for the respective year, as estimated at the time of share granting.
- The shares granted as remuneration to the members of the Managing board who are not engaged in the management of a subsidiary, process or function in the Group will represent approximately 15% of the overall compensation of the respective member of the Managing board, but not more than 20% % of their overall target compensation from the Group as a whole for the respective year, as estimated at the time of share granting.
- The shares shall be distributed among the five members of the Managing Board as follows:
 - executive member of the Managing Board – 43.5%;
 - each of the three members of the Managing Board engaged in the management of a subsidiary, process or function in the Group of Telelink Business Services Group AD – 17.4%;
 - member of the Managing board not engaged in the management of a subsidiary, process or function in the Group – 4.3%.

2. Conditions to the transfer of shares

3.1. The Managing board members shall be entitled to one third (33.33%), or a maximum of 5 000 of the granted shares subject only to a condition of continuing employment over three consecutive years. Therefore, a member leaving the Group before the end of the three-year share vesting period shall not be entitled to receive their respective shares, except in cases allowed by the Supervisory board based on a reasoned opinion, or as provided in the Remuneration Policy regarding members of the Supervisory and Managing Board of the Company. Regarding the executive member of the Managing Board, the Supervisory Board may, where applicable, allow an exception to the continuous employment condition, but only on a partial and pro-rata basis.

3.2. The member of the Managing Board shall be entitled to two thirds (66.67%), or up to 10 000 of the granted shares (hereafter referred to as the "Performance Shares", or "PS") subject to long-term performance criteria linked to the Group's targeted results.

3.3. The performance conditions are determined by the Supervisory Board. They are equal to all beneficiaries and apply to all granted PS.

3.4. Performance conditions are objective and measurable and include indicators relevant to the Group's long-term course of business and consistent with the current environment in which it operates. They include criteria representative of the Company's business and adapted to the specific nature of its activities.

3.5 All performance conditions are tracked over a reference period of three years, i.e. 2021, 2022 and 2023.

3.6 The 2020 PS are subject to performance conditions based on four complementary criteria for the results of Group operations, each whereof shall participate in determining the final number of transferred shares as follows:

- average Revenue growth shall contribute up to 20% of the maximum number of PS, or up to 13.33% of the total maximum number of granted shares;
- average Sales Profit growth shall contribute up to 30% of the maximum number of PS, or up to 20% of the total maximum number of granted shares;
- average EBITDA growth shall contribute up to 30% of the maximum number of PS, or up to 20% of the total maximum number of granted shares;
- average NPS shall contribute up to 20% of the maximum number of PS, or up to 13.33% of the total maximum number of granted shares;

where:

- "Revenue" shall mean consolidated net sales revenue;
- "Sales Profit" shall mean consolidated gross profit less sales and marketing expenses;
- "EBITDA" shall mean consolidated earnings before interest, tax depreciation and amortization;
- "NPS" (Net Promoter Score) is a metric of customer satisfaction, calculated as the difference between the percentage of clients with high and low likelihood of recommending the Group as a supplier in the total number of respondents among surveyed Group clients;
- "average growth" shall mean the compound annual growth rate (CAGR) for the period 2021-2023, calculated as the ratio of the value of each relevant indicator for 2023 to the value of the same indicator in 2020, raised to a power of 1/3, minus 1;
- "consolidated" shall mean the value reported or calculated on the basis of the annual consolidated financial statements of Telelink Business Services Group AD under IFRS;

3.7. The assessment of the achievement of the performance conditions shall be made as follows:

- the performance of each of the above criteria and the respective final number of transferred shares shall be established against predefined performance ranges specific to each criteria, as shown in the table as per section 3.8 below;
- the Supervisory Board must establish whether and to what extent the performance conditions were met by a duly justified resolution included in the Supervisory Board's report to the General Meeting of Shareholders regarding the implementation of the Remuneration Policy;
- the assessment of the achievement of the performance conditions shall be made in 2024, after the confirmation of the audited consolidated financial statements of Telelink Business Services Group AD for 2023.

3.8. The number and percentage distribution of granted shares and the ranges of the final number of transferred shares according to the criteria as per sections 3.1 and 3.2 above, including the specific performance ranges and respective percentage and number of finally transferred shares, are summarized in the table below, as follows:

Basis	Criteria	Relative weight (max. contribution to the total number of granted shares)	Maximum contribution to PS	Performance range	Finally transferred shares (% of the total number of granted shares)	Finally transferred shares (number)
employment-based	continuing employment in 2021-2023	33.33%	-	<3 years	0%	0
				≥3 years	33.33%	5,000
performance-based	average Revenue growth for 2021-2023	13.33%	20%	<5%	0%	0
				5-12%	3.33%	500
				12-15%	6.67%	1,000
				>19%	13.33%	2,000
	average Sales Profit growth for 2021-2023	20.00%	30%	<10%	0%	0
				10-15%	5.00%	750
				15-20%	10.00%	1,500
	average EBITDA growth for 2021-2023	20.00%	30%	>20%	20.00%	3,000
				<5%	0%	0
				5-10%	5.00%	750
	average NPS for 2021-2023	13.33%	20%	10-17%	10.00%	1,500
				>17%	20.00%	3,000
<0				0%	0	
0-30				3.33%	500	
				30-70	6.67%	1,000
				>70	13.33%	2,000

4. Transfer of share ownership

The transfer of ownership over the finally transferred shares shall follow the completion of the relevant three-year period for which the conditions are tracked, but not earlier than three years after the date of the Supervisory Board's resolution on their granting.

5. Post-transfer share retention conditions

No conditions shall be defined or applied towards the retention of the shares after their transfer.

6. Deadline for the provision of remuneration in the form of shares

The Supervisory Board may grant to the members of the Managing Board share-based remuneration for 2021 by the end of December 2021, subject to the prior approval of this Schedule by the General meeting of shareholders.

II. Names of the persons entitled to participate in the Schedule

- Ivan Krasimirov Zhitiyanov;
- Teodor Dimitrov Dobrev;
- Paun Ivanov Ivanov;
- Nikoleta Elenkova Stanailova;
- Gojko Martinovic.

III. Implementation of the Schedule within the Remuneration Policy

The proposed Schedule for the provision of remuneration in the form of shares shall contribute, in accordance with the principles of the Remuneration Policy, to the implementation of the Company's strategy and put a stress on the long-term perspective, interests and sustainability of the Company, whereas long-term value creation is prioritized over short-term profitability through the choice of long-term oriented criteria for determining the final remuneration.

The maximum number of remuneration shares under the Schedule is within the provisions of the Remuneration Policy, i.e. 0.12% against a Policy maximum of 0.20% of the total number of shares in the Company's registered capital.

The choice of criteria for the transfer of the remuneration in the form of shares according to the Schedule follows strictly the Policy's stipulation to use financial and non-financial indicators of achieved results, which are objective and measurable, while including indicators relevant to the Company's long-term evolution. Criteria are measured for a three-year period (2021, 2022 and 2023) and their performance is calculated following the Compound Annual Growth Rate (CAGR) approach. Chosen criteria and respective weights follow the Company's long-term strategic planning and contribute to the stability and the implementation of the Company's strategy in the long run, in cohesion with the Policy's inherent goals.

According to the Policy's provisions, the Schedule also provides for the transfer of ownership over the shares to which members of the Managing Board are entitled for the respective year to be made not earlier than three years after the date of the Supervisory Board's resolution on their granting.

IV. The Company intends to procure the shares that it will be under the obligation of transferring to the members of the Managing Board by purchasing them on the market.

V. Overview of the Company's expenses for the provision of remuneration based on shares

The accounting of the provision of repurchased Company shares to the members of Managing Board shall follow the stipulations of International Financial Reporting Standard (IFRS) №2: Share-based payments.

The granting of repurchased shares constitutes remuneration and corresponding expenses shall be included in the Company's Income Statement as expenses for the remuneration of the members of the Managing Board, with their value determined on the basis of the fair value of shares subject to transfer.

Based on the Schedule proposed for approval to the GMS, the maximum number of remuneration shares for 2021 is 15 000.

The Company intends to procure the shares that it will be under the obligation to transfer by buying them back from the market. According to a GMS resolution from June 21 2021, the Company has been authorized to repurchase shares within a price range of BGN 7.40 to BGN 20.00 per share.

As of the date of preparation of this Schedule (July 28.2021), the fair value of one share on the Bulgarian Stock Exchange is BGN 13.70 лв. per share and the financial impact on the Company as of now would be:

- 15 000 shares x BGN 13.70 лв., or a total of BGN 205 500.

The assumed maximum impact on the Company's financial statements, before income tax and social security obligations ensuing from the transfer of the shares, at the maximum buyback price, would be:

- 15 000 shares x BGN 20.00, or a total of BGN 300 000.