



BULGARIAN STOCK EXCHANGE AD

POLICY

FOR DETERMINING THE REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS OF THE BULGARIAN STOCK EXCHANGE AD

I. GENERAL

Art.1. This Policy for determining the remuneration of the members of the Board of Directors of the Bulgarian Stock Exchange AD (BSE AD, the stock exchange) aims to establish clear and objective principles in the formation of the remuneration of the members of the management body of the exchange.

Art.2. (1) The policy for determining the remuneration of the members of the Board of Directors of BSE AD (the Remuneration Policy) shall be developed by the Board of Directors of the company and shall be adopted and amended by a decision of the General Meeting of Shareholders.

(2) The Board of Directors decides on the adoption of the Remuneration Policy, respectively on changes in it based on a reasoned report by the Investor Relations Director and the Director of the Financial and Administrative Directorate at BSE. The report under the first sentence shall include a draft decision of the Board of Directors and shall be coordinated with the Director of the Compliance Directorate at BSE.

(3) The decisions of the Board of Directors for the definition, review and implementation of the Remuneration Policy shall be adopted in accordance with the requirements of the Statute of the Company and the internal rules for the organization activities and management of conflicts of interest in the Exchange.

Art.3. The remuneration policy and any subsequent change thereto shall be disclosed in a clear and accessible manner on the BSE website, without disclosing sensitive commercial information or other information constituting a secret protected by law.

Article 4. (1) The Board of Directors shall be responsible for the implementation of the remuneration policy and its periodic compliance review with the requirements of the current regulations.

(2) The remuneration policy shall be reviewed at least once every 4 years, as well as when material changes and/or additions to it are required or this is necessary for the fulfillment of business goals and compliance with the long-term interests and sustainability of the company.

II. PRINCIPLES

Art. 5. In determining the remuneration of the members of the Board of Directors, the following principles shall apply:

1. The members of the Board of Directors shall be paid a fixed remuneration;
2. The fixed remuneration of the members of the Board of Directors shall be determined in local currency, in an invariable amount for one calendar month, regardless of the number of calendar days;
3. The fixed remuneration of the members of the Board of Directors is linked to the average remuneration of the Exchange employees;
4. The amount of the fixed remuneration of each of the members of the Board of Directors shall be equal, regardless of the position occupied.
5. Members of the Board of Directors are not paid variable remuneration.

III. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

Art. 6. The members of the Board of Directors of BSE receive a fixed remuneration, which is a fixed monthly payment determined by the General Meeting of Shareholders in accordance with the provisions of the statutes of the company and this policy.

Art.7. (1) The monthly remuneration of the members of the Board of Directors shall be in the amount of one average monthly salary for the Exchange, calculated for the last calendar year. The average salary is formed by the individual gross monthly salary of the employees working under an employment relationship and by the remuneration of the executive members determined in the contracts for management assignment. The gross salary includes the basic salary specified in the respective employment contract and the additional remuneration for acquired work experience and professional experience.

(2) The Board of Directors may also determine a smaller amount of the remuneration of its members than provided for in Paragraph (1).

Art.8. For the company's management assigned to them, the executive members are entitled to a fixed remuneration, which is determined by the Board of Directors in the contract for management assignment.

Art.9. BSE does not provide for the payment of variable remuneration to the members of the Board of Directors, including in the form of stocks, stock options, rights to acquire shares or other financial instruments.

Art.10. The members of the Board of Directors shall not receive additional remuneration related to the activities carried out by BSE under the Markets in Financial Instruments Act

as a market operator, an approved publication mechanism and an administrator of benchmarks.

VI. REQUIREMENTS FOR MANAGEMENT CONTRACTS CONCLUDED WITH THE MEMBERS OF THE BOARD OF DIRECTORS

Art.11. Compensations related to the termination of a contract of a non-executive member of the Board of Directors shall not be paid.

Art 12. Compensations may be paid to executive members upon termination of their management contracts under the terms of those contracts. Compensations under the preceding sentence shall not be due if the termination of the contract is due to unsatisfactory results and/or culpable behavior of the Executive Director. The compensation for early termination of the contract may not exceed the amount of the paid annual permanent remuneration of the person for the last 2 years.

V. FINAL PROVISIONS

§1. This policy was developed by the Board of Directors of the Bulgarian Stock Exchange AD.

§2. The remuneration policy of the members of the Board of Directors of BSE AD shall enter into force on the date of the decision of the General Meeting of Shareholders for its adoption and shall revoke the Policy of the Bulgarian Stock Exchange for determining the remuneration of the members of the management bodies, adopted by a decision of the General Meeting of Shareholders from 09.05.2013.

§3. In case of changes in the legal framework that affect the provisions of this Remuneration Policy, the General Meeting shall adopt a decision to amend or supplement the Policy. Pending the adoption of this decision, the relevant provisions shall be interpreted in accordance with the laws of the country, the Statute of the company and generally accepted principles and good practices of corporate governance.

Date of adoption: 10.12.2020

Effective Date: 10.12.2020

Results of the vote on item 4 of the agenda of the GMS, held on 10.12.2020:

Number of shares in respect of which valid votes have been cast: 3 348 508 shares, representing 50.87% of the capital of BSE AD

Total number of votes actually cast:

Number of votes cast in favour- 3 348 508 shares

Number of votes cast against- none

Number of abstentions cast - none

Number of votes cast by electronic means: 53 508 shares