



BULGARIAN  
STOCK EXCHANGE

**CODE  
OF BUSINESS CONDUCT AND ETHICS  
OF THE BULGARIAN STOCK EXCHANGE AD**

## 1. Scope and applicability

This Code of Business Conduct and Ethics (Code, the Code) is adopted and implemented by the Bulgarian Stock Exchange AD (the Company, BSE). Compliance with the Code is binding on all members of the Board of Directors (Board, the Board) and all employees, including fixed-term contract employees and trainees (Employees, the Employees) and any wrongful or unethical act by anyone acting on behalf of the Company is unacceptable. The Code should also be respected by any natural or legal person providing work or service on behalf of the Company.

Compliance with the Code fulfils BSE's commitment to maintaining high standards of business conduct and ethics, both in the performance of its main function as a market operator, maintaining a fair, transparent, and integrity-based market that promotes trust among market participants, and in performing all additional functions and normal business relations, in which the Company participates.

**The Code of Business Conduct and Ethics** may affect certain aspects of BSE's activities that have their detailed regulation in another policy or internal act of the Company and in this sense, it does not replace or repeal these acts. Employees and members of the Board of Directors should also comply with all other rules and standards of conduct in the workplace established in a normative or internal act. The purpose of the Code is to provide the framework for these rules and standards so as to facilitate an understanding of their nature.

## 2. Principles of Business Conduct and Ethics

### 2.1 Regulatory compliance

The company carries out its business activities in accordance with the applicable regulations governing its individual activities and in a way that ensures the maintenance of high ethical standards. The regulations applicable to the Company and its activities are wide-ranging and detailed. At the same time, compliance with the legal framework does not cover the entire volume of ethical liability of the Company, and it is rather the minimum necessary condition for the fulfillment of BSE's obligations. All employees and members of the Board of Directors should be guided in their professional activities by strict adherence to the principle of legality of their actions. All questions regarding the legality of an action must be addressed under the terms and conditions provided for in the Rules for Submission of Internal Signals for Violations by Employees of the Bulgarian Stock Exchange, under the Law on protection of whistleblowers reporting or publicly disclosing Information on violations, adopted by the Company.

### 2.2 Insider trading and market manipulation prevention

In the course of the performance of their duties or in the course of their activities, employees or members of the Board may have become aware of material non-public information about the business, operations or financial instruments of the Company or of the issuers on the markets organised by the Company. Applicable capital markets and financial instruments regulations prohibit trading in securities on the basis of such material non-public information (referred to as 'inside information'). Also, disclosing such information to other persons, except in regulatory cases, or recommending a third party to trade on the basis of inside information is strictly prohibited. The performance by an employee or member of the Council of certain actions with financial instruments that fall under the normative definition of market manipulation is also strictly prohibited.

### 2.3 Conflict of interest risk management

Conflict of interest arises when an employee or member of the Board of Directors of the Exchange has a private interest (tangible or intangible) that may influence the impartial and objective performance of his powers or duties, thus significantly affecting the interests of shareholders, clients or counterparties of the Company. The Exchange shall take all reasonable steps to maintain effective mechanisms for identifying and managing relevant conflicts of interest.

All employees of the Exchange shall endeavour to avoid working relations with related parties - spouses or persons with whom they are in factual cohabitation, relatives in the direct line, collateral line - up to the fourth degree inclusive, and by marriage - up to the second degree inclusive; natural and legal persons with whom the employee is economically dependent and any persons who give rise to reasonable doubts as to his impartiality and objectivity.

Employees are obliged to notify their immediate supervisor of any situation that is a prerequisite for suspicion of a conflict of interest.

Rules for the treatment of potential conflict of interest of employees are contained in various other internal acts of the company that govern the various aspects of its business activity. In view of the treatment of conflict of interest of the members of the Board of Directors, the Company has also adopted [a Policy on Conflicts of Interest and a procedure for the implementation of the policy by the Board of Directors of the Bulgarian Stock Exchange AD](#).

### 2.4 Integrity and professionalism

**The public perception and reputation of the Exchange** are based on the system of values and ethical principles adopted by the Company. The main ethical principles that guide the Exchange in its activities are transparency, integrity, protection of human rights, tolerance and respect. The values of the Exchange in view of its activity as a market operator are also innovation, entrepreneurial spirit and responsibility.

An important objective for the Exchange is to build lasting relationships based on trust and mutual interest with all clients and partners, including companies whose financial instruments are admitted to trading on the Exchange, as well as with investors and exchange members.

#### 2.4.1 Professional behaviour

To the extent that the reputation of the Exchange depends on each individual employee and member of the Board, all those engaged in the activities of the Exchange **must**:

- Perform their duties and carry out their activities considering the interests of the Exchange;
- Demonstrate the ethical principles of the Marketplace in their professional conduct and language;
- Identify themselves as employees of the Exchange when using social media in the course of their professional activities;

Persons engaged in the activities of the Exchange **must not**:

- Take any actions that can be described as damaging the reputation and reputation of BSE;
- Use their official position in the company to obtain any advantage or benefits for themselves or their relatives;

#### 2.4.2 Stakeholder engagement

The exchange actively communicates and cooperates with all identified stakeholders. A detailed description of the rules for communication and cooperation with stakeholders is contained in the [Stakeholder Engagement Policy](#) adopted by the Company.

The shareholders of the Company are a key stakeholder, which is why the Company, in order to deepen the dialogue with shareholders and facilitate the active participation of shareholders on issues related to the management of the Company, has adopted a separate [Shareholder Engagement Policy](#).

### **2.4.3 Use of the resources of the Exchange**

The resources of the Exchange are intended to achieve the objectives set by the Company. Employees need to value and protect the tangible and intangible assets of the Exchange, as well as those of customers and suppliers to which they have access in the performance of their duties. Tangible assets of the Exchange, incl. immovable property, equipment and inventories must be protected from damage and misuse and must be used only for business purposes, unless otherwise permitted.

The Company's intellectual property (i.e. ideas, products, methodologies, strategies, etc.) should also be protected through patents, trademarks and copyrights wherever possible. The obligation to protect intellectual property on the Exchange continues to be valid even after an employee or Board member leaves the company.

### **2.5 Fair competition**

The exchange is committed to fair competition and complies with the applicable antimonopoly rules. The company accepts that fair and open competition supports the development of the capital market in Bulgaria. The Exchange's ability to compete effectively is based on the quality of the products and services offered, as well as its reputation as a supporter of the highest professional standards of conduct. The Company considers unacceptable all forms of unlawful acquisition of confidential information regarding marketing strategies, clients, pending or ongoing negotiations and any other confidential business information. All forms of collusion and unfair business behavior leading to a decrease in competition are also unacceptable to the Company.

### **2.6 Transparency and regularity in the disclosure of information**

The Company's activity as a market operator within the meaning of the Markets in Financial Instruments Act, a public company within the meaning of the Public Offering of Securities Act (POSA), as well as a public enterprise within the meaning of the Public Enterprises Act (PEA), should be carried out in strict compliance with the principle of transparency. In this sense, BSE is engaged in the disclosure of both periodic and essential ad hoc information in strict compliance with the statutory rules regarding the form, content and deadlines for disclosure of such information. Detailed rules regarding the disclosure of information are contained in the [Shareholder Engagement Policy](#) and Disclosure Policy adopted by the Company pursuant to Art. 63 of the Regulations for Implementation of the PEA.

Notwithstanding the foregoing, all business secrets and confidential information of the Company must be protected. No member of the Board or employee shall disclose confidential information about the Company to anyone within or outside the Company unless the recipient needs the information to carry out the responsibilities assigned to him as an employee of the Company, or the recipient is an external person to whom a contract, regulation or power of attorney from the Company's representatives is required to receive such information. The obligation not to disclose confidential information continues after the termination of the employment relationship with the Company, respectively the management contract.

## 2.7 Personal Data Protection

The exchange respects the confidentiality of the personal information of all its employees, customers and business partners.

All those engaged in the activities of the Exchange **must**:

Ensure that the individuals from whom they collect personal data are informed about the type of information that is collected, how it is planned to be used and how they can contact the Exchange if they have any questions;

Collect only personal data that is necessary for the activities carried out by the Company;

Destroy or correct any incorrect or incomplete data;

Ensure that such data is kept in compliance with all reasonable conditions for its protection, including compliance with all cybersecurity rules;

Satisfy themselves, in the event that they entrust third parties with the collection or use of personal data, that third parties comply with the principles of collection, storage, use and protection of such data set out in this Code and other internal rules of the Company;

Respect the privacy of their colleagues.

All those engaged in the activities of the Exchange **must not**:

Collect "personal" information without the consent of the individuals concerned;

Retain such information longer than is necessary for the official official reason for which it was obtained;

Review or store personal data, unless they have due permission and a clear business necessity for this information.

The basic rules for the protection of personal data adopted by the Company are contained in BSE's **Personal Data Protection Policy**.

## 2.8 Protection of whistleblowers

The employees of the Exchange, in case of finding potential or actual violations of national and / or EU law relevant to the activities of the Exchange, unless a special procedure is provided for this, have the right to submit an internal signal to the Regularity Directorate without the need to notify the directors of the relevant directorates and / or their prior permission to submit the signal by the respective employee. The Company will protect in good faith any employee who reports an alleged violation and will ensure that such employee will in no way be placed at a disadvantage by the Company as a result of such reporting. Detailed regulation of the reporting procedures is contained in the Rules for submission of internal reports of violations by employees of the Bulgarian Stock Exchange under the Law on protection of whistleblowers reporting or publicly disclosing Information on violations.

## 2.9 Prevention and Counteraction of Corruption

The Stock Exchange does not allow any action of corruption consisting in the abuse of entrusted power in business transactions for personal or for a third-party gain, i.e. by offering, promising or giving a benefit or authorizing someone to do so or by accepting, or demanding a benefit.

No member of the Board or employee, regardless of his capacity or position in the Company hierarchy, shall commit, encourage or allow actions of corruption. In order to avoid any such actions, the members of the Board and the employees are obliged to perform their functions and duties accurately and conscientiously, transparently (without violating the trade secret of the company), not to perform and/or accept actions in violation of the usual working protocol (acceptance of cash payments, gifts, hospitality, making commitments in deviation from legal provisions and granting an unregulated

advantage to a counterparty) without the consent of the company and thereby breaches its obligations to the company.

The receipt of gifts/benefits that are contrary to normal business practice, excessive in value or frequency and may be construed as bribery are not tolerated.

## **2.10 Human rights protection**

### **2.10.1 Protection of human rights and non-discrimination**

The Company is committed to conducting its activities in compliance with all regulatory, moral and ethical requirements related to the protection of human rights. The Exchange strives to be an example of a company committed to the human rights of both its employees and all stakeholders. The Exchange operates in accordance with the UN Universal Declaration of Human Rights and respects all civil, political, social, economic and cultural rights throughout the supply chain and among all stakeholders and participants on the capital market. The company complies with all applicable regulations, taking into account that the Bulgarian legislation in the field of labor legislation is fully synchronized with the European legislation and significantly exceeds the requirements laid down in the conventions of the International Labour Organization, which our country has ratified.

The Exchange recognises and promotes freedom of association and equality and deems all forms of modern slavery are a crime and a violation of fundamental human rights.

The Company does not tolerate discrimination or harassment based on ethnicity, gender, sexual orientation, race, language, national or social background, economic status, religion, political or other beliefs.

The Company ensures that its activities do not have a negative impact on the human rights of individuals and/or groups and, where necessary, the Exchange consults with the local community. The Exchange implements security measures that are in line with international human rights standards and that will not intentionally lead to any form of direct or indirect complicity in human rights violations by government or business partners.

### **2.10.2 Health, safety and security**

The Board of Directors of the Exchange guarantees the provision of healthy and safe working conditions. The main obligations of the Exchange regarding the provision of healthy and safe working conditions are regulated in the national legislation, in particular in the Labor Code and the Health and Safety at Work Act, and are implemented through the Action Program to limit the risk and to ensure healthy and safe working conditions for the employees of BSE and determining the priority problems under the working conditions.

Employees are obliged to avoid any actions that may endanger the health and safety of others.

Employees support the efforts of the Exchange for environmental protection and to reduce the environmental impacts exerted by their work activities.

### **2.10.3 Promoting diversity and equal opportunities**

The Board of Directors of the Exchange considers that promoting diversity and equal opportunities is essential to achieve a fairer and more equitable working environment in which every employee has the opportunity to develop their potential and participate fully in the corporate life of the company. The Board of Directors shall:

Recognises that it is responsible for making employees feel respected, by respecting their personal dignity, promoting their strengths and creating a sense of job security and belonging to the company;

Provides all employees with an equal opportunity for professional realization, expression and development, objectively and correctly evaluating the results achieved;

It develops leadership qualities. Leadership should be understood as a person's ability to motivate, influence, and direct others.

Stimulates personal initiative, develops individuality and works to increase the motivation of employees, including through fair and adequate remuneration;

Fosters a sense of collegial respect, trust and honesty towards the company without tolerating actions contrary to the shared policy and values;

Ensures the protection of personal data and any confidential personal information about employees in the company that has become known to him during or in connection with the performance of their duties, and does not allow intrusion of privacy;

Guarantees the observance of all human rights and freedoms of the individual during or in connection with the performance of official duties;

### **2.11 Environmental protection**

The main commitment of the Exchange is corporate responsibility for environmental protection, as well as related business decisions, which is an integral part of the company's pursuit of sustainable development. The aim is for this topic to be an increasingly significant part of relations with all stakeholders. The main focus in all initiatives of the Exchange is raising awareness about environmental protection. Although the activity of the Exchange does not have a significant negative impact on the environment, the company strives to reduce its operational impact on the environment, for example by reducing resource consumption, emissions, recycling and reducing waste disposal.

### **3. Review and adoption of the Code**

The Code is developed by the Sustainability Committee of the Bulgarian Stock Exchange and adopted by the Board of Directors of the Company.

The Board of Directors shall review the Code as necessary.

### **4. Final provisions**

This Code was adopted by the Board of Directors of the Bulgarian Stock Exchange AD with Protocol 38 of 23.05.2024.