RULES FOR THE CALCULATION OF THE CORPORATE GOVERNANCE INDEX – Corporate Governance IndeX (CGIX)

1. CGIX is an index comprising the seven companies with the best corporate governance admitted to trading on the Exchange, based on the market capitalization of the included issues of ordinary shares, adjusted by the free float of each of them.

2. The selection of companies under item 1 shall be carried out by the National Commission.

3. CGIX consists of 7 (seven) issues of ordinary shares that meet the requirements under item 4 of these rules and are determined in accordance with the procedure of these rules.

4. An issue included in the calculation of CGIX must, by the end of the trading session on 31 May, meet the following conditions:
a) It must have been traded on the regulated market organized by the Exchange for not less than 1 (one) year prior to its inclusion in the index. In cases where an issue has moved for trading between different segments, the initial trading date shall be considered the first date it was admitted for trading;
b) It must have a free float market capitalization of not less than EUR 2,500,000 (two million five hundred thousand euros);
c) The turnover realized during the last year must be no less than EUR 500,000 (five hundred thousand euros);
d) The number of concluded transactions during the last year must be no less than 500 (five hundred);
e) The relevant issuer must have declared that it will comply with the principles set out in the National Corporate Governance Code;
f) The relevant issuer must not have been declared in liquidation or insolvency, must not be undergoing a transformation procedure, must not have transferred a commercial enterprise, and must not be implementing a recovery programme.
g) The relevant issuer must have submitted a completed self-assessment form on compliance with the principles of the National Corporate Governance Code.
h) The relevant issuer, as well as the members of its management or supervisory bodies, must not have any entered-into-force penalty decrees for violations of Chapter Six “a”, Chapter Eight, Chapter Ten, and Chapter Eleven of the Public Offering of Securities Act (POSA) in the last 12 (twelve) months.
i) No compulsory administrative measures must have been imposed on the issuer or on members of its management or supervisory bodies for violations

of Chapter Six "a", Chapter Eight, Chapter Ten, and Chapter Eleven of the POSA, nor should investors' interests be at risk.

5. The initial value of CGIX is 100 points.

6. The starting date for the calculation of CGIX is 19 September 2011.

7. The daily values of CGIX are calculated by multiplying its base value by the ratio between the sum of the market capitalizations of the issues included in the index at the current moment, each adjusted with the divisor, weighting coefficient, and free float, and the sum of the market capitalizations in the base moment, adjusted with the weighting coefficient and free float.

8. For the purposes of the index, only trades concluded on the regulated market organized by the Exchange are taken into account.

9. If no trade has been concluded for a given issue during a trading session, the last trade price shall be used for the purposes of CGIX.

10. The interval for calculating the CGIX values during a trading session is 1 (one) minute

11. The formula for calculating CGIX is:

$$CGIX_t = CGIX_{t-1} \times \left[\frac{\sum_{i=1}^{n} N_{i,t} \times P_{i,t} \times FF_{i,t} \times W_{i,t} \times D_{i,t}}{\sum_{i=1}^{n} N_{i,t-1} \times P_{i,t-1} \times FF_{i,t-1} \quad \times W_{i,t-1} \quad D_{i,t-1}}\right] \times K$$

Where:

CGIX is the Corporate Governance Index;
Ni,t is the number of shares in the issue of the relevant company on day t;
Ni,t-1 is the number of shares in the issue of the relevant company on day t-1;
Pi,t is the last trade price for the i-th security on day t;
Pi,t-1 is the last trade price for the i-th security on day t-1;
FFi,t is the free float of the i-th security on day t;
FFi,t-1 is the free float of the i-th security on day t-1;
Wi,t is the weighting coefficient of the i-th security on day t (Wi = 1, unless the weight
of the security would exceed 25% of the index);

Wi,t-1 is the weighting coefficient of the i-th security on day t-1;
n is the number of issues included in the index;
i is the indicator for the specific security;
t is the day for which the index is calculated;
Di,t is the divisor for the current trading session for the i-th security;
Di,t-1 is the divisor for the i-th security on day t-1;
K is the adjustment factor (K=1, except in case of a change in the index base)

12. Adjustments to the index values through changes to the divisors of individual issues may be made in the following corporate events:
a) Distribution of a cash dividend;
b) Distribution of a stock dividend;
c) Capital increase with rights;
d) Change in the nominal value of 1 (one) share while maintaining the size of the issuer's capital;
e) Capital reduction under Article 200, item 1 of the Commercial Act, which results in a reduction of the issuer's equity;
f) Other corporate events requiring a change in the indexes as determined by the Index Committee.

13. In the event of a corporate event requiring a change to the divisor, its value for the next trading session is calculated as follows:

$$D_{i,t} = \frac{N_{i,t-1} \times P_{i,t-1}}{N_{i,t-1}^{a} \times P_{i,t-1}^{a}} \times \frac{FF_{i,t-1(OLD)}}{FF_{i,t-1(NEW)}} \times \frac{W_{i,t-1(OLD)}}{W_{i,t-1(NEW)}}$$

where:

Di,t is the divisor for the next trading session for the i-th security;
Pai,t-1 is the adjusted last trade price for the i-th security after the end of the session
on day t-1, as a result of the corporate event occurring on day t;
Nai,t-1 is the adjusted number of shares of the i-th security after the end of the session
on day t-1, as a result of the corporate event occurring on day t;
FFi,t-1 (OLD) is the old value of the free float coefficient for the i-th security on day t-1;
FFi,t-1 (NEW) is the new value of the free float coefficient for the i-th security on day t1;
Wi,t-1 (OLD) is the old value of the weighting coefficient for the i-th security on day t1;

Wi,t-1 (NEW) is the new value of the weighting coefficient for the i-th security on day t1.

14. When rebalancing the index, the divisor is assigned a value of 1.

15. The Index Committee determines the free float coefficients at its meetings held on 2 March, 2 June, 2 September, and 2 December, or, if the given day is not a working day, on the first working day thereafter. The new coefficients take effect from the first trading session after the third Friday of the month in which the meeting was held.

16. If as of 1 June the weight of the issues issued by companies belonging to the same economic group in CGIX exceeds 35 (thirty-five) percent of the CGIX free float market capitalization, one or more issues from that group are sequentially removed from the index base until the threshold is no longer exceeded.

17. If, on the day preceding the date on which the decision under item 15 takes effect, the free float market capitalization of a given issue exceeds 25 (twenty-five) percent of the CGIX free float market capitalization, a weighting coefficient is assigned to that issue so that its free float market capitalization equals 25 (twenty-five) percent of the total free float market capitalization of the index.

18. When determining weighting coefficients, the free float coefficients for the new period are used.

19. The free float coefficients and weighting coefficients remain in force until the trading session referred to in item 15, second sentence.

20. Changes in the CGIX base are made by decision of the National Commission, which is announced immediately.

21. Based on the summarized data from the Index Committee under item 4, letters (a) to (g), and the information provided under item 4, letters (h) and (i) by the Financial Supervision Commission, the National Commission carries out regular and extraordinary reviews of the CGIX base.

22. An issue may be removed from the index in the following cases:

a) Temporary suspension of trading in the issue;
b) Permanent termination of trading in the issue;
c) Occurrence of circumstances leading to non-compliance with the requirements of item 4 of these rules;
d) In cases of systematic or significant deviation from the criteria laid down in the National Corporate Governance Code, as determined by the NCGC (National Corporate Governance Commission).

23. In the event of extraordinary reviews of the CGIX base, the first in line issues meeting the criteria under item 4, but not included in the base at the time of the last regular revision, are added.

24. Decisions to change the CGIX base are taken once a year at the first meeting of the National Commission between 2 June and 10 June, based on data provided by the Index Committee. The decisions take effect from the first trading session after the third Friday of June.

25. Changes to the index base are made on the basis of a self-assessment form approved by the National Commission, which provides a numerical overall assessment of the corporate governance level of the company and its compliance with the principles of the National Corporate Governance Code, as well as the other criteria under item 4.

26. The self-assessment form must be submitted to the Exchange within the deadline under Article 100n, paragraph 1 of the POSA.

27. The Index Committee compiles the results from the self-assessment forms of all companies that have submitted their annual financial statements within the statutory deadline and presents them to the National Commission.

28. At its meeting under item 24, the National Commission assesses the extent to which the results of the self-assessment form correspond to the actual application of the principles of the National Corporate Governance Code by each company and may, for the purposes of inclusion of issues in CGIX, amend the company's assessment for one or more of the criteria.

29. For the purpose of making a more accurate assessment of a company's compliance with the principles of the National Corporate Governance Code, the National Commission may request additional clarifications or answers to specific questions from the company's management bodies. Refusal to

provide such clarifications or answers shall be grounds for the removal or non-inclusion of the company in the index base.

30. The assessment under item 28 of the National Commission is final for the purposes of determining the CGIX base.

31. The CGIX base shall include the issues of the seven issuers with the highest overall corporate governance assessment, and in the case of issuers with equal assessments, the issues with the larger free float market capitalization.

32. When changing the CGIX base, the adjustment factor for the next day (day t+1) is calculated as follows:

$$K_{t+1} = \frac{CGIX_{oldbase}}{CGIX_{newbase}}$$

where:
CGIX oldbase is the value of the index after the close of the session;
CGIX newbase is the value of the index after the close of the session, calculated with the new base.

33. After adjusting the index base, K is again assigned a value of 1 (one).

ADDITIONAL PROVISIONS

§ 1. For the purposes of these rules:
1. “Free float” is the number of shares held by shareholders who possess no more than five percent of the votes at the issuer’s general meeting.
2. “Free float coefficient” is the median value of the ratio between the number of shares under item 1 and the total number of shares in the issue, according to data from a depository institution, rounded to the fourth decimal place, for each of the trading sessions during one of the following quarterly periods: March 2 – June 1, June 2 – September 1, September 2 – December 1, December 2 – March 1.
3. “Market capitalization” is the product of the number of financial instruments in the relevant issue and the unit market price.
4. “Economic group” is a group of companies defined for the purposes of

preparing consolidated financial statements.
5. “Index base” refers to the issues included in its calculation.

§ 2. The following abbreviations are used in these rules:
1. “POSA” refers to the Public Offering of Securities Act.
2. “National Commission” refers to the National Corporate Governance Commission.
3. “The Exchange” refers to the Bulgarian Stock Exchange AD, respectively the regulated market organized by the Bulgarian Stock Exchange AD.
4. “The Index Committee” refers to the Index Committee of the Bulgarian Stock Exchange AD.

TRANSITIONAL AND FINAL PROVISIONS

§1. These rules shall enter into force on 08 January 2026.

§2. The first decision of the National Commission under item 24 of these Rules, determining the initial composition of CGIX, shall be taken at its meeting held between 2 July 2011 and 10 July 2011, based on the current self-assessment forms and data on trading and free float of the relevant companies as of 30 June 2011.

§3. The National Commission shall take an extraordinary decision to change the CGIX base based on the current self-assessment forms submitted in 2025 and compliance with the criteria under item 4 as of 31 May 2025, which shall take effect as of 1 August 2025.