



**telelink**  
BUSINESS SERVICES



**REPORT ON THE IMPLEMENTATION OF THE  
REMUNERATION POLICY OF THE MEMBERS OF THE  
MANAGEMENT AND SUPERVISORY BOARDS  
OF "TELELINK BUSINESS SERVICES GROUP" AD  
ACCORDING TO THE PROVISIONS  
OF ART. 100H, PARA. 8 OF THE PUBLIC OFFERING OF  
SECURITIES ACT (POSA)**

The present report has been prepared on the basis of Art. 12 of Ordinance № 48 dated 20 March 2013 on the requirements for remuneration (Ordinance № 48), in connection with Art. 30 of the Policy for remuneration of the Members of the Supervisory and Management Boards of "Telelink Business Services Group" AD (the "Company").

The report reflects the actual implementation, in 2020, of the Policy for remuneration of the Members of the Supervisory and Management Board of "Telelink Business Services Group" AD, approved by the first Regular Annual General Meeting of Shareholders of the Company after acquiring of public status held on 10 September 2020, as well as its subsequent amendment by a decision of the General Meeting of Shareholders held on 10 December 2020.

**1. Information on the decision-making process upon determination of the remuneration policy, including, if applicable, information on the mandate and composition of the Remuneration Committee, the names of the external consultants whose services have been used upon determination of the remuneration policy.**

The remuneration policy of "Telelink Business Services Group" AD was developed and 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 Shareholders, held on 10 September 2020. During the reporting period there was an amendment to the adopted policy, adopted at an Extraordinary General Meeting of the Shareholders of the Company, held on 10 December 2020. No external consultants were used for the development of the policy, as well as for its subsequent amendment. Due to its internal organization, the Company has not established a Remuneration Committee.

**2. Information on the relative weight of the variable and permanent remuneration of the Members of the Management and Supervisory Bodies.**

At the Regular Annual General Meeting of the Shareholders of the Company held on 10 September 2020, a decision was made to pay variable remuneration to the members of the Management Board of the Company, in addition to their permanent remuneration determined by the General Meeting of Shareholders of the Company held on 27 November 2019.

The variable remuneration of the members of the Management Board of the Company is an element of the total remuneration; it is in the form of shares from the capital of "Telelink Business Services Group" AD and is paid on the basis of criteria for evaluation of the performance of the activity. **The amount of the annual variable remuneration for 2020, to which the members of the Management Board of the Company were entitled, in the form of shares is up to 0.14% of the total number of shares of the Company's capital.**

According to the adopted policy, the shares granted as remuneration to the executive members of the Management Board, as well as to the members of the Management Board engaged in the management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group" AD, will represent approximately 50% of the total remuneration of the respective member of the Management Board, but not more than 60% of his/her total target remuneration by the Group as a whole for the respective year at the moment of the provision of shares. The shares provided as remuneration to the members of the Management Board who are not engaged in the management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group" AD will represent approximately 15% of the total remuneration of the respective member of the Management Board, but not more than 20% of his/her total target remuneration by the Group as a whole for the respective year at the time of the provision of shares.

The Company pays to the members of the Supervisory Board only a permanent (fixed) remuneration, due to which no information is provided regarding the relative weight of the variable and the fixed remuneration determined for them.

**3. Information regarding the criteria for achieved results, on the basis of which options on shares, shares of the company or other type of variable remuneration of the members are provided and an explanation of how the criteria under Art. 14, para. 2 and 3 of Ordinance № 48 contribute to the long-term interests of the Company.**

At the Regular Annual General Meeting of the Shareholders of the Company held on 10 September 2020, a decision was made to provide the members of the Management Board of the Company with variable remuneration for 2020 based on shares.

The payment of the variable remuneration based on shares is made on the basis of financial and non-financial criteria for achieved results. The criteria are objective and measurable and include indicators that are important for the long-term activity of the Company, as the criteria are measured for a three-year period – 2020, 2021 and 2022. The definition and implementation of the criteria monitored on the basis of increasing of the value of a certain indicator during a given period is based on the Compound Annual Growth Rate (CAGR) methodology. According to the latter, the respective average annual growth rates are calculated as the ratio between the value of this indicator in the last year of the period and the year preceding the beginning of the period, rooted in the number of years of duration of this period, minus one. The criteria follow the long-term strategic planning of the Company, as communicated with the market and the public and are selected so as to contribute to the stability and implementation of the Company's strategy in the long term.

The criteria related to financial indicators are selected in accordance with how they reflect the creation of value by the Company and how it relates to the market capitalization. The financial indicators include criteria based on consolidated profit before taxes, interest and depreciation (EBITDA), consolidated sales profit, growth of consolidated revenues, consolidated profit, efficiency and value of new business.

Pursuant to the Scheme for remuneration of the members of the Management Board based on shares, approved by the General Meeting of Shareholders on 10 September 2020, the Supervisory Board, at a meeting held on 20 November 2020, determined the maximum number of shares for each member of the Management Board subject to remuneration in compliance with the Scheme.

The assessment of the implementation of the financial and non-financial criteria for achieved results will be performed by the Supervisory Board in 2023, after certification of the audited consolidated financial statements of "Telelink Business Services Group" AD for 2022.

The developed criteria based on which variable remuneration in the form of shares from the capital of "Telelink Business Services Group" AD is provided contribute to the following of the Company's strategy, placing significant emphasis on long-term perspective, interests and sustainability, as the principle of long-term value creation has priority over the realization of short-term profits.

The remuneration policy adopted by the General Meeting of Shareholders on 10 September 2020, as amended by a subsequent decision of the shareholders made on 10 December 2020, does not provide for the provision of options to the members of the Supervisory and Management Boards on shares of the Company, therefore no related criteria have been developed.

**4. Clarification of the applied methods for assessing whether the criteria for the achieved results are met.**

The assessment regarding the fulfilment of the envisaged financial and non-financial criteria for the achieved results for payment of variable remuneration on the basis of shares of the members of the Management Board is performed by the Supervisory Board of "Telelink Business Services Group" AD. The methodology on the basis of which the assessment of achieved results is performed includes an analysis

of the adopted budget and business plan of the Company, as well as an analysis of the annual consolidated financial statements for the respective year certified by the registered auditor.

For the completeness of the reported information, the shareholders should keep in mind that the assessment of the achieved results regarding the fulfilment of the envisaged financial and non-financial criteria for the achieved results for payment of variable remuneration based on shares of the members of the Management Board for 2020 will be performed by the Supervisory Board in 2023, after certification of the audited consolidated financial statements of "Telelink Business Services Group" AD for 2022, taking into account the three-year follow-up period.

## **5. Clarification of the relationship between remuneration and results achieved.**

Insofar as the Company may pay to the members of the Management Board both permanent (fixed) and variable remuneration in the form of shares, which are given on the basis of criteria for evaluation of the performance of the activity, the variable remuneration of the members of the Management Board depends on the achieved results, in accordance with the Scheme adopted by the General Meeting of Shareholders on 10 September 2020 and specified under Item 6 below.

## **6. Basic payments and justification of the annual scheme for payment of bonuses and/or all other non-monetary additional remunerations.**

At the Regular Annual General Meeting of Shareholders held on 10 September 2020, the scheme for granting remuneration based on shares of the Company to the members of the Management Board for 2020 was approved; it includes:

### **6.1 Maximum number of shares subject to remuneration based on shares.**

Up to 17,250 shares or 0.14% of all shares of the Company's capital (expressed as a percentage of the capital as of the date of approval), which are provided in full or in part depending on the conditions for granting shares under the Scheme.

### **6.2 Procedure for granting the shares.**

- The shares are granted by a decision of the Supervisory Board to all members of the Management Board within the maximum number of shares subject to remuneration.

- The shares granted as remuneration to the executive members of the Management Board, as well as to the members of the Management Board engaged in the management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group" AD (the "Group") will represent approximately 50% of the total remuneration of the respective member of the Management Board, but not more than 60% of his/her total target remuneration by the Group as a whole for the respective year at the time of the provision of the shares.

- The shares granted as remuneration to the members of the Management Board who are not engaged in the management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group" AD will represent approximately 15% of the total remuneration of the respective member of the Management Board, but not more than 20% of his/her total target remuneration by the Group as a whole for the respective year at the time of the provision of the shares.

- The granted shares will be distributed among the five members of the Management Board as follows:

- executive member of the Management Board – 43.5%;
- each of the three members of the Management Board engaged in the management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group" AD – 17.4%;



- Member of the Management Board who is not engaged in the management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group AD" – 4.3%.

### **6.3 Conditions for granting of shares.**

The members of the Management Board are entitled to one third (33.33%) or a maximum of 5,750 of the granted shares only if the condition for continuous employment of three consecutive years is met. Therefore, a member who leaves the Group before the end of the three-year term for transfer of shares may not receive his/her shares, except in cases permitted by the Supervisory Board, on the basis of a reasoned opinion or as provided in the Policy for remuneration of the members of the Supervisory Board and the Management Board of the Company. Regarding the executive member of the Management Board, the Supervisory Board may, where applicable, grant an exemption from the condition of continuous employment, but only on a partial and proportional basis.

The members of the Management Board are entitled to two thirds (66.67%) or up to 11,500 of the provided shares (hereinafter referred to as "Execution Shares" or "ES") according to long-term performance criteria related to the Group's target results.

The conditions for implementation are determined by the Supervisory Board. They are the same for all members and apply to all Execution Shares provided.

The conditions for implementation are objective and measurable and include indicators that are relevant to the long-term activities of the Group and correspond to the current environment in which it operates. They include criteria that are representative of the work of the Company and are adapted to the specific nature of its activities.

All performance conditions are monitored for a reference period of three years, including 2020, 2021 and 2022.

Execution Shares for 2020 are subject to the fulfilment of performance conditions on the basis of four mutually complementary criteria for the results of the Group's activity, each of them participating in the formation of the final number of granted shares, as follows:

- the average growth of the Revenues forms up to 20% of the maximum number of Execution Shares or 13.33% of the maximum number of total granted shares;
- the average growth of the Profit from sales forms up to 30% of the maximum number of Execution Shares or up to 20% of the maximum number of total granted shares;
- the average growth of EBITDA forms up to 30% of the maximum number of Execution Shares or up to 20% of the maximum number of total granted shares;
- the average NPS forms up to 20% of the maximum number of Execution Shares or up to 13.33% of the maximum number of total granted shares;

where:

- "Revenue" means consolidated net sales revenue;
- "Sales profit" means consolidated gross profit less sales and marketing costs;
- "EBITDA" means consolidated profit before taxes, interest and depreciation;
- "NPS" (Net Promoter Score) is a customer satisfaction indicator, calculated as the difference between the percentage of customers with a high and low probability of recommending the Group as a supplier in the total number of respondents among the Group's surveyed customers;
- "Average growth" means the average annual growth rate (CAGR) for the period 2020-2022, calculated as the ratio of the value of each relevant indicator in 2022 to the value of the same indicator in 2019, raised to level 1/3, minus 1;
- "Consolidated" means a value reported or calculated on the basis of the annual consolidated financial statements of "Telelink Business Services Group" AD according to the International Financial Reporting Standards (IFRS).

The assessment of the fulfilment of the conditions for submission is performed as follows:

- The fulfilment of each of the above criteria and the corresponding final number of shares granted are determined according to a predetermined performance range specific to each criterion, as indicated in the table below;
- The Supervisory Board must indicate whether and to what extent the conditions for performance are met by a duly substantiated decision included in the report of the Supervisory Board to the General Meeting of Shareholders on the implementation of the Remuneration Policy;
- The assessment of the fulfilment of the conditions for performance is performed in 2023, after certification of the audited consolidated financial statements of "Telelink Business Services Group" AD for 2022.

The number and percentage distribution of shares granted and the ranges of the final number of shares granted according to the criteria described above, including the specific ranges of performance and the respective percentage and number of shares finally granted, are summarized in the table below as follows:

Услови е	Критерий	Относителна тежест (максимален принос към общия брой предоставени акции)	Максимален принос към Акции при изпълнение	Диапазон на изпълнение	Окончателно предоставени акции в % от предоставените акции	Окончателно предоставени акции (брой)
непрекъсната заетост	непрекъсната заетост през 2020-2022	33,33%	-	<3 години	0%	0
				≥3 години	33,33%	5 750
при изпълнение на условията	среден ръст на Приходите за 2020-2022	13,33%	20%	<5%	0%	0
				5-10%	3,33%	575
				10-15%	6,67%	1 150
				>15%	13,33%	2 300
	среден ръст на Печалбата от продажби за 2020-2022	20,00%	30%	<10%	0%	0
				10-15%	5,00%	863
				15-20%	10,00%	1 725
	среден ръст на EBITDA за 2020-2022	20,00%	30%	>20%	20,00%	3 450
				<10%	0%	0
				10-15%	5,00%	863
	среден Нетен Промоционален Рейтинг („Net Promoter Score“) за 2020-2022	13,33%	20%	15-25%	10,00%	1 725
				>25%	20,00%	3 450
				<30	0%	0
30-65				3,33%	575	
				65-90	6,67%	1 150
				>90	13,33%	2 300

#### 6.4 Transfer of ownership of shares.

The transfer of ownership over the finally granted number of shares will be made after the end of the respective three-year period for which the conditions are met, but not earlier than three years after the date of the decision of the Supervisory Board for their granting.

#### 6.5 Conditions for keeping the shares after their acquisition.

No conditions for keeping the shares after their acquisition are determined and applied.

#### **6.6 Period during which remuneration based on shares may be provided.**

The Supervisory Board may provide the members of the Management Board with the remuneration based on shares for 2020 until the end of December 2020 after receiving prior approval by the General Meeting of Shareholders of the current Scheme for provision of remuneration based on shares of the Company to the members of the Management Board for 2020.

On 20.11.2020, the Supervisory Board, in implementation of the Scheme for remuneration based on shares of the Company to the members of the Management Board for 2020, approved by the General Meeting of Shareholders of the Company on 10 September 2020, decided to provide remuneration based on shares of the Company for 2020 within the maximum number of shares approved by the General Meeting of Shareholders, subject to the distribution under the scheme, as follows:

1. Ivan Zhitiyanov – Executive member of the Management Board – maximum number of granted shares: 7502 shares;
2. Teodor Dobrev – Technology Director Networks and Data Centres – maximum number of granted shares: 3002 shares;
3. Paun Ivanov – member of the Management Board, who is not engaged in management of a subsidiary, process or function in the Group of Companies of "Telelink Business Services Group" AD – maximum number of granted shares: 742 shares;
4. Nikoleta Stanailova – Financial Director of the Group – maximum number of granted shares: 3002 shares;
5. Gojko Martinovic – Executive Director for Serbia, Slovenia – maximum number of shares granted: 3002 shares.

***Due to the fact that the assessment of the financial and non-financial criteria provided in the policy is to be made by the Supervisory Board of the Company after the end of the respective three-year period, no variable remuneration based on shares was paid in favour of the Management Board during the reporting period.***

At an Extraordinary General Meeting of the Company's shareholders held on 10 December 2020, a decision was made to supplement the remuneration policy, providing for the possibility for members to be provided with social benefits such as those available to the Company's employees, as vouchers for food, social benefits, supplementary health insurance and the like. According to the changes in the policy, the members of the Management Board may be provided with other material benefits assisting in the performance of their functions, including but not limited to health insurance, group insurance, travel insurance, liability insurance and other insurance related to their activity for the Company.

In 2020 no social benefits have been provided to the members of the Management Board in implementation of the Remuneration Policy.

In December 2020 the Company implemented a program for one-time stimulation of employees with 2 or more years of experience in the Group and previous companies, as per the relevant decisions of the General Meeting of Shareholders of 10 September 2020 and of the Management Board of 27 November 2020. The program was implemented entirely at the expense of own shares repurchased by the Company. The number of shares acquired during the reporting period by the members of the Management Board of the Company in implementation of the program for one-time stimulation of employees forms a non-monetary additional remuneration received in the reporting 2020, as follows:

Number of shares held by the members of the MB	Acquired during the reporting period	
	One-time incentive	%*
Ivan Zhtiyarov	1,708	0.014%
Teodor Dobrev	996	0.008%
Paun Ivanov	0	0.000%
Nikoleta Stanailova	752	0.006%
Gojko Martinovic	1,034	0.008%
<b>Total</b>	<b>4,490</b>	<b>0.04%</b>
<b>% of capital</b>	<b>0.04%</b>	

\*% of the registered share capital

**7. Description of the main features of the supplementary voluntary pension insurance scheme and information on the contributions paid and/or due by the Company to the relevant member of the Management or Supervisory Body for the financial year concerned, where applicable.**

With regard to the members of the Management and Supervisory Boards of "Telelink Business Services Group" AD, there is no commitment of the Company to make contributions for additional voluntary pension insurance to the members of the Management and Supervisory Boards for the reporting financial year.

**8. Information on the periods of deferral of payment of variable remuneration.**

As of 31 December 2020, the members of the Management Board have rights to receive up to a total of 17,250 shares of the Company subject to transfer in 2023 depending on the fulfilment of criteria for long-term employment and achieved results of the Group in the period 2020-2022 established by a decision of the General Meeting of Shareholders of 10 September 2020.

The distribution of the above rights by specific members of the Management Board is summarized as follows:

Rights of the members of the MB to obtain Company shares	Position within the Group	31.12.2020	31.12.2019
Ivan Zhtiyarov	Chief Executive Officer	7,502	0
Teodor Dobrev	Director Enterprise Networks and Hybrid Cloud	3,002	0
Paun Ivanov	-	742	0
Nikoleta Stanailova	Chief Financial Officer	3,002	0
Gojko Martinovic	Director of Comutel, Telelink Slovenia and TBS Croatia	3,002	0
<b>Total</b>		<b>17,250</b>	<b>0</b>
<b>% of capital</b>		<b>0.14%</b>	<b>0.00%</b>

**9. Information about the policy of compensation in case of termination of the contracts.**

The contracts with the members of the Supervisory and Management Boards do not provide for separate compensations upon termination of their contracts with the Company.



**10. Information about the period in which the shares cannot be transferred and the options on the shares cannot be exercised, in case of variable remuneration based on shares.**

The transfer of ownership over the shares representing variable remuneration to which the members of the Management Board are entitled for the respective year, according to the remuneration policy adopted by the General Meeting of Shareholders on 10 September 2020, is carried out after the end of the respective three-year period, in accordance with the achieved criteria, but not earlier than three years after the date of the decision of the General Meeting of Shareholders on their provision.

No conditions for keeping the shares after their acquisition are determined and applied.

**11. Information about the policy for keeping a certain number of shares until the end of the term of office of the members of the Management and Control Bodies after the expiration of the period under item 10.**

According to the policy for remuneration of the members of the Supervisory and Management Boards adopted by the General Meeting of Shareholders, held on 10 September 2020, as well as the scheme for granting additional remuneration based on shares adopted by the shareholders at the same meeting, no conditions for keeping the shares after their acquisition are determined and applied.

**12. Information about the contracts of the members of the Management and Supervisory Bodies, including the duration of each contract, the period of notice of termination and details of benefits and/or other payments due in the event of early termination.**

Information about the members of the Management Board according to the management contracts with the Company:

Members of the Managing board	Term of the management contract	Notice of termination	Compensation and/or other payments in case of early termination
Ivan Zhtyanov	12.07.2022	1 month	No
Teodor Dobrev	12.07.2022	1 month	No
Paun Ivanov	12.07.2022	1 month	No
Nikoleta Stanailova	12.07.2022	1 month	No
Gojko Martinovic	12.07.2022	1 month	No

Information about the members of the Supervisory Board according to the management contracts with the Company:

Members of the Supervisory Board	Term of the management contract	Notice of termination	Compensation and/or other payments in case of early termination
Hans Van Huvelingen	12.07.2022	1 month	No
Ivo Evgeniev	12.07.2022	1 month	No
Bernard Moscheni	12.07.2022	1 month	No

**13. Full annual remuneration amount and other material incentives of the members of the Management and Supervisory Bodies for the respective financial year.**

The table below provides the full remuneration amount, as well as other material incentives for the members of the Supervisory and Management Boards acting in this capacity for 2020:

Members of the Managing board	Remuneration (BGN)
Ivan Zhtiyarov	60,000
Teodor Dobrev	24,000
Paun Ivanov	24,000
Nikoleta Stanailova	24,000
Gojko Martinovic	24,000
<b>Total</b>	<b>156,000</b>

  

Members of the Supervisory Board	Remuneration (BGN)
Hans van Houvelingen	30,000
Ivo Evgeniev	30,000
Bernard Moscheni	30,000
<b>Total</b>	<b>90,000</b>

**14. Information about the remuneration of any person who has been a member of a Management or Supervisory Body of a public company for a specified period during the respective financial year:**

**a) Full amount of the remuneration paid and/or accrued to the person for the financial year 2020:**

The table for paid and accrued remuneration of members of the Supervisory Board and the Management Board acting in this capacity for 2020:

Members of the Managing Board and acting capacity	Paid remuneration (BGN)	Accrued remuneration (BGN)
Ivan Zhtiyarov - Chief Executive Officer	54,000	60,000
Teodor Dobrev - Director Enterprise Networks and Hybrid Cloud	21,600	24,000
Paun Ivanov - -	21,600	24,000
Nikoleta Stanailova - Chief Financial Officer	21,600	24,000
Gojko Martinovic - Director of Comutel, Telelink Slovenia and TBS C	19,315	24,000
<b>Total</b>	<b>138,115</b>	<b>156,000</b>

  

Members of the Supervisory Board and acting capacity	Paid remuneration (BGN)	Accrued remuneration (BGN)
Hans van Houvelingen - Chairman of the Supervisory Board	23,279	30,000
Ivo Evgeniev - Members of the Supervisory Board	27,000	30,000
Bernard Moscheni - Members of the Supervisory Board	23,279	30,000
<b>Total</b>	<b>73,559</b>	<b>90,000</b>

**b) Remuneration and other tangible and intangible incentives received by the person from companies in the same group**

Table for the remunerations of the persons paid by the Company, after deduction of the normatively due taxes and insurances

Members of the Managing board	Remuneration for acting in the capacity as a member of MB (BGN)	Remuneration - employment contract (BGN)	Other tangible and intangible incentives - employment contract (BGN)
Ivan Zhtiyanov	54,000	-	-
Teodor Dobrev	21,600	82,711	9,515
Paun Ivanov	21,600	-	-
Nikoleta Stanailova	21,600	72,370	17,124
Gojko Martinovic	19,315	-	-
<b>Total</b>	<b>138,115</b>	<b>155,080</b>	<b>26,639</b>

  

Members of the Supervisory Board	Remuneration for acting in the capacity as a member of SB (BGN)	Remuneration - employment contract (BGN)	Other tangible and intangible incentives - employment contract (BGN)
Hans van Houvelingen	23,279		
Ivo Evgeniev	27,000		
Bernard Moscheni	23,279		
<b>Total</b>	<b>73,559</b>	<b>0</b>	<b>0</b>

Table for the remuneration of the persons paid by the companies in the Group, after deduction of the normatively due taxes and insurances.

Members of the Managing board	Remuneration for acting in the capacity as a member of MB (BGN)	Remuneration - employment contract (BGN)	Other tangible and intangible incentives - employment contract (BGN)
Ivan Zhtiyanov	189,566	-	128,496
Teodor Dobrev	-	11,772	31,080
Paun Ivanov	-	-	-
Nikoleta Stanailova	-	-	-
Gojko Martinovic	119,769	-	67,660
<b>Total</b>	<b>309,335</b>	<b>11,772</b>	<b>227,236</b>

  

Members of the Supervisory Board	Remuneration for acting in the capacity as a member of SB (BGN)	Remuneration - employment contract (BGN)	Other tangible and intangible incentives - employment contract (BGN)
Hans van Houvelingen			
Ivo Evgeniev			
Bernard Moscheni			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**c) Remuneration received by the person in the form of profit distribution and/or bonuses and the grounds for their granting.**

During the reporting period, the members of the Supervisory and Management Boards acting in this capacity were not paid, respectively the persons did not receive remuneration in the form of profit distribution, respectively such bonuses were not provided.

**d) Any additional payments for services rendered by the person outside his/her normal functions, where such payments are eligible under the contract concluded with him/her.**

The members of the Supervisory Board and the Management Board did not perform services outside their usual functions and respectively did not receive additional payments, except for those specified in item 14 B.

**e) Compensation paid and/or accrued on the occasion of the termination of the functions of the members of the Management Board and the Supervisory Board during the last financial year**

During the reporting period the contracts with the members of the Supervisory and Management Boards of the Company were not terminated, due to which no compensations were paid and no accruals were accrued on the occasion of the early termination of their functions.

**f) Overall assessment of all non-monetary benefits equivalent to remuneration other than those referred to in points "a" to "e".**

In 2020, the members of the Supervisory and Management Boards did not receive any non-monetary benefits equivalent to remuneration other than those referred to in points "a" – "e" above.

**g) Information about all loans, disbursements and guarantees provided by the Company or its subsidiaries or other companies that are subject to consolidation in its annual financial statements, including details of the outstanding balance and interest**

During the reporting period no loans and guarantees were provided, as well as no payments of social and household expenses were made to members of the Supervisory and Management Boards both by the Company and by subsidiaries, included in the consolidation of the Company.

**15. Information about shares and/or options on shares and/or other share-based incentive schemes:**

**a) Number of options on shares offered or shares granted by the Company during the respective financial year and the conditions under which they were offered, respectively granted.**

According to the scheme for provision of remuneration based on shares of the Company to the members of the Management Board for 2020, approved by the General Meeting of Shareholders of the Company held on 10 September 2020 and in accordance with a decision of the Supervisory Board of 20 November 2020 the members of the Management Board are provided with up to a total of 17,250 shares of the Company, subject to transfer in 2023 depending on the fulfilment of criteria for long-term employment and achieved results of the Group in the period 2020-2022.

**b) Number of options on shares exercised during the respective financial year and for each of them, number of shares and the exercise price of the option or the value of interest under the incentive scheme based on shares at the end of the financial year.**

The remuneration policy of the members of the Supervisory and Management Boards of "Telelink Business Services Group" AD does not provide for the possibility to provide options on shares.

**c) Number of unexercised options on shares at the end of the financial year, including data on their price and date of exercise and essential conditions for exercising the rights**

Not applicable due to the adopted Policy for remuneration of the members of the Supervisory and Management Boards of "Telelink Business Services Group" AD.

**d) Any changes in the terms and conditions of existing stock options accepted during the financial year.**

Not applicable due to the adopted Policy for remuneration of the members of the Supervisory and Management Boards of "Telelink Business Services Group" AD.

**16. Annual change in the remuneration, the results of the Company and the average remuneration on the basis of full-time employees of the Company who are not directors, during the previous at least five financial years, presented together in a way that allows comparison.**

"Telelink Business Services Group" AD was established on 12 July 2019, due to which the information under this item is presented from the first prepared financial statements for 2019 to the present. As of 31 December 2019 the Company had only one employee under an employment contract. Remuneration of most members of the Supervisory and Management Boards is paid from 01 December 2019.

The information on the change in the remuneration of the members of the Supervisory and Management Boards, the results achieved by the Company and the average amount of remuneration of the employees in the company who are not directors is presented in a tabular form:

Information - Article 13, paragraph 16 of Ordinance 48	2019 Y	2020 Y	Change in 2020 compared to 2019
Gross annual remuneration of all members of the Management Board and the Supervisory Board	26,158	246,000	840%
Average monthly remuneration of all members of the Management Board and the Supervisory Board	20,500	20,500	0%
Net profit	217	7,420	3319%
Average monthly remuneration based on full-time employees of the company, who have not been directors for the year	9,298	5,364	-42%

**17. Information about exercising the possibility to demand a refund of the variable remuneration.**

The Policy for remuneration of the members of the Supervisory and Management Boards of "Telelink Business Services Group" AD provided that, by decision of the General Meeting of Shareholders, a refund of up to 100% of paid or provided variable remuneration may be required in the following cases:

- The respective member of the Management Board has had unfair behaviour towards the Company and its subsidiaries and/or has committed actions that are considered crimes against property towards the Company and its subsidiaries;
- Specific behaviour that has led to a significant negative change in the annual consolidated financial statements of the Company for previous years, based on which the variable remuneration has been provided and/or significant (reputational) damage to the Company or any of its subsidiaries;
- The respective member of the Management Board participates or is responsible for conduct that has led to significant losses for the Company or for any of its subsidiaries;
- The variable remuneration was provided on the basis of data which subsequently turned out to be incorrect.



During the reporting period, the possibility to demand a refund of the variable remuneration has not been exercised.

**18. Information about all deviations from the procedure for the implementation of the remuneration policy in connection with extraordinary circumstances under Art. 11, para. 13 of Ordinance № 48 of 20 March 2013 on the requirements for remuneration, including an explanation of the nature of the extraordinary circumstances and an indication of the specific components that have not been applied.**

During the reporting period there were no deviations from the procedure for application of the Policy for remuneration of the members of the Supervisory and Management Board of "Telelink Business Services Group" AD.

**19. Information about the application of the Policy for remuneration of the members of the Supervisory and Management Boards of "Telelink Business Services Group" AD for the next financial year.**

The principles set out in the currently applied remuneration policy are effective in view of the development and financial results of the Company and the subsidiaries in the Group.

As of the date of preparation of this report, neither the Supervisory Board nor the Management Board has proposed changes in the Remuneration Policy adopted and approved by the General Meeting of Shareholders for the members of the Supervisory Board and the Management Board of "Telelink Business Services Group" AD.

On 12 March 2021, at a meeting of the Supervisory Board of "Telelink Business Services Group" AD, the values of the financial and non-financial criteria for achieving results for the purposes of the variable remuneration of the members of the Management Board were determined according to the Remuneration Policy for 2021. In accordance with the commitments under the Policy, the criteria determined by the Supervisory Board will be proposed for approval by the General Meeting of Shareholders of the Company.

Date of compilation:

29 March 2021

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Ivan Zhitiyanov

"TELELINK BUSINESS SERVICES GROUP" AD