

Code of Ethics of Management Financial Group AD

2023

Stanimir Vasilev

Nedelcho Spasov

Antonia Sabeva

Address by shareholders and CEOs

Dear colleagues,

The purpose of the Code of Ethics of MFG is to guide our day-to-day communication with and actions towards internal and external stakeholders, as well as our business affairs in a legal, ethical and responsible manner, which also lies at the foundation of our culture as a Group.

At MFG, we innovate the future with responsibility. We create and work together for a better "tomorrow" for our customers, for the people in the organization, for our partners and friends, for our children, for a better and harmonious world. This is our promise both to ourselves in the Group and to the world in which we live.

We are companies that develop fintech products and services for the benefit of people and their financial inclusion, and as such we are also guided by the expectations of both our customers and the people in our organization, the communities in which we operate and the society as a whole.

We believe in our values:

- **Humanity** – we work openly in an environment of trust, recognition and closeness;
- **Innovation** – we are guided by the energy of youth and childlike curiosity, which make us free, innovative, experimental, challenging ourselves and the status quo;
- **Responsibility** – to the people: colleagues, partners, customers, and to the environment in which we live and which surrounds us.

With responsibility towards our high goals, we identify, attract and develop the best experts and talents.

Together with each of you **we give the business a human face, we dream boldly and act freely, we leave our mark by living balanced and sustainable lives.** And every day we strengthen **our leadership position** in the markets we operate in and pave the way for the next countries to include in our ambitious plans for **large-scale geo-expansion.**

1. Our mission, philosophy, goals and values

Management Financial Group AD (MFG) is a company that includes in its structure companies specialized in the provision of non-bank financial and payment services.

In our work and in our professional relationships, we are guided by **our mission – TO ENSURE FINANCIAL INCLUSION FOR EVERYONE** in a dignified and responsible manner. As a fintech group, we draw inspiration from the latest industry practices and develop our own. We experiment constantly and quickly introduce proven ideas. We think big and see opportunities that others miss. We encourage non-standard point of view and innovative approach.

After so many years in the market, we understand well the constantly evolving needs of the customers and provide them with an individual approach and trusted relationships, accepting our mistakes and learning from them. We run our businesses with self-awareness and an ambition to seek perfection. We purposefully and efficiently invest the Group's capital - financial, human, time, technological.

Our goals are:

To build a world-class organization by:

- Proactivity and entrepreneurial spirit;
- Focus on achieving excellent results;
- Encouraging ideas and respecting differences.

To provide financing to a wide range of users by:

- Informed choice;
- Responsible lending;
- Affordable financing.

To offer financial technology for the benefit of people via:

- Innovative solutions;
- Continuous improvement;
- Platforms providing the best customer experience.

Our values:

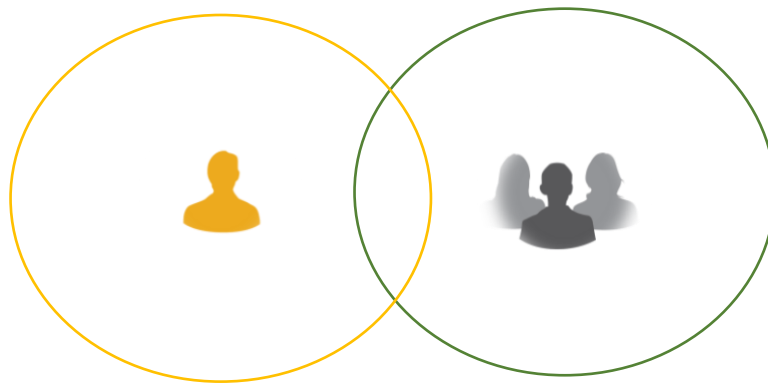
Humanity - We work openly in an environment of closeness, recognition and trust.

Innovation - We are driven by the energy of youth and childlike curiosity that make us free, innovative, experimental, challenging ourselves and the status quo.

Responsibility - We are guided by our responsibility towards people and the environment in which we live.

2. Our standards

2.1 The people



We create the conditions to be a group of companies where:

- people are attracted and promoted for their merits (results and professional experience);
- there are opportunities for development and we strive to maintain a balance between work time and personal life;
- teamwork within individual business units and between different businesses within

In their daily work people in the Group should:

- respect the opinion of their colleagues and take into account their right to personal opinion and behavior (in accordance with this Code);
- tolerate and build trust and mutual respect between colleagues, which is the basis of good relations and the sustainability of the company;

the group is valued;

- people have the opportunity to develop their full potential;
- we adhere to competitive remuneration standards in line with the company's business strategies, philosophy and values;
- feedback is encouraged in every activity and in every workplace. Opinions and points of view are sought and accepted from the people in the companies, and they actively participate in solving the problems in the company;
- managers develop their leadership qualities;
- we encourage our people to be proactive and deal with change constructively, anticipating it where possible;
- people are incentivized to proactively manage risks in their daily activities. Everyone is encouraged to express their opinion and judgment on matters in their respective area of work and responsibilities;
- compliance with the legal provisions regarding the right to work, human rights, freedom of association, as well as the prohibitions of forced, unfree and child labor;
- we have zero tolerance for all forms of irresponsibility, hypocrisy, public discussion of unconfirmed or confidential information, negligence, lying and professional envy.
- develop professionally in accordance with the scope of their role and career opportunities. Always look for opportunities for career growth in sync with the development of the team and the company;
- actively propose ideas and solutions for optimization and improvement of work. support the ideas of their colleagues and should cooperate for their realization;
- contribute to teamwork in their team and with colleagues in the other departments and directorates with which they partner. Avoid clustering within the team based on personal relationships and help integrate new members into the work process;
- appear in a manner appropriate to the environment in which they work, with clothing and appearance consistent with the position in the Company they represent;
- put professional relationships and interests ahead of personal relationships among group workers;
- solve challenges together as a team.

2.2 The customers

The trust and **mutual respect** are the basis of the relationships with the customers of the companies in the Group.

People in the organization commit to:

- work to build trust in customer relationships;
- protect the interests of clients in accordance with the principles and rules of work in the organization;
- create realistic expectations of end results for clients;
- observe the principles of confidentiality of information;
- avoid actions and situations that would cause conflict;
- encourage honest feedback;
- understand the ever-evolving needs of customers and provide them with an individual approach and trusted relationships.

2.3 Competition

Fully complying with the applicable provisions of the current national legislation and that of the EU, MFG also makes additional efforts in its activities to establish the rules of fair competition, such as:

- we refrain from using comparative advertising, we do not carry out business activities contrary to bona fide commercial practice;
- we do not practice misleading and comparative advertising;
- we do not use imitations and do not damage the good name of our competitors, nor do we apply tricks to attract customers unfairly;
- we actively participate in the activities of the branch organizations in which individual companies are members, asserting positions consistent with the principles established in this Code;
- focus is on implementing innovation and improving competitiveness by using new means and methods to create and develop products and services;
- the people in the companies of the Group compete on the basis of knowledge, skills and experience and avoid actions that damage or would cause damage to the professional reputation of the company and MFG as a whole;
- in the event of disputes with competing companies, direct managers are notified in order to take the necessary measures, agreed with the directors or the head of the company in case of need.

3. Accepting and giving gifts and invitations, organizing corporate events. Prohibition of giving and receiving bribes.

The culture of the group of companies does not tolerate receiving gifts in the form of cash or cash equivalents in the performance of official duties.

Corporate donations, invitations or expenses to partners, state or municipal authorities cannot be in a form that can be interpreted (or perceived) as a bribe or other illegal forms of reward or payment. It is prohibited to offer or accept a bribe in any form - money, gifts, food, travel, entertainment, loans, charitable donations, political donations or offers of employment. All these benefits can be used inappropriately in an attempt to influence the business decisions or activities of MFG group companies. Regardless of the form, we do not bribe or use other means to improperly influence decisions concerning the activities of companies, their customers, potential customers, employees, contractors, as well as relations with supervisory authorities, potential or current partners. MFG Group companies do not offer or give bribes directly or through a third party, including when it could be considered common practice or competitors do so or for any other reason.

People in the MFG group of companies should watch out for:

- Payment(s) by/to persons who should not receive or make cash payments;
- Request for financial compensation of third parties, partners or agents that is not related to services provided;
- Requests to engage third parties or counterparties without a written contract or without completing the documentation that is required according to the established rules and policies for the work of the companies in the MFG group;

The actions described below are permitted and should be considered an exception to the general prohibition on accepting gifts and services of monetary value.

1. Acceptance of food and/or refreshments worth up to BGN 100 during meetings or other occasions, the purpose of which is to maintain good-faith contacts or strengthen business relations (provided that, within permissible limits, the costs are borne by the company, if they are not covered on the other side);
2. Accepting advertising and promotional materials of reasonable value, such as pens, pencils, notebooks, key chains, calendars and other similar items;
3. Depending on the format, corporate events are aimed at a limited group of employees and/or all employees, as well as at external audiences, and within these events it is allowed to give out gifts, determined and purchased according to a preliminary plan and after an approved

budget;

4. At MFG, it is an accepted practice not to give exclusive gifts to senior managers. If they receive gifts, they must be equal in size and value to the gifts intended for all employees.

4. Partners, suppliers and personal relationships

- 4.1 In choosing our business partners, we are guided by purely professional and economic criteria, and all offers from suppliers are considered unbiased and impartial.
- 4.2 In tender procedures, the contract is awarded to the candidate with the most economically advantageous offer, taking into account the factors of reliability and reputation.
- 4.3 Subjective preference or neglect of suppliers, in particular for personal reasons, is generally prohibited.
- 4.4 When personal interest interferes in any way with the interests of the Company or its clients, a conflict of interest is deemed to exist.
- 4.5 Family members should not be in positions that are in a direct or indirect supervisory/control professional relationship.
For the purposes of the Code, family members include: spouse, partner, children, siblings, parents.
- 4.6 Intimate personal relationships between colleagues could create a conflict of interest. Any intimate personal relationship that develops between someone and their line manager should be immediately reported to the relevant manager's supervisor so that the reporting line is changed to avoid an actual conflict of interest.

5. CONFIDENTIALITY

The confidentiality of the information provided by the client ranks among the fundamental principles maintained by the respective company in MFG. Evaluating customer trust as extremely important, MFG implements effective measures to minimize the risk related to areas particularly sensitive to the customer, including those related to misuse or unnecessary use of information held by MFG Companies.

The confidentiality of customers' personal data and the customer's trust in MFG are ensured, and everyone is required to:

- not disclose or disseminate any direct or indirect information about the financial condition

or other matters affecting the MFG companies, their customers and established business relationships;

- avoids any action or access that may lead to the leakage or distribution of information about customers or other counterparties of the companies;
- ensures that information, documents, files, etc. are not exposed to unauthorized access on a desk or other accessible place in the company, especially when left unattended;
- ensures that the client or other persons external to the organization do not have visual contact with the monitors of the computers used to perform various operations and that business information is not exposed on the screen when the workplace is left unattended even for a few minutes;
- ensure that any confidential document subject to destruction is completely destroyed;
- does not disclose confidential information in a telephone conversation, except when this possibility is expressly provided for in relevant rules or there is a legitimate request from an authorized state authority;
- avoids being drawn into discussions held during official or private meetings where company or customer information may be discussed that should not be discussed;
- avoids the possibility of leaking information by speaking in a low tone in reception areas, corridors, stairwells, elevators or other public spaces on matters involving confidential information that may be detrimental to the company, its people or customers.

6. Corporate responsibility and ESG

MFG is a conscientious corporate citizen and a socially responsible company that develops successful initiatives aimed at various communities in Bulgaria and abroad. People in the MFG Group are actively involved in determining the direction of the company's social activities.

The way to effectively contribute to the development of society is related to the personal contribution of all of us, supported by the company we work for, colleagues, friends and family. People at MFG provide various types of support and voluntary work as a group or individually, contributing in this way for the change in our society as a whole. The Group also has an active cultural council, which on a regular basis discusses, updates and helps to implement the various aspects of social activities of the individual companies and of the Group as a whole.

The MFG Group conducts regular internal communication campaigns in support of the group's policies on inclusion & diversity, whistleblowing, ethical lending, a culture of reducing the amount of waste we generate in our daily activities, a culture of reusing and prolonging the life of products and

a culture of recycling (reduce, reuse, recycle), appropriate and effective investment of the Group's capital (financial, human, time, technological), etc.

6.1 Financial inclusion, education and awareness

Providing reliable and secure opportunities for financial inclusion to large groups of people who are often neglected by the financial system is a priority not only for the Group, but also an internationally recognized hot topic in developed and developing societies. The inclusion of hitherto marginalized groups in the financial system in a responsible and ethical way also involves increasing the financial literacy of society, early childhood education, which includes the reasonable management of personal finances, awareness of the various financial instruments available to both people and businesses. The companies in the MFG Group recognize their social responsibility to increase financial literacy and awareness and are initiators both independently and together with industry, public and other organizations of various initiatives and activities in this direction.

6.2 Healthy life style

We live a balanced life and take full care of ourselves, our families and our loved ones. We strive to promote sustainable lifestyles within and outside the Group both by personal example and corporately sponsored and organized initiatives that promote healthy lifestyles, personal growth and work-life balance and harmony.

6.3 Support for groups at risk – disadvantaged people, victims of violence or those living at risk

The maturity of societies is also measured by the attitude of their members towards the weakest and most vulnerable groups – people in a disadvantaged position, victims of violence or living at risk of violence, animals. With our public activities and the voluntary initiatives of the people in the Group, we strive to provide adequate help and permanent support to those who cannot or have difficulty protecting themselves.

6.4 Environmental protection

We work with the awareness that our actions leave a mark on the environment. So we try to be judicious in the way we use resources in the workplace, keeping them to a minimum. We use less and more environmentally friendly materials, and we separate the generated waste according to the widely accepted rules for separate waste disposal. We actively participate and initiate activities that we organize at the corporate level for the improvement of the urban

environment, green areas, water courses, forest areas. Through these actions, we strive to engage people in the organization through volunteering to change the way of thinking in the direction of proper use of natural resources.

7. Compliance with legislation

The companies of the MFG group are financial institutions registered by the BNB and under its supervision. In the performance of their activities, the Companies of the Group comply with the due implementation of the legal and statutory regulations applicable to the relevant activities for the respective Companies of the Group.

7.1 The legislative framework for Anti-Money Laundering (AML)

MFG group companies are financial institutions, part of the country's financial system. As such, they fall into the category of potential participants in the money laundering process. It is for this reason that we have an interest in and aim to follow strict anti-money laundering (AML) and counter-terrorist financing (CTF) rules.

Money laundering is an act aimed at concealing profits from criminal activity or at transforming and transferring such profits in order to conceal their criminal origin. The operations of all financial institutions are at high risk of being used as channels to launder the illegal income of criminal groups and individuals. Therefore, putting in place sound anti-money laundering and counter-terrorist financing policy and procedures is critical to effectively prevent these harmful acts and to protect the organization and society.

It is the duty of all employees of the companies and representatives of the companies in the Group to be vigilant in carrying out their activities and to prevent attempts to launder money or finance terrorism. In case they recognize any of the main criteria for suspicious behavior of the customer, to reflect this information on the customer's file and to signal the responsible persons and the MFG Specialized Service by sending an electronic message to compliance@mfg.bg, as neglecting this obligation can damage the reputation and even the granted license of the company, as well as lead to administrative sanctions and financial losses.

Here are some **important criteria for suspicious customer behavior**:

- A potential customer wants to prove his identity by presenting documents other than an

identity document or by presenting illegible copies of such documents;

- All identification documents are foreign and cannot be verified for authenticity or are brand new (with a recent date of issue) or in a very worn form;
A potential client shows unusual concern and curiosity about compliance with legal requirements for reporting transactions and internal instructions on anti-money laundering measures, and in particular regarding the size of thresholds for reporting transactions, identification procedures, etc.;
- Prospective client demonstrates unusually good knowledge of legislation and internal instructions on anti-money laundering measures;
- A potential client is quite concerned and curious about the extent to which company secrecy might help preserve his anonymity;
- A potential customer is reluctant or refuses to provide requested information or documentation related to their business or work, or provides unusual or suspicious identification and business documentation;
- A potential customer (or a person related to the customer) has a questionable past or is the subject of media reports linking him to alleged or actual criminal or civil wrongdoing;
- A potential customer is from a country on the List of Countries and Jurisdictions Not Applying the FATF Recommendations, another high-risk country or a country supporting terrorism;
- A potential customer appears to be acting on behalf of another person or entity but without a lawful reason refuses, avoids or is unwilling to provide information about or contact details of the represented person or entity;
- A potential client is represented only by a third party who is authorized with all rights to conclude any type of contract or the power of attorney is for a very long period of time (more than 2 years);
- A potential customer has difficulty describing the nature of their business or shows a lack of general knowledge of the industry in which they operate;
- A potential customer insists that his address be entered as a post office box, or the address provided to the company appears invalid, including after checking on the Internet;
- The customer's phone number is disconnected or does not exist;
- A potential client requests consultation on transactions aimed at concealing the beneficial owner;
- A potential client provides documents with conflicting content.

Employees involved in the processes are obliged to apply:

- Responsible collection, processing and storage of data and compliance with the

confidentiality regime according to the accepted internal rules and processes when processing personal and confidential data of the relevant company and the restrictions on access to documents containing personal data;

- Compliance with security measures and storage of data and passwords, including
 - The "Clean desk" principle, which is related to the obligation not to leave unlocked and uncollected in the places designated for the purpose documents or keys to the designated cabinets of the workstation without the presence of the employee in charge of it, nor to leave keys to the designated spaces without supervision whether during lunch, during a work meeting or when the office space is not working;
 - The "Clean screen" principle, which means not leaving a workstation computer desktop unlocked, no matter whether during lunch, during a work meeting or when the office space is not working, to watch out for persons who do not have access rights not to see information that belongs to the company. Do not use external devices and the information files must be uploaded to the designated space.
-

Individuals within the MFG Group bear administrative, disciplinary and property liability for non-compliance with internal policies and rules.

7.2 Employment aspect - a responsible employer with a transparent policy and working conditions;

The companies, part of the MFG group, provide their employees with fair and decent working conditions. Labor rights and obligations are carried out by the employees of the MFG group in good faith and in accordance with the requirements of the applicable legislation. They carry out their functions in the most effective manner by following a conduct that does not harm the reputation of both the company in which they are employed and the prestige of any other company that is part of the MFG group both in the performance of their official duties and in their public and personal life. In the implementation of labor rights and obligations, no direct or indirect discrimination based on nationality, origin, gender, sexual orientation, race, skin color, age, political and religious beliefs, membership in trade unions and other public organizations and movements, family and material situation, presence of physical or mental differences is allowed. The companies that are part of the MFG group ensure healthy and safe working conditions. Persons employed in the companies have the right to be paid for their work, according to the agreements reached in the employment contract, to use the paid leave provided for in the Labor Code and the individual employment contract, as well as to all other regulated legal rights. They receive information and

timely feedback on all matters related to the performance of their work, and the respective employer provides them with a continuous increase in transparency and predictability in the workplace. People in the MFG group carry out their assigned activities competently, objectively and in good faith, striving to continuously improve their work in the interest of the respective company in which they are employed. The companies that are part of the MFG group carry out their activities, make decisions leading to the strengthening of confidence in employees and increasing their lifestyle and comfort.

8. Each MFG group company provides online, through a respective portal, access to all documents that concern the internal labor regulations, according to Bulgarian legislation. They should be available at any time to every employee under an employment contract. In case of uncertainty, everyone is free to ask both their direct supervisors and the relevant HR department to clarify their questions. All labor documents and instructions/procedures that concern them are prepared and agreed with specialists from units: Legal, HR and DPO to meet legal requirements.

REPORTING VIOLATIONS AND IRREGULARITIES (WHISTLEBLOWING)

The MANAGEMENT FINANCIAL GROUP AD GROUP applies a Policy for reporting violations and irregularities (active link to [Documents - DPO \(managementfinancialgroup.com\)](https://managementfinancialgroup.com))

Reports of inadmissible and unacceptable actions, omissions or violations can be submitted both by current and former colleagues at any level in the organization, as well as by external business partners. The scope of the Policy includes all companies in the MFG group.

We consider the following as inadmissible and unacceptable actions, omissions or violations:

- fraud, including financial and accounting, theft, as well as other crimes, violations or bad practices that are contrary to the established internal policies, rules and procedures in the companies of the MFG Group;
- violations of laws and regulations, which may have an adverse impact, damage the good name and reputation, or lead to loss, lost benefit or the imposition of a sanction on any of the companies of the MFG Group and/or on a person/persons employed in any of these companies;
- violations of internal policies, procedures and work rules;
- endangering the public health or safety or the environment;
- negligence in the performance of duties and unprofessional behavior and/or attitude between persons employed in the companies and/or towards customers and partners, which does not correspond to the values, principles and rules of work, service or business partnership established in the companies of the MFG Group;
- exercising any form of harassment and violence;

The purpose of the Policy is to promote and maintain an environment in which a Whistleblower, whether an individual within the organization or an external source (partner) can work, communicate

and interact in terms of openness, honesty and integrity with people within the organization or business partners of the MFG, providing the opportunity to report violations and irregularities.

The document regulates the order and the manner in which each person has the right and opportunity to submit a report to the MFG Shareholders and the Commission appointed to consider the reports, without fear of punishment and/or unfair treatment, if for a certain reason they cannot escalate the matter to their line managers or the persons they correspond with if they are customers and/or partners.

9. Culture of the employees in social networks

Using social media is an integral part of our daily lives. Posting or commenting online content can easily affect the image and reputation of our company, as well as the people in the organization or our business partners. Only certain persons are authorized to communicate on behalf of MFG news concerning Group companies and/or products on social media.

Protecting the company's image and reputation requires people in the MFG Group to use social media appropriately, whether for personal or professional use. This requirement applies to all social networks (eg Facebook, LinkedIn, TikTok and Twitter), blogs and photo/video sharing sites (eg YouTube, Flickr), Wikipedia and various public forums.

An MFG employee who publishes online content or takes action on social media, even for private use, should be aware that this activity may be associated with MFG and negatively affect the image and reputation of the Group companies. Therefore, anyone using social media should do so responsibly and consider what the consequences of their actions would be for MFG and MFG group companies.

Recommendations to consider when posting on social networks:

- Any information published on the Internet may affect the image and reputation of MFG.
- Act responsibly when disclosing information, statements or opinions on social media. Do not share, comment or discuss content about MFG's activities or the Company's competitors posted by third parties or members of the general public unless you are directly authorized to do so.
- Report any negative comment or discussion related to MFG companies and products by contacting MFG Corporate Communications at pr@mfg.bg.
- Always direct media inquiries to MFG Corporate Communications at pr@mfg.bg.

10. Implementation of the Code of Ethics

- 10.1 The principles and main messages of the Code of Ethics are applied in the companies of the MFG Group. Each individual company may develop and implement its own Code of Ethics consistent with these specific principles and messages.
- 10.2 The Code of Ethics should be observed by all people in the Group and by all persons acting on behalf of or providing services to MFG, and its business partners are expected to apply rules and standards identical or similar to those laid down in the Code.
- 10.3 Managers need to know, understand and demonstrate a good example of behavior in accordance with this Code.
- 10.4 People in the MFG Group are expected to act responsibly and not engage in any type of inappropriate behavior, especially by willfully or purposefully ignoring, violating or encouraging others to violate this Code.
- 10.5 The MFG Code of Ethics forms an integral part of the general terms and conditions of employment and governs our actions. Any violation of the MFG Code may result in consequences under the Labor Code, including early termination of employment and civil contracts.