

# **STATUTE**

**of the Audit Committee**

**of „SOPHARMA“ AD**

Sofia, 2026

## **I. General**

**Art. 1. "SOPHARMA" AD** (hereinafter referred to as "the Company") is a public interest entity within the meaning of §1, item 26 of the Supplementary Provisions of the Law on Independent Financial Audit and Sustainability Assurance (LIFASA) in relation with §1, item 22 of the Supplementary Provisions of the Accountancy Act. As such, the Company creates its Audit Committee.

**Art. 2.** The Audit Committee shall perform the following functions:

- 1.** inform the Board of Directors of the Company about the results of the statutory audit and explain how the statutory audit has contributed to the credibility of the financial reporting and the sustainability reporting and the role of the Audit Committee in this process;
- 2.** monitor the financial reporting and sustainability reporting processes in the Company and make recommendations and suggestions to ensure credibility of the prepared and published financial statements by the Company;
- 3.** monitor the effectiveness of the internal control system, of the risk management system and of the internal audit activity in respect of the financial reporting and sustainability reporting in the Company;
- 4.** monitor the preparation of the statutory audit of annual financial statements and the statutory sustainability assurance engagement, taking into account the findings and conclusions of the Commission for Public Supervision of Registered Auditors on the Application of Art. 26, par. 6 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC ("Regulation (EU) No. 537/2014");
- 5.** verify and monitor the independence of the registered auditors of the Company under statutory audit engagements in accordance with the requirements of Sixth and Seventh Chapters of LIFASA as well as with Art. 6 of Regulation (EU) No. 537/2014, including the appropriateness of outsourcing services (if any) of the Company under Art. (5) of that Regulation;
- 6.** is responsible for the selection procedure of the registered auditor of the Company and recommends its appointment by the Company in accordance with LIFASA and Art. 16 of Regulation (EU) No. 537/2014, unless and until the Company has formed a Selection Committee for the selection of a registered auditor to perform a statutory financial audit of the Company's annual financial statements a committee for conducting a selection procedure pursuant to Art. 108, Para. 1, Item 6 in conjunction with § 1, Item 8 of the Supplementary Provisions of the LIFASA; when the Company has a committee for conducting a selection procedure, the Audit Committee monitors its work and, based on its results, proposes to the General Meeting of Shareholders of the Company the assignment of the audit engagement in accordance with the requirements of Art. 16 of Regulation (EU) No. 537/2014.

## **II. Composition of the Audit Committee**

**Art. 3. (1)** The Audit Committee of the Company shall consist of three persons.

**(2)** The members of the Audit Committee shall be elected by the General Meeting of Shareholders of the Company on a motion by the Chairman of the Board of Directors or the shareholders of the Company.

**Art. 4. (1)** The mandate of the members of the Audit Committee is 3 (three) years.

**(2)** A member of the Audit Committee shall be dismissed:

1. upon expiration of his mandate, if the General Meeting of shareholders does not re-elect him for a next term of office;
2. at his motivated written request addressed to the Board of Directors, if possible before the decision for convening the annual regular General Meeting of Shareholders for the respective year is taken;
3. by decision of the General Meeting of Shareholders of the Company;
4. in case of death or disability.

In the cases under para. 2, item 2, the Board of Directors shall include in the agenda of the next (after the request) meeting of the General Meeting of Shareholders a proposal for decision on the dismissal of the requesting member and on the election of a new member in his place. In any case, the member requesting his release is obliged to fulfill his engagement as a member of the Audit Committee until his release by a decision of the General Meeting.

**(3)** In the cases under Art. 2, item 4 The Board of Directors shall include on the agenda of the next (after the relevant circumstance referred to in paragraph 2, item 4) meeting of the General Meeting of Shareholders a proposal for decision on the release of the respective member and for the election of a new Member in his place. Until the election of a new member of the Audit Committee, the latter shall serve in a reduced capacity.

**Art. 5. (1)** Members of the Audit Committee shall be persons who hold a Master's degree, knowledge of the field in which the Company operates, at least one member must have no less than five (five) years of professional experience in the field of accounting or auditing.

**(2)** Members of the Audit Committee may also be elected members of the Board of Directors of the Company, outside the Executive Director (s).

**(3)** In any case, members of the Audit Committee may be persons who meet the requirements of the law.

**Art. 6. (1)** The majority of the members of the Audit Committee are external to and independent of the Company.

**(2)** An independent member of an Audit committee shall not be:

1. An executive member of the Board of Directors or employee of the Company;
2. a person who has permanent business relations with the Company;
3. a member of a management or supervisory body, procurator or employee of a person under item 2;

4. a related person with another member of the Board of Directors of the Company or with a member of the Audit Committee of the Company.

(3) The lack of the circumstances under para. 2 shall be established by a written declaration submitted before the date of election to the General Meeting of Shareholders by each nominated person as a member of the Audit Committee. Where one or more of these circumstances arise after the election, the relevant member of the Audit Committee shall immediately notify the Board of Directors of the Company in writing and terminate the performance of his functions by electing a new member in his place at the next meeting of the General Meeting of Shareholders.

**Art. 7. (1)** The Chairperson of the Audit Committee shall be elected by its members. The chairman must also meet the requirements for an independent member under Art. 6, para. 2 in line with Art. 8.

(2) The Chairman may be replaced at any time by decision of the Audit Committee.

**Art. 8.** If the regulatory requirements for the criteria to be met by the members, incl. Independent of the Audit Committee, are amended after the entry into force of this Statute, the new regulatory requirements - where they provide for the criteria laid down in this Statute, as well as the mandatory criteria which are aggravated by the Statute, The entry into force of the respective legal act, regardless of the updating of this Statute by the General Meeting of Shareholders of the Company.

### **III. Rights of the Audit Committee**

**Art. 9.** The Audit Committee shall be entitled:

1. require and have access to any information and documents necessary for the performance of its functions and duties;
2. receive signals from the employees and shareholders of the Company for mistakes, mistakes or unlawful actions related to the financial and sustainability reporting processes in the Company, the effectiveness of the internal control system, the risk management system and the internal audit activity in respect of financial reporting and sustainability reporting in the Company;
3. to investigate all reports of irregularities related to the fulfillment of its functions and duties, receiving assistance from the Board of Directors of the Company;
4. monitor the financial reporting and sustainability reporting processes in the Company and make recommendations and suggestions to ensure the credibility of the prepared and issued by the Company financial statements;
5. to monitor the performance of the statutory audit of the annual financial statements and the statutory assurance engagement on sustainability, taking into account the findings and conclusions of the Commission for Public Oversight of Registered Auditors on the application of Art. 26, para. 6 of Regulation (EU) No. 537/2014, to check and monitor the independence of the registered auditors under the statutory audit engagements to the Company in accordance with the requirements of Sixth and Seventh Chapters of the Independent Financial Audit Act, as well as with Art. 6 of Regulation (EU) No. 537/2014, including the advisability of providing services outside the Company's audit (if there are any) under Art. 5 of that Regulation;
6. recommend the appointment of a registered auditor of the Company in accordance with the Independent Financial Audit Act and Art. 16 of Regulation (EU) No. 537/2014, unless and until the Company has formed a Selection Committee for conducting a selection procedure pursuant to

Art. 108, Para. 1, Item 6 in conjunction with § 1, Item 8 of the Supplementary Provisions of the LIFASA; when the Company has a committee for conducting a selection procedure, the Audit Committee monitors its work and, based on its results, proposes to the General Meeting of Shareholders of the Company the assignment of the audit engagement in accordance with the requirements of Art. 16 of Regulation (EU) No. 537/2014;

7. to monitor the effectiveness of the internal control system, of the risk management system and of the internal audit activity in relation to the financial reporting and sustainability reporting in the Company;

8. to grant, in the presence of the statutory preconditions, approvals under Art. 64, para. 3 and Art. 66, para. 3 of LIFASA.

**Art. 10. (1)** The members of the Audit Committee have the following rights:

1. participate in the meetings of the Audit Committee in person or by authorizing in writing another member of the Audit Committee;

2. request that a meeting of the Audit Committee be convened;

3. propose items on the agenda and make proposals for decisions;

4. vote in favor of or against the proposed decisions.

(2) The members of the Board of Directors and the employees of the Company shall be obliged to assist the Audit Committee in carrying out its functions, including the provision within a reasonable time of the information requested by it.

**Art. 11.** (amended by a resolution of the General Meeting of Shareholders dated June 26, 2026)  
Each Member of the Audit Committee receive monthly remuneration for their activities in the Audit Committee at the amount of 1 100 (one thousand one hundred) EUR. Contracts with the members of the Audit Committee are concluded on behalf of the Company represented by the Executive Director.

#### **IV. Obligations of the Audit Committee**

**Art. 12. The Audit Committee has the following responsibilities:**

1. to monitor and perform periodic reviews of the financial reporting and sustainability reporting processes in the Company and to submit recommendations and proposals to ensure credibility of the prepared and issued by the Company financial statements;

2. inform the Company's Board of Directors of the results of the statutory audit and explain how the statutory audit has contributed to the credibility of the financial reporting and sustainability reporting in the Company and the role of the Audit Committee in the process;

3. to monitor the effectiveness of the internal control system, of the risk management system and of the internal audit activity in respect of the financial reporting and sustainability reporting in the Company;

4. to monitor the execution of statutory audit of the annual financial statements and the statutory sustainability assurance engagement, taking into account the findings and conclusions of the Commission for Public Supervision of the Registered Auditors on the application of Art. 26, para. 6 of Regulation (EU) No. 537/2014;

5. to inspect and monitor the independence of the registered auditors of the Company under the statutory audit engagements to the Company in accordance with the requirements of Sixth and Seventh Chapters of the Independent Financial Audit Act and Sustainability Assurance, as well as with Art. 6 of Regulation (EU) No. 537/2014, including the appropriateness of outsourcing services (if any) of the Company under Art. 5 of that Regulation;
6. to be responsible for the selection procedure for the registered auditor of the Company and recommends his appointment in accordance with the Independent Financial Audit Act and Sustainability Assurance and Art.16 of Regulation (EU) No. 537/2014, unless and until the Company has formed a Selection Committee conduct a selection procedure in accordance with Art. 108, Para. 1, Item 6 in conjunction with § 1, Item 8 of the Supplementary Provisions of the LIFASA; when the Company has a committee to conduct a selection procedure, the Audit Committee shall monitor its work and, based on its results, propose to the General Meeting of Shareholders of the Company the assignment of the audit engagement in accordance with the requirements of Art. 16 of Regulation (EU) No. 537/2014;
7. the chairman to notify the Commission for public oversight of registered auditors, as well as the Board of Directors of the Company for any given approval under Art. 64, para. 3 and Art. 66, para. 3 of the Independent Financial Audit Act and Sustainability Assurance within 7 days from the date of the decision;
8. to report its activity to the General Meeting of Shareholders of the Company;
9. to prepare and the chairman to submit their annual management report to the Commission for public oversight of the registered auditors meeting the statutory deadline;
10. to ascertain whether the registered auditor selected by the Company with the engagement to perform a statutory financial audit of the Company's financial statements fulfills its obligation to publish on its website a transparency report under Art. 62 of the Independent Financial Audit Act and Sustainability Assurance, which meets the statutory requirements;
11. to provide an opinion on the contract for the assignment of an audit engagement to perform a statutory financial audit, or a statutory sustainability assurance engagement, prior to its conclusion.

**Art. 13. (1)** The members of the Audit Committee have the following duties:

1. attend the meetings of the Audit Committee;
2. take part in the work and performance of the duties and functions of the Audit Committee;
3. to observe the financial reporting processes and sustainability reporting;
4. immediately notify the Audit Committee and the Board of Directors of all circumstances that are substantive to the financial reporting, sustainability reporting, internal control, risk management and internal audit activities in relation to financial reporting and sustainability reporting in the Company and would contribute to prevent mistakes, misuses or fraud and who have become aware of them in the course of their duties;
5. to keep the company's trade and business secrets and not to distribute the information and facts that have become known to them in exercising their rights and performing their functions and duties, and not to use them for their own or others' benefit. This obligation they are obliged to perform also after they cease to be members of the Audit Committee;
6. to observe their statutory obligations in relation to the insider information, in the possession of and in connection with exercising their rights and performing their functions and duties, with the

prohibition of insider trading and for unlawful disclosure of insider information under Art. 14 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6 /EO of the European Parliament and of the Council and Directives 2003/124 /EO, 2003/125/EO and 2004/72 /EO and for market manipulation under Art. 15 of the same Regulation (EU) No. 596/2014, as well as to be aware of the established criminal, administrative-penal, administrative and disciplinary obligations and penalties for violation of these obligations within the meaning of the Law on the Application of Measures against Market Abuse with financial instruments (Official Gazette, No. 76 of 30.09.2016, in force as of 30.09.2016) and the same Regulation (EU) No. 596/2014 and Commission Delegated Regulation (EU) 2016/522 of 17 December 2015 for supplementing of Regulation (EU) No. 596/2014 of the European Parliament and of the Council as regarding the dismissal of certain third-country public authorities and central banks, market manipulation indicators, disclosure thresholds, the competent authority to be notified in case of delay, the authorization to trade during the prohibition period and the types of transactions subject to notification of the persons performing management functions.

- (2) The independent members of the Audit Committee shall be obliged, together with the obligations under the preceding paragraph, to immediately notify the Board of Directors of the Company in writing and to cease performing their functions, if they arise after choosing circumstances incompatible with the criteria of independence under Art. 7 of this Statute, respectively. Under Art. 107, para. 4 of LIFASA or other applicable statutory provisions.
- (3) The member of the Audit Committee is obliged to fulfill the assumed obligation until the end of the mandate. He may request to be released by the order of Art. 4, para. 2, item 2 in para. 3 of this Statute.
- (4) The members of the Audit Committee are obliged to observe the Code of Conduct adopted by the Company for the employees of the Company.

## **V. Audit Committee meetings**

**Art. 14. (1)** The meetings and the work of the Audit Committee shall be conducted by the Chairman elected at the first meeting after the formation of the Audit Committee.

(2) The meetings of the Committee shall be convened by the Chairman, either on his own initiative or at the suggestion of any of the members of the Audit Committee. The Chair of the Audit Committee has no right to refuse to convene a meeting.

**Art. 15. (1)** The session shall be regular if more than half of the members of the Audit Committee are present. No one present may represent more than one absent.

- (2) At the discretion and invitation of the Audit Committee at the meetings of the Audit Committee may be attended by competent employees of the Company, registered or responsible auditors or consultants.
- (3) The Audit Committee shall take its decisions by a simple majority.
- (4) The Audit Committee may also take decisions in absentia if all members have given written consent to the decision and have signed the minutes.

- (5) Minutes shall be kept for each meeting of the Audit Committee, which shall reflect the agenda, the decisions taken and the way of voting of the members. Protocols shall be signed by all members present at the meeting.
- (6) The protocols shall be kept for five years unless a statutory instrument provides for a longer period, in which case the latter shall be applied.

## **VI. Financial reporting and sustainability reporting, financial audit and sustainability assurance**

**Art. 16. (1)** In the course of monitoring the financial reporting in the Company, the Audit Committee monitors the preparation of the financial statements of the Company strictly in all substantive aspects, in accordance with the applicable financial reporting framework, the accounting policy adopted by the Company and the applicable regulatory regulation.

**(2)** In the course of monitoring the Company's sustainability reporting, the Audit Committee monitors the preparation of the Company's sustainability reports in all substantive aspects in accordance with the requirements of the applicable sustainability reporting framework and other applicable regulation.

**(3)** The Audit Committee monitors the existence of connectivity and consistency between the financial information in the financial statements and the sustainability information in the sustainability reports.

**Art. 17.** In the course of monitoring the statutory audit engagements, the Audit Committee ensures that the Company provides the necessary information and access to documentation required for the registered auditor to obtain audit evidence sufficient and appropriate to provide a basis for expressing an audit opinion or conclusion.

**Art. 18. (1)** In exercising its rights and performing its duties and functions, the Audit Committee carries out ongoing monitoring of the financial reporting process and sustainability reporting in the Company, the effectiveness of the internal control system, the risk management system and the internal audit activity under financial reporting and sustainability reporting in the Company.

**(2)** The Audit Committee, when exercising the rights and performance of its duties and functions and within the latter, supervises the designing of the model and the effective functioning of the alert procedures and the processes for reviewing the effectiveness of the internal control system of the Company regarding the financial reporting and sustainability reporting.

## **VII. Relationships with the Board of Directors**

**Art. 19. (1)** The Audit Committee shall, in exercising the rights and fulfillment of its obligations, carry out and effectively communicate with the Board of Directors for the purpose of performing its statutory functions. Notwithstanding the latter, the Audit Committee retains independence and objectivity in the performance of its functions and the preparation of its reports to the General Meeting of Shareholders and to the Commission for Public Oversight of Registered Auditors.

**(2)** The Board of Directors of the Company shall provide adequate resources - temporal, human and material - to the Audit Committee for the effective performance of its duties.



**(3)** The Board of Directors of the Company shall be obliged to provide the Audit Committee with access to any information and documents necessary for the performance of its functions and duties.

**(4)** At the discretion and invitation of the Audit Committee, the members of the Board of Directors of the Company may attend the meetings of the Audit Committee.

#### **VIII. Transitional and final provisions**

**Art. 20.** The present Statute of the Audit Committee of “Sopharma” AD was developed on the grounds of Art. 107, para. 7 of the Independent Financial Audit Act and Sustainability Assurance.

**Art. 21.** This Statute was elaborated and adopted by the Board of Directors of the Company on a Meeting dated December 11, 2024 and approved by the General Meeting of Shareholders of the Company, convened on February 7, 2025, amended by the General Meeting of Shareholders of the Company, convened on June 26, 2026.

**Art. 22.** This Statute shall enter into force on the date on which its decision is approved by the General Meeting of Shareholders of the Company, pursuant to Art. 107, para. 7 of LIFASA and shall be amended in the order of its adoption.

**Art. 23.** This Statute defines the functions, rights and responsibilities of the Audit Committee of the Company in respect of financial audit and the engagements on sustainability assurance, internal control and internal audit, as well as its relationship with the Company's management bodies.