

TERMS AND CONDITIONS FOR TRADING IN FINANCIAL INSTRUMENTS

Of Investment Intermediary "BenchMark Finance" JSCo

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GENERAL TERMS AND CONDITIONS FOR TRADING IN FINANCIAL INSTRUMENTS

Of Investment Intermediary "BenchMark Finance" JSCo

1. Framework

Scope

The present general terms and conditions settle the rules and obligations of investment intermediary "**BenchMark Finance**" JSCo (named hereinafter "BenchMark Finance" or the "investment intermediary") and its clients with regard to the services and activities provided by the investment intermediary under Article 5, Paragraphs 2 and 3 from the Law on the Financial Instrument Market, in accordance with the license owned by him.

Investment Intermediary Data

Article 1 (Amended with a decision by Board of Directors and suppl. with a decision by Board of Directors on 14.04.2016) BenchMark Finance is a joint-stock company registered in the Commercial Register of the Registry agency with a Unified Identical Number 131225156. The name under which the investment intermediary acts is BenchMark Finance JSCo.

Article 2 (Amended with a decision by Board of Directors and suppl. with a decision by Board of Directors on 12.10.2016) The headquarters of BenchMark Finance are located in: Sofia, Lozenets region, ul. "Viskiar Planina", No 19, website: www.benchmark.bg in Bulgarian, www.benchmarkfx.es in Spanish, www.benchmarkfx.co.uk in English and each page in another language, if specified in the contract with the customer as the site of BenchMark Finance. Telephone numbers and email addresses for customer contact are indicated on the relevant website.

Article 3 (Amended with a decision by Board of Directors on 14.04.2016) BenchMark Finance holds a licence for performing an activity as an investment intermediary on the territory of Republic of Bulgaria and abroad under a No: WP – 03-0212 from 09.05.2006 of the Financial Supervision Commission (named hereinafter FSC). BenchMark Finance is subscribed in the investment intermediaries' register led by FSC under No: 03-0212.

Article 4 BenchMark Finance holds authorization to conclude transactions with available foreign currency and via cashless manner as a private equity house in accordance with licence No: 103 from 17.06.2005 of Bulgarian National Bank.

Article 5 (Amended with a decision by Board of Directors on 14.04.2016) BenchMark Finance is a member of Bulgarian Stock Exchange – Sofia JSC and Central Depository JSC.

Article 6 (Amended with a decision by Board of Directors on 14.04.2016) BenchMark Finance is registered in the personal data administrators' registry led by the Data Protection Commission with a reference number 50497.

Article 7 (Amended with a decision by Board of Directors on 14.04.2016, amended with a decision by Board of Directors on 12.10.2016) Contracts as well as all documents settling the relations with the clients, correspondence and communication between BenchMark Finance and its clients including the provision of information by BenchMark Finance are done in Bulgarian, English, Spanish or other languages indicated on the website of the intermediary. When the contract is concluded in a language different than Bulgarian, the client agrees that in case of disputes or discrepancies, the Bulgarian version shall prevail unless in the contract with the client anything else is expressly agreed.

Article 8 The activities of BenchMark Finance are directly regulated by the Law on the Financial Instruments Market and Regulation No: 38 of FSC for the requirements of investment intermediaries' activities (The Regulation).

Article 9 (Amended with a decision by Board of directors on 02.12.2013 and a decision from 14.04.2016) The supervision on the activities of BenchMark Finance in its capacity as investment intermediary is done by the Financial Supervision Commission (FSC) located in Sofia, ul. Budapeshta, No: 16, e-mail: delovodstvo@fsc.bg.

Article 10 (Amended with a decision by Board of directors on 02.12.2013) In accordance with the licence issued by FSC to perform an activity as an investment intermediary, BenchMark Finance provides professionally within the territory of Republic of Bulgaria, European Union and EEA and third countries the following services and activities:

(1) General investment services and activities:

1. Acceptance and transmission of orders with regard to one or more financial instruments, including mediation for trading in financial instruments;
2. Execution of transactions on the behalf of clients;
3. Transactions with financial instruments for own account;
4. Portfolio management;
5. Providing investment consultations to a client;
6. Taking emissions of financial instruments and/or offering financial instruments for initial sale at the conditions of unconditional and irrevocable obligation to register/obtain financial instruments for own account;
7. Offering financial instruments for initial sale without unconditional and irrevocable obligation to obtain financial instruments for own account.

(2) BenchMark Finance also provides the following additional services:

1. Keeping and administration of financial instruments at the expense of clients, including trust business (holding financial instruments and cash of clients in a depository institution) and services such as management of received cash/provided guarantees related to it;

2. Providing loans for concluding transactions with one or more financial instruments, if the individual that provides the loan participates in the transaction under conditions and order, determined with a decree;
3. Company consultations regarding the capital structure, industrial strategy and questions related to this, as well as consultations and services related to mergers and purchase of enterprises;
4. Providing services related to foreign means of payment as long as they are related to the provided investment services;
5. Investment studies and financial analyses and other forms of general recommendations related to trading in financial instruments;
6. Financial instruments related to acceptance of emissions.

(3) Transactions with foreign means of payment available and via non-cash way.

Article 11 (Amended with a decision by Board of Directors on 02.12.2013) Subject of the services under Article 11 can be all financial instruments designated under Article 3 from the Law on the Financial Instruments Market as well as all compensatory instruments within the meaning of the Law on trading in compensatory instruments.

Article 12 (Amended with a decision by Board of Directors on 02.12.2013) These general terms and conditions are applied at provision of services under register agency by BenchMark Finance in accordance with Article 81 from the present general terms and conditions under Article 56 from Regulation No: 38.

Client

Article 13 (1) Client is an individual or legal person who benefits from services under Article 11, provided by BenchMark Finance.

(2) The clients of investment intermediary are set out as non-professional clients, professional clients and eligible counterparties on the basis of conditions and criteria implemented in the Rules for categorization of clients, accepted by the Board of directors of BenchMark Finance and reflected in Application 1 from the present General Terms and Conditions. The investment intermediary informs about the defence to which different types of clients are subject to. The client is entitled to ask the investment intermediary to be defined in a different way. The investment intermediary has the right to assess whether the client meets the criteria for the categorization required by him.

II. Agreement

Article 14 (Amended with a decision by Board of directors on 02.12.2013) BenchMark Finance provides services at the expense of a client on the basis of a written agreement concluded with him ("The Agreement").

Article 15 (1) (Amended with a decision by Board of directors on 02.12.2013 and suppl. with dec. by Board of directorson 14.04.2016).The client can conclude a contract personally through a legal representative and through a proxy. Concluding a contract via proxy is not permitted under Article 26a and Article 26b from Regulation No:38.

(2) (Amended with a decision by Board of directors on 02.12.2013 and suppl. with dec. by Board of directorson 14.04.2016). A contract with a client can be concluded by default via exchange of electronic statements signed with an ordinary or qualified electronic signature by complying with the provisions of Article 26a from Regulation No:38. Contracts, signed with an ordinary electronic

signature enter into force after an initial cash supply into the account of the client on the cash desk of the investment intermediary or from a bank account of the client.

(3) (Amended with a decision by Board of directors on 02.12.2013) A contract with a client can be concluded by default, via exchange of the needed documents signed by the parties on condition that the client is an account holder of a bank open in credit institution, complying with the requirements under Article 26b, Paragraph 2 and in accordance with the provisions of Article 26b from Regulation No:38. In this case concluding a contract via proxy is not permitted.

(4) (Amended with a decision by Board of directors on 02.12.2013) A contract with a client can be concluded at default via exchange of the needed documents signed by the parties on condition that the client signs in the presence of notary who certifies this circumstance and in accordance with the other provisions of Article 26c from Regulation No: 38.

(5) (Old Paragraph 2, amended with a decision on 14.04.2016) Concluding a contract via proxy is allowed solely if notary certified power of attorney is presented and if it contains the representative power to perform management and disposal actions with financial instruments and a declaration from the representative that he does not professionally conclude transactions with financial instruments and that he has not concluded such transactions in the last one year before concluding the contract. The investment intermediary holds a copy of the identity document of the client and his representative, the declaration with the original authorisation under the previous sentence and its certified true copy. If the authorisation can be used more than once, BenchMark Finance holds a copy of it, certified by the representative and by an individual from the inside control unit.

(6) (Amended with a decision by Board of directors on 02.12.2013) At contract conclusion, a certified copy of client's proof of identity and his representative's respectively, remain in the archive of BenchMark Finance. The certification is done by laying the inscription a "Certified copy", date and signature of the individual who does the certification.

Article 16 (1) (Amended with a decision by Board of directors on 30.05.2016) The investment intermediary concludes contracts and accepts orders of client via individuals who work under contract for him and are:

1. Brokers or
2. Individuals who comply with the requirements under Article 3, Paragraphs 1-6 from Regulation No: 7 from 2003 for the requirements to which the individuals who conclude under a contract transactions with financial instruments and investment consultations related to financial instruments as well as the order to obtain or withdraw the right to exercise such right and are inscribed in the register under Article 30, Paragraph 1, Point 2 from the Act on the Financial Supervision Commission.
3. Executive members of Board of Directors or procurators of the investment intermediary.

2) (Amended with a decision by Board of directors on 14.04.2016) In cases under Article 24, Paragraph 2 from Regulation No: 38, the Client and his representative sign the contract in the presence of individual under Article 1 after the identity of the client and his representative are checked as well as the presence of representative power for the client at concluding contract via representative unless the contract is not concluded under the rules of the Law on the Electronic Document and Electronic Signature.

(3) (Amended with a decision by Board of directors on 02.12.2013) BenchMark Finance concludes contracts only in the headquarters, branch and office inscribed in the register of the investment intermediaries led by Financial Supervision Commission except for conclusion of contracts by distance under Article 26a, 26b and 26c from Regulation No: 38.

Article 17 (1) The investment intermediary concludes contracts with clients under these general terms and conditions.

(2) Additional clauses and separate clauses deviating from the general terms and conditions can be part of the contract, only if they do not contradict to imperative regulations of the law.

(3) At concluding clauses under Paragraph 2, the relations between the investment intermediary and the client are settled under these clauses and not under the clauses contradicting to the general terms and conditions.

Information related to the contract

Article 18 (Amended with a decision by Board of directors on 14.04.2016) (1) Before concluding the contract with a non-professional client, the investment intermediary provides him with information for the main rights and obligations of the client and the investment intermediary under Art.84, information for the terms and conditions of the contract which will be concluded as well as the other required data under article 84, Paragraph 1 from Regulation No: 38, by providing the following documents:

1. The general terms and conditions, applicable to the contracts with clients;
2. The conditions of the contract that will be concluded;
3. Application 1 from the present General Terms and Conditions – "Client Categorisation Rules of Investment Intermediary BenchMark Finance" containing the conditions and criteria under which the clients are defined as professional or non-professional as well as the circumstances at which the client can be defined as an eligible counterparty;
4. The policy for executing client orders for trading in financial instruments which also contains the overall description of the financial instruments and the risks related to them;
5. The policy for treating conflict of interests applied by the investment intermediary – in a summarised form via the present General Terms and when required by the client – via providing the relevant part from the Inside Rules of BenchMark Finance that contains the applicable by the investment intermediary, policy for treating conflict of interests;
6. Rules for trading on international financial markets (only for clients willing to trade on international markets);
7. The tariff of the investment intermediary.

(2) Before concluding the contract, the investment intermediary provides the client with the possibility to get to know the documents from the previous paragraph. When required by the client, the investment intermediary provides him with additional information, clarifications, answers questions related to its content.

Content of the contract

Article 19 (Amended with a decision by Board of directors on 14.04.2016) (1) In the contract with the client at least the following data is inscribed: the identification data of the client and his representative; identification of the individual representing the investment intermediary and the quality in which he acts; date of conclusion; place of conclusion (unless the contract is not concluded under the Law on Electronic document and electronic signature; the provided under the contract investment and additional services and the financial instruments – subject of these services; the main rights and obligations of the investment intermediary and the client. By signing the contract, the investment intermediary provides the valid at the time of conclusion General terms along with the rules for categorisation of the client, the Policy for executing client orders, Rules for trading on international markets (applicable only for clients concluding trading transactions on international markets) and the Tariff of the investment intermediary.

(2) In cases when BenchMark Finance concludes a portfolio management contract with a non-professional client, the following information is also included when it is applicable:

- ▶ Information about the method and periodicity of valuating financial instruments in the client portfolio;
- ▶ Data for every management delegation of all or part of the financial instruments and/or cash in the client portfolio;
- ▶ Characteristics and information for each label under which the results from the portfolio management will be compared, consistent with the investment aims of the client and types of financial instruments included in the client portfolio in such a way that the client using the service can evaluate the execution of the service by the investment intermediary;
- ▶ Types of financial instruments that can be included in the client portfolio and the types of transactions that can be concluded with them, including all limitations;
- ▶ The aims of the management, risk level in the judgement of the portfolio manager as well as all specific limitations of this judgement.

(3) (Amended with a decision by Board of directors on 14.04.2016) By signing a contract, the client of BenchMark Finance declares that:

1. Agrees with the applicability of the valid until the moment of conclusion General terms and conditions for client categorisation, Rules for trading on international markets (applicable for clients concluding transactions on international markets) and the Tariff of the investment intermediary;
2. Is informed and agrees with the Policy for executing orders for trading in financial instruments, at the expense of clients, followed by the investment intermediary;
3. Is informed and agrees that his orders are executed out of regulated market or multilateral trading system when the policy for executing orders predicts such a possibility;
4. Is informed for the existing system for compensation of investors in financial instruments, including its scope and the guaranteed size of the client assets;
5. Is acquainted with the description of the financial instruments and informed about the risks related to them;
6. Is informed about the execution venues of the transactions;
7. Is informed about the types of expenses and their amount;
8. Is acquainted with the Policy of treating conflicts of interests;
9. Is informed about the possibility of the investment intermediary to deposit the cash of its clients to the individuals described in Art. 34 from the Law on the Financial Instruments Market.

(4) By signing a contract to which the present general terms are applicable, the client confirms that the investment intermediary has informed him about:

1. The presence of right of compensation or lien on the client's cash or financial instruments of the investment intermediary in case that the client delays in the execution of his financial obligations under a contract concluded with the intermediary to the amount of client's obligation if in the contract anything else is not indicated;
2. The presence of right of deduction with the client cash or financial instruments in favour of the investment intermediary in case that an opposite, liquid and payable obligation has raised for the intermediary, regardless of the contracts concluded with the investment intermediary (if the client has more than one concluded contracts for the provision of investment services). The deduction is done to the amount of the smaller obligation, after the intermediary has informed the client about this.
3. The possibility of the depositary institution to have the right of compensation, lien, or deduction on the client's financial instruments or cash, when this is applicable.

- (5) Along with the contract all other conditions and deadlines are also determined and additional clauses or clauses deviating from the general conditions can be also included, in accordance with Art. 18, Par. 2.
- (6) The client is obliged to immediately inform the investment intermediary for all changes in his personal details which he has been initially identified as a client with, and for legal entities – all changes in his legal status that can represent him by providing all documents related to this change to the investment intermediary. The investment intermediary is not held liable for actions taken before the notification from the previous sentence, in the execution of regularly placed orders in accordance with the available up to the moment information at the investment intermediary.

Categorisation of the client

Article 20 (1) (Amended with a decision by Board of directors on 08.02.2012) At the conclusion of the contract, BenchMark Finance requires information from its clients in accordance with Application 1 from the present General Terms – "Rules for Client Categorisation of investment intermediary BenchMark Finance". On the basis of the provided information, BenchMark Finance determines every individual client as non-professional, professional or eligible counterparty, guided by the criteria established in the Client Categorisation Rules in accordance with the Law on the Financial Instruments Market.

(2) A client defined as non-professional can ask to be re-categorized as professional client with regard to certain investment services and transactions or certain types of transactions or investment product at following the relevant terms and procedure stated in the Client Categorisation Rules in accordance with Unit 2 from the Law on the Financial Instruments Market. In the case of the previous sentence, the rules are not applied to this client ensuring higher degree of defence of non-professional clients only if on the basis of this attempt, skills and knowledge of the client, the investment intermediary can reasonably assume that agreeably with the character of the transactions and services subject of the contract, which the client intends to conclude and use, the client can take individual investment decisions and to assess the risks related to them.

(3) The client defined as professional under Article 2 is obliged to inform the investment intermediary for every change in the details that has served as a reason to complete its Re-categorisation under Art. 2. If the investment intermediary establishes on the basis of the notification from the previous sentence or any other way, that the client has stopped to respond to the conditions which define him as professional, the investment intermediary starts to apply the rules ensuring a higher degree of defence for the non-professional clients.

(4) A client defined as professional under Par.1 can ask to be categorised as non-professional. In the event of the previous sentence, on the basis of an agreement signed with the client, BenchMark Finance applies the rules ensuring a higher degree of defence for the non-professional clients with regard to the certain services, activities, transactions, financial instruments and other financial products indicated in the written agreement.

(5) A client defined as eligible counterparty under Par.1, can ask not to be treated as such completely or for a given transaction if the investment intermediary agrees. In the event of the previous sentence, the client is treated as professional unless he expressly asks to be treated as non-professional. When the Client asks to be treated as non-professional, second sentence from the previous paragraph is applied with regard to him.

(6) A change in the categorisation under Article 5 and 6, except with an enquiry from the client, can be done at the initiative of the investment intermediary.

Information from the client

Article 21 (1) At conclusion of a portfolio management contract or provision of investment consultations, BenchMark Finance requires the following from the client:

1. Information for his financial possibilities;
2. Investment aims;
3. Knowledge and experience in these investment services and activities and his readiness to risk.

(2) At concluding a contract for provision of services different from the ones under Par. 1, the investment intermediary requires information only for the experience and knowledge of the client in the investment activity and with regard to the provided service.

(3) When applicable, the information about the investment aims of the client includes the following:

1. Timescale in which the client wishes to hold the investment;
2. Preferences of the client with regard to the taken risk and the risk profile of the client;
3. The aims of the investment.

(4) When applicable, the information related to the financial condition of the client includes the following:

1. Sources and amount of the constant income of the client;
2. Assets of the client including liquid assets, investments and real estate;
3. Regular financial obligations of the client.

(5) The information related to the experience and knowledge of the client in the area of the investment activity contains, as per the characteristics of the client, the nature and scope of the services that will be provided and the types of products and transactions predicted, including their complexity and the risks related to them, the following:

1. Type of services, transactions and financial instruments with which the client is acquainted;
2. Nature, volume and frequency of the transactions with financial instruments, at the expense of a client and the timescale in which they will be concluded;
3. Educational degree, profession and related previous profession of the client or the potential client.

(6) The information required from BenchMark Finance in accordance with the previous paragraphs is in volume that the investment intermediary considers necessary for establishing the essential facts about the client and gives him the opportunity to make his judgement under Art.30.

(7) The client is obliged to actualize the provided under the previous paragraphs information.

(8) BenchMark Finance is not entitled to complete the services under Art.1 for a client who has not provided the information indicated in the same paragraph.

(9) BenchMark Finance might not require the information under Art.2 when accepts, transmits and executes orders at the expense of clients, related to one or more financial instruments, including the times when it mediates for the conclusion of transactions with financial instruments if the following conditions are present:

1. Subject of the services are shares that are admitted to trading on a regulated market or equivalent market of a third country, in accordance with the register of the European commission, bonds and etc.;
2. Debt securities except for these bonds or other debt securities that hinge the derivative instrument, instruments of the cash market, shares of collective investment schemes and other non-complex financial instruments;
3. The service is provided at the initiative of the client or a potential client;
4. The client or the potential client is informed in a written form that BenchMark Finance will not assess whether the investment service is suitable for the client or not.
5. The investment intermediary follows the requirements for treating of conflict of interests.

(10) The regulations of this article are not applied at conclusion of transactions with clients, defined as eligible counterparty, at completing the investment services under Art.5, Par.2, Points 1-3 from the Law on the Financial Instruments Market, with regard to the given transactions or additional services, directly related to them.

(11) At provision of investment services, the investment intermediary can accept that with regard to the products, transactions and services for which he is defined as professional, the client possesses the relevant knowledge and experience. When the investment intermediary provides all investment consultations to a professional client, the investment intermediary can accept that this client has the financial opportunity to bear all related investment risks, compatible with his investment aims.

Refusal to contract

Article 22 (1) (Amended with a decision by Board of directors on 08.02.2012) The investment intermediary refuses to contract if the client or his representative has not signed all relevant documents under Art. 24, 25, 26a and 26b from Regulation No: 38, has presented documents with obvious irregularities or the data within them is incomplete, has discrepancies or contradictions or another circumstance that creates doubts for improper legitimating or representation of the client.

(2) (Amended with a decision by Board of directors on 08.02.2012), amended with a decision by Board of directors on 14.04.2016) The investment intermediary cannot conclude a contract with a client, represented by proxy who declares the professional completion of transactions with financial instruments. This restriction does not apply when the contract is signed by a management company, credit institution, investment intermediary or other person entitled to operate with financial instruments. The investment intermediary cannot conclude a contract with a client represented by proxy, if the contract is concluded under Art.26a or 26b from Regulation No: 38.

(3) (Amended with a decision by Board of directors on 14.04.2016) BenchMark Finance refuses to conclude the Contract and to provide services under a concluded contract if this might lead to non-execution of other requirements of the Law on the Financial Instruments Market, Law on Measures against Market Abuse with Financial Instruments, Law of Public Offering of Securities, the Special Purpose Entity Act, Measures Against Money Laundering Act, Measures Against the Financing of Terrorism Act and other existing legal acts, including at refusal by the client or his representative to provide the required personal details, information and/or documents in accordance with the legal acts in Republic of Bulgaria.

Change and suspension of the contract

Article 23 (Amended with a decision by Board of directors on 14.04.2016) (1) All changes and additions to a certain contract concluded between BenchMark Finance and its client, can be solely completed with a written agreement as the parties sign an additional agreement in the order and way in which the contract with the client is concluded.

(2) The contract between the client and BenchMark Finance can be terminated in the following cases:

1. by a mutual agreement of the parties expressed in a written form in the order under which the contract with the client is concluded;
2. Unilaterally, with a written notification to the other party;
3. with the expiration of the contract term if the contract has a deadline;
4. in the event of death or incapacity mandates of a client - individual;
5. at suspending the legal personality of the client or the investment intermediary;
6. upon revocation of the license of the investment intermediary;
7. in case the client disagrees with the amended or new terms and conditions, Tariff of BenchMark Finance, Policy for executing client orders, Rules for Trading on international markets of BenchMark Finance within the deadlines and conditions of Art.26, Par.2 and 3 from the present General Terms and Conditions;
8. unilaterally by BenchMark Finance, if a client has a negative balance on his account due to unpaid commissions, fees, remunerations or expenses for provided investment services or concluded transactions with financial instruments;
9. Unilaterally, by BenchMark Finance in cases under Art. 52 from the present general terms, if the investment intermediary at its own discretion defines the trading strategy of the client as an attempt to take advantage of mistakes and/or delays in quotes and/or other weaknesses in the electronic trading platform, including when this is done via an automated expert system, script, API or another software, developed by third parties.
10. in the presence of other causes, predicted in the contract, the present general terms and conditions or in law.

(3) In cases under Par.2, Points 2, 8 and 9, the investment intermediary informs the client for the suspension of the contract with an e-mail, where the date of termination of the contract is indicated. When it comes to non-execution of cash or another obligation of the client, the investment intermediary gives him an appropriate deadline for execution. At meeting the deadline in the event of non-execution by the client, the contract is considered terminated.

(4) BenchMark Finance requires and/or withdraws payment of all fees, commissions and other expenses from the client, accrued until the date of termination as well as all additional expenses along with direct losses occurred as a result of the termination for BenchMark Finance, if there are any. Only after repayment of all obligations of the client to the date of termination, BenchMark Finance transfers the financial instruments and cash in accordance with the orders of the client.

(5) At sending a written notification to terminate the contract as well as at signing an agreement to terminate the contract, the client is obliged to close all his open positions before the date of

termination and to indicate at least 5 working days before contract termination where his financial instruments or cash should be transferred, if there are any at the investment intermediary. The client financial instruments are transferred to a depositary institution in accordance with the rules of the depositary institution to a sub-account of the client at another investment intermediary indicated by the client or to the personal account of the client including via opening a new account, if the client does not indicate their sub-account at another investment intermediary. If the client does not close his open positions at the trading platforms on international markets, then the client agrees that the very same will be officially closed at the time of termination.

(6) At contract termination, BenchMark Finance is entitled to complete a transaction at its own discretion that is done in favour of a client and has started before the termination. In cases of official closure of positions open in the trading platforms on international markets, the client agrees unconditionally with price levels which BenchMark Finance has closed his positions at. Regardless of the actions taken by BenchMark Finance for position closure, if as a the balance in the account of the client is negative (a loss has occurred), then the client is obliged to pay BenchMark Finance an amount equal to the realized negative balance.

(7) BenchMark Finance executes client orders for the transfer of his financial instruments and cash in the accounts indicated by him, only after repayment of all obligations of the client to BenchMark Finance. The client is obliged to pay all commissions and expenses of the investment intermediary related to the transfer of the financial instruments and cash. BenchMark Finance is entitled to withdraw all amounts due from the client before the transfer of all financial instruments and cash.

Temporary cessation of service provision under contract

Article 24 (Amended with a decision by Board of directors on 14.04.2016) BenchMark Finance can temporarily cease the provision of all or a part of the services in the contract when:

1. There is a suspicion or data that the client has obtained and used inside information or another information defended by law or market practices;
2. There is a suspicion or data that transactions, subject of client orders represent insidious purchases or sales of securities under § 1, Art. 8 from AP of Regulation No: 38;
3. There is a suspicion or data inculcating an authorised by the client person in concluding transactions with financial instruments professionally and has done such transactions in one-year-long term before placing a certain order;
4. There is a suspicion or data which can lead to doubts that the client breaches some of the regulations against money laundering and sponsoring terrorism;
5. The client violates any provision of the contract and/or the General Terms and Conditions, or is suspected or there is evidence that the client violates any provision of applicable law;
6. The LEI of a client – legal entity who has a concluded contract for trading on international markets, has expired and the client has not renewed it, or has renewed it but has not informed BenchMark Finance about it.

In the cases above, BenchMark Finance is entitled to terminate the contract with the client unilaterally, under the rules of Art.24, Par.2, Point 2.

Change in the General Terms and Conditions, the Tariff and other applicable documents in the relations with the client

Article 25 (Amended with a decision by Board of directors on 14.04.2016)

(1) Amendments and additions to the General Terms and Conditions, the Policy of executing client orders, Rules for trading in financial instruments and the Tariff of the intermediary are accepted by the Board of Directors of BenchMark Finance.

(2) All amendments and/or additions to the General Terms and Conditions and/or the Tariff of BenchMark Finance are being published to the website of the investment intermediary as in the published documents the date of acceptance and the date of entering into force is indicated. The publication of the General Terms and Conditions is done within a period not less than a month before the amendments and additions enter into force. The publication of the Tariff is done before the changes enter into force, in a period determined in accordance with the decision of the Board of Directors to accept the new tariff. In case of a disagreement with the amendments and additions in the General Terms and Conditions and/or the Tariff, the client is entitled to terminate the contract without prior notification, before the new general terms and conditions and/or tariff enter into force, without being held liable for penalties and expenses, except for the expenses related to the assets owned by the client. At terminating the contract in such a way, the investment intermediary settles his relations with the client in a seven-day period from the acceptance of the termination statement by applying the order for settlement of relations with the client, predicted in Art. 24, Par. 4, 5, 6 and 7 from the present General Terms and Conditions unless anything else is predicted in the contract with the client or the termination agreement.

(3) All amendments and/or additions to the Policy of executing client's orders and the Rules for trading on international markets of BenchMark Finance are published on the website of the investment intermediary. If the client does not contradict in a written or oral form to the new documents within 3 days from the day of publishing, these enter into force for him without the need for him to approve them. In the event of disagreement with the amendments and additions in the Policy of executing client's orders and/or the Rules for trading on international markets of BenchMark Finance, the client is entitled to terminate the contract without prior notification before the new documents enter into force, without being held liable for penalties and expenses, except for the expenses related to the assets owned by the client. At contract termination in such an order, the investment intermediary settles his relations with the client within 7 days from the acceptance of the termination statement, by applying the order for settling his relations with the client predicted in Art. 24, Par. 4, 5, 6 and 7 from the present General Terms and Conditions unless anything else is predicted in the contract with the client or the termination agreement.

III. Execution of the contract obligations. Rights and obligations of the client and of BenchMark Finance

Due Diligence

Article 26 (1) At performing investment services and activities pursuant to the licence issued to him, BenchMark Finance is obliged to act honestly, fairly, as a professional in accordance with the best interests of its clients.

(2) BenchMark Finance treats equally all its clients.

(3) BenchMark Finance is obliged to fulfil its obligations in accordance with the clauses of the agreement and the additional instructions of the client, if they are pursuant to the law, the General Terms and Conditions and are clear, precise and detailed.

Authorisation, Re-Authorisation and Replacement

Article 27 (1) BenchMark Finance is obliged to fulfil his obligation under the contract, personally.

(2) BenchMark Finance can assign the execution of a certain service of another individual, to authorise, re-authorise or to replace itself with another individual, at the presence of the following criteria:

1. The other individual is a licensed investment intermediary with whom BenchMark Finance has concluded a contract pursuant to the regulations of Chapter 5 of Regulation No: 38;

2. The client has empowered BenchMark Finance for authorisation, re-authorisation or replacement with another person.

(3) An exception from the requirement under Par.2, P.2 is allowed only when this is needed to preserve the interests of the client. BenchMark Finance informs the client immediately in a written form for the authorisation, re-authorisation or replacement done, for its reasons and for the individual who is authorised, re-authorised or replaced with.

(4) If BenchMark Finance has authorised a third party without the criteria from Par. 2 and 3 are present, he is responsible for the actions of this individual as his own. In any other cases, BenchMark Finance is held liable for the damages caused to the client from the actions of the third party, due to its bad choice.

Right of punctual execution

Article 28 (1) The client is entitled to require punctual execution of the contract obligations by BenchMark Finance.

(2) The client is entitled to give additional instructions with regard to the execution of the contract, pursuant to the law, these General Terms and Conditions and the settlements in the contract. The instructions that the client should give to BenchMark Finance with regard to the execution of the concluded agreement should be clear, précised and detailed.

Valuation for a suitable service

Article 29 (1) At providing investment consultations and completing a portfolio management, BenchMark Finance is led by the information received by the client for his financial opportunities, investment aims, experience and knowledge. BenchMark Finance recommends the conclusion of a transaction or concludes a transaction at portfolio management if pursuant to the received information, it can reasonably assume by considering the nature and the scope of the provided service, that the following requirements are followed:

1. The transaction meets the investment aims of the client;
2. The client has the financial opportunity to bear all related investment risks, compatible with his investment aims;
3. The client has the relevant experience and knowledge to understand the risks related to the transaction or to the management of its portfolio.

(2) At providing investment consultations and completing a portfolio management of a professional client, BenchMark Finance can assume that with regard to the products, transactions and services for which this client has been considered professional, he owns the relevant experience and knowledge to understand the risks related to the transaction or management of its portfolio.

(3) When providing an investment consultation to a professional client in accordance with Section 1 from the application of the Law on the Financial Instruments Market, BenchMark Finance can accept that this client has the financial possibility to bear all relevant investment risks, compatible with his investment aims.

(4) At the provision of investment services different than the investment consultation and completion of portfolio management, BenchMark Finance is led by the received information under Art. 22, Par.2, on the basis of which the investment intermediary decides whether the offered investment service is suitable for the client as it establishes whether the client owns the relevant experience and knowledge to understand the risks related to this service.

(5) If in the case of Art.4, BenchMark Finance assumes that the offered investment service will not be suitable, he warns the client in a written form.

(6) If the client does not provide the information for his experience and knowledge in the investment activity or the provided information is insufficient to do the assessment, BenchMark Finance is obliged to inform the client in a written form that it cannot establish whether the offered investment service is suitable for him.

(7) At providing investment services, different from investment consultation and doing a portfolio management, BenchMark Finance can accept that the professional client owns the relevant experience and knowledge to understand the risks related to the given investment service, transaction or a product, for which he is considered professional.

(8) BenchMark Finance is guided by the information provided by its clients, unless it knows or should know that the information is incorrect, incomplete or outdated.

(9) The regulations of this article are not applied at conclusion of transactions with clients, determined by eligible counterparties, at performing investment services under Article 5, Paragraph 2, Points 1-3 from the Law on the Financial Instruments Market with regard to the certain transactions or additional services, directly related to them.

Constraints for the investment intermediary

Article 30 BenchMark Finance cannot:

1. Execute transactions at the expense of clients in volume or frequency, at the price or with a certain eligible counterparty, which according to the circumstances can accept that these are made exclusively in the interest of the investment intermediary. The prohibition does not apply to transactions for whose execution the client has given express instructions at his own discretion.
2. To buy financial instruments at his own expense, for which his client has placed an order for purchase and to sell them to the client at a price higher than the purchase price. The prohibition also applies for the members of the Board of Directors of the investment intermediary, for the individuals who manage its activity as well as for all individuals who work under a contract for him and individuals related to them;
3. (Amended with a decision by Board of directors on 14.04.2016) to perform activities with cash and financial instruments to the client, for which he is not authorised by the client;
4. (Amended with a decision by Board of directors on 08.02.2012) to sell financial instruments at its own or else's expense, that the investment intermediary or its client does not own except at the conditions or in the way of Regulation No: 16 for the conditions and order to perform margin purchases, short sales and loan of financial instruments;

5. To participate in the completion, including as a registration agent, of insidious purchases or sales of financial instruments;
6. To receive a part or the whole profit if the investment intermediary has concluded and executed the transaction at conditions more favourable than those established by the client;
7. To perform an activity in another way, that threatens the interests of its clients or the stability of the financial instrument market.

Constraints related to the remunerations

Article 31 BenchMark Finance is not entitled to pay and provide and receive remunerations, commission or non-cash benefit with regard to the provision of investment or additional services to a client, unless:

1. Remuneration, commission or non-cash benefit, paid or provided by or to the client or his representative;
2. Remuneration, commission or non-cash benefit, paid or provided by or to a third party or his representative if the following conditions are present:
 - a) The existence, nature and amount of the remuneration, commission or non-cash benefit are clearly stated by the client in an accessible, punctual and understandable way before providing the relevant investment or additional service. When the amount cannot be determined, the manner of calculation should be indicated. It is considered that BenchMark Finance has fulfilled this obligation when:
 - ▶ Presents the essential conditions of the agreements related to the remuneration, commission or non-cash benefit in a summarised form;
 - ▶ Provides detailed information with regard to the remuneration, commission or non-cash benefit at request by the client;
 - ▶ The provision of this information is honest, fair and in the interest of the client;
 - b) The payment and respectively the provision of the remuneration, commission or non-cash benefit is with view to improve the quality of the service and does not breach the obligation of the investment intermediary to act in the best interest of the client;
3. Inherent charges that ensure or are needed for the provision of the investment services as expenses for custody, settlement fees and currency exchange, fees for legal services and public taxes which do not result in the occurrence of dispute with the obligation of the investment intermediary to act honestly, fairly and professionally at the best interest of the client.

Requirements with regard to the information provided by the Investment Intermediary

Article 32 (1) (Amended with a decision by Board of directors on 08.02.2012). The information which BenchMark Finance gives to its clients should be understandable, correct, clear and non-misleading.

(2) BenchMark Finance should inform the client if a change in the provided information takes place.

(3) When the information under Paragraph 1 is provided to non-professional clients or potential non-professional clients, or is distributed in a way that can reach to such clients, the information:

1. contains the name of the investment intermediary;
2. is punctual and does not underline potential benefits from a certain investment service or financial instrument without indicating clearly and obviously the relevant risks;
3. is sufficient and is not presented in a way that is eligible for the ordinary members of the group it is addressed to and will most likely reach at;

4. Does not cover, miss or underestimate important messages, statements or warnings.

(4) When the information of Paragraph 3 contains a comparison between investment or additional services, financial instruments or individuals providing investment or additional services, it should meet the following criteria:

1. the comparison is full of matter and is presented in an objective and balanced way;
2. to state the sources of information used in the comparison;
3. to include the main facts and assumptions used for the preparation of the comparison.

(5) When the information under Paragraph 3 contains the indication of previous profit by financial instrument, financial indices or investment service, it should meet the following criteria:

1. the indication of previous profit is not the most essential part of the message;
2. the information includes suitable date for the profit during the last 5 years. When the period during which the financial instrument has been offered and the financial index has been formed or the investment service has been offered is shorter or longer than 5 years, profit data for this period is presented. In all cases the profit data is based on a full period of 12 months;
3. to indicate the period for which the information applies as well as its source;
4. to contain express warning that the data refers to a period in the past and are not secure indicator for future results;
5. if the indication contains data and values in currency different than the currency of the member state in which the headquarters of the client or his place of residency are located, the currency should be clearly indicated and there should be express warning that the profit can be decreased or increased due to the currency rate changes;
6. When the profitability is indicated overall, the amount of the commissions, fees and other expenses for the clients is indicated.

(6) When the information under Par.3 contains or refers to a simulated past profitability, it should meet the following criteria:

1. it applies to a financial instrument or financial index;
2. the simulated past profitability is based on actual past profitability of one or more financial instruments or indices that are the same or are base asset for the financial instruments for which profitability is simulated;
3. for the actual past profitability under Point 2 the rules under Par. 5, Point 1-3, 5 and 6 are followed;
4. to contain express warning that the data are based on simulated profitability and that it is not secure indicator of future profitability.

(7) When the information under Par.3 contains information for future profitability, to meet the following criteria:

1. it is not based or referred to simulated past profitability;
2. it is based on reasonable assumptions supported with objective data and facts;

3. when the information is based on overall profitability, the amount of the commissions, fees and other expenses of the clients is indicated;

4. it contains express warning that these predictions are not secure indicator of future profitability.

(8) When the information under Par. 3 does not refer to being subject to taxes. It contains the clarification that the tax depends on the certain circumstances related to the client and can change in the future.

(9) The information under Par.3 cannot include the name of Financial Supervision Commission or another authority in a way that it is expressly indicated or indicated in any other way that the authority has confirmed or approved the products and services offered by the investment intermediary.

Information for the financial instruments and the risks related to them

Article 33 (1) BenchMark Finance provides the client with general description of the financial instruments with regard to which it provides investment and additional services at the expense of the client, the risks related to them. The description should be complied with the type of the client (professional or non-professional) and to respond to the following criteria:

1. To contain detailed explanation of the type and characteristics of the certain type of financial instruments and certain risks related to it;
2. The information under Point 1 allows the client to take informed investment decision.

(2) The description of the risks should include the following elements as long as they are applicable for the certain type of financial instrument, status and level of knowledge of the client:

1. Indication of the risks related to the certain type of financial instrument, including an explanation of the leverage and its consequences and the risk to lose the whole investment;
2. Variability of the price of financial instruments and all market constraints related to these instruments;
3. The circumstance that the investor can take financial and other additional obligations as a result of transactions with financial instruments, including unexpected obligations, additional to the expenses for obtaining the instruments;
4. All margin requirements and similar obligations applicable to the instruments of such type.

(3) When the financial instruments are subject to public offering, BenchMark Finance informs the non-professional client where the prospect is accessible to the public.

(4) In cases when the risks related to financial instruments consisting of two or more different financial instruments and other services, it is likely that the risks related to any of its components are higher, the investment intermediary provides an adequate description of the components of the financial instruments and in a way that their interaction increases the risks.

(5) In cases when the financial instruments include guarantee from a third party, the investment intermediary provides the non-professional client with enough data for the guarantor and the guarantee, allowing him to make objective valuation of the guarantee.

(6) When the information under this paragraph is provided to a non-professional client, BenchMark Finance provides it within a suitable period before completing the relevant investment or additional service for the client pursuant to Art. 84.

(7) The previous paragraphs are not applied to shares and assets of collective investment schemes in cases when BenchMark Finance provides the information, containing in the short prospectus of the CIS.

(8) General description of the financial instruments – subject of the provided services by BenchMark Finance as well as the risks related to them, takes place in the Policy for execution of client orders of BenchMark Finance. In the event of provision of services subject of financial instruments, not indicated in the Policy as well as depending on the characteristics of the certain client, the investment intermediary provides additional information to the client, including but not only in the form of Application towards the agreements with the clients.

Information for expenses and fees

Article 34 (1) BenchMark Finance provides the following information for expenses and fees of the transactions as long as it is possible under Art. 84 within a deadline before executing the relevant investment or additional service:

1. The overall price that will be paid by the client with regard to the financial instrument or the provided investment and additional service including all remunerations, commissions, taxes and expenses as well as all fees paid via the investment intermediary; if the correct price cannot be determined, the base of the calculation is indicated in a way that the client can check and confirm it; commissions of the investment intermediary are indicated separately in each separate case;
2. When some parts of the overall price under Point 1 should be paid in foreign currency or equal to this currency, the currency of payment, the exchange rate and the expenses for the exchange are indicated;
3. Notification for the possibility of other expenses including fees related to the transactions with financial instruments to occur or provided investment services that are not paid via the intermediary and are not inculcated by him;
4. The rules and ways of payment or another execution.

(2) (Amended with a decision by Board of directors on 08.02.2012). The obligation under Par.1 is not applied to shares of CIS if BenchMark Finance provides the information containing in the prospect to the client under Article 69 from the Directive 2009/65/EO.

Conflicts of interests

Article 35 (1) Conflict of interests is situation that occurs with regard to provision of investment and/or additional services from the investment intermediary and can damage the interest of the client.

Conflicts can occur between:

- ▶ Interests of BenchMark Finance and the interests of a client or group of clients;
- ▶ Interests of a client or group of clients and interests of another client or group of clients and
- ▶ Interests of BenchMark Finance and/or its clients and the interests of an employee or group of employees.

(2) At executing investment services and activities, BenchMark Finance takes all relevant actions to establish the potential conflict of interests between:

1. The investment intermediary, members of its board of directors, all other individuals who work under a contract for it and the individuals connected to it via control on the one hand, and its clients on the other hand;

2. It separate clients.

(3) In the event of establishing a conflict of interests in accordance with Par. 1 and 2, BenchMark Finance take all relevant actions to avoid it in accordance with the established in the Inside rules policy for treating conflict of interests, as well as the following measures:

- ▶ Strict rules for the personal transactions of the clients who work under a contract for BenchMark Finance;
- ▶ Independence policy according to which every unit and its personnel should act regardless of the interests of their relevant clients. This is achieved by dividing the functions among the employees and units;
- ▶ Possibility of refusal to act when BenchMark Finance is already working for a certain client and it might be inappropriate to accept business with another client if at the discretion of the relevant manager it is established that BenchMark Finance will not be in position to manage the conflict of interests in a reasonable level or if it is affected – to do this by legal or regulatory considerations.
- ▶ To inform the client of the occurrence of conflict of interests and to reveal their source, nature and possible consequences, in accordance with the characteristics of the client and as long as this does not contradict the law, following the privacy policy and does not threaten the interests of another client. In this case, BenchMark Finance will continue to provide the relevant service only after receiving an express agreement by the client.

Privacy Policy

Article 36 (1) At completing its activity, BenchMark Finance is obliged to keep the commercial secret of its clients as well as their commercial prestige.

(2) The members of the board of directors of BenchMark Finance and the individuals working under a contract for it, cannot disclose, unless they are entitled to do it, or to use for own or someone else's benefit, facts and circumstances concerning the availability and transactions in the accounts f financial instruments and cash of clients as well as all other facts and circumstances that represent a commercial secret, that they have learnt at executing their work and professional obligations.

(3) (Amended with a decision by Board of directors on 14.04.2016) Except for the Financial Supervision Commission, the vice-president and authorised officials from the Financial Supervision Commission administration or the regulated market to which it is a member for the aims of the controlling activity they perform and within the inspection order, BenchMark Finance can give information under Par.2 only:

1. With the agreement of its client;

2. Under Unit 2, Chapter 16, Section IIIa from the Tax Procedure Code;

3. By a court decision issued under the terms and conditions of Art. 35, para. 6 and 7 from the Law on the Financial Instruments Market and Regulation

4. In the events of and at the conditions of Art. 35, Par. 8 and 9 from the Law on the Financial Instruments Market.

(4) (New with a decision by Board of directors on 14.04.2016) The client agrees for BenchMark Finance to reveal its personal data to third parties in the predicted by law cases at following the Personal Data Protection Act and confirms that the information under Art. 19, Par. 1 from PDPA is provided to him. It is possible that the information under Art. 142b, Par. 1 from TPC containing his personal data, availability and value in his account/s as well as the realized income, to be subject to automatic exchange of financial information in accordance with Chapter 16, Section IIIa from TPC and to be provided to the jurisdiction/s of which the client is a local individual with tax aims, executing international arrangements of Republic of Bulgaria.

Form and manner of placing an order

Article 37 (1) To conclude transactions with financial instruments of a client, that are not in execution of management contract, the clients of BenchMark Finance place orders on the basis of the concluded contract. The client is obliged to give clear, punctual and detailed orders for conclusion of transactions with financial instruments with regards to the services under Art. 11 and 13 as well as additional orders to change the already placed orders in accordance with standardized samples prepared by the investment intermediary, in accordance with the applicable legislation. Along with the order, the client is obliged to place and sign the required by the Law on the Financial Instruments Market, Regulation No: 38 and the other applicable legislation declaration and other documents related to the transactions with financial instruments.

(2) The orders are placed in a written form except for the cases under Article 3. In case of a placed written order, the individual accepting it, inscribe their unique reference number to it.

(3) (Amended with a decision by Board of directors from 08.02.2012).The investment intermediary can accept orders for trading in financial instruments placed by phone or another distance means of communication with the client. In this case, BenchMark Finance is obliged to follow the sequence of acceptance of orders for execution and information storage. When orders are placed by phone, BenchMark Finance is obliged to make a record of the conversation with the client. When the orders are placed by another distance means of communication, BenchMark Finance is obliged to store the data provided by the client with regard to the order, on an electronic carrier. These orders are not applied with regard to transfer of financial instruments in book-entry form from a personal account to a client's sub-account t the investment intermediary in a Central Depository.

(4) (Amended with a decision by Board of directors from 14.04.2016). BenchMark Finance can accept clients' orders via electronic trading system which guarantees the compliance with regulatory requirements and ensure an access to a certain execution venue. The access to the system mentioned in the previous sentence and entering orders of the client is done by web, computer and/or mobile applications which ensure hopeful identification of the client.

(5) (Amended with a decision by Board of directors from 14.04.2016) Orders have statutory minimum content and regardless of the chosen method, the client is obliged to place his orders same as the content and in the way indicated by BenchMark Finance without missing any of the requisites required by BenchMark Finance when involved under applicable regulatory provisions. BenchMark Finance includes the minimum content of the orders in the electronic trading platform, in the order samples and requires it from the client when he is placing an order by phone. At non-compliance with the content requirements and the way of placing the certain type of order, the last is considered non-placed and BenchMark Finance is not obliged to execute it and is not held liable for non-execution or incorrect execution.

(6) In the presence of additional regulatory provisions with regard to the sequence and form of clients' orders, apart from those in the previous paragraph, the very same are applied at placing orders by clients.

(7) BenchMark Finance provides the client with a signed copy of the order, placed in accordance with Paragraph 3.

Placing an order via proxy

Article 38 (Amended with a decision by Board of directors from 08.02.2012) Placing orders via proxy is done solely if they present notary certified power of attorney that contains representative power for execution of executive actions with financial instruments and declaration under Art. 16, Par. 5, a year before placing the order. Art 16, Par.5 and 6 are respectively applied.

Authorised individuals and place of order placement

Article 39 (1) BenchMark Finance accepts orders via individuals under Article 17, Paragraph 1. The investment intermediary can accept orders for trading in financial instruments distantly by phone or e-mail and by using electronic trading system.

(2) (Amended with a decision by Board of directors from 14.04.2016) At accepting an order, the individual who accepts it checks the identity of the client and his representative's respectively. At placing orders in an office of the investment intermediary, if during an identity check of the client, it is established that there is a change in his personal data and/or a new identity document has been issued to him, Article 24, Paragraph 5 from Regulation No:38 is applied.

(3) (Amended with a decision by Board of directors from 08.02.2012) BenchMark Finance accepts orders and documents under Articles 38 and 39 only in inscribed in the register of the investment intermediaries, led by Financial Supervision Commission management address, branch or office unless the orders are placed by phone or another means of distance communication in compliance with the regulatory requirements. The places and addresses from the previous sentence should have the relevant technical equipment and software allowing the acceptance of orders, including ones placed by means of distance communication, following the sequence of acceptance of the orders when placed for execution and information storage in compliance with the regulatory requirements.

Annulment of orders

Article 40 Benchmark Finance refuses to accept orders which do not comply with the requirements under Article 38, Paragraph 2 or such that are submitted by a representative by breaching the requirements under Article 39.

Declarations and documents provided by the client

Article 41 (1) BenchMark Finance requires a client (or a representative) placing an order to declare whether:

1. They possess inside information for financial instruments regarding the order and their issuer, provided that the financial instruments regarding the order or the base on which the financial instruments are issued, are traded on a regulated market.
2. Financial instruments subject to sale or exchange are blocked in the depository institution where they are stored and whether they are pledged or distraint is imposed on them.
3. (1) The agreement - subject of the order, represents a disingenuous sale or purchase of financial instruments.

(2) (Amended with a decision by Board of directors on 14.04.2016)

(3) (Amended with a decision by Board of directors on 14.04.2016)

(4) (Amended with a decision by Board of directors on 14.04.2016)

(5) (Amended with a decision by Board of directors on 14.04.2016)

(6) (Previously Paragraph 5). The client is obliged to provide BenchMark Finance with any other documents and data at the discretion of the intermediary which are necessary to complete the order.

Right to refuse the execution of an order

Article 42 (1) (Amended with a decision by Board of directors on 08.02.2012) BenchMark Finance refuses to execute an order if the client or their representative refuses to submit the declaration under Article 42, Paragraph 1 where it is declared that the subject of the order represents an ingenuous sale or purchase of financial instruments. The intermediary refuses to execute an order if the client or their representative refuses to provide them with any other documents or data according to Article 42. The refusal is certified on a separate document signed by the client.

(2) BenchMark Finance refuses to execute an order in case it is declared or found that the financial instruments of the order subject to be sold, are either not available in the account belonging to the client or are blocked in a depository institution or are pledged or a distraint is imposed on them.

(3) The prohibition under Paragraph 2 related to pledged financial instruments is not applied on the following conditions:

1. The transferee is informed about the pledge and has agreed to obtain the pledged financial instruments and has given an explicit consent to the pledgee under the Pledges Act.

2. The pledge is set under the Pledges Act.

(4) (Amended with a decision by Board of directors on 08.02.2012) When it applies to an order for sale of financial instruments where funds are not available in the designated account, the prohibition under Paragraph 2 is not applied if the intermediary is able to fulfil the payment by another means on the agreement settlement day, and in other cases defined with an ordinance.

(5) (Amended with a decision of Board of directors on 14.04.2016) BenchMark Finance refuses to execute orders for trading in financial instruments provided this will result in breaching legal provisions with regard to money laundering, Financial Instrument Market Law, Law on Measures Against Market Abuse with Financial Instruments, Special Purpose Entity Act and other prevailing enactments. The client is notified of the refusal immediately. In this case, BenchMark finance is not responsible for any harm caused to the client.

(6) With the exception of the cases in the previous paragraphs, BenchMark Finance refuses to execute an order if it breaches the terms and conditions of the agreement.

(7) Every time BenchMark Finance refuses to execute an order, the investment intermediary notifies the client immediately by stating the reasons for refusing the execution.

(8) If a doubt that the deals made by the client represent a trade with inside information or manipulate the financial instrument market arises, BenchMark Finance notifies the Financial Supervision Commission.

Additional orders and cancellation of orders

Article 43 (1) The client may place an additional order or to cancel a placed order latest until the conclusion of a transaction to execute the previous order.

(2) If BenchMark Finance has started the execution of an order by the time of receiving the additional order or cancellation and on condition that the order can be cancelled or changed, the client pays the intermediary an indemnity and a reward for any additional expenses and actions to be taken for its execution.

(3) Actions taken by BenchMark Finance on the behalf of the client to execute an order subject to change or cancellation oblige the client until the moment of receiving the additional order or cancellation.

(4) (New with a decision by Board of directors on 14.04.2016) The client is notified and agrees that the cancellation requires technological time and it is likely that the execution of the transaction overtakes the request of cancellation. In such a case, the client is at risk of having unpleasant consequences. The client may also cancel any other instructions given to BenchMark Finance on condition that the intermediary has not started their execution.

Fulfilling the payment obligation

Article 44 (Amended with a decision by Board of directors on 08.01.2014) (1) BenchMark Finance requires the client who places an order for buying financial instruments to provide him with the cash needed to pay for the transaction – subject of the order, at the time of placement unless the client certifies that he will fulfil his payment obligation within the settlement in a way described in the contract with the client as well as other cases predicted in an ordinance.

(2) After assessing each case, BenchMark Finance can accept that the client has certified that he will fulfil his payment obligation if this client is categorised by BenchMark Finance as an eligible counterparties or as a professional client.

(3) If the rules of the execution venue where the transaction will be concluded allow concluding a transaction at which the payment of the financial instruments is not done timely with their transfer, the investment intermediary may not request a payment from the buyer at the presence of express written agreement by the seller. This is applied at other transfer transaction with financial instruments as well.

Responsibility, risk and non-execution

Article 45 (1) The client is responsible for the truth, regularity, authenticity and punctuality of the placed orders, the declarations presented with them and for the existence and actuality of the rights on the financial instruments provided by him.

(2) At placing order for sale or exchange of financial instruments, the client is obliged to provide the investment intermediary with the full quantity of financial instruments in a relevant way in accordance with the regulation. They need to be in immaculate condition by legal side allowing the lawful and immediate execution of the order.

(3) If the financial instruments do not meet the condition from the previous paragraph, then the client should change them with regular ones within a deadline indicated by the investment intermediary or to withdraw its order.

(4) The client is not entitled to place orders with regard to financial instruments for which he holds inside information, which are blocked in Central Depository, which are pledged or a distraint is imposed on them. The client is not entitled to place orders for transactions representing an insidious purchase or sale of financial instruments.

(5) In all cases of non-execution of the obligations of the client under the previous paragraphs there is a guilty non-execution of the obligations under the contract. The client is responsible and obliged to pay compensation to BenchMark Finance for the material damages caused due to the non-execution of this order.

(6) The investment intermediary is held liable for the proper lawful and conscientious execution of the orders placed by the client. The investment intermediary is not held liable for the result achieved by the client at the execution of his orders and at following the requirements from the previous sentence, as the risk in this case is taken by the client completely.

(7) The risk related to investments and transactions with financial instrument is at client's expense.

(8) If the client has caused material damages to the investment intermediary, the last one is entitled to stop the execution of already placed orders and to refuse the acceptance of new orders until settling the property relationships with the client.

Article 46 (New with a decision by Board of directors from 14.04.2016) BenchMark Finance is not held liable for eventual damage suffered by the client as a result of:

1. incomplete or inaccurate order or instruction placed by the client;
 2. temporary or permanent interruption of client's internet connection;
 3. temporary or permanent damage of the other means of distance communication;
 4. Deficiencies of the technical equipment used by the client, including but not only hardware damages of the computer system of the client, software problems and etc.
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Article 47 (New with a decision by Board of directors from 14.04.2016) At the occurrence of technical failure, lack of quotes, the client is obliged to get in touch with BenchMark Finance immediately before taking any actions related to orders placed by him or open positions. In case of incorrect execution (non-execution) of an order as a result of technical failure in the electronic trading platforms, BenchMark Finance will assess and evaluate the executed (or non-executed) order and take a position with regard to the acceptance of the order for invalid or final for which the client will receive a notification within 3 working days from finding of a technical failure.

Article 48 (New with a decision by Board of directors from 14.04.2016 and from 30.05.2016) BenchMark Finance is responsible if as a result of incorrect functioning of the software of the offered by the company electronic trading platforms, BenchMark Finance executes an order for the client at a price that varies significantly from the market price. In this case BenchMark Finance takes actions to eliminate the error via reversal and/or recovery of the resources in client's account. BenchMark Finance is not held liable if the incorrect function of the software is caused by external factors, including unauthorised intervention of the client or a third party to the software, communication errors as well as other programs affecting the correct function of the software.

Article 49 (New with a decision by Board of directors from 14.04.2016 and from 30.05.2016) It is possible that the quotes of certain financial instruments for which the client can place orders in the electronic trading platforms on international markets, contain errors. The quote is considered wrong if the price at which the transaction was concluded differs from the price of the relevant financial

instrument, received from at least two Bulgarian or international brokers or banks. In this case BenchMark Finance is entitled to:

1. Annul the transactions concluded at such wrong quotes or
2. Correct the quotes by leaving in force the concluded transactions at the new corrected quotes. In this case BenchMark Finance determines the correct quotes at its own discretion by providing historical data for these prices at request, collected by independent sources.

Article 50 (New with a decision by Board of directors from 14.04.2016) The client is informed and agrees that at trading in financial instruments in real time it is possible with view to their technological time of placement, the quotes of certain financial instruments to be changed in the period between the placement of the order by the client and its acceptance by BenchMark Finance. In such case, BenchMark Finance preserves its right to execute the order under the quote available in the moment of execution.

Article 51 (New with a decision by Board of directors from 14.04.2016 and from 30.05.2016) Trading methods such as scalping, arbitrage and other techniques at which the client aims to benefit from errors and/or delay in quotes and/or other weaknesses in the electronic trading platform, including when this is done via an automated expert system, script, API or another software developed by third parties, are unacceptable and unethical. If at the moment of concluding a certain transaction, there has been an error and/or delay in the quotes and/or another weakness in the trading platforms and a reasonable suggestion that the client has benefited from them or tried to do so exists, BenchMark Finance has the right to take the following actions:

1. To correct the price spreads which the client has an access to;
2. To limit the access of the client to quotes in real time with possibility of an immediate transaction, including to provide him with quotes for transaction solely after request;
3. To immediately annul the transactions of the clients concluded via the mentioned trading methods;
4. To suspend the access of the client to the trading platforms immediately;
5. To terminate unilaterally and without prior notification the contract with the client and inform him about it.

Article 52 (New with a decision by Board of directors from 14.04.2016) The client is obliged to pay compensation to BenchMark Finance for all damages suffered by BenchMark Finance with regard to the provision of other services to the client or occurred as a result of non-execution of some of the obligations of the client under the contract, the present general terms and conditions, the rules for trading in international markets or the applicable regulatory orders.

Article 53 (New with a decision by Board of directors from 14.04.2016) When a certain market, supplier of liquidity, stock exchange, intermediary, financial institution or another third party, used by BenchMark Finance for the aims of provided investment service of a client, takes actions with regard to BenchMark Finance, the latter is entitled to take relevant actions at its own discretion for the affected transactions between BenchMark Finance and the client, including as it annuls them or increase the requirements for a guarantee deposit.

Article 54 (New with a decision by Board of directors from 14.04.2016) BenchMark Finance can provide quotes if it experiences temporary technical difficulties or if circumstances at which transactions on the relevant markets cannot be concluded are present. In this case, BenchMark Finance is not responsible for damages suffered by the client.

Article 55 (New with a decision by Board of directors from 14.04.2016) The client agrees that at the execution of a placed limited, OCO, limit or stop order when there are fluctuations in the market

quotes including when opening or closing the relevant markets, BenchMark Finance is entitled to execute these orders at a price significantly different than the one stated by them.

Article 56 (New with a decision by Board of directors from 14.04.2016) If BenchMark Finance suffers losses as a result of:

1. Errors at giving instructions by phone by the client; or
2. Incorrect execution of the conditions and requirements under Art.38, Par.5 by client's side.

BenchMark Finance has the right to impute the amount of the suffered damage from the guarantee deposit of the client for which the client is notified on the e-mail address provided by him or via a message on the electronic trading platform. If the suffered damage overpasses the amount of the guarantee deposit, then BenchMark Finance is entitled to impute the whole guarantee deposit and to look for compensation by the client under the law.

Article 57 (New with a decision by Board of directors from 14.04.2016) If as a result of non-execution of contract obligations by client's side, BenchMark Finance suffers losses or damages, then BenchMark Finance is entitled to receive compensation for the suffered damages and loss of earnings. In this case, BenchMark Finance is entitled to request a voluntary payment within 30 days as the client repays the owed amount along with the lawful interest and compensation for the suffered damages and/or loss of earnings. If the client refuses a voluntary payment, then BenchMark Finance is entitled to invoke its rights legally.

Article 58 (New with a decision by Board of directors from 14.04.2016) BenchMark Finance is not held liable for the functioning way of the electronic trading platforms offered by him (incl. Technical defects leading to a delay or non-arrival of orders, or to execution/non-execution of already placed orders as well as other technical defects) and the execution of clients orders via them as well as for damages of the client as a result of this, except for the cases when the damages are a result of guilty behaviour of an employee of the investment intermediary and it has been possible to prevent them by making the owed effort by BenchMark Finance's side.

Article 59 (New with a decision by Board of directors from 14.04.2016) When the client uses API, software products developed by third parties as well as scripts, BenchMark Finance is not held liable (incl. Financial responsibility) for the results of the taken by the client investment decision and the following actions taken by him as BenchMark Finance cannot have influence of them. Therefore, those are completely at the expense and risk of the client.

Obligations of the investment intermediary with regard to the execution

Article 60 (1) BenchMark Finance executes clients' orders at the following conditions:

1. Immediate and correct registration and distribution of the orders for execution;
2. Immediate execution under the sequence of acceptance of identical client orders unless the characteristics of the order or the prevailing market conditions make this unachievable or the interests of the client require else.

(2) BenchMark Finance informs the non-professional client for the objective difficulties preventing the correct execution of the orders immediately after learning about them.

(3) In cases when BenchMark Finance has taken responsibility to organize or monitors the settlement of an executed by him order at the expense of a client, he takes the relevant actions to ensure that all client financial instruments or cash received at the settlement, are immediately and correctly transferred to the accounts of the relevant client.

(4) BenchMark Finance is not entitled to misuse the information for non-executed client orders and take all relevant measures to prevent such misuse from every individual who works for the investment intermediary under a contract.

(5) If the client has given express instructions regarding the order, then the investment intermediary is not entitled to deviate from them, regardless of the requirements of the Policy for executing orders. BenchMark Finance warns its client that all special instructions of the client can prevent the intermediary from taking the relevant actions in order to achieve the best possible result for the client.

Obligation for best execution

Article 61 (1) BenchMark Finance concludes transactions with financial instruments at the expense of clients at the best conditions and making efforts to achieve the best possible execution as per the placed from the client order in accordance with the Policy for executing orders.

(2) (Amended with a decision by Board of directors from 14.04.2016) BenchMark Finance cannot execute orders at the expense of clients if they have not given their prior consent with the followed by the intermediary Policy for executing order and the Rules for trading on international markets.

(3) (Amended with a decision by Board of directors from 14.04.2016) BenchMark Finance is obliged to execute client orders in compliance with the accepted Policy for executing orders and Rules for trading on international markets and to inform the client for changes in the policy and these rules.

Negotiating with itself

Article 62 (Amended with a decision by Board of directors from 14.04.2016) (1) BenchMark Finance can conclude and execute a transaction at the expense of a client "negotiating with itself" (as an opposite party or representative of the opposite party).

(2) For some transactions on the platforms for trading on international markets concluded out of stock market, BenchMark Finance acts as an opposite party, regardless of the type of client's order.

(3) BenchMark Finance can in certain cases, when it applies to transactions with currency pairs, options and forwards on currency pairs, some contracts for difference as well as transactions with other financial instruments, to act as an individual present permanently on the financial markets in order to trade at its own expense via purchase and sale of financial instruments in exchange of its own means at personally determined prices.

Confirmation

Article 63 (1) BenchMark Finance sends to a durable medium of the non-professional client under Art.84, Par.1, whose order it has executed, at earliest possibility but no later than the first working day following the conclusion of the transaction, a confirmation for the concluded transaction with the content of Art.45 from Regulation No:38. If the confirmation is accepted by BenchMark Finance via third party, the client is notified no later than the first working day following the day in which BenchMark Finance has received the confirmation by a third party. The information in the confirmation may contain standard codes if they are explained to the client.

(2) Paragraph 1 is not applied if the confirmation contains the same information as the confirmation which is immediately sent to the client by another individual.

(3) When the transaction is concluded at the expense of professional client, then BenchMark Finance immediately provides him with the essential information for the concluded transaction on a durable medium under Art.84, Par.1.

(4) If the settlement is not done on the indicated date or another change in the information contained in the confirmation occurs, then BenchMark Finance informs the client in a suitable way until the end of the working day in which it has learnt about the change.

(5) When requested, BenchMark Finance provides the client with the status of the order and its execution.

(6) Paragraphs 1 and 3 are not applied for client orders subject of bonds for financing agreements for mortgage loans where parties are those clients whose confirmation for transaction will be made at the same time when the conditions for the mortgage loan are reported but not later than a month from its execution.

(7) In case of placed orders for non-professional client, subject of shares and assets of collective investment companies that are performed periodically, the investment intermediary takes actions under Par.1 or provides the client with the information related to those transactions that should be in the confirmation, at least once in 6 months.

(8) In case of orders placed via electronic trading system, the confirmation under Par.1 and the information under Par.3 respectively are provided to the client via electronic system.

Objections and acceptance of the confirmation

Article 64 (1) The client can present written objection to BenchMark Finance with regard to the accepted confirmation under Art.48 within a 3-day-period from its acceptance. The client can object solely to incorrect execution of the placed order.

(2) If the client does not object within the period indicated in Par.1, it is considered accepted.

Transfer of clients rights

Article 65 (1) If BenchMark Finance acts on client's behalf, the rights and obligations arise in the legal field of the client with the conclusion of the transaction.

(2) If BenchMark Finance acts on its own behalf, the client gives his prior consent and accepts the results from each operation and transaction done by BenchMark Finance in accordance with the agreement.

(3) The financial instruments and cash of the client are managed completely at his expense and risk. At portfolio management, BenchMark Finance is responsible only for the earnest, legal and competent execution of the agreement obligations but not for the achieved by the client financial result.

(4) If the subject of the transaction are available securities, they are transferred immediately in compliance with the relevant legislation established in order to, according to established between the client and firm deadlines.

IV. Portfolio management

Art. 66 (1) At executing a Portfolio Management contract, BenchMark Finance concludes transactions with financial instruments at the expense of the client at its own initiative, without client orders at complying with the contract and in accordance with the valuation of a suitable service.

(2) By signing the given contract, the client gives its consent in advance and accepts the results for each operation or transaction executed by BenchMark Finance in accordance with the contract.

(3) The financial instruments and cash of the client are managed completely at his own expense and risk. At portfolio management, BenchMark Finance is responsible for the earnest, legal and competent execution of the contract obligations, but is NOT responsible for the achieved by the client final financial result.

Article 67 At portfolio management of a client, BenchMark Finance applies suitable valuation method and comparison as a common standard, depending on the investment aims of the client and types of financial instruments included in the client portfolio, in such a way that the client using the service can evaluate the execution of the service by the investment intermediary.

Obligation for best execution

Article 68 (1) At portfolio management, BenchMark Finance concludes transactions with financial instruments at the expense of clients at the best conditions, making efforts to achieve the best possible execution in compliance with the Policy for executing orders.

(2) At portfolio management, when BenchMark Finance places orders for execution to another individual by decisions taken by him for conclusion of transactions with financial instruments at the expense of a client, it acts in the best interest of the client, following the relevant applicable to this activity regulations.

Provision of statement

Article 69 (1) At portfolio management, BenchMark Finance provides periodical statement on a durable medium under Art.84, Par.1 the performed activities on the behalf of the client, related to portfolio management unless a third party provides this to the client.

(2) For the non-professional clients, the statement under Par.1 is provided once in 6 months and contains the information under Art.46, Par.2 from Regulation No: 38, unless it is agreed that the statement is provided once in 3 months. If in the contract between BenchMark Finance and the client, leverage at portfolio management is allowed, the statement is provided on a monthly basis. The statement is provided annually if at the request of the client a confirmation for each concluded transaction is provided under Art.48, Par. 1 and 2. In the case of the previous sentence, the statement is provided once in 6 months, if at the management transactions for financial instruments are concluded under Art.3, P.2c and 2i and § 1, P.1c in the Law on the Financial Instruments Market.

(3) For the professional clients, the statement under Par.1 is provided once in 6 months, unless it is agreed that the statement shall be provided once in 3 months. The statement is provided annually if at the request of the client, a confirmation for each concluded transaction is presented on a durable medium under Art.84, Par.1, containing the essential information for the transactions, immediately after conclusion.

(4) BenchMark Finance informs the non-professional client whose portfolio it is managing, when there are uncovered open positions under conditional orders.

(5) In cases when the investment intermediary concludes transactions related to portfolio management at the expense of non-professional client or keeps accounts for such clients that include uncovered positions for transactions or transfers depending on future conditional events, the investment intermediary informs the non-professional client when losses overpass the previously determined with agreement thresholds. The notification from sentence 1 is done not later than the end of the working day in which these thresholds are overpass or if this happens in a non-working day, until the end of the following working day.

Applicable provisions

Article 70 At portfolio management, Art. 63, 65 and 66 from the present General Terms and Conditions are applied.

V. Safekeeping of client assets

Article 71 (1) BenchMark Finance stores the provided and obtained financial instruments, cash and other assets under Art.15.

(2) BenchMark Finance separates its financial instruments and cash from those of its clients'.

(3) BenchMark Finance is not held liable to its creditors for financial instruments and cash of its clients.

Article 72 (1) BenchMark Finance stores the financial instruments of its clients in a depository institution under clients' subaccounts towards the account of the investment intermediary or in accounts open towards the account of a third party.

(2) BenchMark Finance opens a subaccount in a depository institution to the client on the basis of the agreement and in compliance with the conditions in it.

(3) BenchMark Finance, when opens an account for financial instruments to its client at a third party, it should take the needed care for the interests of the client at determination of this individual and to store the financial instruments of the client as well as to review with the same care the choice of this individual and the conditions at which it stores the financial instruments of the clients periodically and at least once in a year.

(4) If BenchMark Finance predicts the storage of client's financial instruments at a third party, in a country whose legislation predicts special regulation and supervision with regard to the storage of financial instruments at the expense of another party, BenchMark Finance cannot provide the clients financial instruments with storage at an individual from a country that is not subject to the predicted by the local legislation regulation and supervision. BenchMark Finance is not entitled to store financial instruments of a client at a third party in a third country whose legislation does not regulate the storage of financial instruments at the expense of a third party. The constraint from the previous sentence is not applied if one of the following conditions is present:

1. The nature of the financial instruments or investment services provided with regard to those instruments, requires their storage at such a third party in a third country;

2. Professional client requests in a written form his financial instrument to be stored at such third party in a third country;

(5) BenchMark Finance takes the relevant actions to make sure that the storage of the financial instruments of its clients at a third party is done in a way that guarantees the identification of the financial instruments separately from the financial instruments of the investment intermediary and the third party via keeping separate accounts by this third party or by applying other measures ensuring the same level of protection. If the applicable legislation does not allow the compliance with the requirements from the previous sentence, the investment intermediary takes suitable measures to guarantee the rights of the client with regard to the stored at the third party financial instruments, including when it opens separate accounts for the financial instruments of clients, that the third party keeps on the behalf of the investment intermediary, but on behalf of other's account.

Article 73 (1) BenchMark Finance deposits cash provided (1) by clients or received as a result of investment services completed at their expense in central bank, credit institution, bank, licensed in a third country or

collective investment schemes under Art.34, Par.3, P.4 from the Law on the Financial Instruments Market latest until the end of the following working days. The investment intermediary can deposit the cash of its clients at the parties mentioned in the previous sentence, only if the clients have given written consent for this.

(2) In cases when BenchMark Finance deposits the cash of its client in an entity under Par.1, different than central bank, it is obliged to take the owed care for the interests of the client at determining this entity and depositing the cash of the client in it as well as to review with the same care the choice of this institution or collective investment scheme and the conditions at which it holds the cash of the client periodically and at least once in a year.

(3) BenchMark Finance is not entitled to invest the cash of the client in a collective investment scheme if the client opposes to such a storage way of the provided by him cash.

(4) BenchMark Finance takes the relevant action to make sure that the deposited in accordance with Par.1 cash of clients, are kept in individual clients' accounts, separate from the cash of the investment intermediary. If the applicable legislation for the activity of the entity where the cash is deposited, does not allow the compliance with the requirements from the previous sentence, then the investment intermediary takes relevant measures to guarantee client's rights with regard to the deposited cash, including via opening a joint account for clients' cash that this party keeps on the behalf of the investment intermediary, but on behalf of other's account.

Article 74 (1) Except for the cases determined with a regulation, BenchMark Finance is not entitled to use:

1. The cash or financial instruments of other clients for its own benefit;
2. The cash or financial instruments of other clients for the benefit of its client;
3. Its own cash or financial instruments for the benefit of its client.

(2) BenchMark Finance is not entitled to conclude transactions to finance securities with held by him financial instruments of clients or in any other way to use for own or another client's account such financial instruments unless the client has given his prior express consent for the use of his financial instruments at certain conditions and the use of the financial instrument is done by complying with these conditions. The consent from the previous sentence should be given in a written form if the client whose financial instruments are used is non-professional.

(3) BenchMark Finance is not entitled to conclude transactions for financing securities with financial instruments of client held in a joint client account at a third party or to use such financial instruments for its own or another client's account in any other way. The prohibition in the first sentence is not applied if the requirements from Par.2 are complied with as well as at least one from the following conditions:

1. All clients whose financial instruments are stored together in the joint account, have given express consent in accordance with Par.2;
2. The investment intermediary has established procedures guarantying that only financial instruments of clients who have given prior consent for this under Par.2 are used as well as control mechanisms to comply with this requirement.

(4) In the cases under Par.3, the kept reporting information for the client for whose order the financial instruments are used, also includes the number of the used financial instruments of each client with view to the correct distribution of eventual losses.

Article 75 (1) BenchMark Finance who holds financial instruments and cash of clients keeps reporting and keeps accounts for the held client assets in a way that allows him to differentiate the assets held for one client from the assets of the other clients of the investment intermediary and its own assets.

(2) Reporting and accounts under Par.1 are maintained in a way that ensure their precision and compliance with the financial instruments and cash held for the clients.

(3) BenchMark Finance aligns the reporting and accounts from Par.1, held by it with those held by third parties where the client assets are stored.

Article 76 (1) BenchMark Finance informs its non-professional clients from which third party and where they can store the provided by the intermediary cash and/or financial instruments. The notification from sentence one also includes the indication of the responsibility of the investment intermediary under the

national legislation for every action or non-action of the party that holds the client cash and/or financial instruments and the consequences of the client from the insolvency of this party.

(2) BenchMark Finance informs its non-professional clients for the possibility his financial instruments to be stored in a joint account when the national legislation gives such opportunity. The investment intermediary informs its non-professional clients for the cases when the national legislation does not allow the financial instruments of the client held by third parties to be separated from the financial instruments of this third party or the investment intermediary. The notifications should contain express indication of the risks for the client stemming from the circumstances mentioned in the previous sentences.

(3) BenchMark Finance informs the client when the accounts that contain his cash and financial instruments are subject to or will be subject to framework from the law of a country that is not a member. The notification should indicate that the rights of the client related not he financial instruments or cash can vary due to the applicability of the law of a third country.

(4) BenchMark Finance informs the client for:

1. The right to collateral or lien on the client cash or financial instruments for the investment intermediary and the conditions at which such rights arise or can arise;
2. The right to set off the client cash or financial instruments for the investment intermediary and for the conditions at which this right arises or can arise;
3. The existence and conditions at which the investment intermediary have or can have the right to set off the client financial instruments or cash, when this is applicable.
4. The possibility of the depository institution to have a right of compensation, lien or set off on the client financial instruments or cash, when this is applicable.

(5) Before concluding a transaction for financing securities subject of financial instruments, held in the account of a non-professional client, or before using these financial instruments for own or another client's account, the investment intermediary provides the non-professional client on a durable medium under Art.84, Par.1 within a reasonable period of time before using the financial instruments, clear, full and accurate information for the obligations and responsibilities of the intermediary with regard to the use of financial instruments, including the conditions for their return and the risks related to this.

(6) The investment intermediary provides the information under this paragraph in a suitable period before performing a relevant investment or additional service for non-professional client, and for a professional client – the information under Par.3 and 4 applies. The information is provided in compliance with Art.84.

Article 77 (1) When BenchMark Finance holds cash or financial instruments of a client, he provides him on a durable medium under Art.84 at least once in a year with a statement containing the information under Art.49, Par.1 and 2 from Regulation No:38, unless the content of this statement is not reflected in another periodical statement.

(2) BenchMark Finance who holds financial instruments or cash of clients and provides the portfolio management service can include the statement under Par.1 in the content of the statement under Art.70, Par.1.

Article 78 BenchMark Finance informs it client on a durable medium under Art.84 when an obligation under Art.145 from the Law on Public Offering of Securities occurs, latest until the end of the first working day, following the day when with regard to the financial instruments hold by the investment intermediary, a circumstance under Art.145, Par.1 has occurred from the same law as a result of concluded by the investment intermediary transactions with financial instruments at the expense of the client, including at portfolio management.

Article 79 (1) The assets of the non-professional clients that BenchMark Finance holds, administrates or manages at their expense are guaranteed on the Compensation Fund of the investors against impossibility of the investment intermediary to return the assets due to reasons directly related to his financial condition, in the following cases:

1. With regard to the investment intermediary, bankruptcy proceedings are open;

2. The Financial Supervision Commission has revoked the licence of the investment intermediary on constant worsened financial condition basis and impossibility of the investment intermediary to fulfil its obligations.
- (2) BenchMark Finance is obliged to make annual payments to the Fund for an amount determined by the administrative board of the fund.
- (3) The client is entitled to compensation equal to 90% of the taking value, determined in the date of occurrence of the circumstance under Par.1, but not more than BGN 40.000. For indicated in Art.77d, Par.2 from the Law on Public Offering of Securities, clients including the professional clients and clients categorised as eligible counterparties, compensation is not repaid. Compensation is not repaid also to clients who have contributed to or benefited from the worsened financial condition of the investment intermediary, or their takings have occurred or are related to actions that can be defined as "money laundering".
- (4) Non-payment of the owed instalments by investment intermediary's side does not deprive the beneficiary clients of compensation.
- (5) At concluding the contract under Art.15, the investment intermediary notifies the client via the General Terms and Conditions for the existing system for compensation of investors in financial instruments, including their scope and the guaranteed amount of the client assets by providing him with data for the conditions and order of compensating the client assets from the Compensation Fund of the investors.
- (6) At request, the investment intermediary also provides additional information under the scope of Par.5.

VI. Activity of the registration agent

Article 80 (1) BenchMark Finance performs activity of the registration agent on the basis of written agreement with the client, when submits in the relevant depository institutions data and registration documents of:

1. Transactions with financial instruments, concluded directly between the parties in advance;
 2. Transfer of financial instruments in book-entry form at donation or succession;
 3. Change in the details of the owners of financial instruments in book-entry form, correction of mistaken details, issuing duplicates of certifying documents and other actions predicted in the regulations of the relevant depository institution.
- (2) In the cases under Par.1, the parties and their representatives respectively, sign the relevant documents in the presence of an individual under Art.17, Par.1 after their identity has been checked.
 - (3) (Amended with a decision by Board of directors from 08.02.2012) Copy of the identity document of the individuals and their representatives respectively, certified by them and by the individual under Art.17, Par.1, that concludes the contract for the investment intermediary under Art.16, Par.5 in the cases under Par.1, P.1 – declaration by transaction's parties and their representatives, that they do not and have not done professionally transactions with financial instruments one year before concluding the contract and a declaration under Art.42, Par.1, remain in the archive of BenchMark Finance.
 - (4) The transferor and the transferee of the financial instruments can be represented in front of the investment intermediary who complete activity of registration agent by individuals expressly authorised with a notarised authorisation at complying with the requirements under Art.16, Par.5.
 - (5) BenchMark Finance refuses to conclude a contract under Par.1 on the basis of Art.58 from Regulation No:38.
 - (6) At the request of the seller and at the agreement of the buyer at sale of financial instruments in book-entry form under Par.1, P.1, the amount representing the sell price of the transaction is deposited at the investment intermediary – registration agent until the register of the transaction in the Central Depository. The investment intermediary informs the parties of the transaction for this possibility.
 - (7) (New with a decision taken by Board of directors on 08.02.2012) BenchMark Finance gives information about the transactions under Art.81, Par.1. P.1 under the order of notifying for transactions concluded by him, predicted in Regulation 1287/2006/EN.

VII. Remuneration. Expenses of the client out of the remuneration

Article 81 (1) BenchMark Finance is entitled to receive remuneration from the provided service and to receive the expenses made with regard to the execution in type, amount, term and way, determined in the agreement. BenchMark Finance declares in the Tariff its standard commission remuneration in the contracts with clients as well as the type and amount of the expenses of the clients, if they are not included in the remuneration.

(2) BenchMark Finance is not entitled to determine or collect commissions in ways that distinguishes the various execution venues unduly.

(3) Amendments and additions in the Tariff have effect for the client at following the requirements under Art.26, Par.2 from the present General Terms and Conditions.

(4) The client is obliged to pay the investment intermediary remuneration for every provided service in accordance with the Tariff under Par.1 in way and order agreed in the given contract between the parties and respectively by placing an order based on it. If the remuneration or expenses under the contract deviate from the announced Tariff, the agreement in the contract is applied.

(5) When BenchMark Finance is obliged to take responsibility for the execution of the obligation of a third party in a contract concluded at the expense of a client, then BenchMark Finance is entitled to additional remuneration, agreed in a written form among the parties.

(6) BenchMark Finance is entitled to additional remuneration that is agreed in a written form, for the collected by him client's amounts.

(7) In case of intermediation, the investment intermediary is entitled to receive remuneration by the both parties in the transaction.

(8) The expenses of the client that are not included in the remuneration of the investment intermediary in accordance with the Tariff under Par.1, are determined with the certain contract and respectively by placing orders on its basis.

(9) At objective impossibility to execute a separate order, and another service respectively – subject of the contract under Par.15, the client holds the made by the investment intermediary expenses and remuneration, and the completed work respectively.

(10) At repayment of the owed remuneration and made expenses, BenchMark Finance is entitled to hold in its benefit the expenses and remunerations due by the client. BenchMark Finance is entitled to impute the owed by the client payments from the stored at the expense of the latter cash, based on a few separate contracts.

(11) If the client of the intermediary has outstanding liabilities to BenchMark Finance, the intermediary takes the relevant actions to inform the client in an appropriate manner, in accordance with the established with him relationships, about the size of the owed payment and the deadline of payment. On condition that the client does not pay within the deadline, the intermediary is entitled to terminate the contract unilaterally and/or seek its rights in a legal way as after passing the certain deadline, the client owes the intermediary the size of the legal interest for every day that the payment is delayed.

(12) If the client has a negative balance as a result of charged remuneration and expenses with regard to transactions with financial instruments or provided investment services, the investment intermediary is entitled to terminate the agreement unilaterally, after imputing the owed amounts.

VIII. Information exchange between the parties

Article 82 (1) (Amended with a decision by Board of directors from 14.04.2016) In its relationships with clients, BenchMark Finance regards Bulgarian, English, Spanish and other languages indicated on the intermediary's website as languages for correspondence, provision of documents, notifications as well as any other type of information exchange. One or more languages, in which information exchange among parties can be realized, can be set in certain contracts.

(2) At lack of special requirements in a legal act, these general terms and conditions or the contract concluded between the parties, the latter can exchange information in written or oral form. The communication is realized personally (in the offices of the investment intermediary), by phone or fax, via letters in the correspondence addresses established between the parties, via electronic documents signed with an electronic signature, via e-mail, or in any other way of communication established in the contract. The investment intermediary stores the received and sent in written form information as well as records of

the conducted phone conversations and the electronic correspondence between the parties with regard to execution of the contract.

(3) When in order to execute certain statements there is an established written form, if anything else is not established in accordance with the Law on the Financial Instruments Market and the acts for its application, this established written form is considered abode with regard to the sent and received by fax or e-mail statements as well as statements in the form of electronic document signed with an electronic signature, at following the requirements under the Law on electronic document and electronic signature if the following of the other requirements established in the Law on the Financial Instruments Market and the acts for its application, is ensured.

Article 83 (Amended with a decision by Board of directors from 14.04.2016 and from 30.05.2016) (1) At the execution of the obligation of BenchMark Finance to provide information on a durable medium, as stated in these General Terms and Conditions and the applicable legislation, the information should be provided in paper or in another way for which the following requirements are applicable:

1. The provision of the information in this way is suitable with view to the existing or upcoming relationships with the client;
2. The client has expressly preferred this way of information provision instead of its provision on a paper medium;

(2) When it is predicted for certain information to be provided to the client on a durable medium, the requirement is considered abode, when the information is addressed personally to the client and is provided in a way allowing subsequent familiarisation with it for an adequate period of time for the purpose of providing information and allowing the reproduction of the stored information without changes.

(3) (Amended with a decision by Board of directors from 12.10.2016) The client agrees expressly that BenchMark Finance can provide him with information via its website www.benchmark.bg in Bulgarian, www.benchmarkfx.co.uk in English and www.benchmarkfx.es in Spanish and each page in another language, if stated in the contract with the customer as the site of BenchMark Finance. When the information is provided to clients via the website of the intermediary and is not addressed to a certain client, it should meet the following criteria:

1. The provision of the information in such a way is suitable with view to the existing or upcoming relationships with the client.
2. The client has expressly agreed with this way of information provision. In cases when the client has provided his e-mail for communication with the intermediary, it is accepted that he has regular access to internet and has agreed that the owed information is provided to him via electronic means, including the website of the intermediary;
3. The client is informed by electronic means about the website of the intermediary and the location of the information on this website;
4. The information is updated;
5. The information is accessible constantly on the website of the intermediary for the time usually needed for the clients to get acquainted with it.

(4) (Amended with a decision by Board of directors from 08.02.2012).The provision of information via electronic means of communication is considered appropriate with view to the existing or upcoming relationships with the client if there is data that the client has regular access to internet. It is considered that the client has regular access to internet if he provides e-mail for the needs of the established relationships with the investment intermediary. The clients of BenchMark Finance JSC declare that they agree to receive unwanted commercial messages under the Law of electronic trading of BenchMark Finance and/or the individuals related to it.

(5) BenchMark Finance via online publication, informs the client for every significant change in the documents provided to the client as well as for each essential changes of the circumstances under Art.9, 10 and 32 from Regulation No:38 that have relations to the offered investment services.

(6) With view to the existing or upcoming relationships with the client that will be maintained via internet and unless else is agreed, the client declares by signing the contract (if else is not indicated in the contract) that:

1. Prefers messages and scanned documents sent to the e-mail address provided by him, to be used as a durable medium.
2. Prefers the provision of information by BenchMark Finance to occur via the website or electronic trading platforms; and
3. Is informed via electronic means for the address of the website and the location of the page where the relevant information is located.

IX. Dispute Settlement

Article 84 (1) (Amended with a decision by Board of directors from 08.02.2012). The disputes that have arisen between the parties, related to the interpretation and execution of the present general terms and conditions and the certain contract, are settled by mutual agreement. If such is not achieved, the dispute is taken for settlement by the competent court or to arbitration, chosen by the parties. By signing the relevant contract, the client gives his consent and accepts the information under Art.35 from the Law on the Financial Instruments Market to be revealed to the competent court or arbitrage bodies in order to settle the disputes between the parties.

(2) A complaint filed by the client is reviewed by the investment intermediary in accordance with the Rules for internal organisation of BenchMark Finance. The investment intermediary sends the client written response within 10 working days from the filing of the complaint and within 3 working days when it is reviewed at a meeting of B of D.

(3) (New with a decision by Board of directors on 14.04.2016).The disputes between the parties with regard to the application of EMIR are settled in the order predicted in EMIR.

X. Outstanding issues

Article 85 (1) Other conditions and deadlines, not indicated in these general terms and conditions as well as the remuneration of the investment intermediary and the expenses of the client, not included in the remuneration are determined with the contract under Art.15 when they are not determined in accordance with the tariff.

(2) For the outstanding issues in the present general terms and conditions and the contract with the client under Art.15, Par.1, the existing Bulgarian legislation.

Final Provisions

§ 1 (Amended with a decision by Board of directors from 14.04.2016) Words, phrases and terms used in these general terms and conditions have the meaning that the Law on the Financial Instruments Market, Regulation No: 38, Regulation 1287/2006 of the European Commission and the Directive 2004/39/EN from 21st of April, 2004 for the markets on the financial instruments assign to them. Within the meaning of the present general terms and conditions, the following words and phrases have the following meaning:

1. "OCO" – "One cancels the other" type of order, where at the same time are placed either two limit orders for purchase or two limit orders for sale at different prices. One of them is above and the other is below current market price. If one of these orders is executed, the other is cancelled automatically.
2. API – Application programming interface is software provided by computer system allowing its connection and interaction with other computer systems. API is set of software functions allowing automatic placement of commands to the trading platforms and can allow connection with other software systems.
3. Script – a programme (series of instructions) which is interpreted and executed by another programme. It is not compiled in advance in order to be executed from the processor.
4. LEI – Legal Entity Identifier for the needs of EMIR is unique identification code by which the parties of the transactions with derivatives and central counterparties should report the data with every concluded with them contract for derivatives in front of Transactions Register. LEI is issued by the organizations or Local Operating Units, belonging to the LEI/GEI system, that are approved to issue LEI from ESMA. Their list can be found on the website of the LIEROC - <http://www.lieroc.org>
5. EMIR – Regulation (EU) No: 648/2012 from the European Parliament and the Board of OTC derivatives, central counterparties and the transactions registers. At the use of the name EMIR, it

is referred not only to the Regulation (EU) No: 648/2012, but also all other related to it regulations and legislative acts of the European commission, Board, European Parliament and ESMA.

§ 2. The general terms and conditions are produced in accordance with the requirements of the Law on the Financial Instruments Market and Regulation No:38 for the requirements of the activity of the investment intermediaries.

§ 3 The general terms and conditions are accepted on a meeting of Board of directors of BenchMark Finance JSC, conducted on 26.01.2009 and complemented with the execution of recommendations given by the Financial Supervision Commission with a decision of Board of Directors from a meeting conducted on 20.01.2011, complemented with decision by Board of directors on 08.02.2012, amended and complemented with a decision by Board of directors on 02.12.2013, amended and complemented with a decision by Board of directors on 08.01.2014 and 26.02.2014, amended with a decision by Board of directors on 14.04.2016 and 30.05.2016, amended with a decision by Board of directors on 12.10.2016.

§ 4 (Amended with a decision by Board of directors from 14.04.2016) For all changes in these General Terms and Conditions and the Tariff, BenchMark Finance notifies the clients on its offices and website: www.benchmark.bg in Bulgarian, www.benchmarkfx.es in Spanish, www.benchmarkfx.co.uk in English and each page in another language, if specified in the contract with the customer as the site of BenchMark Finance.

.....
Lyubomir Boyadzhiev
Executive Director

.....
Veselin Genchev
Executive Director

RULES FOR CATEGORISATION OF CLIENTS OF INVESTMENT INTERMEDIARY "BENCHMARK FINANCE" JSC

FRAMEWORK

Scope

Article 1 The present rules settle the conditions and order for execution of client categorisation of investment intermediary "BenchMark Finance" JSC (named hereinafter "the investment intermediary") with regard to the provided by the investment intermediary investment and additional services of its clients.

The idea of client categorisation

Article 2 (1) The client categorisation represents defining the clients as non-professional, professional and eligible counterparties.

(2) The categorisation under Par.1 is done on the basis of the provided by the clients information and in accordance with the criteria and at complying with the procedures established in these rules in accordance with the Law on the Financial Instruments Market.

(3) The categorisation within the meaning of these rules, include the initial categorisation of the clients and their re-categorisation.

CLIENT CATEGORIES ELIGIBLE COUNTERPARTY

The idea of Eligible counterparty

Article 3 (1) Within the meaning of these rules, an Eligible counterparty is an individual from a member country which is:

1. Investment intermediary;
2. Credit institution;
3. Insurance company;
4. Collective Investment Scheme;
5. Management company;
6. Pension Fund;
7. State Pension company;
8. Another financial institution;
9. Individual whose main activity is trading at its own expense with goods and/or derivative financial instruments on goods;
10. Legal entity that provides investment services and/or executes financial activities that are expressed only in trading at own expense on the financial futures markets or options or other derivative financial instruments markets or that trades at the expense of other participants on these markets or defines prices for them and that is guaranteed from clearing members of the same markets when the responsibility for the execution of contracts, concluded by such an individual is taken by clearing members of the same markets.
11. Government of a country;
12. State body who governs state debt;
13. Central bank;
14. International institution

(2) Eligible counterparty is also an individual under P.1-14 of Par.1 from a third country which has expressly requested to be treated as an eligible counterparty.

(3) The clients under Par.1 and 2 are categorised as Eligible counterparty with view the following services and activities executed by the investment intermediary with such clients:

1. Accepting and transferring orders to such clients with regard to financial instruments, including mediation for concluding transactions with financial instruments for such clients;
2. Executing order at the expense of such clients;
3. Concluding transactions with such clients at own expense by the investment intermediary;
4. Additional services, directly related to a service or activity under P.1-3, executed for such clients.

(4) Clients under Par. 1 and 2 can be treated not as Eligible counterparties with regard to services and activities under Par.3, when they are re-categorised at the conditions and order of Art.14 or 15.

(5) For services and activities different from the indicated in Par.3, the clients defined as Eligible counterparties with view to the services and activities of Par.3 are considered non-professional clients, except for the cases under Art.14, Par.4 and Art.15.

(6) With regard to liabilities of the investment intermediary at executing services and activities under Par.3 for clients categorised as Eligible counterparties, where an exception is not predicted in accordance with Art.4, these clients are considered professional clients.

Level of protection

Article 4 (1) At providing services under Art.3, Par.3 for clients who with regard to these services are defined as Eligible counterparties, the investment intermediary is not obliged to meet the following requirements:

1. The requirements related to sufficiency of the information for the provided service;

2. Requirements for provision of information by the client for his knowledge and experience with regard provided by the investment intermediary services as well as the obligation of the investment intermediary to decide whether the provided services are appropriate for the client;
3. The requirements for executing orders in the best interest of the client, in accordance with the applied by the investment intermediary policy for executing orders as well as the obligations related to this to notify for the applied policy, proof of execution with regard to the policy and etc.;
4. The requirement for immediate, fair and accurate execution of clients' orders by meeting the sequence of acceptance of the identical orders.

(2) The exceptions in the previous paragraph are not applied in the cases of re-categorisation of clients under Art.3, Par.1 and 2 with regard to the transactions, activities, services and financial instruments for which this re-categorisation is done in accordance with Art.14 and Art.15.

PROFESSIONAL CLIENTS

The idea of professional client

Article 5 (1) Within the meaning of these rules, a professional client is a client who possesses experience, knowledge and skills to take investment decisions independently and to assess risks related to the investment correctly and who meet the following criteria:

(2) Professional clients are:

1. Individuals for whom a permission to execute an activity on financial markets is required or whose activity on these markets is regulated in another way by the national legislation of a member country, regardless of whether it is complied with Directive 2004/39/EN of the European parliament and the Assembly as well as individuals who has received permission to execute these orders, or in any other way, regulated by the legislation of a third country as follows:

- a) credit institutions;
- b) investment intermediaries;
- c) other institutions, subject to licensing or are regulated in another way;
- d) insurance companies;
- e) companies for collective investment and their managing companies;
- f) pension funds and state pension companies;
- g) individuals who trade professionally for own account with goods or derivative financial instruments on goods;
- h) legal entities who provide investment services and perform investment activities that are expressed solely in trading for own account on financial futures markets or options or other derivative financial instruments on the money market aiming solely to hedge positions of the derivative financial instrument markets, or who trade at the expense of other participants on these markets, or determine prices for them and who are guaranteed from clearing members of the same markets when the responsibility for execution of contracts concluded by such parties is taken by clearing members of the same markets;
- i) other institutional investors.

2. Big companies that meet at least two of the following criteria:

- a) balance sheet – minimum equivalent in leva of 20 000 000 EUR
- b) net turnover – minimum equivalent in leva of 40 000 000 EUR
- c) own funds – minimum equivalent in leva of 2 000 000 EUR

3. National and regional bodies of the governmental authority, state bodies that participate in the management of state debt, central banks, international and supranational institutions such as the World Bank, International currency fund, European central bank, European investment bank and other similar international organizations.

4. Other institutional investors whose main activity is investing in financial instruments, including individuals who execute securitisation of assets or other financial transactions.

(3) The clients under Par.2 are considered professional with regard to all transactions, investment services and investment activities and financial instruments, except for the cases under Art.13 and Art.15 from these rules.

(4) The clients under Art.3, Par. 1 and 2 are considered professional with regard to the services under Art.3, Par.3 when they are re-categorised as such in accordance with Art.14 or Art.15.

(5) Clients who are re-categorised as such are considered professional by the investment intermediary.

Level of protection

Article 6 (1) At providing services to professional clients, the investment intermediary ensures a lower level of protection with regard to the applied protection to the non-professional clients, including:

1. The professional client is provided with limited volume of information with regard to conclusion of contract;
2. The professional client is provided with limited volume of information with regard to the provided services, including about the policy for order execution, expenses and commissions and the way of storing client assets;
3. At evaluating a suitable service with regard to investment consultation or portfolio management for the professional client, the investment intermediary can accept that with regard to the products, transactions and services for which he is defined as professional client, he possesses the relevant experience and knowledge;
4. At evaluating a suitable service with regard to investment consultation for a professional client under Art.5, Par.2, the investment intermediary can accept that this client has the financial capacity to bear all investment risks compatible with his investment aims;
5. Performing the best execution obligation with regard to the professional client, the total value of the transaction is not determinant.
6. The investment intermediary is not obliged to inform the professional client for the arose objective difficulties, preventing the accurate execution of the orders;
7. At order execution of a professional client, the investment intermediary is obliged to provide him solely with the essential information of the transaction;
8. The investment intermediary provides the periodic reports at portfolio management once in 6 months;
9. The investment intermediary is not obliged to inform the professional client at the expense of whom he manages a portfolio, when there are uncovered open positions under limit orders as well as realization of loss over a certain amount for transactions and transfers depending on future contingent events;
10. The professional client is not subject to compensation by the Investor Compensation Fund.

(2) The exceptions in the previous paragraph are NOT applied in cases of client re-categorisation under Art.5 with regard to the transactions, activities, services and financial instruments for which this re-categorisation is done in accordance with Art.13 or Art.15.

NON-PROFESSIONAL CLIENTS

The idea of non-professional client

Article 7 Within the meaning of these rules, non-professional client is a client who does not meet the requirements for professional client.

Level of protection

Article 8 (1) At providing services to non-professional clients, the investment intermediary ensures him with the highest level of protection.

(2) Exceptions from the previous paragraphs are allowed solely in cases of client re-categorisation under Art.7 with regard to the transactions, activities, services and financial instruments for which this re-categorisation is done in accordance with Art.16.

CLIENT CATEGORISATION PROCEDURE

PROVISION OF INFORMATION

Information provided by Investment Intermediary at contract conclusion

Article 9 (1) Before concluding a contract to provide investment and/or additional services, the investment intermediary notifies its clients for the conditions and criteria at which they are being classified as professional or non-professional as well as for the circumstances at which they can be classified as eligible counterparty.

(2) The investment intermediary notifies its clients for their right to request to be defined in a different way and for the changes in their protection at defining them in a different way, including:

1. informs clients that at classifying them as non-professional clients, they have the right to ask to be re-categorised as professional clients with regard to certain services, transactions or financial instruments if the requirements under Art.16 are fulfilled. In addition, at such re-categorisation with regard to services, activities, transactions and financial instruments that the re-categorisation is done, to these clients limited protection will be applied in accordance with Art.6, Par.1;

2. informs clients that at their classification as professional in accordance with Art.5, Par.2, the very same are entitled to be re-categorised as non-professional clients with regard to certain services, transactions and financial instruments where they will benefit from full level of protection in accordance with Art.6, Par.1 with regard to the services, activities, transactions and financial instruments for which the re-categorisation is done;

3. informs clients that at their classification as eligible counterparties in accordance with Art5.3, they are entitled to be treated as such in general or with regard to certain services, transactions or financial instruments. Such clients are treated as professional unless they do not request to be treated as non-professionals. When clients ask to be treated as non-professional, they benefit from full protection in accordance with Art.6, Par.1 with regard to the services, activities, transactions and financial instrument that the re-categorisation is done about.

(3) It is considered that the investment intermediary has provided the owed in accordance with the previous paragraphs information when it has provided the client with opportunity to get familiar with these rules – inseparable part from the General Terms and Conditions of BenchMark Finance at concluding the contract.

Information, provided by the client at contract conclusion

Article 10 (1) At concluding contract, in order to provide the client with information it is required that the client also provides information by filling out a questionnaire – application towards the contract.

(2) On the basis of the provided with regard Par.1 information, the employee of the investment intermediary who concludes the contract with the client, categorises the client or re-categorises the client with regard to the following sections of this chapter.

Article 11 (1) A client, re-categorised to professional from non-professional under Art.16, is obliged to inform the investment intermediary for every change in data that has served as a basis to do the re-categorisation.

(2) If the investment intermediary established on the basis of Par.1 or in any other way at completing an activity at the expense of this client, that he has stopped to respond to the criteria for his classification as professional, the investment intermediary starts to apply to him the rules, ensuring higher level of protection for non-professional clients.

PERFORMING CATEGORISATION

Initial categorisation

Article 12 (1) The initial client categorisation is done on the basis of the information, provided by the clients under P.1 from the questionnaire – application towards the contract.

(2) Clients who have declared the presence of case under Art.5, Par.2 from the Rules and have presented relevant proof of this are classified as professional clients with regard to all investment services, investment activities and financial instruments.

(3) Clients who have declared a presence of case that classifies them as eligible counterparties under Art.3 and have presented the relevant proof of this are classified as such with regard to the services and activities under Art.3, Par.3 as they are considered professional clients for other services and activities.

(4) Clients, for whom in accordance with the information provided by them, there is no circumstance under Art.3 and 5 from the present rules, are categorised as non-professional clients.

Re-categorisation of professional clients at request by them

Article 13 (1) When clients, classified as professional under Art.12, Par.2 decide that they cannot assess correctly and manage the risks related to investing in financial instruments, they send a request to the investment intermediary for a higher level of protection in general or with regard to certain services, transactions or financial instruments.

(2) The higher level of protection is ensured on the basis of a written agreement between the investment intermediary and the client. The certain services, activities, transactions, financial instruments and other financial products, with regard to which higher level of protection will be provided to the client, are indicated in the mentioned contract.

(3) The higher level of protection under Par.2 ensures that the client will not be considered professional for the aims of the applicable regime of the activity of the investment intermediary. By signing the agreement under Par.2, the client is provided with the "non-professional client" statute.

Re-categorisation of clients – eligible counterparties at request by them

Article 14 (1) Clients classified as eligible counterparties under Art.12, Par.3, can ask not to be treated as such in general or with regard to certain services, transactions or financial instruments.

(2) The re-categorisation is done on the basis of a written agreement where the certain services, activities, transactions, financial instruments and other financial products, with regard to which higher level of protection will be provided to the client, are expressly indicated.

(3) The client under Par.1 re-categorised in accordance with Par.2, is treated as professional, unless he does not request to be treated as non-professional.

Re-categorisation of professional clients and eligible counterparties at the initiative of the investment intermediary

Article 15 Change in the categorisation in accordance with Art.13 and 14, unless the client requests the contrary, can be also done at the initiative of the investment intermediary.

Re-categorisation of non-professional clients

Article 16 (1) Clients classified as non-professional clients in accordance with Art.12, Par.4 can ask to be re-categorised as professional clients in general or with regard to certain services, transactions and financial instruments.

(2) Clients under Par.1 can be re-categorised as professional clients at the presence of at least two of the following criteria:

1. within the last one year, the individual has concluded 10 transactions on average for every three months, with significant volume on a relevant market;
2. the value of the investment portfolio of the individual that includes financial instruments and cash deposits is more than the equivalent in leva of 500 000 EUR.
3. the individual works or has worked in the financial sector not less than one year on a position that requires knowledge related to the relevant transactions or services.

(3) The clients under Par.1 send a written request to them investment intermediary in order to be treated as professional clients in general or with regard to certain investment services or transactions or with certain type of transactions or investment product in which the presence of at least two of the criteria

under Art.2 are declared and present proof of this. The client also provides additional information for his experience, skills and knowledge, defined in Application 2 towards the contract with clients.

(4) The investment intermediary takes the relevant actions to make sure that the client meets the requirements under Par.2 by making relevant checks of the provided information in the data base to which he has an access, requesting statements from third parties and verifying the provided by the client documents.

(5) The investment intermediary assess the submitted request under Par.2 and the provided with regard to it information and proof in terms of:

1. meeting the requirements indicated in Par.2;

2. the presence of the possibility for the client to take individual investment decisions and to access the risks related to them as per the nature of the transactions and services that the client intends to use or conclude based on the evaluation of the investment intermediary for the experience, skills and knowledge of the client.

(6) At making a reasonable estimate that the circumstances under Par.5 are present, the investment intermediary warns the client in a written form that he will not benefit from the relevant protection at the provision of services and performance of activities by the investment intermediary, nor from the right to be compensated from the Investor Compensation Fund in financial instruments and that he will be applied limited protection in accordance with Art.6, Par.1 as the client declares that he is informed for these circumstances.

(7) The investment intermediary re-categorises the client under Par.1 as professional client if the conditions from the previous paragraphs are present and the procedure is followed.

Making re-categorisation and recovery of the initial categorisation

Article 17 (1) The client can request re-categorisation at contract conclusion or subsequently every time from its execution.

(2) The re-categorisation request at contract conclusion is done by filling the relevant part of the questionnaire – application towards the contract.

(3) Subsequent re-categorisation request is made in written form by following the requirements for provision of information and documents, established in the legal acts.

(4) Client, re-categorised in accordance with these rules can request to recover his initial categorisation at any time.

FINAL PROVISIONS

§ 1 Words, phrases and terms used in these rules have the importance that the Law on the Financial Instruments Market, Regulation No: 38 and Regulation 1287/2006 of the European Commission attach to them.

§ 2 Rules are devised in accordance with the requirements of the Law on the Financial Instruments Market and Regulation No:38 for the requirements of the activity of the investment intermediaries.

§ 3 The rules are accepted on a meeting by Board of Directors of "BenchMark Finance" JSC, conducted on 02.12.2013.

§ 4 The rules are provided for familiarisation and execution to the members of Board of Directors, employees and other individuals working under a contract with the investment intermediary at taking up of duties or commencing an activity for the investment intermediary.

§ 5 Rules are provided to the clients of the investment intermediary before concluding a contract with them.

1 This document is a translation of the Bulgarian original. The Bulgarian version shall be the sole authentic version and, in the event of discrepancies, shall prevail

**POLICY FOR
CLIENT ORDERS EXECUTION FOR TRADING IN FINANCIAL INSTRUMENTS**

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I. FRAMEWORK

Article 1. The present Policy determines the rules and procedures which **BenchMark Finance** and the individuals who work under a contract for it follow, in order to ensure the best client order execution, in the best interest of **the Client** in accordance with the provisions of Law on The Financial Instruments Market and Regulation No: 38 for the requirements of the investment intermediaries' performance (Regulation No:38).

Article 2. With regard to the investment services and activities performed at the expense of the **Clients**, the implementation of the present policy guarantees that **BenchMark Finance** will act fairly, equitably and professionally in accordance with the best interests of its **Clients** and following good commercial practice.

II. CLIENTS

Article 3 **The Client** of **BenchMark Finance** is an individual or a legal entity which benefits from the investment and/or other additional services provided by **BenchMark Finance**.

Article 4 **BenchMark Finance** classifies its **Clients** as professionals, non-professionals and eligible counterparties in accordance with the Client Categorisation Rules, reflected in the *Terms and Conditions for Trading in Financial Instruments* of **BenchMark Finance**.

Article 5 **The Client** who has enough experience, knowledge and skills to individually take an investment decision and evaluate the risks related to investments correctly, and who fulfils the criteria in accordance with the Client Categorisation Rules reflected in the *Terms and Conditions for Trading in Financial Instruments* of **BenchMark Finance**, is considered professional.

Article 6 **The Clients** who do not satisfy the requirements from the previous article are considered non-professional.

Article 7 What **BenchMark Finance** considers an eligible counterparty is the following:

an investment intermediary, credit institution, insurance company, collective investment scheme, management company, pension fund, pension insurance company, other financial institutions, individuals under Article 4, Paragraph 1, Subparagraphs 11 and 12 from the *Law on the Financial Instruments Market*, state governments, governmental authorities who manage government debt, central banks and international institutions and those that are entities from third countries on condition that they have expressly wanted to be treated as such.

Article 8 All **Clients** of **BenchMark Finance** are treated equally, regardless of their categorisation.

III. SCOPE OF APPLICATION

Article 9 **BenchMark Finance** and the individuals who work for it under an agreement, follow this policy in all cases when client orders are being executed, except when **the Client** is considered an eligible counterparty in accordance with the *Client Categorisation Rules* reflected in the *Terms and Conditions for Trading in Financial Instruments* of **BenchMark Finance** and has not willed to be treated in any other way or has given special instructions with regard to the whole regulation or a part of it, including a requirement to execute the order on a certain place.

Article 10 The policy is applicable with regard to the following investment services:

- Admission and transmission of orders with regard to one or more financial instruments, including intermediation for concluding transactions with financial instruments at the expense of **Clients**.

- Execution of orders at the expense of **a Client**.

Article 11 At specific instructions by **the Client**, **BenchMark Finance** executes the order, following predominantly these instructions. With respect to the factors which determine the best execution in the best interest of **the Client** for which there are no instructions, **BenchMark Finance** makes the relevant judgement. By complying with the instructions, **BenchMark Finance** has done its obligation to act in order to achieve the best result for its **Clients**.

Article 12 **The Client** should take into account that the instructions placed by him, can prevent **BenchMark Finance** from taking the needed actions to achieve the best result when executing orders from **Clients** in accordance with that part of the present policy, to which the instructions apply.

Article 13 If at the discretion of **BenchMark Finance**, the special order deviates significantly from the market situation, then **BenchMark Finance** can execute and implement the present policy by not complying with the instruction if this is in the interest of **the Client**.

Article 14 **BenchMark Finance** executes orders at the expense of **the Client** after **the Client** has given his prior consent for following the present policy.

IV. FINANCIAL INSTRUMENTS

Article 15 **BenchMark Finance** accepts, transmits and executes orders for the following types of financial instruments: securities; money market instruments; shares of collective investment enterprises; derivatives; bonds; debt securities; rights; currency; metals and etc.

Article 16 Securities are financial instruments that can be in book-entry or paper form.

Article 17 Book-entry form securities are transferable rights traded on capital market and are registered in account in the Central Depository or in foreign institutions, performing depository activities.

Article 18 Paper form securities are documents, materialising transferable right traded on the capital market.

Article 19 Rights are securities conferring the right to subscribe certain number of shares with regard to a decision taken, to increase the capital of a public company.

Article 20 Securities can be:

- Shares of companies;
- Securities of legal entities, equal to shares in capital companies, unincorporated enterprises and other legal entities.
- Depository receipts;
- Bonds;
- Other debt securities;
- Depository receipts for debt securities;
- Other securities conferring the right to obtain or sell some of the listed securities or lead to cash payment determined through securities, exchange rates, interest rates or profitability, goods or other indices or indicators.

Article 21 Public securities are transferable rights, registered in Bulgarian National Bank accounts or in sub-depository of public securities or in foreign institutions performing depository activities.

Article 22 Instruments on the money market are those which are usually traded on the money market as: short-term public securities (treasury bills); certificates of deposit, commercial securities.

Article 23 Shares of collective investment enterprises are financial instruments issued by collective investment schemes (CIS) such as contractual funds and investment companies which express the rights of their owners on the assets of CIS.

Article 24 Derivatives are derivative contracts on securities, currencies, interest rates, income, goods, climate change, cargo tariffs, price of quotes for trading with emissions, official economics statistic indicators, other instruments the bonds of which can be via cash payment or delivery.

Article 25 The derivatives with which **BenchMark Finance** concludes transactions are: options, futures, swaps, forward contracts, contract for difference, derivative financial instruments for the transfer of credit risk.

Article 26 Option is a derivative that expresses the right to buy/sell certain number of financial instruments until a certain deadline, under a price fixed in advance.

Article 27 Futures is a derivative which expresses the right and the obligation to buy/sell certain number of financial instruments on a certain day, under a price fixed in advance.

Article 28 Swap is an agreement between counterparties of financial markets, which is expressed in cash flow exchange, based on specific absolute value for an agreed period of time.

Article 29 Forward contracts are contracts for future delivery of certain financial instruments or goods on a certain date and under a certain price or profitability.

Article 30 Contract for difference is a derivative expressing the right to receive/the obligation to pay the difference between the market value of certain number of financial instruments and the price fixed in the contract in advance.

Article 31 Payment instruments are neither considered securities nor instruments on the money market.

V. FACTORS OF CLIENT ORDER EXECUTION

Article 32 In order to achieve the best possible execution of client orders, **BenchMark Finance** estimates the relative importance of the following factors:

- Price;
- Expenses;
- Volume;
- Likelihood of execution;
- Speed of execution;
- Provided settlement;
- Type and nature of the order;
- Other factors related to order's execution;

Article 33 By "price" it is referred to the price which **the Client** will receive or pay at the execution of his order as an important factor of satisfying the criteria for the best possible execution. The price of the financial instruments is determined by the "buy" and "sell" offers and is affected by the process of price forming on a certain execution venue.

Article 34 In cases when **BenchMark Finance** acts as a market-maker, the prices are formed by it.

Article 35 "Expenses" are the expenses related to the execution. They include all expenses directly related to the order execution, including execution venue fees, clearing and settlement fees as well as other fees and remunerations payable to third parties. Usually the expenses are laying down for the choice of execution venue of client orders.

Article 36 BenchMark Finance is not entitled to determine and collect commission in a way that unfairly distinguishes the execution venues.

Article 37 Volume: The volume (number) of the financial instruments of the client order is usually directly relevant to the price of financial instruments and the expenses of the transaction.

Article 38 By "likelihood of execution", it is referred to the likelihood of an order placed by **the Client** to be executed on a certain execution venue.

Article 39 By "speed of execution", it is referred to the interval of time from the time of submitting the order to the confirmation of completeness by the execution venue. **Benchmark Finance** makes reasonable efforts to execute each order at the earliest opportunity.

Article 40 Provided settlement: settlement completion timing, without delay, can be an important factor especially about orders with large volume. For this reason, this factor can receive relative weight at meeting the criteria for the best possible execution.

Article 41 The type and nature of the order, as features of the client order can affect significantly the choice of execution venue, in order to achieve optimal price and speed.

Article 42 By "other factors" it is referred to the eventual future expenses for financial instruments storage, subject to the certain order, tax liabilities and etc. **BenchMark Finance** estimates the relevance of these factors only to the extent at which he has been familiar with them at the execution time.

VI. IMPORTANCE OF FACTORS

Article 43 The relevant importance of the execution factors is determined by the following criteria:

- The characteristics of **the Client** inclusive of whether he is considered professional or non-professional **Client**;
- The characteristics of the client order where depending on its features (e. Specific instructions by **the Client**), different factors can have different relative weighting;
- The characteristics of financial instruments, subject of order;
- The characteristics of execution venues towards which the order can be directed for execution.

Article 44 At execution of orders placed by non-professional **Clients**, the best order execution is determined by the total value of the transaction, including the price of financial instruments and expenses related to the execution. However, when there are more than one competitive execution venues with regard to financial instruments and when exercising discretion and comparing results that can be achieved at executing the order from any execution venue indicated in the present Policy and those that are suitable for its execution, the commission of **BenchMark Finance** and execution expenses of each possible execution venue are taken into account.

Article 45 At the execution of orders submitted by professional **Clients**, in most cases the price and expenses will also be laying down for achieving the best result for **the Client**. Despite of this, **BenchMark Finance** will estimate the importance of the factors for each individual case.

VII. EXECUTION VENUES

Article 46 Client orders are executed mainly on a regulated and outside a regulated market.

Article 47 Regulated market is a multilateral system organized and/or managed by a market operator which meets or cooperates for satisfying the buy and sell interests of financial instruments of many third parties in accordance with the regulation in Article 73 from the Law on the Financial Instruments Market.

Article 48 Orders for financial instruments can be executed out of the regulated market inclusive of the cases when **BenchMark Finance** trades at its own expense via buying and selling financial instruments at prices determined by it.

"Bulgarian Stock Exchange-Sofia" JSC

Article 49 Orders for financial instruments admitted to regulated market in the country, are being executed directly by **BenchMark Finance** on markets organized by "Bulgarian Stock Exchange – Sofia" JSC in accordance with the *Rules of Procedure* of "Bulgarian Stock Exchange – Sofia" JSC.

Article 50 Execution expenses of "Bulgarian Stock Exchange – Sofia" JSC are indicated in the Tariff of **BenchMark Finance**.

Foreign Regulated Markets

Article 51 (1) Orders for financial instruments submitted to **BenchMark Finance** via the platforms offered by **BenchMark Finance** on admitted to regulated market abroad, are indirectly executed on the relevant regulated market abroad and **BenchMark Finance** transmits the order for execution to its own partners who directly or via another broker are members of this market.

(2) Financial instruments bought from **the Client** on foreign regulated market via platforms offered by **BenchMark Finance**, are stored in joint accounts in depository institutions towards regulated markets in the sub-account of a third party – partner of **BenchMark Finance**. Depository institutions towards the regulated markets cannot issue documents with regard to the ownership of financial instruments on the behalf of **the Client**, because they are not in his account. In these cases, **BenchMark Finance** can issue work certificate with regard to the owned financial instruments.

Article 52 To execute orders for financial instruments admitted to trading on foreign regulated markets, **BenchMark Finance** partners under the conditions of White Label Partnerships with Saxo Bank in their capacity of foreign broker. Transmission of orders is done via platforms offered by **BenchMark Finance**.

Non-regulated markets

Article 54 When it comes to trading in financial instruments, traded out of exchange, including via platforms offered by **BenchMark Finance**, **BenchMark Finance** executes orders as a counterparty of each transaction and acts as an execution venue for all orders.

Article 55 When it applies to transactions with currency pairs, options and forwards on currency pairs, some contracts for difference and for transactions with other financial instruments, **BenchMark Finance** can in certain situations act as an entity that takes permanently place on the financial markets in order to trade at its own expense via purchase and sale of financial instruments against its own funds, under prices determined by it.

VIII. PRINCIPLES FOR THE BEST EXECUTION

Article 56 Orders related to financial instruments with a Bulgarian issuer that are traded in "Bulgarian Stock Exchange – Sofia" JSC, are executed in Bulgaria.

Article 57 Orders related to financial instruments with a foreign issuer and that are traded in "Bulgarian Stock Exchange – Sofia" JSC are executed in Bulgaria.

Article 58 Orders for financial instruments that are not traded in Bulgaria but on a foreign regulated market are executed abroad on the relevant market. Up-to-date list of the foreign regulated markets where **BenchMark Finance** executes client orders is maintained on the website of the company.

Article 59 For financial instruments the execution of which is possible on one execution venue only, it is considered that **BenchMark Finance** has achieved the best result for **the Client** by executing the order in this venue.

Article 60 If financial instruments are traded on more than one regulated market, the order is executed in the venue where it is possible to achieve the best result.

Article 61 **BenchMark Finance** accepts the price of the instrument and the expenses on order's execution as the main criteria for defining the best result

Article 62 If more than one execution venue would lead to best results, then **BenchMark Finance** will choose one of them complying with its experience and practice.

IX. PLACING AND EXECUTING CLIENT ORDERS

Article 63 **BenchMark Finance** concludes transactions with financial instruments at the expense of **the Client** at the best condition, making efforts to achieve the best possible execution.

Article 64 **BenchMark Finance** concludes transactions with financial instruments at the expense of its **Clients** in compliance with the orders placed by them.

Placing orders

Article 65 **BenchMark Finance** accepts orders for trading in financial instruments that are placed personally by **the Client** or their proxy and in the event of **Clients** – juridical entities, placed by an authorized representative. Orders are placed by filling in a form provided by **BenchMark Finance**. The content of the form complies with the requirements of Regulation No: 38.

Article 66 Placing an order via proxy is done only if they present a notary certified power of attorney containing power of representation for performing arrangements with financial instruments and a declaration from the representative that he does not conclude transactions professionally and that he has not concluded such transactions one year before placing the order, that he does not hold inside information and that the financial instruments – subject of order for sale or exchange, are not blocked in the depository institution, that they are not pledged or a distraint is imposed on them and the transaction does not represent insidious purchase or sale.

Article 67 When placing order, **the Client** is informed about:

- The current policy;
- Financial instruments and the risks related to them;
- Execution venues of the transactions;
- Transaction expenses and fees;

- Where the client assets (financial instruments and cash) can be stored, by whom they can be stored and what the responsibility of that individual is.

Article 68 When **the Client** places an order via the platforms offered by **BenchMark Finance**, for a currency transaction on a net base, for contract for difference or another financial instrument that is not admitted to trading on a regulated market, it is considered that **the Client** is informed for all essential parameters of the transaction.

Article 69 When placing orders in the office of **BenchMark Finance**, they are accepted only by the listed in the register led by Financial Supervision Commission offices, by employees under Article 39, Paragraph 1 from Regulation No: 38.

Article 70 Orders for trading in financial instruments can be placed not only in the offices of **BenchMark Finance** or via electronic trading system, but also via the following means of distance communication: phone or e-mail.

Article 71 Orders are placed via the following means of distance communication only on the phone numbers and e-mail addresses indicated on the websites of **BenchMark Finance**.

Priority to implement accepted orders

Article 72 The priority to implement the accepted orders is under the sequence of their acceptance. In case of a simultaneous placement of an order and by some of the means described in Article 70 (in the office of **BenchMark Finance**, by phone or via e-mail) the following priority is respected:

- Order placed by **a Client** in the offices of **BenchMark Finance**;
- Order received by e-mail;
- Order placed by phone;

Requirements for placing orders by phone

Article 73 (1) **Clients** should bear in mind that when placing orders **by phone**, they are accepted solely by the broker. Employees of "Front office" are not entitled to accept orders by phone.

(2) The broker accepts orders by phone remotely only by a special telephone line that can be recorded.

(3) Before accepting the order, the broker wants **the Client** to legitimate their full name, personal identification number and customer reference number. Consultation for the customer reference number can be done by making a phone call to the "Front office".

4) **The Client** should clearly and visibly indicate:

- The type of order;
- Description of securities;
- Terms and conditions of the order.

(5) After accepting order's parameters, the broker requires **the Client** do declare the circumstances, subject of the declarations under Article 35 from Regulation No: 38, and in particular:

- Whether **the Client** holds inside information for the financial instruments to which the order applies and for their issuer (in cases when the financial instruments, subject of the order, are traded on a regulated market);
- Whether the financial instruments, subject of the order are blocked in the depository institutions and whether they are under pledge or distraint is imposed on them;
- Whether the transaction, subject of the order represents an insidious purchase or sale of financial instruments.

Article 74 **BenchMark Finance** records the phone conversations during an order placement. In such a case, the records of the conversations and the electronic communication between **BenchMark Finance** and its clients will be stored in the archive of **BenchMark Finance** for 5 years. When the orders are placed by another means of distance communication, **BenchMark Finance** is obliged to store the data

provided by the client with regard to the orders, on an electronic medium. Fax messages are stored in paper form.

Requirements for placing orders by e-mail

Article 75 (1) Orders placed **by e-mail** are accepted solely if they are:

- Sent to front_office@benchmark.bg;
- Placed from the e-mail of **the Client** that is indicated on the agreement and reflected in the back-office system.

(2) In the form for distant placing of orders, available on the website of **BenchMark Finance**, **the Client** should indicate:

- The type of order;
- Description of securities;
- Terms and conditions of the order;
- The data, subject of the declarations under Article 35 from Regulation No: 38, stated in Article 73, Paragraph 5 from the present Policy.

Article 76 The following orders cannot be accepted by phone or another means of distance communication:

- Placed by a representative who has not certified in front of **BenchMark Finance** his power of representation;
- Placed by proxy who has not presented prior the notary certified power of attorney, that contains power of representation for the relevant transaction and a declaration that does not and has not in the last one year concluded transactions with securities;
- For the transfer of financial instruments in book-entry form from a personal account under a customer sub-account to **BenchMark Finance** in the Central Depository.

Article 77 **BenchMark Finance** accepts orders from **Clients** via trading platforms that ensure access to **the Client** to a certain execution venue.

Article 78 Platforms used by **BenchMark Finance** are:

- BG Trader, internet based trading platform for electronic submission of orders for purchase and sale of financial instruments, traded on "Bulgarian Stock Exchange – Sofia" JSC;
- Clients order-book online system (COBOS), internet based application for electronic submission of orders for purchase and sale of financial instruments traded on "Bulgarian Stock Exchange – Sofia" JSC;
- Trader, internet based trading platform for electronic submission of orders for purchase and sale of currency, shares, CFD, options, futures, metals and etc.
- MetaTrader, internet based trading platform for electronic submission of orders for purchase and sale of currency, metals and CFD.

Article 79 (1) **Clients** of the platforms offered by **BenchMark Finance** can place orders not only by placing them to the platform, but also remotely by phone.

(2) At every phone call, **the Client** is obliged to identify himself in front of an employee in duty of **BenchMark Finance** with first name and surname, agreement reference number and password for phone trading which is different from the password for using the relevant platform.

(3) After verification of the given information by the employee in duty of **BenchMark Finance**, **the Client** is entitled to place orders for trading in financial instruments.

(4) Orders by phone can solely be placed on the phone numbers indicated in "Contacts" section.

(5) Detailed arrangements of the ways for conducting phone conversations between **the Client** and the dealers of **BenchMark Finance** for orders placed on the platforms offered by **BenchMark Finance**, for trading on international financial markets, are contained in the contracts for trading in financial instruments on international markets, in section "Rules for phone communication".

Types of orders

Article 80 The types of order which **the Client** can place on a regulated market are defined in part IV "Rules for trading" from the *Rules of Procedure* of "Bulgarian Stock Exchange – Sofia" JSC and in the applicable legislation.

Execution of orders

Article 81 (1) Client orders placed for execution to "Bulgarian Stock Exchange – Sofia" JSC are executed in accordance with the applicable legislations, The general terms and conditions for trading in financial instruments of **BenchMark Finance**, the Brokering Services Contract and the current Policy.

(2) The client order is being accepted from the front-office, transferred to an employee from the "Back-office" unit for processing and then the broker submits the order for execution to the trading system. **The Client** should take into account that the procedure from the acceptance of the order to its submission for execution to the trading system requires certain technical time.

Article 82 The Clients introduce their offers to the system for electronic placement of orders of "Bulgarian Stock Exchange – Sofia" JSC under the COBOS contract. After verifying the available cash and securities in the client sub-accounts, the brokers confirm the order of **the Client** for purchase or sale.

Article 83.(1) Client orders placed for execution through the platforms offered by **BenchMark Finance** are executed in accordance with the applicable legislation, General Terms and Conditions for trading in international markets, Contract for international market trading and the current Policy.

(2) Under the Contract for international market trading, **Clients** introduce their purchase or sale orders by themselves to the offered for trading financial instruments via the platforms offered by **BenchMark Finance** except for the cases when the order is placed by phone. The introduced orders of **the Clients** are executed on the market where the declared by them instrument is being traded.

Article 84.Client orders are executed at the earliest possibility at the following conditions:

- Immediate and correct registration and distribution of the orders for execution;
- Immediate execution in the order they were submitted, except for the cases when the characteristics of the order or the prevailing market conditions make this unrealizable or the interests of **the Client** require anything else.

Article 85 BenchMark Finance informs the non-professional **Client** for the objective difficulties that have arose, preventing the correct execution of the orders after learning about them.

Article 86 BenchMark Finance introduces orders for trading in financial instruments at its own expense and in the way and sequence of client orders. In this way **BenchMark Finance** also conducts an effective policy for prevention of interest conflicts with its **Clients**.

Article 87 When two or more orders for purchase or exchange of financial instruments are identical in their parameters and when the verification of financial instruments availability for any of them is delayed for reasons out of **BenchMark Finance**, it will not consider such an order identical with the rest and will execute them in the order of their submission even if these orders are submitted later.

Article 88 In cases when **BenchMark Finance** is committed to organize or follow the settlement of an order executed by it at the expense of **a Client**, he takes the needed actions in order to ensure that all financial instruments or cash received at the time of settlement are immediately and correctly transferred to the accounts of the relevant **Client**.

Article 89 BenchMark Finance shall not misuse information for non-executed client orders and take all needed measures to prevent such misuse from every individual who works with **BenchMark Finance** under a contract.

Article 90 The best execution of an order is achieved when **BenchMark Finance** has made reasonable and possible efforts to establish the best price for **the Client** in accordance with the terms and conditions of the order, amount of expenses, likelihood of execution, and all other circumstances related to the execution of the order.

Article 91 The best execution of an order placed by a non-professional **Client** is determined by the total cost of the transaction, including the price of the financial instrument and the expenses related to the

execution.

Order Pooling

Article 92 BenchMark Finance executes individually client orders and orders for own account.

Article 93 BenchMark Finance executes client order or an order for own account by pooling them with other client orders, solely if the following conditions are complied with:

- Order and transaction pooling will not harm any **Client** whose orders are being pooled.
- **BenchMark Finance** has made it clear to every **Client** whose order is pooled that pooling can be disadvantageous for **the Client** with regard to the given order;
- **BenchMark Finance** applies the principles for separating orders, indicated in the present Policy.

Article 94 In cases when **BenchMark Finance** pools a client order with one or more other client orders and therefore, the pooled order is partially executed; he distributes the pooled transactions, subject of proportional execution of the order.

Article 95 When **BenchMark Finance** has pooled an order for own account with one or more client orders, it is not entitled to separate the concluded transaction in a way that can be harmful for **the Client**.

Article 96 BenchMark Finance is not entitled to do re-distribution of transactions for own account, executed in accordance with client orders when it may harm **the Client**.

Article 97 In cases when **BenchMark Finance** pools client order with a transaction for own account and the so pooled order is partially executed, it distributes the transactions for own account of **the Client** with priority, If **BenchMark Finance** can justify that it cannot execute the client order at such beneficial for it conditions without pooling or that it cannot execute the order at all, it can distribute the concluded transaction proportionally between itself and **the Client**.

Non-executed Transactions

Article 98 BenchMark Finance is not entitled to execute a client order if **the Client** and his representative refuse to submit the declaration under Article 35, Paragraph 1 from Regulation No: 38, it is declared the transaction, subject of the order, represents an insidious purchase or sale of financial instruments. The refusal to submit a declaration is drawn up as a separate document which needs to be signed by **the Client**.

Article 99 BenchMark Finance is not entitled to execute an order if it has declared or has established that the financial instruments, subject of the order for sale, are blocked in a depository institution and that they are pledged or a distraint is imposed on them.

Article 100 The prohibition under the previous article with regard to pledged financial instruments is not applied in the following cases:

- The transferee is informed for the pledge and has expressed his consent to obtain the pledged financial instruments; there is an express consent for the pledged creditor in the provided by the Special Pledges Act.
- The pledge is established on aggregate under the Special Pledges Act.

Article 101 BenchMark Finance will not execute an order, at the placement of which it has been declared or it is subsequently established that the financial instruments, subject of the order for sale, are not available in the account of **the Client**, except for the cases under Article 38, Paragraph 4 from Regulation No:38.

Article 102 BenchMark Finance is not entitled to execute a client order for trading in financial instruments if this may lead to the infringement of Law on the Financial Instruments Market, – Law on Measures Against Abuse with Financial Instruments, Law on companies with special investment aim and other applicable legislative acts.

X. GENERAL AND SPECIFIC RISKS AT INVESTING IN FINANCIAL INSTRUMENTS

BenchMark Finance recommends to its **Client** to get to know carefully the information contained in this section before enter into contracts with **BenchMark Finance** in order to be sure that they understand the nature of the risks related to the investment services provided by **BenchMark Finance**. Employees of **BenchMark Finance** are available to provide additional information and clarification to **the Clients**.

The present review of the general and specific risks at investing in financial instruments aims to identify the main risks for the investor and not their pricing, likelihood of appearance and hedging techniques.

By taking into account the possible risks, **the Clients** should conclude transactions with financial instruments only if they understand the nature of the contracts and legal relationships and risk exposition degree with regard to the trading contracts. **Clients** should carefully decide whether trading in these financial instruments is suitable for them with regard to their experience, aims, financial capacity and other relevant circumstances.

If the financial instruments are admitted to trading on a regulated market, it is recommended that every investor gets to know the historical data of the trading with them or similar financial instruments for the purpose of clearer understanding and acceptance of the risks described below.

Except for the described risks, to which as an investor in the certain financial instruments, every investor should carefully learn the character and detail of the risks related to the activity of the issuers. These risks vary for every issuer and are usually described in prospectuses, memorandums and other types of documents which every issuer prepares in emission process of the financial instruments and/or at their admission to a regulated market.

General risks

Article 103 Price risk. The price risk is a likelihood of realization of losses as a result of price changing of the financial instruments. The cost of the financial instruments admitted to trading on a regulated market is determined by the search and offering and their price can rise or fall accordingly. The prices can suffer hesitations and fall under the price at which they were obtained by the investors. Stock exchange price is affected by publicly notified corporative events and financial results which can turn out to be weaker than the market expectations. The price can be also affected by macroeconomic data and other factors.

Article 104 (1) Liquidity risk – it is related to the availability of a low level or lack of market demand of financial instruments and expresses the potential impossibility to purchase or sell in short terms and usual volumes of the given securities. The low liquidity and partially the lack of active market demand, makes the conclusion of transactions difficult.

(2) The investors of financial instruments whose investment horizon is shorter than the life of the securities, may not succeed in terminating the whole or a part of their investment and can be forced to purchase/sale the financial instruments on a significantly disadvantageous price compared to their current fair value or last market value. This might lead to impossibility of realization of capital profits or impossibility to prevent the investors from losses.

(3) Every investor who trades securities on financial markets out of the Euro zone can be exposed to essential currency risk. Everyone who invests in financial instruments denominated in euro is exposed to such a risk when these instruments are traded on different financial markets and their main financial market is out of the Euro zone.

Article 107 Settlement risk is the probability of delay or non-execution of a counterpart under transfer of cash or financial instruments from a concluded transaction at the appearance of which the investor can suffer a loss, income foregone or impossibility to implement other subsequent commitments for delivery of cash or financial assets.

Article 108 Taxation risk – appears at insufficient knowledge of the tax legislation regulating the taxation of the income received from trading with the relevant financial instrument and the possible future change of the legislation within the investment horizon frame of the investor. Every investor should individually get acquainted with the relevant tax legislation, applicable for the relevant financial instrument, trading market, income payer, the investor himself and etc.

Article 109 (1) General risks at investing in derivatives – the general risks at investing in derivatives on other financial instruments (with underlying asset shares, bonds, indices, currencies, goods and etc.) have identical types with the risks taken at trading with the underlying asset itself. Depending on the financial instrument and the type of the open position, it is possible that the investor suffer a significant loss from trading in derivatives, on condition that the market value of the underlying asset does not match with its initial investment expectations. Every error in the predicted direction of price change of the underlying asset, leads to loss from investing in the relative derivative.

(2) At trading in derivatives, the investor risks obtaining and taking obligations on the underlying asset related to corporative events which lead to concentration or dilution of the rights under the underlying asset. Along with this, the investor is at risk of losing some rights on the underlying assets such as the right to vote on ordinary shares.

Article 110 (1) General risks at margin trading – margin trading brings high degree of risk. The quantity of the initial margin deposit might be small compared to the volume of the transaction with currency pairs or derivative instruments, as a result of the leverage or enhancing effect. Comparatively small market movements will have a proportionally bigger effect on the means deposited by **the Client** or on the funds which he needs to import. This can be to the detriment of **the Client** as well as in his favour. **The Client** may suffer full loss of the deposited funds and all additionally deposited funds for the maintenance of the open positions in their account. If the market movement is in a direction opposite to an occupied position and/or the margin requirements are raised, then **the Client** can be called to deposit all additional funds within a certain deadline in order to preserve the positions. Where it is impossible to comply with this call to deposit additional funds within a deadline, this might result in closing client's positions by **BenchMark Finance** on the behalf of **the Client** and he will be held liable for any losses or deficits in the account.

(2) The maintenance of an open position at adverse movement of the market value of the underlying asset and expectation to reverse the direction of movement also might lead to daily losses as a result of current revaluation of the positions (mark to market) and/or supplementation of the guarantee (margin deposit).

Specific Risks

Article 111 (1) Specific risks at trading with shares – shares are main financial instruments certifying capital ownership of joint stock companies. Investment in shares is subordinated to all risk factors described above. Price risk is limited to the value of the investment done. A risk, specific for shares is the uncertainty of receiving a dividend, variability of the dividend amount and partially, a failure for it to be paid. Usually every share gives the right of a dividend equal to its nominal value (unless anything else is expressly indicated).

(2) The dividend amount is a variable that depends on the size of the company earnings, the need of new investments, the amendment of cash flow and directly on the decision of the competent authority to

distribute the accrued income. The ability of the company to generate earnings is subject to other specific risks related directly to the activity of the issuer.

Article 112 (1) Specific risks at trading with bonds – bonds are debt securities certifying financial obligation to their issuer for their settlement on certain dates and repayment in the benefit of the investor an income in the form of interest or discount from the nominal at emission.

2) Investing in bonds is characterised by the following specific risks:

- Credit risk – debenture holders are at risk of not being paid on time or at all by the issuer of pertaining interest payments and/or the principal amount of the bond debt until maturity. Preconditions for valuation of this risk are completely related to the issuer's activity and to the risks at which he is exposed to at the pursuit of his main activity;
- Interest rate risk – the valuation of the interest rate risk at investing in bonds is attributable to measuring its dependence between the price change of the bonds and their profitability, based on the required by the investor rate of return;
- Risk at reinvesting – this is the opportunity the cash payments received within the period of holding the debt securities (bonds) to be reinvested at profitability different than the profitability until the maturity realized at the initial bond investment. If the sums from the coupon payments are reinvested on degrees lower than the initial profitability to the maturity, the effective income from the investment will be lower than the initial profitability until the maturity and vice versa.
- Risk of prepayment – such risk exists when in the emission conditions, a buy-back option of debt securities before maturity is predicted whereat the investor cannot fulfil his initial investment intentions;
- Risk of conversion – such risk exists when in the emission conditions a possibility to convert them in shares at the initiative of the publisher before or on maturity is predicted. As a result of the conversion, the investor obtains another financial instrument instead of the expected cash receipts and in this way he cannot fulfil his initial investment intentions either.

Article 113 (1) Specific risks at repurchase transactions – the following types of repurchase (repo) transactions are important to determine the specific risks:

- Classic repo (sell-buy) is a transaction where securities are sold to an investor with an agreement to their buy-back to the maturity under a price settled in advance. This type of transactions provide additional guarantee under the funds provided by the investor as well as a possibility for a short-term restructuring of client's investments;
- Reverse repo (buy-sell) is a transaction where securities are bought by the investor and the price, at which the same securities will be sold to the same **Client** on a future date, is fixed. This type of repo transaction represents a short-term financing by the buyer against a guarantee – the provided by the investor securities.

(2) The credit risk which is characterised by the possibility of one of the parties not to fulfil its cash payment obligations, and the other its settlement arrangement (transfer) of securities, is typical for repo transaction. As a result of this, it is possible that one of the parties obtains securities and respectively becomes carrier of all risks related to their ownership. Risks related to the character of securities depend on their type (shares, debt securities, others) and usually include the described above price, liquidity, credit, currency and other risks.

Article 114 (1) Specific risks at contracts for difference – these contracts are derivative based on the movement of a relevant underlying asset. Usually investing in contracts for difference is related to the use of margin trade the risks of which are described above.

(2) The contract for difference expresses the right to receive and respectively the obligation to pay the difference between the contract value of the contract maturity and the contract value at the time of concluding the contract. The main risks for the investors of contracts for difference are identical in type with the risks taken at trading with underlying asset but significantly multiplied as a result of the leverage effect. Every error in the prediction of price change of the financial asset leads to loss.

(3) The contract for difference contains various positions (long or short) each of which has particular start price of the underlying asset and closing price equal to the relevant quotes of the underlying asset (typical for contracts for difference).

(4) The maintenance of an open position at disadvantageous movement of the underlying asset market price and expectation to reverse the movement direction can also lead to daily losses as a result of current revaluation of positions (mark to market) and guarantee supplementing (margin deposit). To limit the typical risk price, every open position under contract for difference has an active stop-order which limits to a certain extent but not wholly, the total price risk within the provided by the investor guarantee. In certain market situations, the underlying asset prices can perform abrupt fluctuations which may result in skipping price levels and likelihood of executing a stop-order on a level different than the level it was set.

(5) A typical risk at purchasing contracts for difference is the possibility of interest rate change on the financing accepted by the investor – a specific part of the total expenses which can be essential at the continuous holding of open positions.

(6) Another typical risk of the contract for difference is the impossibility to transfer the rights/obligations under the contract to third parties. It can neither be pledged, nor distraint can be imposed on it.

Article 115 Specific risks at options and futures:

- **The option** is a transaction at which the option buyer obtains the right to buy or sell a given financial instrument (underlying asset) under a price determined (fixed) in the contract (option exercise price). There are two types of options: call and put options. An option that entitles to purchase an underlying asset is a call option. The option that entitles to sell the underlying asset is a put option. The option is a tradable financial instrument and can be bought or sold. Depending on the time at which they can be exercised, options can be either European options (exercised only at maturity) or American options (can be exercised any time until maturity). The size of the potential profit or loss depends on whether the option is bought or sold. The purchase of an option provides unlimited possibility of profit, representing the difference between the exercising price of the option and the sport price of the underlying asset less the paid premium (option price) at loss limited to the amount of the paid premium, in case that the investor exercise its right on the option. At the sale of an option, the amount of profit is limited to the amount of the received premium and the amount of the potential loss is theoretically unlimited and equal to the difference in benefit of the buyer between the exercising price and the sport price of the underlying asset, deducted by the received optional premium.

(2) **Currency options** – ensure the possibility of purchase/sale of an exactly specified amount of a particular currency (base currency) against purchase/sale of another currency (additional currency) under a rate fixed in advance and on a certain future date:

- **BenchMark Finance** offers trading in European type of options (options that are executed solely on the maturity day and which can be traded as an instrument anytime until the maturity day);
- At the purchase of a call-option, **the Client** is entitled but not obliged to purchase the base currency on the maturity day, at the price fixed in the option. At the sale of a call-option, it is possible that **the Client** is obliged to sell the relevant currency on the maturity day, at the price fixed in the option;

- At the purchase of a put-option, **the Client** is entitled but not obliged to sell the base currency on the maturity day, at the price fixed in the option. At the sale of a put-option, it is possible that **the Client** is obliged to buy the relevant currency on the maturity day, at the price fixed in the option;
- At the purchase of an option, **the Client** pays the amount of the premium at the time of contract conclusion. The amount is withheld from client's account and if there are no open spot positions in the relevant currency pair, there will not be any subsequent requirements for margin deposit. At the sale of an option, **the Client** is obliged to maintain a guarantee sum (margin) in his account. Similar indications for margin calculation at sale of options, are indicated on the website;
- At infringement of margin requirements by **the Client**, **BenchMark Finance** is entitled to take actions, mentioned in "Guarantee deposit" section.
- At concluding a transaction for purchase/sale of an option, **the Client** sets its parameters: type of option (put/call), currency pair, volume, exercising price (strike), maturity;
- If the option is "in cash" at 5pm on maturity day, **BenchMark Finance** exercises the option on the behalf and at the expense of **the Client** without being obliged to notify the Client.
- **The Client** can sell the whole option that he has bought before the maturity day and respectively to buy an option that he has sold (to close his optional position);
- Currency pairs that can be traded via currency options as well as all their characteristics (spread and minimum volume for transaction with no commission) are described in detail on the website indicated in the contract with the client as a website of **BenchMark Finance**.

(3) **Trading in options on metals – BenchMark Finance** offers trading in options on gold and silver. At trading in options on gold, the regulation for trading with currency options is used.

(4) **Trading in futures** – futures transactions are purchase/sale transactions of standardized securities that are traded on regulated markets of securities and expresses the right and obligation to buy or sale a certain amount of securities at a price fixed in advance and on a certain date. Trader Platform offers trading in futures issued on exchange-traded precious metals, energy raw materials, exchange indices, short-term interest rates, currencies, bonds, agricultural products, raw materials and other funds.

- **BenchMark Finance** does not physically deliver the underlying asset on maturity day of futures contracts. **The Client** is obliged to close his position at the relevant futures contract before its maturity. If **the Client** does not close his position before online maturity day, **BenchMark Finance** will at earliest possibility close **Client's** position on his behalf at official market value.
- Futures contracts are standardized exchange instruments and the conditions for their trading are determined by the relevant market.

(5) **Futures contract** is an agreement for purchase or sale of a financial asset at an agreed price. Its exchange and settlement are done on a defined future date. The buyer of the futures contract is obliged to accept the financial asset and pay the agreed price on a certain future date, and the seller is obliged to provide the asset on this date.

- Futures enable the building of direct and complicated strategies. Direct strategies consist of one transaction and respectively purchase or sale. Direct strategies are easy to accomplish but have high risk degree. Similar to the contracts for difference, every error in the prediction for price change direction of the financial asset results in loss. Maintenance of an open position at disadvantageous movement of the underlying asset market value and expectation to reverse the direction of movement can also lead to daily losses as a result of current revaluation of the positions (mark to market) and supplement the guarantee (margin deposit). Complicated futures strategies are built by different transactions with the same underlying asset but with a different deadline;

- Main risks at investing in futures and options are price and liquidity risks. Price risk is expressed in the high volatility of futures and options prices, caused by two main factors: leverage effect (typical for derivative trading) and price change of the underlying asset. Small changes in the market price of the underlying asset can lead to huge variations in the price of derivatives and the realization of an essential loss respectively;
- Liquidity risk (impossibility to be concluded in advance) exists at derivatives whose characteristics are out of the market characteristics described until now and are not traded on regulated (standardized) markets.

Article 116 (1) Specific risks at currency forward – this is a transaction focusing on currency differences at the purchase/sale of a currency (base currency) with regard to another currency (additional currency), with a value date over two working days. The ratio between them is determined by the currency rate quoted by **BenchMark Finance**. The currency forward rate is almost always higher or lower than the relevant current spot rate of the currency pair. This price difference reflects the difference in both interest levels of the relevant currencies for the relevant period.

(2) At concluding currency forward transactions, **the Client** provides guarantee for the completion of the transaction on a future date. The amount of the guarantee depends on the fluctuation (volatility) of the currency rate of the relevant currency pairs. Currency forwards limit the fluctuation uncertainty of the currency rate for the relevant transactions to minimum. However, the currency risk stays on due to the firm commitment to the forward contract, which excludes the possibility of revenues from exchange gains if on maturity day, the market rate is more favourable than the pre-fixed forward rate.

(3) **BenchMark Finance** offers trading in currency forwards with value date up to 6 months. The list of currency pairs that can be traded as forward contracts can be found on the website indicated in the contract with the client as a webpage of **BenchMark Finance**.

"Bulgarian Stock Exchange – Sofia" JSC trading risks

Article 117 (1) Financial instruments traded on "Bulgarian Stock Exchange – Sofia" JSC are the following securities: shares, bonds, shares of Collective Investment Schemes as well as compensatory instruments.

(2) Transactions with financial instruments traded at "Bulgarian Stock Exchange – Sofia" JSC, constitute purchase/sale of exchange traded companies during market working time. Obtained financial instruments are paid under their real value (without use of margin). Parties of the transactions obtain all rights and obligation of the financial instruments. The one who obtains the financial instruments is obliged to pay the full value of the financial instruments along with the included in the transaction value fees and commissions for at "Bulgarian Stock Exchange – Sofia" JSC and for **BenchMark Finance** in accordance with the Tariff of **BenchMark Finance**. The transferee of the financial instruments is entitled to receive the full amount of the financial instruments subject to transaction, deducted by the owed fees and commissions to the market and **BenchMark Finance** in accordance with the Tariff of **BenchMark Finance**. The transfer of the financial instruments is done by the depositary institution – Central Depositary within two days from the conclusion of the transaction.

Risks at trading in financial instruments on international financial markets

Article 118 (1) Transaction with options bring high degree of risk. Buyers and sellers of options should get acquainted with two types of options (Put and Call options) which they plan to trade and with the risks related to this. **The Client** should estimate the level to which should the value of the options grow in order for his position to be winning, taking into account the paid premium and all transactional expenses.

(2) The buyer of options can close, accomplish or leave an option to mature. The execution of an option leads either to cash settlement or to the obtaining or delivery of the underlying instrument. If the option is on a futures contract, the buyer will obtain position in futures contract with the relevant margin requirements described on the website indicated in the contract with the client as a webpage of **BenchMark Finance**. If the bought option is out of cash on the maturity day, **the Client** will suffer a loss in the amount of the sum invested in it which consists of the paid premium and the transactional expenses. If **the Client** plans to buy an option "out of cash", he needs to take into account that usually the chance for them to become winning is very little.

(3) The sale of an option usually leads to significantly higher risk than the purchase of options. Even though the seller receives fixed premium, he can suffer a loss which can significantly exceed this amount. In addition, the seller will be obliged to maintain margin requirement on the position in case that the market movement is disadvantageous. The seller will also be at risk that the buyer of the option may execute it and the seller will be obliged either to accomplish a cash settlement or to obtain or deliver the underlying instrument. If the option is on futures, the seller will obtain a position in futures contract with relevant margin requirements, described on the website indicated in the contract with the client as a website of **BenchMark Finance**. If the option is "closed" by the seller who owns position in the underlying instrument as futures or option, the risk can be decreased. If the option is not "closed", the risk of loss can be unlimited.

(4) Certain markets in some jurisdictions allow delayed payment of the option premium, obliging **the Buyer** for margin payments not exceeding the amount of the premium. **The Buyer** is still at risk of loss of premium and transactional expenses. In cases when the option is executed or expires, **the Buyer** is obliged to make payment in the amount of unpaid premiums owed up until now.

Article 119 (1) Transactions with company shares and ETF constitute purchase/sale of market traded company shares and ETF during the working time of markets on which these shares are traded.

(2) The obtained company shares and ETF are paid under their real value (without use of margin). **The Client** is entitled to use 50% from his investments in shares, as a guarantee for trading with other instruments. The possibility to reinvest depends on the market capitalization of the company or the specifics of the fund whose shares are traded, their liquidity and the volatility of their price.

(3) **Clients** who have bought shares and other financial instruments on foreign regulated markets via the platforms offered by **BenchMark Finance** obtain only property rights with regard to the traded financial instruments. **Clients** do not obtain non-property rights such as right to participate in management via general meeting, right to vote, right of defence, minority rights and other similar rights related to the financial instruments obtained by them.

(4) The parties of the transaction with shares are obliged to execute or have the right to receive payments in accordance with the details of the placed order, and more particularly:

- Repayment of fees and commissions: **BenchMark Finance** will withhold every fee and commission owed by **the Client** at the conclusion of a transaction with share on the day of execution of the order under this transaction and complying with the spread tables and conditions stated on the website, from their account.
- Repayment of dividends: **BenchMark Finance** will repay the net dividend for every share, multiplied by the amount of the position of **the Client** until the moment of closure on the relevant market on the previous working day. Repayment of dividends will be done only in cases when the issuer of the relevant share has declared that he will pay such.

Article 120 (1) Transactions with CFD constitute purchase/sale of CFD based on actions, ETF or indices in the relevant currency during the working time of the market on which these shares, ETF and indices are traded. Transactions with CFD are done in compliance with the conditions described on the website indicated in the contract with the client as a webpage of **BenchMark Finance**.

(2) The parties of the transaction with CFD do not obtain the bought shares, ETF or indices available on shares, nor are obliged to buy or sell, receive or deliver the relevant shares, ETF or indices available, on shares traded via CFD.

(3) Rights and obligations of each party of the transaction with CFD are solely to make or receive payments in accordance with the details of the submitted order, and more precisely:

- Paying and withholding interest fees: when **the Client** is in long/short position, **BenchMark Finance** will withhold/pay to their account the interest fees indicated on the spread tables and conditions stated on the website, depending on the currency in which the position was open. Those will be calculated on an annual basis (365/365 or 365/360, depending on the relevant market's practice). The accrued interest will be accounted for in the account of **the Client** at the end of every calendar month after its daily closure on the relevant market in the last day of the month;
- Repaying and withholding dividends: when **the Client** is in long/short position in CFD on share, **BenchMark Finance** will respectively pay/withhold the net dividend for a CFD contract multiplied by the amount of client's position until the moment of closure on the relevant market on the previous working day. Repaying and withholding dividends will be done only in cases when the issuer of the relevant share has declared that he will pay such.

(4) In accordance with the market principles for trading with CFD, at occupied short position in CFD, at requiring back the borrowed contracts from a clearing house, the position in CFD can be closed and all current profit or loss will be reflected to the account of **the Client**.

Article 121 Placing certain orders whose aim is to limit the losses to a certain extent, can be non-applicable if the market conditions do not allow the execution of such orders, e. Due to non-liquidity at the market. Strategies that use combinations of positions such as "spread" or "straddle" positions can be also as risky as the occupation of ordinary "long" or "short" positions.

Other risks

Article 122 At executing out-of-market transactions, one should take into account that it may be difficult or impossible for current position to be closed, the value to be determined, fair price or the risk taken to be evaluated. Before taking such transactions, **the Client** should get acquainted with the applicable rules and possible risks.

Article 123 **The Client** should understand the terms and conditions for trading with the offered instruments and information for related obligations (e. Circumstances at which **the Client** can be obliged to provide or obtain the underlying asset from futures contract or maturity day and time limits of option execution). At certain circumstances, the specifications of the owned contracts (including the price of option execution) can be changed by the exchange market or clearing house in order to reflect the value changes of the underlying asset.

Article 124 Market conditions (e. Liquidity) and/or the functions of certain markets' conditions (e. Suspension of trading in contract or a certain maturity month due to a limit to the price movement or temporary suspension of the trading in unforeseen situations – "circuit breakers") can increase the risk of loss by making it difficult or impossible to execute transactions or closure/offset of positions. Normal price

ratios between the underlying asset and derivative do not always exist. The absence of a reference price for the underlying asset can make it difficult to determine "fair" price.

Article 125 The Client should get acquainted with the defence ensured on the depositary funds in local or foreign currency, especially in the event of insolvency or bankruptcy of the investment intermediary. The degree in which **the Client** can recover the cash, is determined by law and local rules in the country where the investment intermediary operates.

Article 126 Prior to commencing trading, **the Client** should receive clear instructions for all commissions, fees and other charges for which he is liable. These charges will affect the net profit or loss of the client.

Article 127 Transactions on other jurisdictions' market including markets officially related to the local market can expose **the Client** to additional risks. Similar markets can be subject to regulation which can offer different or limited defence to the investor. Local regulatory powers will not be able to impose the rules of the regulatory powers or markets in other jurisdictions where the transactions are concluded.

Article 128 In some jurisdictions, companies are entitled to conclude OTC transactions. The company that you work with can act as an opposite party of the transaction. It may be difficult or impossible to close an existing position, to determine value, too determine fair price or to evaluate the risk taken. Therefore, these transactions can be less regulated or to be subject to a separate regulatory regime. Before taking such transactions, you need to get acquainted with the applicable rules and possible risks.

Article 129 (1) Most electronic trading platforms are maintained by computer based systems for transmission of orders, execution, meeting, registration or clearing of transactions. At all electronic trading systems and platforms it is possible for temporary interruptions and technical defects to occur, which can lead clients to losses or missed benefits.

(2) **The Client** should take into account that trading via electronic system can be distinguished not only by the trading floor but also by trading via other electronic trading systems. If **the Client** concludes transactions on electronic trading system, he will be exposed to the risks related to the system, including technical defects of hardware or software. The result of system failure can be non-execution of client's order in compliance with his instructions, non-execution of the order and impossibility of **the Client** to be notified about his positions and the implication of the requirements for margin maintenance.

XI. ADDITIONAL PROVISIONS

Article 130 BenchMark Finance follows the effectiveness of this Policy and the quality of order execution at their placing and transmission to another intermediary and when it is necessary, it will take measures to eliminate established irregularities.

Article 131 The policy is subject to annual actualization by the Board of Directors of **BenchMark Finance**.

Article 132 Policy actualization is done at every essential change which may have an effect on on the capability of **BenchMark Finance** to constantly ensure the best results for client order execution at use of execution venues that are included in the order execution policy.

Article 133 BenchMark Finance notifies its **Clients** for every change in the current Policy via a message published on the website indicated in the contract with the client as a webpage of **BenchMark Finance**.

XII. FINAL PROVISIONS

Article 134 The present policy is provided for information and execution of all individuals workin under a contract for **BenchMark Finance**. Executive directors can issue orders and instructions for the implication of this Policy.

Article 135 The present policy is available to all **Clients** and potential **Clients** of **BenchMark Finance** on the website indicated in the contract with the client as a webpage of **BenchMark Finance** as well as a durable medium.

Article 136 The present policy is accepted under Article 30, Paragraph to 2 from the Law on the Financial Instrument Marker, from the Board of Directors of **BenchMark Finance JSC**.

¹This document is a translation of the Bulgarian original. The Bulgarian version shall be the sole authentic version and, in the event of discrepancies, shall prevail.

RULES APPLICABLE TO THE INTERNATIONAL FINANCIAL MARKET CONTRACTS VIA PLATFORMS OFFERED BY INVESTMENT FIRM "BENCHMARK FINANCE" JSC

I. Accepting the risk

1.1. The Client admits, accepts and understands that trading in financial instruments, both on margin basis and without the use of margin, is highly speculative, might have high degree of risk and is suitable only for individuals who arrange margin transactions and take the risk of loss exceeding the size of their margin deposits.

1.2. Provided that **BenchMark Finance** submits information, opinion or reference to **the Client**, the financial decision of the **Client** should not be based on the given information, opinion or reference.

1.3. The Client admits, accepts and understands that:

1.3.1 Due to the low margin which is usually required at margin lending transactions, the change of cost in the underlying assets might lead to significant losses which may exceed the margin deposit of **the Client**.

1.3.2 When **the Client** instructs **BenchMark Finance** to do a certain operation, every profit or loss arising as a result of the fluctuation of the assets will be at the expense or risk of **the Client**.

1.3.3 The Client wishes and can take the risk of speculative trading in financial instruments financially or in any other way.

1.3.4 Will not hold **BenchMark Finance** liable for losses, arising from transactions of **the Client** as a result of decisions taken by him on the basis of analyses and news on the platforms offered by **BenchMark Finance** or published on the website.

1.3.5. Profit guaranteeing or exemption from loss is impossible at trading in financial instruments. **The Client** confirms that he has not received such or similar guarantees by **BenchMark Finance** or any of its representatives as well as the fact that **the Client** has not entered into a transaction nor will they do so in the future according to or depending on such or similar guarantees.

1.3.6. All transactions in financial instruments will be completed in accordance with the market principles which usually contain wide authority at emergency or any other unwanted situations.

1.3.7. If a stock exchange or a clearing house takes action concerning a certain transaction or contract, then **BenchMark Finance** has the right to take action at its own discretion which it considers desirable in the interest of **the Client** and **BenchMark Finance**.

1.3.8. BenchMark Finance is not held liable for any losses incurred by **the Client** as a result of the actions of a certain stock exchange or a clearing house or action taken by **BenchMark Finance** as a result of such actions.

1.4. BenchMark Finance can stop partially or fully, permanently or temporarily every service to an account provided by **BenchMark Finance** to **the Client** without prior notice.

1.4.1. When **BenchMark Finance** considers that **the Client** can hold inside information.

1.4.2. When **BenchMark Finance** considers that normal market conditions are lacking (unforeseen or unavoidable event, occurring after the contract conclusion, inclusive of the cases where part of the functions of **BenchMark Finance** are affected by such an event).

1.5. BenchMark Finance can partially or wholly wind up a position without prior notice in the following cases:

1.5.1. At the express request for it by a regulatory authority.

1.5.2. If **BenchMark Finance** reasonably decides that this is necessary subject to the provisions of the applicable legislation.

1.5.3. In all cases stated in these Rules, as well as in the contract with **the Client**, general terms and conditions for trading in financial instruments of **BenchMark Finance**.

1.6. **BenchMark Finance** has the right in addition to all other rights in the agreement, these Rules and the applicable legislation, to limit the amount of the open positions of **the Client** (net or gross) and the to refuse orders for opening new positions. The situations at which **BenchMark Finance** can exercise this right include without any limits, are the following:

1.6.1. **BenchMark Finance** considers that **the Client** is in possession of any inside information.

1.6.2. **BenchMark Finance** considers that normal conditions for trading are lacking (i.e. in cases of force majeure).

1.7. Regardless of any other clauses of the agreement, by providing its services, **BenchMark Finance** has the right to take any actions which it considers appropriate at its own discretion in order to ensure the compliance with the market principles and the applicable laws and regulatory decisions.

1.8. The platforms offered by **BenchMark Finance** provide the opportunity to execute certain transactions. Details concerning accounts, confirmations of transactions and messages from **BenchMark Finance** to **the Client** can be found on the platform themselves. In addition to the Rules, listed in the website, the following rules are also applied for transactions executed online:

1.8.1. **BenchMark Finance** is not held liable to **the Client** for any other losses, expenses, costs and responsibilities incurred by **the Client** due to a system error, delays in the transmission of information and other obstacles of a purely technical nature.

1.8.2. The platforms offered by **BenchMark Finance** are periodically updated and the new versions can remain different in various aspects including but not limited to the level of security applied, available products and services and etc. **BenchMark Finance** is not held liable to **the Client** for any loss, expense or cost incurred by **the Client** as well as the potential liabilities resulting for **the Client** as a result of the use of the old version of the trading platform without the relevant improvements.

1.8.3. **The Client** is held liable for all orders and for the accuracy of the information given online through using the name, password and other personal identification of **the Client** or other means of identification which can define the identity of **the Client**.

1.8.4. **The Client** is obliged to keep the passwords provided by **BenchMark Finance** confidential and to guarantee that third parties will not be given access to the means of trade of **the Client**.

1.9. All instructions sent by **the Client** via platforms or e-mail, will be considered received and will be viewed as a valid instruction and/or a binding transaction between **BenchMark Finance** and **the Client** only when these instructions are saved as completed by **BenchMark Finance** and when **BenchMark Finance** confirms this with **the Client** via the confirmation of the transaction and/or a statement of account. Furthermore, the transmission of instruction itself given by **the Client** does not create a binding transaction between **BenchMark Finance** and **the Client**.

1.10. **The Client** timely sends the instructions required by **BenchMark Finance** to **BenchMark Finance**. If **the Client** does not provide the instructions on time, **BenchMark Finance** can take action at its own discretion, that it finds appropriate and desirable to defend itself and **the Client**, at the expense of **the Client**.

1.11. The Client is obliged to pay compensation to **BenchMark Finance** for all losses that **BenchMark Finance** can incur as a result of any mistake in the instructions/orders made by authorised person and for all losses resulting from the actions of **BenchMark Finance** done in accordance with the instructions/orders which formally look as if given by an authorised person.

1.12. The Client understands and agrees that errors may occur at the cost of financial instruments quoted by **BenchMark Finance**. In such cases **BenchMark Finance** has the right to rescind a transaction or to change the mistaken cost at which the transaction has been made to the amount which **BenchMark Finance** considers correct at its own discretion.

1.13. Trading methods intended to take advantage of errors and/or delay in quotes, or taking advantage of any other weaknesses in the trading platforms including the cases when this is done via automated expert system, are unacceptable and will be considered deceptive by **BenchMark Finance**.

1.14. In case that **BenchMark Finance** defines the trading strategy of **the Client** as taking advantage of mistakes and/or delay in quotes at its own discretion, then **BenchMark Finance** has the right to adopt one or more of the following measures:

1.14.1. To correct the cost spread which **the Client** has access to.

1.14.2. To limit the access of **the Client** to current market quotes permitting an immediate transaction including the provision of quotes for transaction after an enquiry.

1.14.3. To annul (by imputing/withholding) all previous profits from the account of **the Client**, which have been earned as a result of a similar trading method.

1.14.4. To stop the access of **the Client** to the trading platforms immediately.

1.14.5 To immediately terminate the contract between **BenchMark Finance** and **the Client** unilaterally and without notice.

1.15. The Client accepts the fact that **BenchMark Finance** has the right to record all phone conversations and online chats between **the Client** and **BenchMark Finance** and to use those records or their copies as a proof in front of every individual and hence authority, to whom **BenchMark Finance** considers desirable or necessary to reveal this information in the event of a dispute between **BenchMark Finance** and **the Client**.

1.16. When **the Client** enters into a position opposite to one or more of his open positions, **BenchMark Finance** will apply the principle FIFO ("First in, First out") and will close the position that was first open. In cases of a special arrangement, **BenchMark Finance** can every time accept to close another position.

1.17. The financial instruments bought by **the Client** on regulated foreign markets via platforms offered by **BenchMark Finance** are kept in joint accounts in depository institutions of regulated markets in the sub-account of a third party – partner of **BenchMark Finance**. The depository institutions of regulated markets cannot issue any documents related to the ownership of the financial instruments on the behalf of **the Client** as they are not on his account. In such cases, **BenchMark Finance** can issue a certificate of ownership in regard to the financial instruments.

1.18. The Clients who have bought financial instruments on regulated foreign markets via platforms offered by **BenchMark Finance**, acquire only property rights in regard to the traded financial instruments. With the acquisition of financial instruments, **the Clients** do not acquire any non-property rights such as participation in the management via general meeting, right to vote, right of defence, minority rights and other similar rights.

II. Margin and payments

2.1. When required, **the Client** is obliged to make such payments to **BenchMark Finance** that **BenchMark Finance** can require with an aim to cover the margin requirement for a guarantee fee stated in the *Terms and Conditions for Trading in Financial Instruments*.

2.2. The account of **the Client** is credited by **BenchMark Finance** on condition that **BenchMark Finance** receives the amount in question.

2.3. If **the Client** does not ensure a margin, deposit or another amount due with regard to a certain transaction, **BenchMark Finance** can close every open position without notifying **the Client** in advance.

III. Netting

3.1. If there are due counterpart payments between the parties in the agreement at the same time, those will be automatically imputed. If the amounts are not in the same currency, they can be converted by **BenchMark Finance** in accordance with the principles in this section.

3.2. If the total amount due by one of the parties exceeds the total amount due by the other party, then the first party is obliged to pay the difference so that the obligations of both parties are considered satisfied.

3.3. If the agreement is terminated, the claims of the parties to one another are regulated by netting. The value of the open positions is set in accordance with the principles explained below as the final amount which should be paid is the difference between the payment obligations of both parties.

3.4. The levels at which the positions should be closed are the market levels applied on the day when **BenchMark Finance** decides to close the positions due to non-performance.

3.5. **BenchMark Finance** can determine the levels of closing at its own discretion also bearing in mind the market price of other market-makers for the relevant period and financial instrument. By getting familiar with the current Rules, **the Client** agrees with the determined levels of closing.

3.6. By determining the value of the positions subject to netting, **BenchMark Finance** applies its usual spread (difference) and includes all expenses and other fees.

IV. Non-performance. Means of remedying non-performance.

4.1. Each of the non-exhaustively listed events below may constitute an event of non-performance by **the Client**:

4.1.1. If **the Client** does not perform (wholly or partially) a certain payment or does not perform any other obligation in accordance with the agreement, a transaction or any other reasonable requirement by **BenchMark Finance**.

4.1.2. If **the Client** does not provide the funds needed for delivery of a certain transaction to **BenchMark Finance** on the date when the funds are due.

4.1.3. If **the Client** does not provide or accept the delivery of assets on the first day determined.

4.1.4. If one of the given declarations and/or guarantees by **the Client** are false.

4.2. In case of a non-performance by **the Client**, **BenchMark Finance** has the right and is authorized to:

4.2.1. To demand **the Client** to terminate or regulate a certain transaction in a way that **BenchMark Finance** determines at its own discretion.

4.2.2. To enter into transaction with a foreign currency, on an exchange rate and in a time determined by **BenchMark Finance** in order to meet obligations arising from a certain transaction.

4.3. The Client empowers **BenchMark Finance** to take the relevant actions described in this section without the need to notify **the Client** for this and accepts that **BenchMark Finance** shall not be held liable for any of the consequences from taking these steps.

4.4. Without prejudice to other rights of **BenchMark Finance** under the agreement or the applicable legislation, **BenchMark Finance** can at any time and without prior notice to consolidate all or some of the accounts of **the Client** in **BenchMark Finance** as well as compensating for all amounts due by **the Client** to **BenchMark Finance**.

V. Declarations and guarantees by The Client

5.1. The Client declares and guarantees that:

5.1.1. He is over the age of 18 and is qualified and competent and no legal or any other provisions which will prevent him from entering into and performing the agreement or transaction are applied to him.

5.1.2. He has received all necessary agreements and has the right to conclude a contract with **BenchMark Finance** (and if **the Client** is a legal entity, then he is duly authorised and has received the necessary corporate and other powers in accordance with the instruments of incorporation and organisation).

5.1.3. Does not breach the applicable law including but not only tax laws and regulations, market control requirements and requirements for registration.

5.1.4. The information provided by **the Client** to **BenchMark Finance** is full, accurate and is not misleading.

5.1.5. Has accepted, read and understood the informative materials for the relevant products.

5.1.6. Has received detailed information in regard to the offered products as well as information for the existing risks.

5.1.7. The amount invested is chosen considering its financial position.

5.1.8. Does not trade by profession in financial instruments in regard to Article 25, Paragraph 1 from Regulation No: 38 for the requirements for the activity of the investment intermediaries of FSC (when the contract is signed by an authorised person).

5.1.9. Does not possess inside information for the: financial instruments related to the orders and hence for their issuers; that the financial instruments are not blocked and are not under pledge or distraint is imposed on them and that the transaction and the subject of the contract does not constitute insidious purchase or sale.

5.1.10. He is informed and accepts that the established relations between him and **BenchMark Finance** the requirements shall be ruled from the current Rules, the contract, the Terms & Conditions for trading in financial instruments of **BenchMark Finance**, the information on the website as well as the regulations of the applicable legislation.

5.1.11. He is informed and accepts that verified amounts in cash transactions initiated via virtual TPV and is not subject to recovery.

5.2. It is considered that the declarations and guarantees listed above will be valid anytime during the relations between **BenchMark Finance** and **the Client**. If a given declaration or guarantee is subject to change, **the Client** is obliged to notify immediately **BenchMark Finance** who except for the rights in these Rules, has the right to suspend its relations with **the Client** if the change leads to non-application of the regulations in the current Rules or the contract with **the Client**.

VI. Limitation of liability and compensations

6.1. The Client is obliged to compensate **BenchMark Finance** for all losses, fees, expenses, costs and obligations (current and future ones, including unforeseen ones), suffered by **BenchMark Finance** as a result of or in regard to breaching the current Rules or the contract by **the Client**.

6.2. The Client is obliged to pay all losses, fees, interest, expenses, costs and obligations (current and future ones, including unforeseen ones), suffered by **BenchMark Finance** as a result of unfavourable exchange or cost fluctuations or a market gap, which results in negative balance in the account of the client along with the accrued until the payment interest.

VII. Конфиденциалност и разкриване на информация от БенчМарк Финанс

7.1. Parties are obliged not to disclose any information (except for cases provided for by law or subject to execute obligations under the current Rules and/or the agreement) related to the business, investments, finances or other data which is confidential for the other party, if the information and/or data are/can be obtained due to the established relations between **BenchMark Finance** and **the Client** or in any other way. Each party should make reasonable efforts to prevent such disclosure.

7.2. By signing the agreement, **the Client** authorises **BenchMark Finance** to disclose such information related to **the Client** without giving prior notice to **the Client** when this is required by the applicable legislation, the relevant regulatory authority including the applicable market principles.

VIII. Amendments

8.1. BenchMark Finance has the right to amend the Rules at any time by notifying **the Client**. This can be also done by a publication on the website.

8.2. The Client can change the address to which all messages and notifications due in accordance with the conditions of the agreement must be sent with a written notification to **BenchMark Finance**.

IX. Appeals and disputes

9.1. In case of a dispute, parties firstly agree to make an attempt to solve it by good will. In this case **the Client** should present its claim to **BenchMark Finance**, and **BenchMark Finance** should examine the requests of **the Client** timely and wholly.

9.2. Without prejudice to rights, every time when **the Client** and **BenchMark Finance** have a dispute about a margin transaction or alleged margin transaction or order related to a margin transaction, **Benchmark Finance** has the right at its own discretion and without prior notice to conclude this margin transaction if it is rightly considered that such action is required with an aim to limit the maximum amount

of the dispute. **BenchMark Finance** is not held liable for any obligation towards **the Client** in regard to subsequent fluctuations in the level of the margin transaction concerned. If **BenchMark Finance** closes a margin transaction in accordance with this clause, this happens without prejudice to right of **the Client** to open new margin transactions in accordance with the agreement.

9.3. In cases of closure of positions, **the Client** agrees unconditionally with the price levels at which **BenchMark Finance** has closed his positions. Regardless of the actions taken by **BenchMark Finance** for closing positions, if at the end the balance in the account of the client is negative (loss has occurred), **the Client** should pay to **BenchMark Finance** an amount equal to the realized negative balance by applying Article 6.2 from the current Rules.

X. Miscellaneous

10.1. **BenchMark Finance** is not held liable to **the Client** for partial or whole non-performance of his obligations under the agreement, directly or indirectly related to circumstances out of his control. These cases of force majeure include foreseen and unforeseen events under Article 306 from the Commercial Code as well as all technical difficulties, problems, interruptions of telecommunications or non-availability of the website (i.e. when at the relevant moment the website is unavailable or non-updated).

10.2. Moreover, **BenchMark Finance** has the right at its own discretion to determine whether there is an emergency or exceptional market situation. Such situations include but are not limited to suspension or closure of a market or terminating or non-operation of an event with which **BenchMark Finance** relates its offer or occurrence of an excessive movement in the level of a given margin transaction and/or the basic market, or reasonable expectation by **BenchMark Finance** for such movement. In such cases **BenchMark Finance** can increase its margin requirements, to close some or all margin transaction opened by **the Client** and/or close or amend some or all conditions of these Rules and the agreement with **the Client** including but not limited to the cases when for **BenchMark Finance**, it is impossible or impractical to comply with the condition concerned.

10.3. **BenchMark Finance** has the right to suspend offering quotes for a certain financial instrument by warning **the Client** about this and giving him a time at its own discretion during which **the Client** should take the relevant actions for closing his positions. If **the Client** does not do this, **BenchMark Finance** has the right at its own discretion and without prior notice, to close the positions of **the Client** opened in this financial instrument and **the Client** agrees that **BenchMark Finance** can at its own discretion determine the levels of closure bearing in mind the applicable market rates. **BenchMark Finance** is not held liable for any losses, suffered by **the Client** as a result of these actions.

XI. Definitions

11.1. Unless the context requires anything else, the terminology below has the following meanings and can be used in singular or plural depending on the case:

11.1.1. “**Platforms for trading offered by BenchMark Finance**” under the current Rules, are the platforms **Trader** and **MetaTrader**.

11.1.2. “**Trader**” is a trading platform on the Internet, provided by **BenchMark Finance** to **the Client**. It gives the possibility of entering into transactions with currencies, shares, CFD, options, futures, metals and etc. **Trader** also includes the platform **TraderGo** which offers similar services but differs in the light of accessing the account of **the Client**. **TraderGo** provides access by using a web browser and mobile devices such as mobile phones, PDA and etc.

11.1.3. "MetaTrader" is a trading system on the Internet, provided by **BenchMark Finance** to **the Client**. It gives the possibility of entering into transactions with currencies, metals and CFD. **MetaTrader** also includes the platforms **WebMetaTrader** and **MobileMetaTrader** which offer similar services but differs in the light of accessing the account of **the Client**. **WebMetaTrader** provides access to the use of web browser and **MobileMetaTrader** provides access via mobile devices such as mobile phones, PDA and etc.

11.1.4. "BenchMark Finance" means "**BenchMark Finance**" JSC, investment intermediary, holding a licence for conducting an activity as investment intermediary No: WP-03-0212/09.05.2006 and license of Bulgarian National Bank No:103/17.06.2005 for transactions in foreign currency as private equity house with headquarters located in Sofia, Lozenets region, Viskiar Planina Street, No:19, 2nd floor.

11.1.5. "Rules" refer to the regulations in the current Rules applicable to the trade contracts in the international financial markets via platforms offered by Investment Intermediary "BenchMark Finance" JSC.

11.1.6. "Website" is the website indicated on the agreement with the client as a website of **BenchMark Finance**.

11.1.7. "Services" are the services provided by **BenchMark Finance** under the transactions concluded with **the Clients**.

11.1.8. "Confirmation of transaction" means a message by **BenchMark Finance** to **the Client**, containing the basic parameters of the transaction concluded by **the Client**.

11.1.9. "Agreement" is the agreement for trading in financial instruments on the international financial markets and its applications.

11.1.10. "Client" is the physical person and legal entity which is a party in the agreement.

11.1.11. "Account" means an account for transactions of **the Client** in **BenchMark Finance** under an agreement for trading on the international financial markets via the platforms **Trader** or **MetaTrader**.

11.1.12. "Statement of account" means a periodical report for movement of amounts in a certain account.

11.1.13. "Margin Transaction" means a transaction for purchase of financial instruments at the expense of **the Client**, where in order to pay the financial instruments **the Client** uses loan from the market concerned.

11.1.14. "Market Principles" means the principles, regulations and the usual practice of a certain exchange, clearing house or another entity or market related to the conclusion, completion or suspension of a certain transaction or agreement and every exercise of such exchange, clearing house or another entity or market to an authorization or right granted to them.

11.1.15. "Inside Information" is specific information which is not publicly announced, related directly or indirectly to one or more issuers of financial instruments or one or more financial instruments if their public announcement may have a significant effect on the cost of those financial instruments or on the cost of derivative financial instruments related to them. The information from the first sentence includes all information that:

1. States facts and circumstances which have occurred or substantially their occurrence could be anticipated in the future. It is specific enough for one to arrive at the conclusion in regard to the possible effect on the cost of the financial instruments or the derivative financial instruments related to them.

2. It is usually used by the investors at taking decision for investing in certain financial instrument.

In regard to the individuals who execute orders for financial instruments, inside information is also a specific information reported by a **Client** and related to placed but not yet executed orders of **the Client** which refers directly or indirectly to one or more issuers of financial instruments and one or more financial instruments. If it is publicly announced might have a significant effect on the cost of those financial instruments or the derivative instruments related to them.

11.1.16. "Working Day" refers to the days in which **BenchMark Finance** serves **Clients**. This includes all workdays days of the year except for certain Bulgarian or international public holidays for which **the Client** will be notified in advance by a message in the website and/or the platform.

1.1.17. "An authorized person" is the individual authorized with notary certified power of attorney by **the Client** to give instructions to **BenchMark Finance**.

1.1.18. "Tariff" means the tariff from **BenchMark Finance** published on the website.

1.1.19. "Derivative" is a financial instrument traded MTF or OTF whose cost directly depends on the value of one or more underlying assets (securities, share indices, debt instruments, goods, other derivatives). Derivatives include trading in rights and obligations on the basis of underlying assets but do not lead to direct transfer of ownership of them.

OPERATIONS ON THE INTERNATIONAL FINANCIAL MARKETS	
I. Trades with financial instruments made in the METATRADER platform	
1. Trades with currency pairs, precious metals, commodities, stock indices and bonds	no commission
2. Corrections of interests, swaps, dividends and converting of currency	in accordance with the conditions published on the internet page mentioned in the contract of the client and/or in the Metatrader platform
3. MetaTrader VPS fee	in accordance with the conditions published on the itner page mentioned in the contract of the client
II. Trades with financial instruments made in the TRADER platform	
1. Trades with spot currency pairs, currency forwards, spot precious metals, vanilla and binary options, CFD on indices, CFD on commodities, CFD on bonds and CFD on currencies	no commission
2. Trading with equities, CFD on shares, ETF and ETC, exchange-traded options, futures and bonds	in accordance with the conditions published on the internet page mentioned in the contract of the client and/or in the Trader platform
3. Corrections of interests, swaps, dividends and converting of currency	in accordance with the conditions published on the internet page mentioned in the contract of the client and/or in the Trader platform
4. Stock contracts (subscriptions to stock quotes and news in real-time)	in accordance with the conditions published on the internet page mentioned in the contract of the client and/or in the Trader platform
5. Keeping your account in TRADER platform in less than 10 transactions for a period of 6 months:*	
5.1. Custody for securities	0.05% on an annual basis on the value of the assets, a minimum of 1 euro or 1 dollar a month according to the currency of the account
5.2. Cash storage	0.05% on an annual basis on the value of the assets, a minimum of 1 euro or 1 dollar a month according to the currency of the account
OPERATIONS WITH CASH FUNDS FOR CLIENTS OUTSIDE THE TERRITORY OF BULGARIA	
1. Deposit funds via wire transfer	no commission
2. Withdraw funds via wire transfer	no commission
3. Deposit through Sofort	no commission
4. Deposit at a virtual POS terminal with VISA or MasterCard	no commission

*Commissions in 5.1 and 5.2 are without VAT and deduct the value of the assets at the end of each calendar month.

This tariff is approved by decision of the Board of Directors of BenchMark Finance by 07.04.2017 and entered into force on 12.04.2017.