BenchMark
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DISCLOSURE OF INFORMATION IN ACCORDANCE WITH REGULATION (EU) 2019/2088 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 27 NOVEMBER 2019 IN RESPECT OF THE SUSTAINABILITY IN THE FINANCIAL SERVICES SECTOR

In accordance with the requirements of Regulation (EU) 2019/2088 of the European Parliament of the Council of 27 November 2019 on the disclosure of information regarding the sustainability of the financial services sector, BenchMark Finance AD announces this Policy for the integration of risks to sustainability in the process of making investment decisions of investment intermediary BenchMark Finance AD, which includes:

- Information on the Policy for the integration of sustainability risks in the investment decision-making process of the Project;
- Information whether or not the adverse effects of investment decisions on sustainability factors are taken into account in the management of client portfolios and / or in the process of providing investment advice;
- The reasons for not taking into account the adverse effects of investment decisions on the sustainability factors at present;
- Information on how the Company's Wage Determination and Payment Policy is consistent with the integration of sustainability risks;
- Disclosure, amendment and publication of this information.

1. Information on Policy for the integration of sustainability risks in the investment decision-making process of the Investment Intermediary in portfolio management and provision of investment advice

This Policy for the integration of risks to sustainability in the investment decision-making process (the Policy) was adopted by a decision of the Board of Directors of BenchMark Finance AD dated 10.03.2021.

The purpose of the policy is to regulate the way in which the Investment Intermediary will integrate the risks for sustainability in the process of making investment decisions in the management of the portfolios of clients with which it has a contract for portfolio management of financial instruments, as well as in the process of providing investment advice.The Project considers sustainability risk as an event, or condition of an environmental, social or management nature (Environmental, Social, and Governance/ESG) that, if it occurs, may have a material adverse effect on the value and / or return on investment.

According to the definition in Article 2 (17) of EU Regulation 2019/2088, "**sustainable investment**" means investment in an economic activity that contributes to an environmental objective, measurable, for example, through key resource efficiency indicators in terms of energy use, renewable energy energy, raw materials, water and land, efficiency in terms of waste generation and greenhouse gas emissions or in terms of the impact on biodiversity and the circular economy, or investment in economic activity that contributes to the achievement of a social goal, in particular an investment which contributes to overcoming inequalities or which promotes social cohesion, social integration and employment, or an investment in human capital or in disadvantaged or socially disadvantaged communities, provided that such investment does not significantly affect the achievement of any of those objectives, and the companies in which the investment is made, following good management practices, in particular with regard to sound management structures, employee relations, staff remuneration and compliance with tax legislation.

Definitions:

Sustainability risk - an event or condition of an environmental, social or managerial nature which, if it occurs, may cause actual or potentially material adverse effects. potentially significant negative impact on the value of the investment;

Environmental risk - a risk in which the return on investment may be adversely affected by environmental factors, including factors arising from climate change and factors arising from other environmental degradation;

Social risk - a risk in which the return on investment may be adversely affected by social factors (eg, labor disputes);

Management risk - risk in which the return on investment may be adversely affected by management factors (eg, transparent corporate structure).

Sustainability factors - environmental, social and employee-related issues, as well as issues related to respect for human rights and the fight against corruption and bribery;

Sustainable investment risk - in case the respective portfolio applies strictly defined criteria for sustainability in its choice of investments, then there will be a risk of sustainable investment. Accordingly, a potential investment objective may limit exposure to companies, industries or sectors and may waive investment opportunities that do not meet its sustainability criteria. Accordingly, lower results may be achieved compared to other products that do not try to invest on the basis of such criteria.

2. Information whether or not the adverse effects of investment decisions on sustainability factors are taken into account in portfolio management and the provision of investment advice

Taking into account its size, nature and scope of its activity, as well as the type of financial products it provides as of the date of adoption of the Policy and provision of this information, the Project does not take into account the adverse effects of investment decisions on sustainability factors. the provision of investment advice.

Although BenchMark Finance AD has in its subject of activity and the issued license the opportunity to offer portfolio management services and investment advice, since 2011. the intermediary has no contracts with clients for portfolio management of financial instruments, as well as does not provide investment advice. Currently, the client structure of the company and the focus of the requested and provided services is not on portfolio management, due to the expressed will of the clients. At the time of preparation of this Policy and reasons, the

Board of Directors of the investment intermediary does not plan to provide portfolio management services and investment advice for the next three years.

3. The reasons for not taking into account the adverse effects of investment decisions on the sustainability factors at present are the following:

- The applicable regulatory framework is not complete. There are a number of European acts adopted at different times, which are not coordinated with each other, there are no adopted and entered into force technical standards for the content, methodologies and presentation of information under Regulation (EU) 2019/2088, through which to take into account possible adverse impacts of investment decisions and advice on sustainability factors;
- The specifics of the sectoral legislation in providing investment services are such that the Investment Intermediary is guided by always acting in the best interest of the client, taking into account its risk profile and in order to achieve the best possible return for the client with pre-set risk parameters, including risk diversification. Otherwise, claims may be directed at the Project for deterioration of the quality of services, lost benefits as a result of incorrectly made investment decisions or provided investment advice;
- At present, there are no regulated and publicly available ways to disclose in a comparable format by public companies about the presence or absence of ESG data, which could allow for the formation of objective information about sustainable factors or their absence in their businesses;
- The costs for the necessary administrative, technical and software support, taking into account the ESG factors in making investment decisions and managing the accompanying risks far exceed the possible benefits for investors and potential income for the Project in view of the scale of the Project.

4. Information on how the company's Remuneration Policy is consistent with the integration of sustainability risks.

At present, the Project does not take into account the integration of risks to sustainability in the payment of remuneration (variable remuneration) to employees. The structure of variable remuneration is constructed in such a way that it does not create a conflict of interest, does not infringe on the independence of employees, does not put them in a situation where the approval of a transaction or investment decision-making is related to sustainability factors. The integration of sustainability risks is acceptable when they are relevant to the positive results in terms of investment and profitability of clients' portfolios and this would have a positive impact on both them and the Project staff. The remuneration policy is designed in a way that promotes and ensures good and effective portfolio risk management, without encouraging excessive risk-taking for sustainability.

5. Disclosure, amendment and publication of this information

This Policy has been announced and is up-to-date as of March 10, 2021, as BenchMark Finance AD intends to maintain its decision not to comply with the requirements of Regulation (EU) 2019/2088 in the future. When deciding on a change in the offered investment products, namely providing trust management of portfolios or investment advice, BenchMark Finance AD will announce on its website the possible future integration of sustainability factors under specific and predetermined criteria assessing the risks to sustainability. and potential changes in current information in accordance with Regulation (EU) 2019/2088 and Regulation (EU) 2020/852.