

**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

Article 1 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 2 (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 3 (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 4 (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 5 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 6 (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 7 (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 8 (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 9 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 10 (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 11 (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 12 (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 13 (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 14 (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 15 (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 16 (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 17 (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 18 (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 19 (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 20 (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 21 (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 22 (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 23 (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 24 (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 25 (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 26 (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 27 (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 28 (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 29 (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 30 (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 31 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 32 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 33 (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 34 (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 35 (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 36 (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 37 (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 of 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 38 (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 to 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 39 (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 40 (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 41 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 42 (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 43 (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 44 (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 45 (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 46 (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 47 (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;
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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 48 (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 49 (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 50 (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 51 (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 52 (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 53 (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 54 (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 55 (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 56 (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 57 (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 58 (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 59 (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 60 (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 61 (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 62 (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 63 (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 64 (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 65 (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 66 (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

General requirements

Article 67 (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 68 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 69 (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 70 (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 71 At portfolio management, Art. 63, 65 and 66 from the present General Terms and Conditions are applied.

V. Safekeeping of client assets

Article 72 (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 73 (1) BenchMark Finance stores the financial instruments of its clients in a depositary 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 depositary 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 74 (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 75 (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 76 (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 77 (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 depositary 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 78 (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 79 BenchMark Finance informs its 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 held 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 80 (1) The assets of the non-professional clients that BenchMark Finance holds, administers 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 81 (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 82** (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 83 (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 84 (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 85 (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 86 (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

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*

CATEGORIZATION RULES OF BENCHMARK FINANCE CLIENTS

1. This document sets BenchMark Finance's rules, criteria and procedure on the basis of which the investment firm classifies its clients as a non-professional, professional or eligible counterparty in accordance with the requirements of Directive 2014/65/EU of the European Parliament and of the Council on financial markets instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II), Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and Council regarding the organisational requirements and the conditions for conducting business by investment firms and for the definition of the purposes of the said Directive (Delegated Regulation 2017/565) and the Markets in Financial Instruments Act (MFIA).
2. BenchMark Finance notifies all its clients about the defining terms and criteria for professional or non-professional clients as well as the circumstances in which they may be designated as eligible counterparty by publishing the present Classification Rules for their website and distributing them on other appropriate means in accordance with the General Conditions and the applicable legislation.
3. Before signing a contract with a new client, BenchMark Finance categorize the client by applying the criteria according to Financial Instruments Market Act, Delegated Regulation 2017/565 and these Rules.
4. The categorization of clients shall be carried out ex officio on the basis of the information collected when submitting the request for opening a trading account. The categorization is done during the processing of the account opening request and before the conclusion of the contract. Clients are categorized into the following categories: retail (non-professional) client, professional client and eligible counterparty.
5. The Client shall be informed on a durable medium about the categorization and also of his/her right to request a change of the categorization. The Client has the right, after acquainting himself/herself with his/her initial official categorization, upon submission of the application, before signing the trading contract, to request a change of his/her categorization, in accordance with the criteria and requirements stipulated in these Rules.

I. Professional client

6. A professional client is a client who has the experience, knowledge and skills to make investment decisions independently and to properly assess the risks associated with investing and who meets the criteria.
7. BenchMark Finance will, on its own initiative, categorize as professional the following categories of clients with respect to all investment services and activities and financial instruments, unless the client has explicitly requested other categorization:
 - 7.1. Clients who are regulated by the legislation of an EU member country, licensed clients or clients who have permission for doing activities on the financial markets:
 - credit institutions;
 - investment intermediaries;

- other financial institutions that are licensed or regulated;
- insurance companies;
- companies for collective investment and their management companies;
- pension funds and pension insurance companies;
- persons who trade by occupation with goods or commodities;
- local companies;
- other institutional investors.

7.2. Large companies that meet at least two of the following conditions:

- balance number - at least 20 000 000 euro;
- net turnover - at least 40 000 000 euro;
- own funds - at least 2 000 000 euro.

7.3. National and regional government bodies, government bodies involved in government debt management, central banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank, and other similar international organizations.

7.4. Other institutional investors primarily engaged in investments in financial instruments including entities engaged in the securitization of assets or other financial transactions.

7.5. For categorization purposes according to point 7.1 - 7.4, BenchMark Finance categorizes clients as professional based on publicly available information (including Internet), public registers, official documents, licenses, permits, accessible financial statements. Where the publicly available information is insufficient, at the discretion of the Head of Regulatory Compliance, BenchMark Finance may request additional information from the client. Until such information is received, such client will be treated as a non-professional.

8. BenchMark Finance may categorize as a professional client all clients who request to be categorized as professional clients with experience, knowledge and skills to make independent investment decisions and who can properly evaluate the risks associated with an investment. The categorization may be for all products and investment services or particular ones. Clients who request to be categorized as professionals should meet at least two of the following criteria:

- the client has carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous 4 quarters;
- the size of the client's financial instrument portfolio, defined as including cash deposits AND financial instruments, exceeds EUR 500,000;
- the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

9. If a client requests to be categorized as a professional under point 8, BenchMark Finance applies the following procedure:

- The Client must request in writing to BenchMark Finance to be treated as a professional for all investment services and transactions, or for a particular type of transactions or

investment products. The client must verify to BenchMark Finance the categorization criteria she meets by submitting documents, declarations, etc.

- BenchMark Finance assesses the client's knowledge and experience in terms of whether the client can make investment decisions and assume the risks associated with specific transactions and services. The appraisal is made also toward third persons who for example manage the client's investment portfolio or who carry out the respective transactions on behalf of the client;
- BenchMark Finance warns in writing the client that as a professional he will not be appropriately protected regarding the provision of services and activities by the investment intermediary, as well as he will not have the right to be compensated by the Investor Compensation Fund;
- The client declares in a document separate from the contract agreement that she has been informed about the consequences under the previous point.
- Before categorizing the client as a professional, BenchMark Finance takes the necessary steps to ensure that the client meets the requirements of point 8;
- BenchMark Finance makes the decision to classify the client as a professional;
- BenchMark Finance may refuse to categorize a client who formally has fulfilled the criteria under point 8, but after the evaluation, the Head of the Legal Compliance Department estimates that the client does not have enough experience, knowledge and skills to make investment decisions independently and also can not evaluate the associated risks properly.

10. Every professional client has the right to request a higher level of protection and to be categorized as a non-professional client whenever the client determines that she has no experience, knowledge and skills for making investment decisions independently and also is not able to manage and evaluate the risks involved by investing in financial instruments properly. The higher level of protection is provided on the basis of a written request from the client and a signed agreement between the investment intermediary and the client, explicitly stating whether the higher level of protection and the new categorization as non-professional client will apply to all investment services and activities and financial instruments, or to certain financial instruments.

11. Professional clients are responsible for informing BenchMark Finance about any change that might affect their categorization. If the investment firm subsequently determines that a client has ceased to meet the conditions under which he is categorized as a professional client, BenchMark Finance takes appropriate actions to re-categorize him as a non-professional.

II. Non-professional client

12. BenchMark Finance categorize as non-professional any client who does not meet the criteria and conditions of Section I, item 6 as a professional client and the criteria and conditions of Section III as an eligible counterparty.

13. In order to protect the interests of non-professional clients, BenchMark Finance will not accept requests from such clients to be categorized and treated as eligible counterparties.

III. Eligible counterparty

14. BenchMark Finance will consider and treat as eligible counterparty any investment firm, credit institution, insurance company, collective investment scheme, management company, pension insurance company, pension fund, pension insurance company, other EU licensed or regulated financial institutions, national governments, government bodies, governments, central banks and international institutions, as well as non-EU entities to whom requirements equivalent to those of the European Union law apply.

15. Other parties may also be considered as eligible counterparties that meet the requirements set out in Art. 71 of Delegated Regulation (EU) 2017/565 requirements, including third-country entities, as follows: companies that should be considered as professional clients in accordance with 7.1, 7.2 and 7.3 of these Rules.

16. Any person identified as eligible counterparty according to these rules and the applicable law, may explicitly request not to be treated in this way for all transactions or for a specific transaction.

17. If an eligible counterparty requests treatment as a client whose business relationship with BenchMark Finance is subject to Articles 24, 25, 27 and 28 of Directive 2014/65 / EU, the request should be made in writing and should indicate whether the treatment would be for non-professional or professional client and if it refers to one or more investment services or transactions and to one or more types of transactions or products.

18. When an eligible counterparty requests treatment as a client whose business relationship with BenchMark Finance is subject to Articles 24, 25, 27 and 28 of Directive 2014/65 / EU, but does not explicitly request treatment as a non-professional client, BenchMark Finance treats that eligible counterparty as a professional client.

19. When an eligible counterparty explicitly requests treatment as a non-professional client, BenchMark Finance treats the eligible counterparty as a non-professional client by applying the provisions of the second, third and fourth subparagraphs of Section II of Annex II Directive 2014/65 / EC.

20. In the case of an order from a client who is from another jurisdiction, BenchMark Finance consider whether the client is designated as eligible counterparty under the law of the client's country.

21. When making a transaction with or for an eligible counterparty under points 14 and 19, BenchMark Finance shall have the confirmation by the person that she agrees to be treated as an eligible counterparty. Confirmation from the client can be given in the form of a principle agreement or for each individual transaction.

22. If a professional client wishes to be categorized as eligible counterparty, BenchMark Finance applies the following procedure:

- The Client must request in writing to BenchMark Finance to be treated as an eligible counterparty for all investment services or transactions or only for a particular type of transactions or investment products;
- BenchMark Finance warns in writing that the client will not be appropriately protected regarding the provision of services and activities by the investment intermediary, as well as he will not have the right to be compensated by the Investor Compensation Fund;

- The client declares in a document separate from the contract agreement that she has been informed about the consequences under the previous point.
- BenchMark Finance makes the decision to classify the client as an eligible counterparty. BenchMark Finance may refuse to categorize a client as an eligible counterparty.

23. Clients categorized as eligible counterparties are responsible for informing BenchMark Finance about any change that might affect their categorization. If the investment firm subsequently determines that a client has ceased to meet the conditions under which he is categorized as an eligible counterparty, BenchMark Finance takes appropriate actions to re-categorize the client as a professional or non-professional.

IV. Protection of each individual client categories

24. Non-professional clients use the highest standard of protection. Toward non-professional clients BenchMark Finance applies all general regulations applicable to BenchMark clients as well as the provisions in the Financial instruments market act (Article 73, Paragraph 2, Article 74, Paragraph 2, Article 78, Paragraph 5 and Paragraph 7, Article 82, paragraph 3, Article 84, paragraph 2, Article 95, Paragraph 1, etc.), the provisions in Delegated Regulation 2017/565 (Article 44, Paragraph 4, e), Article 48, Apr 3, Article 54, Paragraph 2, Article 57, Issue E, Article 62, Paragraph 2, Article 65, Paragraph 4, Article 66, Paragraph 9, Article 67 (1) (c), etc.) and the provisions in other national or European regulations.

25. Professional clients use a medium level of protection, with general provisions that apply to all clients, and there are almost no explicit specific provisions that apply only to them. BenchMark Finance applies the following rules to clients categorized as professional:

- BenchMark Finance has no obligations to provide information intended for non-professional clients about the investment services, financial instruments and products that the client intend to use;
- BenchMark Finance has the right to accept that a client categorized as a professional client for certain services or transactions or products, has sufficient experience, knowledge and skills to make investment decisions independently and understand the associated risks. BenchMark Finance has the right to accept that a client categorized as a professional client has the financial ability to bear all the investment risks associated with his investment goals;
- When executing the client's orders and taking all measures to achieve the best possible result for the client, BenchMark Finance is not obliged to place the total value of the transaction including the price of the financial instrument and all costs directly related to the execution (incl. execution venue, clearing and settlement fees, etc. paid to third parties involved in the execution) as the most important factor in achieving "best execution" price according to The policy for executing client orders;
- BenchMark Finance has no obligation to provide information to professional client about encountered significant difficulties regarding the correct and prompt execution of its orders;

- BenchMark Finance has the right to provide regular statements and reports with information about transactions to professional clients less frequently than non-professional clients;
- A client categorized as a professional is not entitled to compensation from the Investor Compensation Fund, while clients categorized as non-professional have this right under Article 77d, Paragraph 2 of the Public Offering of Securities Act

26. Clients categorized as eligible counterparty have the lowest level of protection. BenchMark Finance, as an intermediary providing investment services, may enter into financial transactions with an acceptable counterparty without complying with the requirements of Art. 70, Art. 71, para. 1, Art. 72, 73, 74, 77, 78, 82, 84, 85, 86 and 87 of the Financial Instruments Markets Act in respect of specific orders or the related ancillary service directly related to those transactions. Apart from this, when an eligible counterparty falls within the scope of Art. 77d, para. 2 of the Public Offering of Securities Act, the Investor Compensation Fund does not pay compensation.

27. Where, in a provision of a regulation, general terms, contract, applicable rules, policies or procedures, it is not explicitly determined which category of customers it applies to, each of the three categories is considered to be equally relevant. If it is explicitly foreseen that some provisions will not apply or will, respectively, be applied to a particular category of clients (eg non-professional), then those provisions do not, respectively, apply to the other client categories for which they are not explicitly intended.

V. General provisions

28. BenchMark Finance informs all new and existing clients who have been recategorized by BenchMark in accordance with the requirements of Directive 2014/65/EU as professional, non-professional clients or acceptable counterparties.

29. BenchMark Finance may, on its own initiative, ex officio at the initial categorization or at a later stage, or after request of the relevant client, treat the client as follows:

- to consider a client as a professional or non-professional who would otherwise be categorized as eligible counterparty for one or more investment services or transactions, or for one or more types of transactions or products;
- to consider a client as a non-professional who would otherwise or has already been categorized as a professional client for one or more investment services or transactions, or for one or more types of transactions or products.

VI. Final provisions

30. These Rules have been adopted on the basis of Directive 2014/65/EU of the European Parliament and ESMA and amending Directive 2002/92/EC and Directive 2011/61/EU, Delegated Regulation (EU) 2017/565 and the Markets in Financial Instruments Act.

31. These Rules were adopted by the Board of Directors of BenchMark Finance on 15.05.2018 and shall enter into force on the date of their adoption. They abolish the Customer Categorization Procedure and Policy, as part of the BenchMark Finance Terms and Conditions Appendix.

32. These Rules are made available to BenchMark Finance employees and other contractors for information and enforcement. These Rules also apply to tied agents appointed by the investment firm.

33. If BenchMark Finance's clients have been categorized as professional by parameters and procedure similar to those under these Rules, then the legal relationship with these clients and BenchMark will not be affected and BenchMark may not re-categorize those clients.

34. The BenchMark Finance Board of Directors shall review and evaluate the compliance of these Rules with the services and activities performed by the investment firm at least once a year by January 31, adopting amendments and additions in case of incompleteness and/or need for improvement of the internal organization. Notwithstanding the preceding sentence, the Board of Directors shall adopt amendments to these Rules when necessary.

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. Confidentiality and disclosure of information from BenchMark Finance

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.

**EXECUTION POLICY
FOR FINANCIAL INSTRUMENT TRANSACTIONS**

1. General terms

1.1 The BenchMark Finance policy for execution of orders for trading with financial instruments has been prepared in accordance with Art. 86 of the Financial Instruments Markets Act and Commission Delegated Regulation 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council regarding the organisational requirements and conditions under which the investment intermediaries operate and regarding the giving of definitions for the purposes of that Directive.

1.2 This Policy sets out the rules and procedures that BenchMark Finance and its employees follow to ensure the best execution for client orders, and to ensure that BenchMark Finance takes all reasonable steps to obtain the best possible result for the client.

1.3 By applying this policy, BenchMark Finance guarantee that, with respect to the investment services and activities performed at the expense of clients, BenchMark Finance will act honestly, fairly and as a professional in accordance with the best interest of its clients, following the good commercial practice.

1.4 BenchMark Finance cannot execute orders for the expense of its clients unless they have given their prior consent to this Policy. BenchMark Finance provides its clients with relevant information regarding this Policy in accordance with Delegated Regulation (EU) 2017/565 and the Financial Instruments Markets Act

1.5 For the purposes of this Policy, "venue" means a regulated market, a multilateral trading system, an organized trading system, a systematic participant, a market maker, another liquidity provider or entities performing functions in a third country that are similar to the functions performed by the abovementioned legal entities.

2. Client

2.1 BenchMark Finance classifies its clients as professional, non-professional and eligible counterparties in accordance with BenchMark Finance's Client Categorization Rules and Policy.

2.2 All BenchMark Finance clients are treated equally regardless of their categorization.

3. Scope

3.1 BenchMark Finance and its employees follow this policy in all cases when a client order is executed, except in the cases when the client is identified as eligible counterparty under the Client Categorization Rules and has not requested to be treated differently, or has given specific instructions for the execution.

3.2 The policy applies for the following investment services:

3.2.1 Acceptance and transmission of orders in relation to one or more financial instruments, including the intermediation of transactions with financial instruments at the expense of the clients;

3.2.2 Execution of orders on behalf of clients;

3.2.3 Execution of financial deals on behalf of a client in connection with a client portfolio managed by BenchMark Finance.

3.5 BenchMark Finance executes the order following the specific instructions set by the client, and for those factors that BenchMark Finance has no instructions from the client, the best execution in the best interest of the client is followed. Following the instructions, BenchMark Finance fulfills its obligation to act towards achieving the best result for its clients.

3.6 The Client should bear in mind that the specific instructions given by him may prevent BenchMark Finance from taking the necessary actions to achieve the best result in executing client orders in accordance with this Order Execution Policy.

3.7 If, at the discretion of BenchMark Finance, the special order of the clients deviates significantly from the market situation, BenchMark Finance may, where it is in the client's interest, apply this Policy and execute the order by not complying with the client's instructions.

3.8 BenchMark Finance executes orders on behalf of a client after the client has given his or her prior consent to follow this Policy.

3.9 By accepting this Policy, the client expressly agrees BenchMark Finance to execute orders placed by him/her outside of trading venues. When the order is executed outside of trading venues, the investment firm informs the client that the counterparty risk may be increased, and the probability of execution, the speed and settlement may be reduced, which in general may increase the overall risk of the deal.

4. Financial instruments

4.1 At the time of preparation and adoption of this Policy, BenchMark Finance accepts and executes orders for the following financial instruments: shares, units of collective investment schemes, exchange traded funds (ETFs), indexes, debt securities (bonds and money market instruments) and CFDs. A description of the products BenchMark Finance offers and the risks associated with them can be found on the broker's website.

5. Factors for executing client orders in the best interest of the client

5.1 BenchMark Finance assesses the relative importance of the following factors in order to achieve the best execution of client orders:

- Price
- Costs
- Volume/Order size
- Probability of execution
- Speed of execution
- Security of settlement
- Type and nature of the order
- Other factors related to order execution.

5.2 Price: The price which the client will receive or will pay for the execution of his order is a paramount factor for satisfying the criteria for ensuring the best execution of client orders and for obtaining the best possible result for the client. The price of the financial instruments is determined on the basis of the "bid" and "ask" offers and is influenced by the pricing process for the specific place of execution.

5.3 Costs: All costs directly related to the execution of the order, incl. venue fees, clearing and settlement fees, and other fees and fees payable to third parties tied to the execution of the order. Usually, costs are decisive for choosing a place to execute client orders. BenchMark Finance has no right to determine and collect commissions in a way that unfairly differentiates between venues.

5.4 Volume/Order size: The volume (number) of the client's financial instruments is usually directly related to the price of the financial instruments and the transaction costs (for example, an order that is larger than the normal market size). Besides the cost, the size of the client's order is of particular importance for the speed and probability of execution.

5.5 Probability for execution: The probability of an order placed by the client to be fully executed at a given venue. In illiquid markets, the likelihood of execution is a significant factor.

5.6 Speed of execution: This is the time interval from the submission of an eligible order to the confirmation of its execution from the place of execution. BenchMark Finance makes every effort to execute any order the earliest as possible, which is usually possible on the most representative market for a particular financial instrument. Taking this factor into account enables the client to make the most of the movement on the market, which is in his/her best interest as well. The speed of implementation can be especially important in cases of high market volatility and rapid changes in instrument prices.

5.7 Security of settlement: The timely completion of settlement without delay can be an important factor, especially for large volume orders as well as for professional client orders. Depending on this, and to the extent BenchMark Finance is aware of the further intentions and goals of the particular client, this factor may have a significant weight in meeting the criteria to ensure the best execution of client orders and to obtain the best possible result for the client.

5.8 Type and nature of the order: The characteristics of the client order can have a significant impact on the choice of the place of execution, in order to achieve the optimum price and speed. For example, the execution of an order that has unusual features, such as an extended or shortened settlement period, may be different than the execution of a standard order. In this regard, the characteristics of the client's order can have a significant impact on the choice of place of execution, in order the optimum cost and speed to be achieved.

5.9 Other factors: These include, without being fully listed, clearing systems, possible future costs of storing financial instruments subject to a specific order, tax liabilities, etc. BenchMark Finance evaluates the relevance of these factors to the extent that the customer is aware of them at the time the order is executed.

6. Significance of the factors

6.1 The relative importance of the performance factors in each case is determined by the following criteria:

- the characteristics of the client, including whether he/she is identified as a non-professional or professional client;
- the characteristics of the client's order, including whether the order is linked to a securities financing transaction or, for example, the ability of the execution of the order to have an impact on the market;
- the characteristics of the financial instruments which are subject to the order - such as liquidity and the presence of a regulated market or other trading venue;
- the characteristics of the execution venues to which the order may be directed for execution. Venue characteristics may, for example, be related to the particularities of the liquidity sources available to BenchMark Finance at a particular venue.

6.2 In executing an order submitted by a non-professional client, the best execution of the order and the achievement of the best possible result for the client is determined by the total value of the transaction, including the price of the financial instrument and the costs associated with the execution. Execution costs include all costs directly related to the execution of the order, including venue fees, clearing and settlement fees, and other fees paid to third parties involved in the execution process.

6.3 In order to be achieved the best possible result for the client in the cases where more than one competitive execution venue exist and for the assessment and the comparison of the results that could be achieved for non-professional client for the execution of the order on each of the execution venues, mentioned in this Policy, that are appropriate for the execution, the commission of BenchMark Finance and the expenses for the order execution on each of the possible trading venues are taken into account. The speed, probability of execution, settlement, size, nature of the order may have an advantage over the cost and the cost of execution, only insofar as they are a tool for achieving the best possible result from the non-professional client point of view.

6.4 For execution of orders which are submitted by professional clients, in most cases, the costs will also be decisive for achieving the best result for the client. However, BenchMark Finance will evaluate the importance of the factors on a case-by-case basis.

6.5 In assessing whether the best execution is achieved, BenchMark Finance does not consider its standard fees that should be paid by the client, regardless of how the order is executed.

6.6 When executing orders or when deciding to trade OTC products, including individual products, BenchMark Finance verifies the correctness of the price offered to the customer by collecting market data used in the price evaluation of that product and, if possible, by comparing it with similar products. or comparable products.

7. Execution of client orders

7.1 Client orders are executed mainly at trading venues and outside trading venues.

7.2 Based on the evaluation of the performance factors and the performance criteria, BenchMark Finance may select one or more venues to execute the client's order. Client orders may be executed outside of regulated markets, including where BenchMark Finance trades on its own account through the purchase and sale of financial instruments at prices it determines.

The used places may include:

- Regulated market
- Multilateral trading system
- Organized trading system
- Liquidity provided by BenchMark Finance or other liquidity providers.
- If the infrastructure of the financial instruments market allows, client orders may also be executed against a systematic participant or market maker.

7.3 BenchMark Finance may not structure or charge its commissions in a manner that discriminates the execution venues. BenchMark Finance takes all measures not to discriminate the execution venues, except on the basis of the performance factors relevant to the order.

7.4. BenchMark Finance should not receive remuneration, discounts or non-monetary benefits for placing an order at a specific trading venue or for executing an order if it thus violates the requirements of Art. 84, para. 1 - 3, Art. 65, para. 1, Vol. 7, Art. 70 - 74, Art. 76 - 82 and Art. 99 of the Financial Instruments Markets Act.

7.5. If BenchMark Finance applies different fees depending on the venue, the investment firm explains these differences in sufficient detail to enable the client to understand the advantages and disadvantages associated with choosing a single venue.

7.6 When BenchMark Finance offers its clients the choice of venue, it provides correct, clear and non-misleading information to prevent the client from choosing one venue instead of another based solely on the pricing policy applied by BenchMark Finance.

7.7 BenchMark Finance makes decision towards a specific venue based on an assessment of all the factors in item 6 above. If the client's assessment of certain performance factors differs from that of BenchMark Finance and the client wishes the order to be executed at another venue other than those specified in the Policy, the client is entitled to submit specific instruction to BenchMark Finance about the preferred venue.

7.8 The choice of execution venue for certain classes of financial instruments is a result of market analysis for the respective class of financial instruments. BenchMark Finance analyzes the execution venues it selects, as well as other potential venues, to identify the venues it considers most competitive in order to achieve the best performance and to obtain the best possible result for the client. The analysis and assessment of venues will be carried out at least once a year, taking into account the information published pursuant to paragraphs 3 and 6 of Art. 27 of Directive 2014/65/EU. The evaluation may lead to the adoption of new venues or the deletion of venues.

7.9 For certain classes of financial instruments in which BenchMark Finance executes orders using liquidity that is provided on its own internal reporting (internal pricing), BenchMark Finance may combine the risk of client transactions with the risks arising from other client positions and hedge at other trading venues. The hedging should be done in the most efficient way possible. The prices BenchMark Finance provides to clients in this case are based on the prices BenchMark Finance receives for its positions from the hedging sites selected by it.

7.10 BenchMark Finance may submit a client order to execute its counterparties, who are directly or through a broker, a member of an appropriate trading venue, to which BenchMark Finance does not have direct access, acting in accordance with the best interests of its clients and this Policy. BenchMark Finance selects its counterparties among the leading international brokers, taking into account their client order execution policies, as well as criteria such as direct access to the relevant market, probability of execution, reliable settlement. To achieve the best performance for the client and to achieve the best possible result for the client, BenchMark Finance will periodically review the selection of these counterparties.

7.11 BenchMark Finance complies with the requirements of item 7.10 when providing a portfolio management service and submits execution orders from its counterparties, on behalf and at the expense of the client whose portfolio it manages.

7.12 BenchMark Finance may execute orders in a non-regulated (OTC) market directly with another investment firm, with a BenchMark Finance client, or directly with BenchMark Finance acting on its own account. In accordance with the regulatory requirements, BenchMark Finance is obliged to inform its clients about this possibility and to obtain the prior consent of the clients before proceeding to execute their orders outside the trading venue. This consent can be given as a principled consent or for individual transactions.

7.13 BenchMark Finance shall notify the Client in advance of all essential parameters of the transaction that BenchMark Finance may execute outside the venue. When a client places an order for a transaction with CFD, foreign currency on a margin basis or with another financial instrument that is not admitted for trading on a regulated market through an electronic trading system, the client is considered to be informed of all essential parameters of the transaction.

8. Execution venues

8.1 At the time of preparation of this Policy, BenchMark Finance executes client orders at the following execution venues that enable the investment firm to achieve the best execution of the client orders and obtain the best possible result for the client:

8.1.1 Shares, units of collective investment schemes, exchange traded funds (ETFs), indices, debt securities (bonds and government securities) admitted for trading on a regulated market in Bulgaria:

- Bulgarian Stock Exchange - Sofia AD - executes orders directly on the markets organized by BSE - Sofia AD, in accordance with the Rules and Procedure of BSE - Sofia AD.
- Outside of the execution venue (OTC) - directly when a counterparty is another investment intermediary or client of BenchMark Finance, or directly with BenchMark Finance acting on its own account, at its sole discretion and provided that the client is informed in advance and the he/she has given explicit consent for that and the best execution for the client will be achieved.
- Through a multilateral trading system - not directly, as BenchMark Finance transfers the execution from its counterparties who directly or through a broker are members of such a system. When the financial instrument which is an object to a client order is traded both on regulated market and multilateral trading system, and where there are no particular instructions from the client about the execution venue, BenchMark Finance will determine it in accordance with this Policy.

When executing the orders of a non-professional or professional client, the best execution is determined by the expenses of the execution. BenchMark Finance takes into account the total amount that the client will receive or pay, which includes both the price of the financial instrument itself and all costs associated with executing the client's order, incl. venue fees, clearing and settlement fees, and other fees payable to third parties related to the execution of the order. The expenses for execution on BSE - Sofia AD are stated in the BenchMark Finance Tariff.

The likelihood of execution is evaluated by taking into account the nature of the order - size, validity, price and availability of sufficient liquidity. For the purposes of this point, "sufficient liquidity" means the existence of demand or supply (according to the order type) of the particular financial instrument to which the client order relates, whereby the relevant order can be executed immediately, and at BenchMark's discretion its eventual fulfillment would not lead to a deformation of demand or supply.

The velocity of execution, the likelihood of settlement and other aspects of the transaction such as the supervision over trade, are taken into account when evaluating the execution venue, insofar as they are relevant to achieving the best possible result for the client.

The financial instruments allowed for trading on BSE-Sofia AD are traded at their real value (without margin usage). The parties to the transaction acquire all rights and obligations to the financial instruments (property and non-property). The acquirer of financial instruments has an obligation to pay the full value of the financial instruments together with the fees and commissions for BSE-Sofia AD and BenchMark Finance included in the transaction, according to the BenchMark Finance Tariff. The transferor is entitled to receive the full value of the financial instruments subject to the transaction reduced by the fees and commissions due to BSE-Sofia AD and BenchMark Finance, in accordance with the BenchMark Finance Tariff. The transfer of financial instruments is carried out by a depository institution - Central Depository, with settlement, which is two days after the date of the transaction.

8.1.2 OTC derivatives contracts - Contract for difference (CFD) - CFDs on equities, CFDs on commodities, CFDs on currencies, CFDs on indices and other derivative instruments.

In terms of trading with these financial instruments which are traded on the OTC market, BenchMark Finance executes the orders by being a party to each transaction and acting as a place of execution for all orders. The transaction is executed directly between the client and BenchMark Finance on an individual basis under previously agreed terms. The financial instruments offered by BenchMark Finance are issued by BenchMark Finance on the client's account in the respective platform. When executing a position at the explicit request of the client, the best result is sought when dealing in a non-regulated market. There is no alternative venue available.

BenchMark Finance is obliged to comply with the norms for fair determining of the financial product prices in accordance with the regulatory requirements and the good practices. According on BenchMark Finance's strategy and policy, if legal or regulatory restrictions exist, not all products may be made available to non-professional clients.

9. Submission and execution of client orders

9.1 BenchMark Finance executes transactions with financial instruments at the client's expense under the best conditions and trying to achieve the best execution. BenchMark Finance executes transactions with financial instruments at the expense of clients in accordance with their orders.

9.2 BenchMark Finance accepts orders for transactions with financial instruments submitted personally by the client or authorized representative, and in the case when the client is a legal entity - by a duly authorized representative. When submitting orders at BenchMark Finance office, the orders must be submitted with content in accordance with the regulatory requirements.

9.3 Submission of an order through an authorized representative is possible only by providing a notarized power of attorney which contains representative authority for trading with financial instruments on behalf of the client. In addition, a declaration by the authorized representative should be provided that he/she has not made trades with financial instrument by occupation for the last one year, that he/she has no inside information, that the financial instruments (subject for trading) are not blocked in a depository institution, no pledge is imposed on them, and the transaction is not a disguised purchase or sale.

9.4 The client is informed about:

- the current policy;
- the financial instruments and the risks associated with them
- the execution venues;
- transaction costs and fees;
- where the client's assets (financial instruments and money) can be stored, from whom they can be stored and what is the responsibility of that person.

9.5 When the client places an order through the platforms offered by BenchMark Finance for execution of a transaction in financial instruments that are not allowed for trading on a regulated market, it is considered that the client is informed of all essential parameters of the transaction.

9.6 Orders for execution of trades with financial instruments may be submitted in BenchMark Finance's office and through an electronic trading system or through the following remote methods of communication: telephone or email.

9.7 Orders are submitted by the specified remote methods (telephone or email) which are indicated on the BenchMark Finance website.

9.8 BenchMark Finance accepts trading orders submitted personally by the client or by authorized representative. If the client is a legal entity - by a duly authorized representative. Regardless of its form, the content of the order must comply with the regulatory requirements.

9.9 Submission of an order through an authorized representative is possible only by providing a notarized power of attorney which contains representative authority for trading with financial instruments on behalf of the client. In addition, a declaration by the authorized representative should be provided that he/she has not made trades with financial instrument by occupation for the last one year. According to the requirements, the authorized authority should provide a copy of identity document which is certified by him and the client of BenchMark Finance. Certification shall be done by affixing "true to the original", date and signature of the person performing the certification.

9.10 BenchMark Finance accepts trading orders submitted by telephone or other remote mannar of communication. Orders can also be submitted by authorised representatives on behalf of the client who are already identified by BenchMark Finance. When trading orders are submitted by telephone BenchMark Finance must record the call. When the trading order is submitted by other remote manner BenchMark Finance stores electronically the data provided by the client in connection with the order instructions. Trading orders that relate to dematerialized transfers of financial instruments to the investment intermediary in the Central Depository are not accepted.

9.11 BenchMark Finance accepts trading orders through its electronic trading systems, which provide access to a designated execution venue. The access to the systems is protected by personal username and password.

9.12 BenchMark Finance provides the client with a signed copy of the accepted trading order, unless it has not been submitted in accordance with point. 9.10 and 9.11 above.

9.13 BenchMark Finance is not entitled to execute a client's order if the client, or his authorised representative, has not declared the following:

a) has inside information about financial instruments to which the order relates and their issuer if the financial instruments to which the order relates are traded on a regulated market;

(b) the financial instruments that are the subject of a trade or exchange are blocked in the depository institution where they are held, or they have been pledged;

(c) the financial instruments that are the subject of a trade is a disguised purchase or sale. The refusal of a declaration shall be certified by a signature by the client at the appropriate place on the order.

9.14 If the financial instruments are not available in client's trading account, BenchMark Finance will not execute a trading order that relates to those financial instruments in the cases when this circumstance is declared or if BenchMark Finance find itself that the trading instruments are not available. An acceptable exception is for short positions, financial instruments that are blocked in depository institution or pledged. BenchMark Finance will execute an order related to pledged financial instruments when the acquirer is informed and explicitly agrees to acquire these financial instruments and the consent of the pledgee is provided as well according to the law.

9.15 Orders submitted in written form or electronically are registered in BenchMark Finance system under unique serial number when the order is received. Orders submitted through an electronic trading system are automatically registered in BenchMark Finance system. Prior to execution, orders must first be validated by verifying their content and compliance with regulatory requirements, in accordance with this Policy. Orders are validated according to the time of submission and their serial number in BenchMark Finance system, unless the characteristics of the order or market conditions make this impracticable or the interest of the client under this Policy requires other.

9.16 BenchMark Finance will inform the non-professional client for any substantial obstacle related to the correct execution of the orders as soon as the obstacle is identified.

9.17 BenchMark Finance set the own account orders for trading with financial instruments according to the order applicable to client orders. Thus, BenchMark Finance pursues an effective policy to prevent conflicts of interest with its clients.

9.18. When two or more orders for the sale or exchange of financial instruments are identical in their parameters, and for any of them the check for the availability of financial instruments is delayed for reasons other than BenchMark Finance (for example, financial instruments with a trustee), BenchMark Finance will not consider such an order identical to the others and will execute them in the order of their submission and validation.

9.19 BenchMark Finance executes client orders and own account orders individually. In certain cases, BenchMark Finance may combine if:

- a) the merger of orders will not be to the detriment of any of the clients whose orders are merged;
- b) it is made known to all clients whose orders are combined that the merger may have consequences that are detrimental to the particular order, and
- c) an order allocation policy set out below is established and effectively implemented.

9.20. If the counter offer is changed when the place of execution of the consolidated order is entered and the combined offer is executed in several parts and at different prices, or even partially fulfilled, the previously given individual client order takes priority.

9.21 BenchMark Finance will not distribute the executed transactions in combined order in a manner that is detrimental to the clients.

9.22 BenchMark Finance combine client orders with the aim of minimizing administrative costs and time when upon initial subscription of shares and upon initial admission for trading of financial instruments on a trading venue, the execution procedure provides proportionality for all investors.

9.23 BenchMark Finance has the right to combine orders, in cases where it can reasonably and indisputably prove that without the merger it would not be able to execute the client's order on such favorable terms or the execution would not be possible at all. In this case, BenchMark Finance may distribute the transaction proportionally between itself and the client.

9.24 Except for the two previous points, BenchMark Finance will distribute orders to clients with priority in case of combined trades with partial execution. BenchMark Finance has no right to redistribute transactions on its own account executed in conjunction with client orders when this is to the detriment of the client.

9.25 BenchMark Finance may combine orders that are submitted on behalf of and at the expense of client's portfolio it manages. Such consolidated order shall be treated as an individual client order and executed, respectively merged with other client orders and orders on BenchMark Finance's own account under this Policy.

10. Limitation of the best practice policy

10.1 Specific instructions

10.1.1 A client may ask BenchMark Finance to execute an order in accordance with specific instructions, either overall or individually. BenchMark Finance will follow as far as possible the client's instructions. However:

- When specific client instructions result in higher execution costs, BenchMark Finance will pay these additional costs and charge them from the client as fees. In this case, BenchMark Finance will notify the client of the changed fees before accepting the order;
- If the specific client instructions are in conflict with the normal work processes, BenchMark Finance will give preference to specific instructions. This may result in a different result when executing the client's order;
- When there is no conflict, BenchMark Finance will continue to comply with this Policy.

10.1.2 BenchMark Finance complies with its obligation for the best execution of the client's order and for taking all sufficient steps to obtain the best possible result for the client, following exactly the client's instructions and following the client's instructions accordingly. This Policy does not apply to performance factors specified by the client and BenchMark Finance will execute the client's orders in accordance with the instructions given by the client, with the client acting at his own risk and responsibility regarding the performance factors specified by him. BenchMark Finance will apply this Policy to factors for which no instructions have been given by the Client. Special instructions provided by the client may prevent BenchMark Finance from taking the necessary steps to achieve the best execution of the client's orders and to obtain the best possible result for the client.

10.2 Stop Out

10.2.1 In the case of automatic closing of positions (Stop Out), BenchMark Finance strives to close, terminate or cancel immediately all or part of the client's positions. BenchMark Finance has freedom to decide how to close positions as to release additional margin and reach margin requirements, including personal judgment in terms of order fulfillment, quantity, aggregation, priority and pricing.

10.2.2 In case of Stop Out and/or sale of client financial instruments for the purpose of covering negative cash balance on one or more client's accounts, gained, the client unconditionally agrees with the price BenchMark Finance uses for closing price of the opened positions.

10.3 Execution in a highly volatile market, leading to a number of risks associated with volatile market performance. Customers should be aware of the following risks associated with market volatility, especially near the opening or closing of a standard trading session.

10.3.1 Execution of an order at a substantially different price from the quotation of the offer or from the last reported (quoted) price at the time of the acceptance of the order, as well as partial execution or execution of large volume orders in several transactions at different prices.

10.3.2 Delays in execution of orders that BenchMark Finance must forward to external market makers or to be manually directed or manually executed/routed orders.

10.3.3 Prices at market opening may differ substantially from prices at which the market closed in the previous session.

10.3.4 The opening price coincides with the closing price or falls into a gap in a case of a closed market. In this case, when the market opens, client orders will be executed at the first possible market price.

10.3.5 Market volatility is one of the factors that may lead to order fulfillment. When there is a large volume of orders on the market, imbalances and delays in execution may occur. This means that more time is needed for execution of pending orders. Such delays are usually due to various factors:

- The number and size of orders that need to be processed;
- The speed for provision of quotes (or last sale information);
- Restrictions related with the technical capacity of the system applicable to a stock exchange, as well as those of BenchMark Finance and other financial institutions.

10.4 Use and transmission of information

BenchMark Finance may access and use and/or provide information on an anonymous and aggregated basis to its counterparties, including but not limited to client orders, positions, trades and other data and analyzes in the form of anonymous and aggregated data. This anonymous and aggregated data can be used for market intelligence, analytical tools, risk management strategies to generate and provide liquidity and other BenchMark Finance products and services. The nature of the anonymous and aggregated data provided may differ from that provided to other counterparties in terms of quantity, scope, methodology or other, and may change from time to time without notice to the client.

10.5 In terms of prices

10.5.1 When trading OTC derivatives in the OTC market offered by BenchMark Finance, client trade at the prices offered by BenchMark Finance. There are a number of factors that can be used to construct a derivative price and these vary depending on the asset class traded, the nature of the market and the characteristics and conditions of the transaction, as well as any particular market or credit risks. BenchMark Finance applies a standard method to calculate the price for these types of derivatives and to ensure that the price offered at any moment is always considered to be fair and the best price a client can get. When monitoring the best performance for these types of instruments, BenchMark Finance will monitor the calculation method to ensure that it is applied at any time.

10.5.2 BenchMark Finance will verify the fairness of the price offered to the client by collecting market data and if possible, will compare it with similar or comparable products.

11. Verification and actualisation of the Policy

11.1 BenchMark Finance monitors the effectiveness of this Policy and the quality of execution of client orders and, where necessary, takes action to correct identified irregularities.

11.2. BenchMark Finance conducts an annual review of this Policy, as well as any significant change that may affect BenchMark Finance's ability to provide the best results for executing client orders when using the venues included in this Policy.

11.3 BenchMark Finance submit and publish annually on its website summary information and reports for the best venues and the quality of performance received for each class of financial instruments for the previous year.

12. Final provisions

12.1 This Policy is made available and is permanently available to all clients and potential clients on the website of the company. BenchMark Finance may also make this Policy available on another durable medium upon request. BenchMark Finance notifies its clients of any changes to this Policy by means of a notice posted on its website.

12.2 BenchMark Finance considers that clients have given their prior consent to this Policy and any subsequent amendments thereto, if they do not express their explicit disagreement with the Policy, or the changes made therein, within 3 days from its publication, respectively, from the publication of its changes, on the website of the company.

12.3 This Policy is adopted on the basis of Art. 86, para. 1 of the Markets in Financial Instruments Act and Art. 65, par. 5 of Delegated Regulation (EU) 2017/565 and is adopted by the Board of Directors of BenchMark Finance on 16.05.2018, in force from 16.05.2018. This Policy supersedes the current Client Order Execution Policy.

List of execution venues:

- Bulgarian Stock Exchange - Sofia AD - licensed trading venue;
- BenchMark Finance AD - counterparty and liquidity provider for derivatives transactions - CFDs, traded outside of a regulated market.

**BENCHMARK FINANCE POLICY
FOR PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST**

1. General provisions

1.1 The Policy for Prevention and Management of Conflicts of Interest (Policy) has been prepared in accordance with Art. 76 of the Financial Instruments Markets Act (FIMA) and Commission Delegated Regulation 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards the organizational requirements and conditions of business of investment firms and for giving definitions for the purposes of that Directive and is part of BenchMark Finance's internal documents.

1.2 This Policy governs:

- The treatment of conflicts of interests in accordance with the size and organizational structure of the investment firm and the nature, scale and complexity of the investment services and activities performed;
- Circumstances that are conflicts of interest or that may rise to conflicts of interest and thus to create risk of harming the interests of a client or clients of the investment firm in relation to any particular service or activity, performed by the investment firm;
- The procedures and measures for treatment of conflicts of interests.

1.3 This Policy applies to the provision of services to all clients of BenchMark Finance, regardless of their categorization as professional clients, non-professional clients or acceptable counterparties.

1.4 This Policy is made available to the clients of BenchMark Finance upon request and is available at any time on the website of the investment firm. With the signing of a contract with BenchMark Finance and the acceptance of the General Terms and Conditions for deals with financial instruments, the client declares that she is familiar with and accepts the application of this Policy. BenchMark Finance may amend and/or supplement this Policy at any time.

1.5 BenchMark Finance creates settings for prevention and detection of conflicts of interests, and when such conflicts arise - settings for fair treatment of clients, disclosure of information and prevention from damaging the clients' interests.

1.6 The heads of the individual units or departments at BenchMark Finance are responsible for identification, prevention and management of conflicts of interests in the units or departments they manage.

1.7 As a preventive measure in regards to the conflict of interest management, the organizational structure should be continuously evaluated and modified accordingly to prevent the occurrence of potential conflicts of interests.

1.8 In order to avoid conflicts of interests, the relevant persons, having working contracts with the investment firm, are required to comply with the following principles:

- **Conflict-free** – the relevant persons, having working contracts with the investment firm, should not be placed on positions where their interests would be in discrepancy to the interests of the client, and if this happens, the client's interest should always be prioritized. This Policy accepts the principle that the best management of conflicts of interest is their full avoidance;
- **Equal and fair treatment and loyalty to the customers** – BenchMark Finance must always act in the best interest of its clients. BenchMark Finance should not be placed in a position where the interest of one of its clients would be in conflict with the obligation of BenchMark toward other clients. The relevant persons having working contracts with the investment firm are obliged to apply for the benefit of the clients all of their professional knowledge and experience, including any publicly available information they have received in relation to the services provided to the clients;
- **Confidentiality** – the relevant persons, having working contracts with the investment firm, have no right to use to their advantage or to the advantage of a third person, confidential information that they have obtained from a client.
- BenchMark Finance and its employees act **honestly, fairly and professionally** in providing investment and additional services in accordance with the best interests of the clients.

2. Identification and general announcement of the potential conflicts of interests and their possible sources

2.1 BenchMark Finance identifies and discloses a number of circumstances that may lead to a conflict of interest and potentially impair the interests of one or more clients. A conflict of interest may arise if BenchMark Finance or a related party, directly or indirectly related to the investment firm, falls into one of the following situations, whether as a result of the provision of investment or ancillary services, or otherwise:

2.1.1 BenchMark Finance or the person concerned may make a financial gain or avoid a financial loss at the expense of the client;

2.1.2 BenchMark Finance or the person concerned is interested in the result of the service provided to the client or the transaction carried out at his own expense, which is different from the client's interest;

2.1.3 BenchMark Finance or the person concerned has financial or other incentive to prefer the interest of another client or group of clients to the interests of one particular client;

2.1.4 BenchMark Finance or the person concerned carries on the same business activity as the client;

2.1.5 BenchMark Finance or the person concerned receives, or will receive, incentive in connection with the service provided to a client in the form of monetary or non-monetary benefits or services.

2.2 BenchMark Finance identifies and specifically identifies the following circumstances that may lead to conflicts of interest when providing investment or ancillary services:

2.2.1 BenchMark Finance may have an interest that conflicts with the interests of customers and the deals they make, e.g. when clients trade in markets where BenchMark Finance acts

as a market maker or when BenchMark Finance wants to invest in the same instruments but does it for its own expense.

2.2.2 When BenchMark Finance acts as a market maker of a financial instrument and manages its own risk by hedging in the same market, this may affect the market price of the financial instrument and the prices at which customers enter into deals. In addition, BenchMark Finance may benefit from its hedging activity, even though customer positions are negatively changing in a downtrend market.

2.2.3 BenchMark Finance, its employees and related legal entities may enter into deals with financial instruments, open new ones, change or close positions in financial instruments for which the broker has published and/or disseminated an investment recommendation, study or advice

2.2.4 For financial instruments created and offered by BenchMark Finance, BenchMark Finance is a counterparty and acts as a creator of the products it offers for trading, which may create a risk of conflict of interest. For these products BenchMark Finance determines the price at which it quotes the offered products. Further information on this conflict of interest can be found in the General Description of the Offered Products and the risks associated with them in the Legal Documents section of the broker's website.

2.2.5 The investment advisers who manage BenchMark Finance's portfolio can trade financial instruments on behalf of clients. It is possible the advisers to know that such trading will also benefit the positions of BenchMark Finance, its employees or related parties in the same instruments.

2.2.6 BenchMark Finance may have an interest in maximizing the trading volumes by its clients in respect to increase its commission income, which is contrary to the client's interest in minimizing transaction costs.

2.2.7 The rewards of the employees of the investment firm (bonus scheme or additional variable remunerations) may be directly dependent on the trading volumes realized by the clients.

2.2.8 BenchMark Finance may receive or pay remuneration to or from a third party to reach new potential clients. The amount of the remuneration may be directly dependent on the commissions received from those new clients.

2.2.9 BenchMark Finance, its employees and related legal entities may have interests in a business that competes with the business of BenchMark Finance customers.

2.2.10 BenchMark Finance may provide advice to clients whose interests may conflict with or compete with those of other clients.

2.2.11 BenchMark Finance may provide investment advice to a client to buy or sell certain financial instruments that another client wishes to sell or buy.

2.2.12 BenchMark Finance or an employee may acquire or enter into a transaction on its own account with financial instruments, the purchase or sale of which BenchMark or the employee recommends to a client, if, from the client's purchase or sale the intermediary or the employee has personal benefit.

2.3 The listing of the identified conflicts of interest is not exhaustive, as in the practice of the investment company may arise other situations that could be qualified as conflicts of interest. Their disclosure will be made in accordance with the rules in this Policy.

3. Registration of conflicts of interest

3.1 BenchMark Finance maintains and regularly updates a register (Attachment No.1, model to this Policy) of the investment services and activities and additional services performed by or on behalf of the investment company in which a conflict of interest has arisen or may arise damaging the interests of one or more customers. The information in the register facilitates the management of conflicts of interest and potential conflicts of interest. The Board of Directors shall receive, on a regular basis (at least once a year), written reports about the cases, specified in this register.

4. Conflict of interest management. Procedures and measures to prevent, detect and manage the conflicts of interests

4.1 BenchMark Finance adopts proportionate and relevant organizational and/or structural preventative measures through which it fairly manages the conflicts of interests. In order to manage potential conflicts of interests, BenchMark Finance maintains a specific organization of activities, processes and procedures as set out below.

4.2 When performing an investment services and activities, as well as additional services, BenchMark Finance takes the necessary measures to identify and prevent or manage conflicts of interest between:

4.2.1 the investment company, including the persons managing the investment company, the employees, the related agents or any persons directly or indirectly related to the investment company, on the one hand, and its clients, on the other hand;

4.2.2 its individual customers.

4.3 BenchMark Finance shall take action under point 4.2 also where conflicts of interest may arise as a result of remuneration received by the investment firm, in case of third party incentives or other incentive mechanisms.

4.4 Where, despite the application of this Policy, there is still a risk to the client's interests, BenchMark Finance shall not engage in any activity at the client's expense when it has not informed the client of the general nature and/or sources of potential conflicts of interest and measures taken to limit the risk to the interests of the client. More information on how to disclose conflicts of interest can be found in Section 5 of this Policy.

4.5 The procedures and measures adopted to manage conflicts of interest, are intended to ensure that the persons involved in the various activities of the intermediary related to the conflict of interest, carry out those activities at a level of independence appropriate to the size and activities of the investment intermediary as well as the risk of damaging the interests of clients.

4.6 For purposes regarding the management of the conflicts of interest, the procedures to be followed and the measures to be adopted shall include, as a minimum, the items in the following list that are necessary for BenchMark Finance to ensure the necessary degree of independence:

a) effective procedures for preventing or controlling the exchange of information between relevant persons engaged in activities involving a conflict of interest risk, where the exchange of this information may harm the interests of one or more clients;

b) separate supervision of relevant persons whose main functions are related to the performing activities on behalf of clients or providing services to clients whose interests may be in conflict or who otherwise represent different interests that may be in conflict, including those of the investment firm;

c) the elimination of any direct link between the remuneration of interested parties principally involved in the pursuit of an activity and the remuneration of other interested parties principally engaged in the pursuit of another activity, or the income generated by them where a conflict of interest may arise as a result of these activities;

d) preventing or restricting the exercise of inappropriate influence by any person on the manner in which the person concerned performs investment or ancillary services or activities;

e) preventing or controlling the simultaneous or consistent participation of an individual in particular investment or ancillary services or activities where such participation may impair the proper management of the conflict of interest.

4.7 In case of a conflict of interest, BenchMark Finance shall take all necessary steps to avoid it in accordance with this Policy. The methods for preventing and managing conflicts of interest include:

4.7.1 Informing the client about the occurrence of a conflict of interest and disclosing its source, nature and possible consequences, in accordance with the client's characteristics and insofar as this is not contrary to law, compliance with the obligation of confidentiality and the principle not to jeopardize the interests of another client. In this case, BenchMark Finance will continue to provide the respective service only after obtaining the explicit consent of the client.

4.7.2 Observance of a policy of independence whereby each department and its staff must act independently as to the interests of the clients concerned. This is achieved by dividing functions between employees and departments.

4.7.3 Option to opt-out when BenchMark Finance is already working with a client and may find it inappropriate to accept starting a business with another client if, at the discretion of the respective head of department and/or CEO, it is determined that BenchMark Finance will not be able to manage the conflict of interest reasonably, or if it is prevented from doing so by legal or regulatory considerations.

4.7.4 All employees are bound by a professional secret and sign a declaration that they will comply with the requirements of the Financial Instruments Markets Act. Confidential information may be shared between employees of different units only if it is essential for the performance of the official's duties.

4.7.5 The employees are obliged to always act with loyalty to BenchMark Finance and its customers, following all BenchMark Finance internal policies and procedures.

4.7.6 The employees are obliged to immediately inform BenchMark Finance of any interests that they or any related legal entities or individuals may have in any BenchMark Finance transactions or with BenchMark Finance clients and which may give rise to a potential conflict of interest.

4.7.7 All employees are bound and abide by the personal transaction rules of the persons working under the BenchMark Finance contract.

4.7.8 When BenchMark Finance offers derivative trading products and determines the price of the product (quotation), BenchMark Finance formulates its quotations by acting objectively, honestly and fairly and guided by the market levels at which the underlying product is traded.

4.7.9 All clients of the investment company must be treated in a transparent and fair manner.

4.7.10 The dissemination of studies or publications by BenchMark Finance to clients, potential clients and other third parties is for informational and educational purposes and BenchMark Finance does not thereby influence the investment decision of a client, potential client or third party.

4.7.11 BenchMark Finance's researches or recommendations, prepared or disseminated, contain information about any material interests or conflicts of interest that BenchMark Finance or its related legal entities or analyst responsible for the publication or recommendation has to do with the related securities or issuer. Employees who have prepared these studies or recommendations should wait at least 24 hours from the time of the publication before they themselves trade with the same securities.

4.7.12 The researches and recommendations prepared are disseminated internally at BenchMark Finance (for internal use) at the same time as they are disseminated to customers. Analysts who have prepared the studies or recommendations should not provide information in advance about the time of publication and the content of forthcoming studies or recommendations to employees who are responsible for trading and/or transacting on behalf of the intermediary or its clients.

4.7.13 Persons engaged in and responsible for trading and/or entering into transactions on behalf of the intermediary or its clients cannot view sections of publications containing recommendations, research summaries, price targets or recommendations for trading volumes and value, even if factual accuracy has been confirmed prior to publication.

4.7.14 BenchMark Finance's additional variable remuneration bonus scheme is a combination of several elements and any elements related to the actual trading and volume of transactions do not affect the bonuses and variable remuneration of the intermediary's employees.

4.7.15 BenchMark Finance monitors internal reporting and the effectiveness of its conflicts of interest policies and procedures.

5. Disclosure of conflicts of interests

5.1 Where, despite the application of the rules on the prevention of conflicts of interest, there remains a risk to the interests of the client, BenchMark Finance does not carry out activities at the client's expense when it has not informed the client of the general nature and/or sources of potential conflicts of interest and those taken measures to limit the risk to the client's interests.

5.2 BenchMark Finance provides sufficiently detailed information on a durable medium to each individual customer to enable him or her to make an informed decision about the service in respect of which the conflict of interest has arisen.

Disclosure of conflicts of interest to clients is a last resort only if the effective organizational and administrative mechanisms established by the investment firm to prevent or manage its conflicts of interest in accordance with Article 23 of Directive 2014/65/ EU are not sufficient to

ensure with reasonable assurance that risks to the detriment of the client's interests will be prevented.

The disclosure shall explicitly state that the organizational and administrative mechanisms put in place by the investment company to prevent or manage this conflict are not sufficient to warrant reasonable assurance that the risks to the client's interests will be prevented. Disclosure shall include a specific description of the conflicts of interests arising from the provision of investment and/or additional services, taking into account the nature of the client to whom the disclosure is made. The description shall contain a sufficiently detailed explanation of the general nature and sources of the conflicts of interests, as well as the risks to the client arising from the conflicts of interests, and the steps taken to limit those risks so that the client can make an informed decision about the investment service in the context of which conflicts of interests arise.

6. Additional provisions

§ 1. "Respondent" in relation to an investment company means any of the following:

- a) a director, partner or equivalent, manager or tied agent of the investment company;
- b) a director, partner or equivalent, or manager of a tied agent of the investment company;
- c) an employee of the investment company or affiliated agent of the investment company, as well as any individual whose services are made available and under the control of the intermediary or tied agent of the investment company and who participates in the provision of investment services and activities by the investment company;
- d) an individual who is directly involved in the provision of services to the investment company or its affiliated agent by virtue of an outsourcing agreement for the purpose of providing investment services and activities by the investment firm;

§ 2. „Person with whom the person concerned is in a family relationship“ means one of the following persons:

- a) the husband/wife of the person concerned or the partner of that person, considered in national law as an equivalent person of the spouse;
- b) dependent child or step-child of the person concerned;
- c) any other relative of the person concerned who shares the same household with that person for at least one year at the date of the personal deal;

§ 3. A "personal deal" is a deal with a financial instrument executed by or on behalf of a relevant person where at least one of the following criteria is met:

- a) the person concerned acts outside the scope of his professional activities;
- b) the deal is made at the expense of one of the following persons:
 - i) the person concerned,
 - ii) any person with whom he or she is in a family relationship or with whom he/she has a close relationship,

iii) a person whose relationship with the person concerned is such that the person concerned has a direct or indirect material interest in the outcome of the deal other than the receipt of a fee or commission for the transaction;

§ 4. "Related persons" are two or more individuals or legal entities connected through:

a) a holding that represents, directly or through control of 20 or more than 20 percent of the voting rights or capital of the company (enterprise);

b) control exercised by a parent company against a subsidiary company under the Accounting Act or similar relationship between an individual or legal entity and a company, with each subsidiary of a subsidiary also considered as a subsidiary of its parent company which is the head of the group of these subsidiaries.

c) the permanent connection of both entities or all of them to the same person through a relationship of control.

§ 5. Terms used in the Policy but not defined in these Supplementary Provisions are used with the meaning given to them in the Financial Instruments Markets Act and European Commission Regulation 2017/565.

7. Final provisions

7.1 The Board of Directors shall regularly and at least annually, by 31 January each year, review and evaluate the compliance of this Policy with the services and activities performed by the investment company, adopting amendments and additions in the event of incompleteness and/or need for improvement of the internal organization. Notwithstanding the requirement of the preceding sentence, the Governing Body shall adopt amendments and supplements to this Policy when deemed necessary.

7.2. This Policy is provided for information and implementation to the members of the Board of Directors of the investment company, as well as to all persons working under contract for it. This policy is also applicable by tied agents appointed by the investment company.

7.3. The Policy for Prevention and Management of Conflicts of Interests was adopted at a meeting of the Board of Directors of BenchMark Finance on May 16, 2018.

Application Nº 1

Register of investment services and activities and the additional services performed by or on behalf of BenchMark Finance in which a conflict of interest has arisen or may occur which leads to the risk of harm to the interests of one or more clients

**DESCRIPTION OF THE OFFERED PRODUCTS
AND THE RISKS RELATED WITH THEM**

I. GENERAL INFORMATION REGARDING THE OFFERED PRODUCTS

This is a document of general nature and does not provide a recommendation or investment advice regarding the offered products. The information presented in this document does not take into account the client's personal investment objectives, financial condition or capabilities. In this regard BenchMark Finance does not aim and does not assess whether or not a specific product is appropriate for a specific customer. The transactions are carried out only on client's initiative, judgment and order.

This document is published on the website of the investment intermediary www.benchmark.bg and is subject to periodic change without prior notice to the clients. To enable clients to get acquainted with the new document in a timely manner, BenchMark Finance publishes it on its website, making it this way applicable to them.

II. RELATED RISKS WITH PRODUCTS THAT ARE ISSUED BY OTHER PARTIES AND OFFERED BY BENCHMARK FINANCE.

1. Products issued by other parties and offered by BenchMark Finance.

The products offered by BenchMark Finance, which are created by other parties, are shares, shares of companies for collective investment, exchange traded funds, debt securities and compensatory instruments. These are products admitted for trading on the regulated market of the Bulgarian Stock Exchange - Sofia AD. BenchMark Finance executes orders for transactions with such products mainly on a regulated market and exceptionally on over-the-counter market.

2. Risks for trading products that are issued by other parties.

2.1 Price risk

In trading with the aforementioned products, clients are exposed to price risk, which is associated with the risk of realization of losses resulting from financial instruments price changes. Price changes may arise from the fundamental status of the respective issuer (issuer) of these financial instruments (present and expected results of operational activities, net asset value, goodwill, realization of investment intentions, etc.) and from the economic and market conditions in Bulgaria and to varying degrees from the market and economic conditions in other Central and Eastern European countries as well as in the other emerging markets at all.

The market value of financial instruments is determined on the basis of supply and demand and their price may increase or decrease. These "fluctuations" in prices can cause a financial instrument to cost a lot less than at a certain point in the past. Exchange rates for financial instruments may be subject to sharp fluctuations as a result of public disclosure of the issuer's financial performance, changes in the issuer's environment, changes in legislation, and other material events, including factors external to the issuer.

2.2 Liquidity risk

When trading with the aforementioned products, clients are exposed to liquidity risk that is related to the low availability or lack of market demand. This risk expresses the potential inability for buying or selling for short periods of time. The low liquidity, and in particular the lack of active market demand, makes it difficult to enter into transactions.

The emergence of liquidity risk, in relation to trading in financial instruments, has in general been associated with the lack of sufficiently well-developed demand for these instruments over a given period(s), or the difficulty of selling or buying them to prevent loss or the realization of profits. Investors should keep in mind that the BSE (Bulgarian Stock Exchange) is significantly smaller and less liquid than the exchanges in countries with developed market economies. Liquidity on financial instruments is determined by:

- The presence of sufficiently interested sellers and buyers on the relevant securities market;
- The presence of a sufficient number of relevant securities in circulation;
- The existence of an acceptable spread (spread) between the "buy" and "sell" prices of the relevant securities.

The investors in financial instruments whose investment horizon is shorter than the life of the securities may fail to complete all or part of their investment at the desired moment and to force the sale/ purchase of financial instruments at a significantly less favorable price in comparison to their current fair value or the latest market price. This may lead to inability to be realized capital gains or to the impossibility of preventing investors from losing money.

2.3 Inflation risk

When trading the aforementioned products, clients are also exposed to inflation risk. Inflation risk is associated with the risk that the realized return on investment in the respective financial instrument is less than or equal to the inflation recorded for the respective period. The inflation processes in general lead to a reduction in the real yield that investors receive. Although in the long run the return on investments in different financial instruments in Bulgaria and other developed market economies has significantly outpaced recorded inflation, there is no guarantee for investors that this trend will continue in the future and that investments in the relevant financial instruments would represent a real protection against inflation.

2.4 Currency risk

When trading the aforementioned products, clients are exposed to currency risk, when their funds are in a currency other than BGN and EUR due to the exchange rate movements. Investors who take such a currency risk on a purchase would increase or reduce the effective return on their investment as a consequence of strengthening or weakening the exchange rate of the BGN/EUR against the respective currency in which the investor's funds are denominated.

If financial instruments are denominated in BGN or EUR, the existence and maintenance of the current BGN/EUR exchange rate system determines the lack of currency risk for investors whose initial funds are in the same currencies.

In particular, the currency risk associated with investing in financial instruments issued by Bulgarian issuers is related to their denominations in BGN. The unfavorable change in the exchange rate of the BGN versus other currencies would change the yield that foreign investors outside the Eurozone expect to receive by comparing it with the return they would receive from such an investment in the respective currency. This may lead to a reduced demand and, accordingly, a fall in the prices of certain financial instruments.

The currency risk of the investment could be reduced by using currency instruments to minimize it (hedging). Stability and high confidence in the credibility of the currency board in the country, as well as the prevailing positions of the euro on international currency markets, restrict to a certain extent the existence of currency risk.

Any investor who trades securities on financial markets outside the Eurozone may be exposed to significant currency risk.

2.5 Settlement risk

When trading with the aforementioned products, clients are exposed to settlement risk. The settlement risk is represented by the risk of delay or non-fulfillment of a counterparty's obligation to transfer funds or financial instruments in relation to a concluded transaction in the event of which the investor may realize a loss, miss out a profit or become incapable of fulfilling other subsequent commitments for the supply of cash or financial assets.

2.6 Reinvestment risk

When trading financial instruments, clients are exposed to a risk of reinvestment, which occur when there is a reinvestment of the cash flows from an investment at a lower yield investment, resulting in a reduction in the investor's return. Such a circumstance exists if an investor decides to exit her investment in a financial instrument and invests the funds in another financial instrument which subsequently brings her a lower return than the one realized in the original investment.

2.7 Specific stock trading risks

In stock trading clients are exposed to additional risks that are associated with the specifics of this type financial instruments. Stocks are major financial instruments proving ownership over the capital of public companies. Clients who have purchased stocks acquire both proprietary rights (eg dividend right) and non-material rights (voting rights, right to participate in the management, right to information, etc.).

In stock trading a specific risk is the risk of changes in the intentions of the main shareholder of the capital. Depending on the size of the capital held by the principal shareholder, the principal shareholder can exercise a decisive influence on a number of issues requiring a decision of the General Meeting of Shareholders, such as changes in the Articles of Association, appointment and dismissal of the members of the management bodies, approval of significant transactions, distribution of dividends, etc. For stock investors, there is a risk of any changes in the intentions of the main shareholder, which could have a negative impact on the company's activities as well as on the interests of the minority shareholders.

A specific risk for equity investors is uncertainty connected with dividend receiving, volatility in the amount of the dividend and, in particular, its non-payment. The ability of the company to pay dividends

is related to the realization of a positive financial result on the one hand and the decision on its distribution among the shareholders. The financial result of the company depends on a number of factors, including the skills and professionalism of the management team, the development of the market in which the company operates, the economic development of the country and the region, etc.

There are other risks, which is why customers intending to invest in a company's shares should make themselves aware of all the risks inherent in the investment from the relevant information materials (prospectus) before taking their investment decision.

2.8 Specific risks related to trading bonds

In bond trading, clients are also exposed to risks that are associated with the specific characteristics of this financial instrument. Bonds are debt securities, certifying the financial obligation of the issuer about their repayment on certain dates and payment in the form of interest or a subtraction from the issuance par. Interest rate risk is the risk of an unfavorable change in the redemption price due to the further change.

In bond trading, investors are also exposed to risks associated with the risk of default of the issuer. This possibility is related to both the financial results of the issuer (cost effectiveness, investments, operational efficiency, activity supervision, etc.), as well as the external factors (market environment, regulatory framework). The impact of this risk is directly related to the size of the current indebtedness of the issuer of the securities.

In bond trading, clients should also take into account the potential prepayment risk that exists when a pre-maturity buyback option is provided for that bond issue and that option is exercised. In this scenario the investor cannot achieve his/her initial investment intentions and is not able to realize the expected return on the investment.

In bond trading, clients should also take into account the potential risk of conversion. That risk occurs when there is an option for this bond issue to be converted into shares by the initiative of the issuer before or at the maturity date. As a result of the conversion, the investor acquires another financial instrument instead of the expected cash, and thus the investor cannot achieve his/her initial investment intention

There are other specific risks for bond investors, so client who intend to invest in a company's bonds should be aware with the risks associated with this investment (from relevant information materials), before making their investment decision.

2.9 Specific risks related to trading shares of UCITS (also known as collective investment schemes or mutual funds) and ETF (Exchange traded funds)

Clients who invest in shares of UCITS and ETF are exposed to additional risks which are specific for this class financial instruments. Investing in shares of UCITS and ETF is related to risks, which are directly dependent on the investment strategy of the fund. The investment policy of the fund is important e.g. what assets its policy is targeted at - equities, debt securities, indices or other more risky instruments - and whether management of the fund is active or passive. The risk profile of the respective UCITS and ETF contains a summary of the risk.

In regard to UCITS, there is a specific manifestation of the liquidity risk arising from the risk of temporarily suspending the redemption of the units of the UCITS under certain conditions. Respectively, in regards to ETFs there is also an additional specific counterparty risk related to the failure of the market maker(s) to meet the redemption requests.

In regard to UCITS/ETF, there is a specific manifestation of price risk, expressed as a price change in the UCITS/ETF shares, as a result of a negative change in the net asset valuation. There is no guarantee that investors will realize returns from the UCITS/ETF and that the initial investment will be preserved.

A specific risk for investments in UCITS/ETF is the credit risk associated with the risk that the fund may not meet its obligations to creditors and to investors who have submitted their redemptions.

Another specific risk related to investing in UCITS/ETF shares is the operational risk associated with the risk of breaches in the normal functioning of the respective UCITS/ETF.

When investing in UCITS/ETF units, customers should acquaint themselves with the prospectus of each UCITS/ETF before taking their investment decision.

2.10 Specific risks related to compensatory instruments

In trading with compensatory instruments customers are exposed, in addition to the general price and liquidity risk described above, to additional risks according to the characteristics of the compensatory instruments. Compensatory instruments are dematerialized registered payment instruments that serve to compensate persons whose properties, buildings or agricultural lands are nationalized or expropriated. Compensatory instruments are compensatory records and housing compensatory records under the Compensation Act for Owners of Nationalized Property, as well as the nominal compensation bills under the Ownership and Use of Agricultural Land Act and the Restitution of Ownership Act on Forests and Lands from the Forestry Fund. A specific risk in trading with this type of financial instrument is the target risk, which is characterized by the limitation of target use and investment of this type of financial instruments only in specific projects and transactions as a means of payment accepted by the state, such as the payment of interest on law for settlement of lost loans, in tenders for agricultural land from the State Land Fund or payments for privatization transactions through the BSE - Sofia.

2.11 Risks related to the Bulgarian securities market

Investors in emerging markets, such as the Bulgarian one, should be aware that these markets are at greater risk than those in more developed markets. Moreover, the unfavorable political or economic development in other countries in the region could have a significant negative impact on Bulgaria's GDP, its foreign trade and the economy as a whole. Investors should pay particular attention to the valuation of existing risks and should make their own decision whether, in the presence of such risks, the investment in the relevant financial instruments of the BSE is appropriate for them.

Investing in emerging markets is suited to experienced investors who fully appreciate the relevance of the relevant risks.

Investors may have fewer information on the Bulgarian securities market than is available to companies in other securities markets. There is some difference in the regulation and supervision of the Bulgarian securities market and in the actions of investors and other market participants compared to the developed markets in Western Europe and the USA.

3. Trading costs

All fees and commissions for trading products, issued by other persons and offered by BenchMark Finance, are detailed in the broker's tariff published on www.benchmarkfx.co.uk

III. PRODUCTS ISSUED AND PROVIDED BY BENCHMARK FINANCE. RELATED RISKS.

1. Products issued by BenchMark Finance

The products issued and offered by BenchMark Finance are complex financial instruments, so the client needs to get acquainted with this document before deciding whether to trade. The financial instruments which BenchMark Finance issues are CFDs that are based on spot currencies, stocks, indices, commodities or cryptocurrencies.

It is recommended to potential investors to have experience derivative trading, in particular derivatives traded on a non-regulated market, and to understand and accept that CFD trading on leverage is related to high risk.

2. Risks of trade in products issued by BenchMark Finance

2.1 Risk linked to leverage

Products offered for trading by BenchMark Finance are traded on leverage. In compliance with regulatory requirements and market practices BenchMark Finance JSC requires customers to provide a guarantee (margin) for possible losses and the amount of this guarantee is less than the full nominal value of the traded underlying instrument. When trading such derivatives the client must be prepared to bear a higher risk, which can lead to both large losses and large profits. The high leverage of these products can work both against the customer and for the benefit of the customer, which is why it is advisable for the client to have more free funds to cover margin trading requirements for a product.

The margin requirements applicable to the transactions may change rapidly and at any time in line with market movements as well as the prices of the relevant instrument.

2.2. Risk of unlimited losses

The potential losses resulting from long or short positions in the products offered by BenchMark Finance may exceed the amount initially paid by the client to cover the margin requirements for financial instruments issued by BenchMark Finance.

2.3. Margin risk

At any time, the client must have sufficient funds available to cover the required margin for the open positions. In the event of a shortage of available funds that cover the required guarantee amount on the

open positions, BenchMark Finance may close (Stop out) one or more positions. The Customer must independently monitor the compliance with the required amount of guarantee in the BenchMark Finance platforms. The Minimum Margin Requirements are constantly changing in line with market movements as well as the relevant instrument.

There is a risk that marginal requirements may change for a very short period of time. In the event that the price of a traded instrument moves rapidly in the opposite direction to the client's position, the client will have to provide additional funds in order to keep the open positions.

In case the client does not meet the margin requirements BenchMark Finance will proceed to the closing of one, several or all open positions in the client's account.

Customers can reduce the risk of losing money, as a result of non-compliance with margin requirements, by carefully selecting the product for trading, observing open positions, and holding sufficient free funds to cover the minimum margin requirement.

2.4. Currency risk

The customer's trading account may be denominated in euro or dollars. If a client requests a transaction to be executed in a currency other than the currency of his/her account, BenchMark Finance JSCo will make an exchange at the current exchange rate of the currency in which the trading account is opened.

Always the client should consider the currency of the relevant financial instruments he/she trades with, because any currency conversions in a currency other than the currency in which his/her trading account is denominated, can expose the client to currency risk.

For example, if the trading account is in EUR and the client has an open position in a CFD on US dollar-denominated gold, the denomination currency of this transaction will be US dollars. This means that while the client holds the gold position open, her account is both at risk of changes in the price of gold and the risk associated with US dollar movements against the euro. Once the client closes the position, the platform will recalculate the respective financial result of the transaction to the currency of the trading account according to the current EURUSD rate.

In addition, the conversion process may lead to an increase in the currency risk between the opening time of the transaction and the time it is closed. Foreign exchange markets can change very quickly and this puts the client's account at risk in cases of more serious currency fluctuations and may affect the outcome of trading with BenchMark Finance's product.

2.5. Risks related to the suspension or termination of underlying asset trading

When the trade with the main instrument is suspended, interrupted or discontinued, this will affect the trading with the derivative product offered by BenchMark Finance and it may also be temporarily suspended or discontinued. In these cases, BenchMark Finance will not be able to offer its clients the relevant derivative product and will not allow opening of new positions. In such a situation, customers who have already opened positions in this product may not be able to close them.

When the trade with main instrument is suspended or discontinued in respect of already open positions of customers, BenchMark Finance may take some or a combination of the following steps:

- Closing the open positions in the affected instrument or product;

- Increasing the margin requirement for the instrument or product up to 100%;
- Continued accrual of the respective positive or negative swap on open positions in this product or instrument (overnight interest rate);
- Charging of additional commissions or fees for retained, blocked, suspended, locked or closed positions in this product or instrument;
- Using the last price at which the instrument was traded to determine the margin requirement as well as the fees payable by the customer, or using another price when BenchMark Finance can reasonably believe that the price reasonably reflects the value of a given product of BenchMark Finance.

Any kind of interruptions, suspensions, or discontinuations of trading with some instrument may lead to potential losses, as this would prevent the customer from fulfilling the desired trading strategy.

2.6. Counterparty risk

BenchMark Finance is the customer's counterparty. Counterparty risk is the risk that the CFD issuer (i.e. your counterparty) does not meet or is unable to meet its financial obligations. If the client's funds are not properly separated from the CFD issuer's funds and the CFD issuer has financial difficulties, then there is a risk that the client will not be able to recover its funds and incur a loss. In the event that BenchMark Finance goes bankrupt, the assets of non-professional clients are guaranteed and compensated by the Investor Compensation Fund. The compensation paid by the Fund amounts to up to 90% of the value of the claim but not more than BGN 40,000.

2.7. Market risk

The products which are offered by BenchMark Finance, as well as the markets in which financial instruments are traded, are highly speculative and highly volatile. The market risk is the risk that the value of client's investment will decrease. Financial markets are changing extremely rapidly, with prices of underlying instruments depending on a number of factors, such as business activity of issuers, corporate events, commodity prices or index levels, exchange rates, interest rates, supply and demand, central bank monetary policy, the economic and market environment, and the actions of state bodies or governments. Each exchange may terminate the offering of a given underlying instrument or cease the transmission of quotes.

The risk is inherent in both BenchMark Finance's products and their underlying instruments.

There is no guarantee that the client will make profits and that there will be no losses, and that unrealized gains or losses will remain unchanged.

There is a risk that if market prices move in an unfavorable direction for the client's positions, the client may close his positions at a significantly lower value than the one he invested, as he may lose all his invested capital.

Clients can reduce market risk by deepening their knowledge of relevant financial instruments and markets and carefully tracks their positions to prevent unacceptable losses.

2.8. Unregulated market

The products offered by BenchMark Finance are derivatives traded on a non-regulated market (OTC derivatives) and are therefore not covered by the rules governing instruments traded on a regulated market. OTC derivatives need not always be liquid investments. If the client wishes to close an open position, this means that he or she relies on BenchMark Finance to be able to execute the order to close the position in real time (the moment the client wants to do so), which may, however, not correspond to liquidity or the market price of the underlying instrument at that time, i.e. the position may be closed or the customer's order executed at a price significantly different from the one indicated (including slippage) or it may not be possible for the position to be closed at the moment desired by the client.

2.9. Market shocks

Market shocks can affect a financial instrument and, accordingly, affect BenchMark Finance products. Often, such events result in trading interruptions, "blocking" of the quotation source (stock exchange, liquidity provider, etc.), reports from a regulatory authority announcing an emergency with a particular underlying instrument.

In the event of market shocks the client may not be able to close a position in a relevant instrument, which may result in loss or loss of profit. The reason for the trading interruption could be a failure of the e-commerce computer system or the trading of the financial instrument on a stock exchange or by a liquidity provider.

2.10. Gap risk

Market gap means a significant change in the prices of a financial instrument over a short period of time, sharp fluctuations in market quotations (gaps). In these cases there is a risk of delay or inability for clients to open or close positions in a product offered by BenchMark Finance.

BenchMark Finance's ability to close a position in a product depends on the market situation at that time. Stop Loss Orders (Loss Reduction Orders), if the customer has placed this type of order, it can be executed at a level different from the one previously set by the client and thus, even if Stop Loss orders are placed, they cannot limit losses to the amount specified in the order as they do not guarantee that the order execution will occur at the set Stop Loss level. In case of gap the order is executed at the first possible price after it, provided by BenchMark Finance. To do this, the client should give due consideration to placing Stop Loss or other orders that limit any losses, but in addition, he must carefully monitor his account, monitor the relevant instrument and/or market and in case his Stop Loss order is passed take further action to limit losses.

If the client has a Take Profit order and there is a market gap in the direction of the client's position, this Take Profit can be performed at a level better than the predefined level, higher than the expected earnings.

2.11. An online trading platform and IT risk

If a customer is unable to access BenchMark Finance's trading platforms for any reason, she will not be able to trade with the product in question (will not be able to close any open positions) or may not be aware of the margin requirements at that point, which can cause loss. BenchMark Finance has the

discretion to suspend the operation of the offered platforms or any part of them without prior notice. This can be undertaken and usually occurs in extremely rare cases in unforeseen or extreme market situations. If BenchMark Finance platforms are discontinued, customers may have difficulty contacting BenchMark Finance or their orders may be executed at a price different from the one indicated in them.

There is a risk that BenchMark Finance may impose restrictions on the volume of transactions or filter the trade, which may halt or delay the execution of customer orders. In such market situations, the customer has no basis for claiming BenchMark Finance in connection with the availability or absence of trading platforms, nor for any errors in their software or other platform issues, including no basis for claims against BenchMark Finance in connection with the quotations available at that time or the lack of quotes for trading products

2.12. Exchange (regulated and/or unregulated market)

The rules of the respective exchange regulate trading in the underlying instruments and thus indirectly affect the trading of BenchMark Finance products. All exchange rules can be relevant to the financial products offered by BenchMark Finance, so you should read them carefully. The rules of the various exchanges are beyond the control of BenchMark Finance and are subject to change at any time and without notice.

2.13. Conflict of interests

Trading with instruments which are offered by BenchMark Finance has a risk of conflict of interest, as BenchMark Finance is your counterpart, acts as the publisher of the products it offers for trading and determines their price.

The policy of BenchMark Finance, as the publisher of the offered trading products, is that BenchMark Finance provides only the price of the product (quotation) and does not act as an intermediary to the client in the transaction. The client can reduce the risk of unfavorable or opaque pricing (which means that it is not clear how the price relates to the market for the underlying instrument) by observing BenchMark Finance pricing and the market where the underlying derivative is traded.

The other commercial activities of BenchMark Finance, in cases where BenchMark Finance acts as a broker for its clients in the provision of brokerage services or trades on its own account, are not related to the services related to the offering of products issued by BenchMark Finance.

2.14. Formation of product quotations

BenchMark Finance determines the prices at which it quotes the derivative products offered, by directly referring to the market value received from BenchMark Finance suppliers for the underlying instrument, exchange or market, which in turn affects the price of the instrument.

If BenchMark Finance can not directly rely on the market value which is received from its suppliers (for example due to a problem with the trading system or the data information service) or trade with the principal instrument is stopped, BenchMark Finance can exercise its right to assessment to determine the price at which to quote a product or to temporarily cease trading.

Due to the nature of BenchMark Finance products and in accordance with the market practice for such pricing tools, BenchMark Finance's judgment will be based on supplier prices without any conditions,

restrictions or criteria for determining quotations for the products offered. Although there are no specific discretion limits, BenchMark Finance respects its obligations and acts objectively, honestly, transparently and fairly in pricing.

2.15. Regulatory risk

A client may suffer losses caused by actions taken by a regulatory authority that are beyond the control of BenchMark Finance. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to the customer due to the effect of those actions on the underlying instrument and thus on trading conditions. BenchMark Finance derivative. In an emergency, the regulatory authority may suspend trading or change the value/price at which a transaction/position is executed or established, which will affect the price/value of a underlying instrument, thereby affecting the value of the BenchMark Finance product.

2.16. Client's default rights

If a client fails to meet the margin requirements and/or fails to provide in due time the security required for securing its position in products issued by BenchMark Finance, or fails to fulfill its obligation under a transaction, BenchMark Finance has the relevant powers it can assume in its protection under the General Terms and Conditions for trading in financial instruments. In this case, BenchMark Finance has the right to close all or part of the client's positions, to sell at its discretion its financial instruments, or to determine and accrue interest rates or additional commissions to retain the client's positions in BenchMark Finance products.

2.17. Risk associated with the devices used by the customer and the quality of the Internet connection

Products offered for trading by BenchMark Finance are usually traded over the Internet, with the client using a computer, mobile phone with internet (smartphone) or tablet. This means that the customer is at risk of disrupting the ability to trade online electronically, resulting in delayed execution of her orders or non-arrival of orders, or failure to execute already placed orders, or execution of withdrawn orders, such as and the inability to access trading platforms and the like.

This risk, in addition to good internet connectivity, also includes the stability and reliability of the client device, its computer or other mobile device through which it has access to the internet and to trading platforms. BenchMark Finance shall not be liable in the event of losses due to delays, errors, technical malfunctions of the client's hardware or software products or systems, or inability to operate in operations beyond the control of BenchMark Finance, resulting in damage or instability of the client's platform for reasons in the connection device through which the customer operates with the trading platform.

3. Rules for forming margin requirements

BenchMark Finance applies the following basic principles when determining margin requirements:

- Each client that trades CFDs must provide the required amount to cover the margin requirement before she can open a position in BenchMark Finance product;

- Margin requirement is determined by BenchMark Finance and is based on a number of factors, including the market price of the underlying instrument, BenchMark Finance's risk assessment for the client, the client's exposure to a product, and the available cash on the account;
- Margin requirement on any client's account is adjusted promptly in accordance with market movements or changes in our risk assessment on each client's account;
- Each client must ensure the margin requirements set by BenchMark Finance and maintain the required amount of margin coverage at any time. Otherwise, BenchMark Finance will shut off one, several or all open positions of the client. If the cash balance on the customer's account is negative after a Stop out, the customer remains obliged to pay the amount of the negative cash balance.

3.1. Margin maintenance

The client needs to have enough cash in his account to cover the margin requirements for opening positions in BenchMark Finance products. The client deposits the necessary amount to cover the required margin through a bank transfer. The deposited amount is then deposited into the client's trading account.

3.2. How margin is calculated

The margin requirement is determined by BenchMark Finance and is calculated as a percentage or fixed value of the full market value of the product that the customer wishes to trade.

In rare cases in more volatile markets, the amount of margin required may change temporarily after a position has been opened in a product issued by BenchMark Finance. If this happens, BenchMark Finance may ask the customer to pay an amount to cover the additional margin requirements, since the amount initially paid has become insufficient. The required margin amounts are calculated to cover the maximum expected market movement at any time.

Example of calculating margin coverage level: A client deposits \$ 10,000 in her trading account and opens a position in a product for which BenchMark Finance has set a \$ 8,000 margin. Subsequently, there are fluctuations in the market and the client has accumulated loss of \$ 2,000. As a result, the free funds on the trading account are fully utilized and the client will no longer be able to open new positions (except only reduce his exposure by closing part of it) and there is a risk that the client's position will be automatically closed if additional unfavorable price movements follow.

According to BenchMark Finance's General Terms and Conditions, clients has an obligation to maintain the margin and provide the necessary amounts to meet the margin requirements, which arise from the moment they open a position. It is clients' responsibility to monitor their positions and to ensure that they have the required margin level. Customers are notified of the changed margin requirements in one of three ways: through the trading platform, on the BenchMark Finance website, or by email. Should there be a need to secure a certain margin level, clients must provide additional funds to meet the margin requirements, whether or not BenMark Finance has contacted and informed them.

3.3. Margin Call

The Client is obliged to maintain the required amount of margin, and is also required to comply with the margin call notifications received and to provide the additional amount required to meet the margin requirements.

Under unusually volatile market conditions or sharp price movements and a margin call received, the customer may need to react, have little or no time to pay, or the customer may receive more than one margin call within 24 hours.

Clients are obliged to receive the margin call, regardless of whether they have seen and read the margin call notification in the trading platform.

3.4. Stop out

If clients does not have sufficient funds to satisfy the margin requirement for the relevant instrument in which they have an open position and do not have sufficient cash in the account (including profits or losses from open positions or other assets or amounts held as approved collateral), BenchMark Finance may close one, several open positions.

3.5. Negative account balance

If the client has a negative balance on his/her account, i.e. the amount available in the trading account is negative (less than zero), then the client must deposit additional money in order to restore the cash balance in the account to a positive value.

3.6. Closing of positions and withdrawal of funds

If a customer closes a position by making a profit and his account has a net credit balance that covers the minimum required margin (in case there are other open positions), he can withdraw the free funds from his account. BenchMark Finance checks and after finding that there will be no breach of the margin requirements, the amount claimed will be paid.

4. Trading expenses

4.1. FX trading

Forex Spot Trading		
One-off costs	Spread	The difference between bid and ask price. The spread depends on many factors, the most important of which are liquidity and volatility, the volume of the transaction, and what part of the day the transaction is concluded.
Current costs	Swap	The size of the swap is based on Tom/Next (Tomorrow / Next) interest rates from the interbank forward market of Tier-1 banks. It can be positive or negative.

Incidental costs	-	-
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4.2 CFD trading

CFD Shares		
One-off costs	Spread	The difference between bid and ask price.
	Comission	The fee to be charged for the transaction.
Current costs	Swap	If a CFD open position is held on a share for the next business day (after the close of the stock exchange), interest is added or deducted to the balance on the client's account, depending on the direction of the position taken by the client
Incidental costs	-	-

CFD Indexes		
One-off costs	Spread	The difference between bid and ask price.
Current costs	Swap	For every day in which the client has an open CFD position in a cash index, after closing the stock exchange, interest is added or deducted to the client's account balance, depending on the direction of the client's position.
Incidental costs	-	-

CFD Futures (including maturing and non-maturing goods, etc.)		
One-off costs	Spread	The difference between bid and ask price.
Current costs	Swap	For each day in which the client has an open CFD position in the futures, after closing the stock exchange, interest is added or deducted to the client's account balance depending on the direction of the client's position.

Incidental costs	-	-
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5. Examples of trading

5.1. Spot Forex

5.1.1. Long Position (Buying)

The market price of EURUSD is 1.10499/1.10500 and a client estimates that the euro (EUR) will rise in price against the US dollar (USD) and wants to take advantage of this upward movement. Therefore this client decides to buy 100,000 EURUSD currency units at a price of 1.10500.

Two days later, the euro has risen against the US dollar and the customer decides to make a profit by closing the long position at EURUSD.

EURUSD's current market price is already at 1.10600/1.10601. The amount of profit the client will make from the transaction before adjustments and taxes is \$100. Profit/loss is calculated by multiplying the change in price (closing price minus opening price) by the volume of the position, i.e. the difference between 1.10600 and 1.10500 (= 0.00100 or 10 pips) x 100,000 = \$100.

Assumptions

Financial corrections

If a customer opens and closes a spot forex position within the same trading day, then the position is not subject to financial corrections. The open positions held at the end of the trading day (17:00 New York time) are transferred to the next business day. The applicable adjustments are reflected in the platform swap column. These adjustments are based on the following components:

Tom/Next interest rate swap

The transfer of a position for the next business day is done by moving the value date for the respective position to a new value date, with the first possible business day. The standard value date for major currency pairs is T+2 working days. The value date of the foreign exchange spot positions held at 17:00 New York time is transferred with a new value date, which is the next business day. As part of the transfer, positions are subject to interest rate swap for the next day's retention.

The amount of the swap is based on Tom/Next (Tomorrow/Next) interest rates from the interbank forward market of Tier-1 banks, with the value obtained directly from BenchMark Finance's liquidity providers. It can be positive or negative. The main components of the Tom/Next interest rate are based on the interest rate differential between the currencies involved in the currency pair, liquidity (in this case, liquidity in the forward market may be diminished due to upcoming important government elections, end of month, quarter, year, etc. .), demand on the interbank forward market, currency uncertainty, and important events affecting any of the currencies in the cross.

Position opening

Nominal value	100 000 EUR	
Open price	1.10500	
Position value	110 500 USD	nominal value X open price
Margin requirement	500 EUR	0.5% of nominal value

Position closing		
Nominal value	100 000 EUR	
Close price	1.10600	
Close position value	110 600 USD	nominal value X open price
Profit/Loss	100 USD	Close position value

Corrections		
Days of hold	2	
Swap value per day for long position	-8.50 USD	
Total swap value	-17 USD	
Net P/L	83 USD	After corrections

5.1.2. Short Position (Sale)

The market price of EURUSD is 1.10499/1.10500. The client estimates that the euro (EUR) will become cheaper against the US dollar (USD) and wants you to take advantage of this downward movement. Therefore, it decides to sell 100,000 EURUSD currency units at 1.10500.

Two days later, the dollar rose against the euro and the customer decided to make a profit by closing the short position at EURUSD.

The current market price of EURUSD is already at 1.10398/1.10399. The amount of profit the client will make from the transaction before adjustments and taxes is \$100. Profit/loss is calculated by multiplying the change in price (closing price minus opening price) by the volume of the position, i.e. the difference between 1.10499 and 1.10399 (= 0.00100 or 10 pips) x 100,000 = \$100

Assumptions

Financial corrections

If a client opens and closes a spot forex position within the same trading day, then his position is not subject to financial corrections. The open positions held at the end of the trading day (17:00 New York time) are transferred to the next business day. Applicable adjustments are charged to the customer's account in the Swap column. These adjustments are based on the following components.

Tom/Next interest rate swap

The transfer of position for the next business day is done by moving the value date for the respective position to a new value date, with the first possible business day. The standard value date for major currency pairs is T+2 working days. The value date of the currency spot positions held at 5:00 PM New York time (00:00 Bulgarian time) is transferred with a new value date, which is the next business day. As part of the transfer, positions are subject to interest rate swap for the next day's retention.

The amount of swap is based on Tom/Next (Tomorrow/Next) interest rates from the interbank forward market of Tier-1 banks, with the value obtained directly from BenchMark Finance's liquidity providers. It can be positive or negative. The main components of the Tom/Next interest rate are based on the interest rate differential between the currencies involved in the currency pair, liquidity (in this case, liquidity in the forward market may be diminished due to upcoming important government elections, end of month, quarter, year, etc.), the demand on the interbank forward market, currency uncertainty, and important events affecting any of the currencies in the cross.

Position opening		
Nominal value	100 000 EUR	
Open price	1.10499	
Position value	110 499 USD	Nominal value X open price
Margin requirement	500 EUR	0.5% of nominal value

Position closing		
Nominal value	100 000 EUR	
Price closing	1.10399	
Price closing value	110 399 USD	Nominal value X open price
Profit/Loss	100 USD	Price closing value

Corrections

Days of held	2	
Swap value per day for short position	+3.20 USD	
Total swap value	+6.40 USD	
Net P/L	106.40 USD	After corrections

5.2. CFD on shares

5.2.1. Long Positions (Buying)

Example for buying a CFD on shares: The market price of XYZ's shares on the relevant exchange is currently \$12.00/\$12.02. A client believes that XYZ's shares are undervalued and will rise in price, so the client decides to buy 1,000 CFD at \$12.02 each. Therefore, this position gives the client an equity exposure of \$12,020 (price x number of CFDs).

The position requires a margin of 10% of the deal value (\$1,202).

A month later (30 days), XYZ's shares have risen and they are trading for \$12.52. The client decides to collect the accumulated profit by closing this position. The amount of profit that the client will make before adjustments and transaction tax is \$500 (difference between \$12.02 and \$12.52 x \$1,000 = \$500).

Corrections

XYZ has paid a dividend - \$0.10 per share. Therefore, the customer is entitled to a positive dividend adjustment of \$100 (1000 shares x \$0.10). This amount is credited to the account in the swap column.

CFDs on shares are subject to a transaction fee. The commission is charged both for opening and closing a position. The benchmark commission for BenchMark Finance for US stock trading is \$0.05/share. In this example, a transaction fee will be charged for each transaction as follows:

$$1000 \times 0.05 \text{ USD} = 50 \text{ USD.}$$

As the client holds a long-term CFD position in equities, he/she will incur interest expenses to hold the position. These costs are calculated on the basis of interest rate + markup. In this example, if the basic interest rate + the markup is 5%, the daily interest rate per day is as follows:

$$1000 \times 12.02 \text{ USD} \times 5\% / 360 = 1.669 \text{ USD per day.}$$

CFD share XYZ (USD)	Open	Close
Direction	Buy	Sell
Number of CFDs	1000	1000

Price	12.02 USD	12.52 USD
Value	12 020 USD	12 520 USD
Commision	50 USD	50 USD

Profit/Loss calculation		
Gross P/L	+500 USD	(12 520 USD – 12 020 USD)
Dividend	+100 USD	(0.10 USD x 1000)
Commision	-100 USD	2 x 0.05 USD x 1000
Swap	-50.07 USD	30 days x 1.669 USD/day
Net Profit/Loss	+449.93 USD	Before taxes

5.2.2 Short positions (Sell)

Example for selling CFD on shares: The market price of the shares of XYZ on the relevant exchange at a given time is \$25.00/\$25.10. The client believes that XYZ's shares are overvalued and will become cheaper, so the client decides to sell (short position) 500 CFD at \$25.00. Therefore, this position gives the client an equity exposure of \$12,500 (price x number of CFDs).

The position requires a margin of 10% of deal nominal (\$1,250).

The price of the underlying share rises to \$28.00 over the next 10 days. As a result, if a client chooses to close the position. The gross loss is \$1500: $(500 \times 25.00 \text{ USD}) - (500 \times 28.00 \text{ USD}) = -1500 \text{ USD}$.

Corrections

CFDs on shares are subject to transaction fees. The commission is charged both for opening and closing a position. The benchmark commission for BenchMark Finance for US stock trading is \$0.05/share. In this example, a transaction fee will be charged for each transaction as follows:

$$500 \times 0.05 \text{ USD} = 25 \text{ USD.}$$

As the client holds a long-term CFD position in equities, he/she has interest costs to hold the position. These costs are calculated on the basis of interest rate + markup. if the basic interest rate + the markup is 5%, the daily interest rate per day is as follows:

$$500 \times 25.00 \text{ USD} \times 5\% / 360 = 1.736 \text{ USD per day.}$$

CFD share XYZ (USD)	Opening	Closing
Direction	Buy	Sell

Number of CFDs	500	500
Price	25.00 USD	28.00 USD
Value	12 500 USD	14 000 USD
Commision	25 USD	25 USD

Profit/Loss calculation		
Gross P/L	-1500 USD	(12 500 USD – 14 000 USD)
Dividend	0 USD	
Commision	-50 USD	2 x 0.05 USD x 500
Swap	-17.36 USD	10 days x 1.736 USD/day
Net Profit/Loss	-1567.36 USD	Before taxes

5.3. CFD on indexes

5.3.1. Long Position (Buying)

An example of buying an index CFD: with a long position a client profits when the market is moving upwards.

Example: A client thinks that the leading US index SPX500 will go up, so she buys 10 CFDs on the SPX500 at 2,500 points (USD), so this position gives an effective exposure to the SPX500 index of \$25,000 (index value X number of CFDs). The position requires a fixed margin of \$400.

BenchMark Finance does not charge commissions for CFD trading with indices.

The SPX500 index has risen over the next 5 days, reaching 2 580 points. As a result, if a client chooses to close a position, the gross profit from this transaction will be \$800: $(10 \times \$ 2,580) - (\$ 10 \times \$ 2,500) = \800 (before adjustments and taxes).

Corrections

As the client holds a CFD position, interest rate expenses are charged by applying the applicable basic interest rate + markup.

The opening price of the position is 2,500 points and for the purposes of the example the interest rate is 3%, the interest payable per day is calculated as follows:

$$10 \times 2\,500 \text{ USD} \times 3\% / 360 = 2.083 \text{ USD per day}$$

CFD index (USD)	Open	Close
Direction	Buy	Sell
Number of CFDs	10	10
Price	2 500 USD	2 580 USD
Value	25 000 USD	25 800 USD

Profit/Loss calculating		
Gross P/L	+800 USD	(25 800 USD – 25 000 USD)
Swap	-10.42 USD	5 days x 2.083 USD/day
Net P/L	+789.58 USD	Before taxes

5.3.2. Short Position (Sale)

Example for selling an index CFD and realization of losses as the market moves against the customer's position. The customer believes that the leading NAS100 technology index will be cheaper and sells 5 NAS100 indexes at 6,100 points (USD). Therefore, this position gives an effective exposure to the NAS100 index of \$30,500 (index value x number of CFDs). The position requires a fixed margin of \$500.

BenchMark Finance does not charge commissions for trading CFDs on indices.

The US NAS100 Index is moving up over the next 5 days to 6,300 points (USD). As a result, if a client decides to close a position, the gross loss from this transaction will be \$1,000: $(5 \times 6,100 \text{ USD}) - (5 \times 6,300 \text{ USD}) = -1,000 \text{ USD}$ (before adjustments and taxes).

Corrections

As the client holds a CFD position, interest rate expenses are charged by applying the applicable basic interest rate + markup.

The opening price of the position is 6,100 points and for the purposes of the example the interest rate is 2%, the interest payable per day is calculated as follows:

$$5 \times 6\,100 \text{ USD} \times 2\% / 360 = 1.694 \text{ USD per day}$$

CFD index (USD)	Open	Close
Direction	Buy	Sell
Number of CFDs	5	5

Price	6 100 USD	6 300 USD
Value	30 500 USD	31 500 USD

Profit/Loss calculating		
Gross P/L	-1000 USD	(30 500 USD – 31 500 USD)
Swap	-8.47 USD	5 days X 1.694 USD/day
Net Profit/Loss	-1008.47 USD	Before taxes

5.4. Futures CFD (including maturing and non-maturing goods, etc.)

5.4.1. Long position (Buy)

An example of opening a long position in a futures CFD in which the client opens a long position that generates a loss because the market moves against the client's position.

The market price of crude oil (USOIL) is 56.00 / 56.05 USD. The customer believes USOIL is undervalued and will rise in price and decides to buy 200 CFD in crude oil worth \$ 56.05 each. Therefore, this position in USOIL has a face value of \$ 11,210 (price x the number of CFDs). The position requires a fixed margin of \$ 180.

Fifteen days later, the price of CFD on USOIL has dropped and is trading at 53.00 / 53.05 USD per barrel. The client decides to close the loss by closing the USOIL position at \$ 53.00 a barrel.

The gross loss a customer will incur is \$610: $(200 \times 56.05 \text{ USD}) - (200 \times 53.00 \text{ USD}) = -610 \text{ USD}$ (before adjustments and taxes).

Corrections

As the position is in maturing oil, which will expire on certain maturity day, the position is not subject to daily interest and no interest is due because of the transfer of the position.

CFD futures (USD)	Open	Close
Direction	Buy	Sell
Number of CFDs	200	200
Price	56.05 USD	53.00 USD
Value	11 210 USD	10 600 USD

Profit/Loss calculating		
Gross P/L	-610 USD	(10 600 USD – 11 210 USD)
Swap	0 USD	It is not due to a maturing instrument
Net Profit/Loss	-610.00	Before taxes

5.4.2. Short Position (Sale)

An example of selling futures CFDs, in which a client takes a short position and makes a profit as the market moves in the direction of his position.

The market price of crude oil (USOIL) is 56.00 / 56.05 USD. The customer thinks USOIL is overpriced and will go down and decides to sell US \$ 200 CFD at \$ 56.00 a barrel. Therefore, the net position value is \$ 11,200 (price x number of CFDs). The position requires an initial margin of \$ 180.

Ten days later, the price of CFD on USOIL has dropped and is now trading at 54.00 / 54.05 USD per barrel. The client decided to make his profit by closing his position at USOIL at \$ 54.05 a barrel.

The gross profit the customer will make is \$ 390: $(200 \times 56.00 \text{ USD} - (200 \times 54.05 \text{ USD})) = \390 (before adjustments and taxes).

Corrections

As the position is in maturing oil, which will expire on certain maturity day, the position is not subject to daily interest and no interest is due because of the transfer of the position.

CFD futures(USD)	Open	Close
Direction	Sell	Buy
Number of CFDs	200	200
Price	56.00 USD	54.05 USD
Value	11 200 USD	10 810 USD

Profit/Loss calculating		
Gross P/L	+390 USD	(11 200 USD – 10 810 USD)

Swap	0	It is not due to a maturing instrument
Net Profit/Loss	+390 USD	Before taxes

7. DEFINITIONS

- Trading account means a client account in BenchMark Finance created under the BenchMark Finance Terms and Conditions, including all trading accounts and all transactions registered therein.
- Transaction means a deal with a BenchMark Finance product (opening/closing a position).
- Order means any order placed by the customer for making a transaction.
- CFD (Contract for Difference) is an agreement between a buyer and a seller to exchange the difference between the current price of the underlying asset (shares, currency, commodities, indexes, etc.) and its price when the contract is closed.
- Spot Forex (Currency Contract) means an OTC derivative contract or derivative contract that forms its price from real-time changes in the spot market price of the specific currency that is the underlying instrument for that derivative.
- Margin means the guarantee amount that the client is required to provide to BenchMark Finance to open a position in financial instrument or product issued by BenchMark Finance.
- Leverage means the ratio between the size of a position that the client opens and the amount which is blocked to maintain the position in the client's account.
- Long position means a position that a customer has opened when expecting a higher price of a product in a growing market. To be "long" means that the client should buy.
- Margin Call occurs from the moment when the margin requirement of the trading account goes down to a certain level. For margin call, it may be necessary additional funds to be deposited into the account or open positions to be closed so the margin requirement to be reduced.
- Margin coverage is the required margin coverage that is calculated by BenchMark Finance, deducting the required margin and the unrealized loss from the client's open positions from the client's account value.
- Margin trading is any trade with a product offered on a margin.
- Open position means a transaction in which the client has entered and which is not yet closed.
- Short position means a position that a customer has opened when expecting a decrease in the price of a product in a down market. Being short means the customer is selling.
- Currency spot trading is the price of T+2 settlement. For indices, commodities or stocks, the spot is for immediate settlement or delivery.
- Spread means the difference between the bid and ask price of an instrument as determined by BenchMark Finance.

- An underlying instrument is an instrument used as a basis for determining the price of a CFD contract, such as a stock, an ETF, a commodity, a stock index, or other asset (or a combination of one or more of the listed assets).

**BENCHMARK FINANCE
COMPLAINT MANAGEMENT POLICY**

I. General information

1. This BenchMark Finance Complaint Management Policy establishes rules for managing complaints and establishes effective and open procedures for the reasonable and timely consideration of complaints received from clients and potential clients of the investment firm. The submission of a complaint, its consideration, the measures taken and respond to the client shall be carried out in the manner provided in this policy.
2. A complaint may be submitted by any client or potential client of BenchMark Finance in connection with disputes arising out of the provision of investment and additional services within the meaning of the Markets in Financial Instruments Act
3. BenchMark Finance's Compliance Department shall review complaints in order to ensure that complaints are impartial and competent, as well as to avoid real and potential conflicts of interest.
4. When considering a complaint, BenchMark Finance keeps in touch with the client or potential client in clear, understandable language and responds to the complaint without undue delay.

II. Submitting of a complaint. Content of the complaint

5. Complaints shall be submitted in writing in one of the following ways:
 - 5.1. In an office of BenchMark Finance;
 - 5.2. By post, addressed to: 1407 Sofia, Bulgaria, 32 "Cherni Vrah" Blvd., entrance A;
 - 5.3. By email to: compliance@benchmark.bg
6. The complaint form, at the end of this document, could be used for submission of complaints. Complaints can be written in free form as well.
7. The complaint must contain:
 - 7.1. Applicant's name and client number;
 - 7.2. Correspondence address and/or email address;
 - 7.3. Applicant's phone number;
 - 7.4. How and where the applicant wishes to receive a response to his/her complaint, whether by email or hard copy;
 - 7.5. The nature and circumstances of which the applicant is dissatisfied

III. Complaints procedure

8. Complaints submitted in BenchMark Finance's office are accepted by a front desk receptionist or front office employee who is required to give the complaint an incoming

number. Once the complaint is accepted, it is submitted to the Compliance Department for entry in the Complaints log.

9. When submitting a complaint in BenchMark Finance's office, the applicant may discuss the issue with an investment company employee. The head of the Compliance Department may also attend the meeting at his/her discretion.

10. When the complaint is submitted in writing by post it is entered in the register of incoming correspondence of BenchMark Finance with an incoming number from the date of receipt of the letter. After the complaint is submitted, the receptionist submits it to the Compliance Department for entry in the Complaints log.

11. When the complaint is submitted by email, it should be sent to the address of the Compliance Department: compliance@benchmark.bg.

12. If the complainant did not explicitly address his/her letter to the Compliance Department's email address but did send it to the official address of BenchMark Finance or to the addresses of one of the employees or other departments of the investment firm, the relevant officer who has received the letter with the complaint shall forward it to the Compliance Department's email address for entry in the complaint log.

IV. Complaints registration procedure

13. The complaints shall be registered in the order of their entry in the Complaints log, which shall be kept according to a model approved by the Executive Director.

14. If a complaint has already been communicated with the applicant, in which he/she continues to have repeated or new complaints, then the subsequent letters and correspondence are not recorded and considered as new complaints in the complaint log, but because they are logical and procedural related to the original complaint they are recorded under the unique number as a follow-up communication.

15. The Complaints log is kept by the Compliance Department both on paper and electronic. The new circumstances in the complaint log shall be entered so that the information contained in the previous entries is not affected, and the deletion of a recorded circumstance and correction of errors shall be made in a way that does not lead to the destruction or damage of the information. The correctness of the entries in the complaint log is checked by the head of Regulatory Compliance.

16. The Complaints log should be recorded:

1. The date of receipt and the unique complaint number at BenchMark Finance;
2. The applicant's unique client number (if he/she is a client of BenchMark Finance);
3. The corresponding number of stored primary documents in the BenchMark Finance archive as well as other additional information;
4. Name and signature of the person who made the entry under points 1 to 3;
5. The date of consideration of the complaint by BenchMark Finance;
6. The measures which are taken in connection with the complaint;

7. The name of the person has made the entry under points 5 and 6.

17. Following the entry in the Complaints Log, the relevant complaint is submitted to the head of Regulatory Compliance for follow-up.

V. Complaints procedure

18. The head of the Compliance Department becomes aware of the complaint and then distributes it to an employee of the department and/or conducts the necessary investigations or checks in due time.

19. The head or officer of the Compliance Department conducts a thorough internal investigation of the facts and circumstances described in the complaint and BenchMark Finance's specific actions, with the aim of gathering and examining all relevant evidence and information regarding the complaint.

20. The head or an employee of the Compliance Department can request data, documents and explanations from BenchMark Finance staff about specific situation. BenchMark Finance employees are required to fully assist the Compliance Department in connection with internal investigations. If it is necessary, the matter may be referred to the Board of Directors at each stage of the examination of the complaint.

21. BenchMark Finance may require the applicant to provide additional information and/or documents in connection with the complaint, setting a time limit for that.

22. The Head of Compliance Department may at his/her discretion, hold a meeting or telephone conversation with the applicant to clarify the case. In his/her discretion, other mediator staff should be present at the meeting.

23. In dealing with a complaint and conducting an internal investigation, the Head or employees of the Compliance Department take into account and seek to avoid real and potential conflicts of interest, and if such conflicts are identified they should be reduced.

24. In handling the complaint and preparing its response, the head or employees of the Compliance Department are guided by the regulations, the existing contracts between the parties and the adopted and effective internal acts of BenchMark Finance.

25. When the complaint is wholly or partly justified, the Head of the Compliance Department shall make every effort to satisfy the complainant's claims and to prevent potential litigation or arbitration.

26. Within 10 (ten) working days from the date of receipt of the complaint, and when it is considered at a meeting of the Board of Directors - within 3 days from the meeting of the Board of Directors, the Compliance Department prepares a written reply to the applicant. The answer should be in a clear and understandable language.

27. If a lengthy internal investigation is required or additional information and/or documents should be provided by the applicant, and/or if the complexity of the factual situation requires, the reply period may be extended to 1 (one) month from the date of receipt of the complaint.

28. BenchMark Finance may extend the response period more than once, but the maximum period from the receipt of the complaint to the submission of the reply may not exceed the time limit referred to in the previous point.

29. If an extension of time is required, BenchMark Finance shall notify the applicant about the reason for the delay and the period during which the reply may be expected. If the period is extended more than once, a separate notification to the applicant shall be made for each individual extension.

30. If the applicant has received a response to the complaint but then has submitted a follow-up complaint or comment regarding the reply and the communication continued in this cycle one or more times, BenchMark Finance shall consider and respond to the subsequent complaints in the order in which it considers and responds of the complaint itself, with the time limits for responding to the subsequent complaints starting to run from the date of receipt of the respective complaint. The general reply deadline is set on a complaint on a complaint basis, with no time limits accumulated.

31. The reply to the complaint shall be sent in the manner desired by the applicant, either by post or email. If the applicant has not explicitly indicated a response, BenchMark Finance sends the reply at its discretion or to the correspondence address or email that the complainant has indicated when entering into a contract with the investment firm, and if the complainant is not a client, BenchMark Finance sends it to the postal address or email address from which the complaint was received.

32. If the applicant is not satisfied with the response of the complaint, he/she has the right to continue the protection of his/her interests through the competent authorities - the Financial Supervision Commission of the Republic of Bulgaria and the competent court in the Republic of Bulgaria.

VI. Subsequent actions

33. BenchMark Finance's Compliance Department analyzes the complaint data and examines it to ensure that any risks or problems are identified and eliminated. Through the analysis are identified recurring or systemic problems, as well as potential legal and operational risks. The analysis covers:

1. Analysis of the causes of individual complaints so as to be identified the root causes common to different types of complaints;
2. Assess whether these root causes may affect other processes or products, including those for which no direct complaints have been received
3. Correction of these root causes where appropriate.

34. The head of the Compliance Department has the right to make proposals to the senior management and/or the Board of Directors of BenchMark Finance if, as a result of the analysis, it is necessary to be changed the internal acts of the investment intermediary or the existing documents regulating the relations with customers, and other actions to be taken that are compatible with and/or derived from internal control functions.

35. BenchMark Finance stores electronically and/or on paper all documentation and information regarding customer complaints and internal checks

VII. Provision of information

36. By the 15th (fifteenth) day of the month from which the new quarter begins, BenchMark Finance shall notify the Financial Supervision Commission of the Republic of Bulgaria about the number of written complaints received during the previous quarter and their summary as well as of the results.

37. With the current Complaint Management Policy BenchMark Finance provides publicly clear, accurate and up-to-date information on the complaint process, which includes details on how the complaints should be filed and the process that will be following in dealing with complaints. The information is provided to clients and potential clients and this policy is published on the BenchMark Finance website.

VIII. Final provisions

39. This Complaints Management Policy is a stand-alone document which is adopted by the BenchMark Finance Board of Directors pursuant to Art. 26 of Delegated Regulation (EU) 2017/565, but is also part of the rules for the internal organization of the investment intermediary under Art. 68 of the Financial Instruments Markets Act.

40. The complaint management policy is adopted by the Board of Directors of BenchMark Finance on 16 May 2018 and is effective from the same date.

COMPLAINT FORM

Clients' names: _____

Client number: _____

Email: _____ Phone: _____

Correspondence address: _____

I would like to receive a response to my complaint by:

- email
- post

The nature of the complaint (please describe your complaint in as much detail as possible):

BENCHMARK FINANCE TARIFF

OPERATIONS ON BULGARIAN FINANCIAL MARKET	
I. Securities transactions	
1. Equity transactions, rights to shares, compensation instruments and other, traded through the BG Trader platform	
1.1. For a turnover of transactions up to 100 000 BGN	0,7% of the transaction value, minimum 1 BGN
1.2. For a turnover of transactions over 100 000 BGN for one calendar year	0,6%, minimum 1 BGN
1.3. For a turnover of transactions over 1 000 000 BGN	negotiable
1.4. For clients using One Time, Plan 2*	1,4% of the value of the transaction at purchase/ no commission on sale
2. Equity transactions, rights to shares, compensatory instruments and other, traded through a brokerage terminal at an office of BenchMark Finance	
2.1. For a transaction worth up to 10 000 BGN	2% of the transaction value, minimum 20 BGN
2.2. For a transaction worth BGN 10 000 to 30 000 BGN	1,5% of the value of the transaction
2.3. For a transaction worth over 30 000 BGN	negotiable
3. Acceptance of applications for participation in initial or secondary public offering	10 BGN
4. Acceptance of a tender offer	1% of the amount payable, minimum 10 BGN
5. Repo deals servicing	0,15% of the value of the transaction, minimum 20 BGN
6. Trades with bonds and government securities traded through BG Trader platform	0,15% of the value of the transaction, minimum 20 BGN

Commissions under Section I of the BenchMark Finance AD Tariff do not include the commissions of Bulgarian Stock Exchange AD and Central Depository AD.

*One time, Plan 2 program is available only for clients who have signed an agreement before 02.12.2013.

II. Other operations	
1. Custody of securities*	0,1% annually on the value of the assets
2. Cash storage*	0,5% annually on the value of the assets
3. Transfer of securities/compensation instruments to the Central Depository register	
3.1. From another investment intermediary or from client's personal account in Central Depository to client's account in BenchMark Finance	no commission
3.2. From BenchMark Finance account to another investment intermediary or to client's personal account at Central Depository	1% of the market value of the transaction + BGN 10 per issue
4. Issuance of a certificate of ownership for financial instruments (depository receipt) by Central Depository AD	
5. Maintenance of issue of shares in client's portfolio:	
5.1. Issue of shares of a non-public company	2 BGN per issue per month
5.2. Issue of shares of a bankrupt or liquidated company	2 BGN per issue per month
5.3. Issue of shares of a company suspended from trading on the Bulgarian Stock Exchange	2 BGN per issue per month

Commissions under Section II of BenchMark Finance AD's Tariff also include commissions of Central Depository AD. Section II commissions are exclusive of VAT.

*Commissions under items 1 and 2 shall be charged and deducted at the end of each calendar month. Commissions under items 1 and 2 are not owed by professional clients

Note: Upon termination of the agreement clients pay all commissions and expenses related to the transfer of their financial instruments and cash.

INTERNATIONAL FINANCIAL MARKET OPERATIONS	
1. CFD trading on currencies, precious metals, commodities, stock indices	no commission
2. CFD trading on equities	according the terms and conditions published in the intermediary's website and/or in the MetaTrader platform
3. Interest rate adjustments, swaps, dividends and currency conversion	according the terms and conditions published in the intermediary's website and/or in the MetaTrader platform
4. MetaTrader VPS fee	according the terms and conditions published in the intermediary's website and/or in the MetaTrader platform
5. Account maintenance in the absence of a transactions or open positions for a period of more than 12 consecutive months*	2 € per month for each month of inactivity

* The commission under item 5 is without VAT. The commission is accrued on a monthly basis after 12 months without account activity. The commission is not charged to customers who have zero balance on their accounts.

CASH OPERATIONS FOR CLIENTS OPERATING FROM THE TERRITORY OF BULGARIA	
1. Cash deposit in BGN and in foreign currency	no commission
2. Cash withdrawal in BGN and in foreign currency	no commission
3. Bank deposit in BGN and in foreign currency	no commission
4. Bank withdrawal	
BGN	no commission
express request for withdrawal in BGN	the bank fee is at the expense of the client
foreign currency	the bank fee is at the expense of the client
5. Deposit by ePay.bg	no commission
6. Deposit by POS terminal with VISA, Mastercard, Borica or Maestro cards	no commission
CASH OPERATIONS FOR CLIENTS OPERATING OUTSIDE THE TERRITORY OF BULGARIA	
1. Bank deposit	no commission
2. Bank withdrawal	no commission
3. Deposit by Sofort	no commission
4. Deposit by virtual POS terminal with VISA or Maestro card	no commission
OPERATIONS AS A REGISTRATION AGENT	
1. Registration of transactions, donations or other transfers previously agreed between the parties	negotiable
2. Securities inheritance procedure	0,5% of the market value of the securities, minimum 20 BGN + 10 BGN per transfer
3. Issuance of a copy of a certificate of ownership of financial instruments (depository receipt)	25 BGN
4. Account statement	
individuals	25 BGN
legal entities	150 BGN
5. Information about an extended portfolio and a portfolio as of an old date from the Central Depository	
individuals	40 BGN
legal entities	150 BGN
6. Change of personal data in Central Depository	25 BGN

Commissions of Central Depository AD are included in the commission of BenchMark Finance AD. Operations commissions as a registration agent are exclusive of VAT.

OTHER	
1. Consulting services	
Preparation of a prospectus for public companies	negotiable
Preparation of a prospectus for a bond loan	negotiable
Preparation of a tender offer	negotiable
Investment banking for corporate clients	negotiable
2. Sending documents on paper through the postal service	10 BGN
3. Assistance in issuing and maintenance of a LEI number for BenchMark Finance clients	20 BGN

The commissions in Section Other of the BenchMark Finance AD Tariff are without VAT. BenchMark Finance AD has the right to negotiate other commissions than those specified in the Tariff. If any commissions for services which BenchMark Finance AD has the right to perform under its license are not mentioned, the applicable commissions are negotiable. BenchMarkFinance AD reserves the right to apply other commissions if the client does not use his/her account mainly for trading on the financial markets.

This tariff is approved by a decision of the Board of Directors of BenchMark Finance AD dated 10.04.2020 and shall enter into force on 15.05.2020.