

**TERMS AND CONDITIONS FOR TRADING IN FINANCIAL INSTRUMENTS Of Investment Intermediary “BenchMark Finance” JSCo**

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**GENERAL TERMS**

**APPLICABLE TO THE BENCHMARK FINANCE AD AGREEMENTS WITH CLIENTS**

**Art.1** These General Terms and Conditions regulate the rights and obligations of investment intermediary BenchMark Finance AD (hereinafter referred to as BenchMark Finance or "investment intermediary") and its clients in connection with the investment services and activities provided under Art. 6 of the Markets in Financial Instruments Act (MFIA) and according to the license held by it. The General Terms are accepted by the Board of Directors of the investment intermediary on the grounds of art. 82 of MFIA, in connection with Art. 298 of the Commercial Code.

*Information about the investment intermediary*

**Art.2** BenchMark Finance is a joint stock company established under the laws of the Republic of Bulgaria and registered in the Commercial Register at the Registry Agency with UIC 131225156 with registered office and address of management: Republic of Bulgaria, Sofia, Lozenets region, 19 Viskyar Planina Str. fl. 2, website: [www.benchmark.bg](http://www.benchmark.bg), working hours, telephone numbers and e-mail addresses for contact with the investment intermediary are listed on the website. The name of BenchMark Finance AD is written in English as BenchMark Finance JSCo.

**Art.3** Clients can communicate and correspond with BenchMark Finance in Bulgarian and English. In case there is a possibility for communication in other languages, the clients will be notified on the BenchMark Finance website. The documents regulating the relations with clients and the terms of trade, including those related to the provision of legally obligatory information to the clients, are prepared by BenchMark Finance in Bulgarian and/or English, and in case of discrepancies or disputes, the Bulgarian version of the documents shall prevail. By concluding a contract, the client declares that he agrees to use the documents governing client relations and trading conditions in one of the two available languages and will not request a translation into a language other than Bulgarian and English.

**Art.4** BenchMark Finance has a license to operate as an investment intermediary in the territory of the Republic of Bulgaria and abroad under N<sup>o</sup> RG-03-0212/01.06.2005 and N<sup>o</sup>RG-03-0212 from 09.05.2006, issued by the Financial Supervision Commission (hereinafter "FSC"). BenchMark Finance is entered in the register of investment intermediaries kept by the FSC under N<sup>o</sup> 03-0212. BenchMark Finance has the right to operate under the conditions of free provision of services after notification in all Member States of the European Union.

Up-to-date information on the countries in which BenchMark Finance is notified to operate under the conditions of free provision of services is available on the website of the investment intermediary and on the website of the Financial Supervision Commission.

**Art.5** The supervision over the activity of BenchMark Finance is carried out by the Financial Supervision Commission (FSC), Republic of Bulgaria, Sofia, 16 Budapest Street; <https://www.fsc.bg>; e-mail: [delovodstvo@fsc.bg](mailto:delovodstvo@fsc.bg).

**Art.6** BenchMark Finance is a member of the Bulgarian Stock Exchange AD and Central Depository AD. BenchMark Finance is a member of the Bulgarian Association of Licensed Investment Intermediaries, which is a professional organization of licensed investment intermediaries in Bulgaria.

**Art.7** BenchMark Finance is entered in the register of personal data controllers kept by the Commission for Personal Data Protection with identification number 50497.

**Art.8** BenchMark Finance is directly regulated by the Markets in Financial Instruments Act (MFIA), Regulation (EU) N<sup>o</sup> 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) 648/2012, Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65 /EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and for giving definitions for the purposes of the said Directive (Delegated Regulation 2017/565), Ordinance N<sup>o</sup> 38 on the requirements for the activity of

investment intermediaries (Ordinance №38) and the other applicable Bulgarian legislation and law of the European Union.

**Art.9** (1) In accordance with the issued license to operate as an investment intermediary, BenchMark Finance provides the following services and activities by occupation on the territory of the Republic of Bulgaria, within the European Union and the European Economic Area and in third countries:

1. receiving and transmitting orders in connection with one or more financial instruments, including intermediation for concluding transactions with financial instruments;
2. execution of orders at the expense of clients;
3. own account transactions with financial instruments;
4. portfolio management;
5. providing investment advice;
6. undertaking issues of financial instruments and/or offering for initial sale of financial instruments under the conditions of an unconditional and irrevocable obligation to subscribe/acquire the financial instruments for own account;
7. offering for initial sale of financial instruments without an unconditional and irrevocable obligation to acquire the financial instruments for own account (placement of financial instruments);

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

1. safekeeping and administration of financial instruments on behalf of clients, including custody and related services, such as cash and collateral management, with the exception of centralized securities account management in accordance with Section A, point 2 of the Annex to the Regulation (EU) № 909/2014;
2. granting loans to investors to carry out transactions with one or more financial instruments, provided that the intermediary providing the loan participates in the transaction;
3. advice to undertakings on capital structure, industrial strategy and related matters, as well as advice and services relating to the transformation and acquisition of undertakings;
4. provision of services related to foreign means of payment in cash and in a non-cash manner, insofar as they are related to the provided investment services;
5. investment researches and financial analysis or other forms of general recommendations related to transactions in financial instruments;
6. issues related to underwriting financial instruments;

(3) BenchMark Finance also has the right to conclude transactions with foreign means of payment in a non-cash manner.

**Art.10** (1) The subject of the provided basic and additional investment services may be all financial instruments, determined according to art. 4 of MFIA, as follows:

1. transferable securities - "Transferable securities" are the classes of securities registered in accounts with a central securities depository that can be traded on the capital market, with the exception of payment instruments, such as:

a) shares in companies and other securities equivalent to shares in capital companies and other legal entities, as well as depository receipts for shares;

b) bonds and other forms of securitized debt, including depository receipts for such securities;

c) other securities that give the right to acquire or sell such transferable securities or that result in a monetary settlement determined on the basis of transferable securities, currencies, interest rates or yields, commodities or other indices or indicators.

2. money market instruments;

3. shares of collective investment undertakings;

4. options, futures, swaps, forward interest rate agreements and any other securities-related derivative contracts with currencies (other than those defined in accordance with Article 10 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 to supplement of Directive 2014/65/EU of the European Parliament and of the Council as regards the organizational requirements and conditions for the conduct of business of investment firms and for the definition of those Directives (Delegated Regulation (EU) 2017/565) (OB, L 87/1 of 31 March 2017), with interest rates or yields, emission allowances or other derivative instruments, financial indices or financial indicators for which settlement by physical delivery or cash settlement may be made;

5. options, futures, swaps, forward contracts and any other derivative contracts relating to commodities for which a cash settlement is to be made or for which a cash settlement may be made at the request of one of the parties other than defaults or other grounds for termination;

6. options, futures, swaps and any other derivative contract relating to commodities that can be settled by physical delivery when they are traded on a regulated market, a multilateral trading facility (MTF) or an organized trading facility (OTF), with the exception of wholesale energy products traded on OCT, for which settlement with physical delivery must be performed, determined in accordance with Art. 5 of Delegated Regulation (EU) 2017/565;

7. options, futures, swaps, forward contracts and any other derivative contracts related to goods that can be settled by physical delivery, other than those specified in item 6, which are not for commercial purposes and have the characteristics of other derivative financial instruments according to art. 7, paragraphs 1, 2 and 4 of Delegated Regulation (EU) 2017/565;

8. derivative financial instruments for credit risk transfer;

9. contracts for differences;

10. options, futures, swaps, forward interest rate agreements, and any other derivative contracts related to climate change, freight rates or inflation rates, or other official economic statistics that need to be settled or that can be settled. make a monetary settlement at the request of one of the parties (except in cases of default or other grounds for termination of the contract), as well as any other derivative contracts related to assets, rights, liabilities, indices and indicators other than those referred to in this Article. the characteristics of other derivative financial instruments depending on whether they are traded on a regulated market, MTF or OTF, determined according to Art. 7, paragraph 3 and Art. 8 of Delegated Regulation (EU) N° 2017/565;

11. emission allowances consisting of any units recognized as complying with Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Directive 96/61/EC (Emissions Trading Scheme) (Directive 2003/87/EC).

(2) The client is notified of the following rights under the various types of financial instruments:

1. Rights on the shares traded on a regulated market in the Republic of Bulgaria: right to dividend; right to vote and participate in the general meeting of shareholders of the company and in its management; right to a proportionate share of the new shares upon capital increase; right to liquidation share;

2. Bond rights traded on a regulated market in the Republic of Bulgaria: right to receive the amount (principal) of the bonds; right to receive interest payments on the bonds; right to participate and

vote in a general meeting of bondholders; the right of the bonds to be replaced by the respective number of shares of the company, in case the bonds are issued as convertible.

3. Rights under issued rights: the right to subscribe the respective number of shares against the rights held in a predetermined ratio in connection with a decision taken to increase the capital of a public company;

4. Rights under options: the right to buy or sell a certain number of securities or other financial instruments at a pre-fixed price until the expiration of a certain term or a certain date;

5. Futures rights - give the right, but also the obligation to buy or sell a certain number of securities or other financial instruments at a pre-fixed price on a certain date;

6. Rights under contracts for differences (CFDs) - give the right to receive, but also the obligation to pay the difference between the current price of the underlying asset (shares, currency, commodities, indices, etc.) and its price when the contract is closed.

7. Rights under units of collective investment schemes: right of redemption; right to a liquidation share upon termination of the collective investment scheme; right to a part of the profit (dividend), if a decision is made for distribution by the general meeting of the investment company, respectively the managing body of the management company; right to information; voting rights in cases of holding shares of an investment company.

8. Rights under other derivative financial instruments - according to the rights granted by the issuer of the instrument, the type of the underlying asset, described in the concluded specific contract with the client and the applicable legislation.

(3) When performing investment services and activities, as well as providing additional services under the issued license, BenchMark Finance treats its clients equally, acts honestly, fairly, as a professional in accordance with the best interests of the client and takes care of a good trader. BenchMark Finance provides investment services and activities and concludes transactions with financial instruments, both at the expense of clients and at its own expense. When providing the services, BenchMark Finance can negotiate with itself, as well as be a counterparty in transactions with clients.

### *Compensation for investors*

**Art.11** (1) BenchMark Finance informs clients that the assets of non-professional clients in Bulgaria are guaranteed by the Investor Compensation Fund against the inability of the investment intermediary to return the assets for reasons directly related to its financial condition. The Fund shall ensure the payment of compensation to the clients under the conditions and by the order provided in Section IV Compensation of the Investors, Art. 77a -77h of Public Offering of Securities Act (POSA).

(2) Client assets within the meaning of Section IV Compensation of the POSA investors are the funds, financial instruments and other assets of the clients of the investment intermediary, which he holds, administers or manages at their expense in connection with the services provided by him under Art. 6, para. 2 and 3 of the Markets in Financial Instruments Act, including interest, dividends and other similar payments.

**Art.12** (1) The Fund pays compensation to clients in cases where:

1. Bankruptcy proceedings have been opened against the investment intermediary with a decision of the respective district court;

2. The FSC has issued a decision revoking the license, respectively the permit for carrying out activity by the investment intermediary on the grounds of permanently deteriorated financial condition and inability of the investment intermediary to perform its obligations;

3. A decision of the FSC established that the following conditions are present at the same time:

a) the financial instruments and / or the funds held by the investment intermediary on behalf of its clients are not available on the respective accounts for reasons other than the performance of contractual relations with the clients;

b) at the discretion of the commission at that time the investment intermediary is unable for reasons directly related to its financial condition to pay clients the money, respectively to recover the financial instruments and will not be able to do so in the short term.

The decision under para. 1, item 3 shall be taken within 10 working days from the knowledge that the investment intermediary does not fulfill its obligations to clients for payment of funds and / or for transfer of financial instruments. The Financial Supervision Commission may take a decision under para. 1, item 3 and after revocation of a license of an investment intermediary for carrying out activity, outside the cases under Art. 27, para. 1, item 6 of the Markets in Financial Instruments Act.

(2) Within 7 days of receiving the decision under para. 1, the fund shall publish in at least two central daily newspapers and on its website a notice of the decision under para. 1 and for the term in which the clients of the investment intermediary may submit a request for payment of compensation from the fund, as well as the bank through which the payment of the compensation will be made.

(3) In the cases under par. 1, item 1 the receivables of the clients of the investment intermediary shall be considered presented and shall be entered ex officio by the trustee in bankruptcy in the list under Art. 686, para. 1, item 2 of the Commercial Law.

(4) (amended 11.12.2025) Compensation is paid for receivables arising from the inability of the investment intermediary to return the client's assets in accordance with the legal and contractual conditions. The client is entitled to compensation in the amount of 90 percent of the value of his receivable, determined as of the date of occurrence of the circumstance under para. 1, but not more than EUR 20,000. The amount of the receivable for each client shall be determined as of the date of issuing the decision under para. 1 in accordance with the legal and contractual conditions, as the valuation of the client's assets shall be carried out under conditions and by order, determined in an ordinance.

(5) For certain categories of clients in art. 77g, para. 2 of the POSA, including professional clients and clients categorized as eligible counterparties, no compensation shall be paid. Compensation is also not paid to clients who have contributed to or benefited from the deteriorating financial condition of the investment intermediary, or whose receivables have arisen from and / or are related to actions constituting "money laundering".

(6) BenchMark Finance is obliged to make annual contributions to the Investor Compensation Fund in an amount determined by the Management Board of the Fund. The non-payment of due installments by the investment intermediary to the Investor Compensation Fund shall not deprive the eligible clients of the investment intermediary of compensation up to the amounts provided in Art. 77d of POSA.

(7) At the request of the client, the investment intermediary will provide a copy of the current regulations concerning the investor compensation system.

### *Protection and storage of client assets*

**Art.13** (1) BenchMark Finance maintains accountability and accounts for the client's financial instruments and cash in a manner that allows him at any time to immediately distinguish the assets held for the client from the assets of other BenchMark Finance clients and from his own assets,

namely through accounts with different name in the financial statements of BenchMark Finance or by equivalent measures that achieve the same level of protection.

(2) BenchMark Finance cannot use clients' funds at its own expense. BenchMark Finance may not use financial instruments of its clients for its own account, for the account of other clients or for the account of any other person, except with the explicit consent of the client and under conditions specified in an agreement with the client.

(3) BenchMark Finance is not liable to its creditors with the financial instruments and cash of its clients. Enforcement on the funds and financial instruments of clients for obligations of the investment intermediary is not allowed.

(4) Invalid in relation to the client is set-off, establishment of collateral, as well as other actions regarding his financial instruments and/or cash, as a result of which a third party acquires the right to dispose of the financial instruments and/or cash of the client, with in order to satisfy a receivable that is not related to the client's obligation or to the services provided by the client's investment intermediary.

**Art.14** (1) BenchMark Finance stores the financial instruments of its clients in a depository institution on client accounts to the account of the investment intermediary or on accounts opened to the account of a third party, as follows:

1. Non-Demand government securities issued pursuant to Ordinance No. 5 of the BNB and the Ministry of Finance, as well as dematerialized government securities intended only for individuals, shall be kept in custody accounts or sub-accounts to the account of the investment intermediary in a credit institution (custodian bank). or another sub-depository of government securities.

2. Non-Demand shares and bonds of local issuers and units of local collective investment schemes, as well as other dematerialized securities registered in Central Depository AD are stored on individual client accounts to the account of the investment intermediary in Central Depository AD.

(2) The financial instruments offered for trading on the MetaTrader 4/5 platforms - contracts for differences (CFDs) and other derivative financial instruments issued by BenchMark Finance **are not transferable** securities. Transactions with these instruments are not subject to centralized clearing. In view of this, BenchMark Finance does not deposit these client financial instruments in a depository institution under Art. 94, para. 1 of MFIA, and keeps them with him on analytical accounts of his clients.

(3) The investment intermediary shall take due care of:

1. the choice of a depository institution under Art. 94, para. 1 of MFIA, in which to store the financial instruments of its clients and in determining the terms of the contract with the depository institution;

2. performing a periodic review and assessment of the depository institution under Art. 94, para. 1 of MFIA and the terms of the contract with it in connection with the safekeeping of the financial instruments of its clients, if necessary, but at least once a year.

(4) For the purposes of para. 3, the investment intermediary shall take into account the experience and the market reputation of the depository institution under Art. 94, para. 1 of MFIA, as well as all legislative requirements or market practices related to the holding of the respective financial instruments, which may adversely affect the rights of the clients.

**Art.15** (1) BenchMark Finance does not keep clients' money with it. BenchMark Finance deposits the funds of its clients in:

1. central bank;

2. a credit institution licensed to operate in accordance with the Credit Institutions Act, respectively in accordance with the requirements of Directive 2013/36/EU (commercial bank);

3. credit institution licensed to operate in accordance with the Credit Institutions Act, respectively in accordance with the requirements of Directive 2013/36/EU (commercial bank);

4. Qualified money market fund - only if the clients are informed in advance in writing that their funds will not be held in accordance with the requirements for protection of clients' funds under MFIA and Ordinance № 58, and have given their written consent for depositing their funds in a qualified money market fund. When depositing clients' funds in a qualified money market fund, the units or shares in that money market fund should be held in accordance with the requirements for holding clients' financial instruments.

By concluding a contract, the client agrees that BenchMark Finance may deposit the funds of its clients in the above-mentioned persons and in the cases when it is a related party with any of them.

(2) The investment intermediary shall take due care of:

1. the choice of a credit institution, respectively a qualified money market fund, in which to deposit the funds of its clients and in determining the terms of the contracts with them;

2. the performance of periodic review and assessment of the credit institution, respectively of the qualified fund on the money market and of the conditions under the concluded contracts for storage of funds of its clients.

(3) For the purposes of para. 2, the investment intermediary shall take into account the experience and market reputation of the credit institution, respectively the qualified money market fund, in order to ensure the protection of clients' rights, as well as all legal and regulatory requirements or market practices related to holding funds of clients. may adversely affect clients' rights.

(4) When the investment firm deposits clients' funds in a credit institution or a qualified money market fund, the investment firm shall consider the need to diversify clients' funds and, where appropriate, deposit them with more than one person in order to protect clients' rights.

**Art.16** (1) Pursuant to Art.49, paragraph 6 of Delegated regulation (EU) 2017/565 the investment intermediary will inform the client about the existence and conditions of any security interest or any retention right that the investment intermediary has or may have in respect of the client's financial instruments or funds, or for any set-off right he holds in relation to those instruments or assets. Where applicable, the investment intermediary shall also inform the client of the fact that the depositary institution may have a security interest or a lien or a right of set-off in respect of those client instruments or funds.

(2) The investment intermediary informs the client about the existence of a right of set-off on the client's money and/or financial instruments for the investment intermediary, in case BenchMark Finance incurs a counter-obligation to the client, regardless of which of the concluded contracts with the investment intermediary. several contracts for investment services have been concluded with the client). The set-off is made up to amount of the lesser of the two counter-obligations, after notification by the intermediary to the client.

(3) Before concluding securities financing transactions relating to financial instruments held on behalf of a client or before otherwise using such financial instruments for its own account or for the account of another client, the investment firm shall provide the client in a timely manner before using these instruments clear, complete and accurate information on a durable medium on the obligations and responsibilities of the investment firm regarding the use of these financial instruments, including the conditions for their return and the associated risks.

### *Client categorization*

**Art.17** (1) BenchMark Finance is obliged to categorize its clients as a non-professional, professional or acceptable counterparty. When categorizing clients, BenchMark Finance observes the requirements, criteria for categorization and procedures established in MFIA and the Rules of BenchMark Finance for categorization of clients, published on the website of BenchMark Finance - [www.benchmark.bg](http://www.benchmark.bg), with which clients must get acquainted and agree. when concluding a contract.

(2) With these General Terms and Conditions, BenchMark Finance notifies clients that it will treat them as unprofessional in respect of all investment services, investment activities and financial instruments, unless it has explicitly categorized them as professional or an acceptable counterparty.

(3) BenchMark Finance on its own initiative will categorize as professional clients in respect of all investment services, investment activities and financial instruments, clients that fall into the categories under items 1 - 4 of Section I of the Annex to MFIA.

(4) BenchMark Finance will consider and treat as an acceptable counterparty any investment intermediary, credit institution, insurance company, collective investment scheme, management company, pension insurance company, pension fund, pension insurance company, other financial institutions licensed or regulated by law. The European Union and the Member States, national governments, public authorities managing government debt, central banks and international institutions, as well as third-country nationals subject to requirements equivalent to those of European Union law.

Eligible counterparties may be considered other persons who meet the requirements of Art. 71 of Delegated Regulation (EU) 2017/565 requirements, including persons from third countries, as follows: enterprises falling into the category of clients, which should be considered as professional clients in accordance with the persons under items 1 - 4 of Section I of The Annex to MFIA.

With respect to clients categorized as an eligible counterparty, BenchMark Finance may provide services and execute orders for transactions and operations in compliance with these general terms and conditions and other documents applicable to client relations, without concluding a separate individual contract in writing, unless the client did not explicitly state his wish to do so.

(5) Every professional client has the right to request treatment as a non-professional client in order to obtain higher protection. The higher level of protection shall be granted on the basis of a written request and agreement between the investment firm and the client, if one is reached, which explicitly states whether for all investment services and activities and financial instruments, or for certain ones, the client will be provided with a higher degree of protection and will be treated as unprofessional.

A person who meets the criteria for a professional client is obliged to request a higher level of protection when he considers that it is impossible for him to properly assess or manage the risks associated with the investment.

(6) A client designated as an eligible counterparty may request not to be treated as such in full or for a specific transaction if the investment firm agrees. In this case, the client is treated as a professional, unless he explicitly requests to be treated as a non-professional. When the client explicitly requests to be treated as a non-professional, BenchMark Finance applies to him the rules providing a higher degree of protection for non-professional clients, in relation to specific services, activities, transactions, financial instruments or other explicitly specified in the agreement with the client. financial products.

(7) A client designated as a non-professional may request to be re-categorized as a professional client for all investment services and activities and financial instruments or for certain ones in compliance with the relevant conditions and procedure in the BenchMark Finance Client Categorization Rules and in accordance with Section II. from the Annex to MFIA. In the case under

the previous sentence, the rules providing a higher degree of protection for non-professional clients shall not apply to this client only if, based on the client's experience, knowledge and skills, the investment intermediary can reasonably consider that according to the nature of the transactions, the services that the client intends to conclude or use, the client can make independent investment decisions and assess the risks associated with them.

(8) The client who is re-categorized as a professional, is obliged to notify the investment intermediary of any change in the data that served as a basis for its re-categorization. In the event that the investment firm finds, on the basis of the notification under the previous sentence or otherwise, that the client has ceased to meet the conditions for being classified as a professional, the investment firm shall apply to it the rules providing a higher level of protection for non-professional clients.

(9) In addition to the client's request, a change in the client's categorization may be made at the initiative of the investment intermediary in compliance with the BenchMark Finance Client Categorization Rules.

### *Risk warning*

**Art.18** (1) The services under the contract with the client are provided at the initiative of the client, the transactions are concluded entirely at the discretion and order of the client. The client bears all the risks of trading in financial instruments and all transaction orders are executed entirely at his expense and at his risk. BenchMark Finance does not provide independent investment advice or investment recommendations in connection with the client's orders for transactions in financial instruments and the transactions concluded on the basis of these orders.

(2) The client is responsible for knowing the specifics of the financial instruments, the risk associated with them, as well as for their awareness and observation of significant events in relation to the financial instruments and their issuers. BenchMark Finance is not obliged to notify the client in the event of such events, nor to take any other individual measures in relation to the client.

(3) The Client consciously and in full assumes the risk of loss associated with each transaction with financial instruments, which BenchMark Finance has carried out in execution of a client's order or in the management of the client's portfolio. BenchMark Finance is not responsible for the final financial result achieved by the client.

(4) It is impossible to guarantee the profit or the release from loss when trading in financial instruments. By concluding a contract, the client confirms that he has not received such guarantees or similar assurances from BenchMark Finance or any of its employees, and that the client has not concluded the contract, nor will he act in the future considering and relying on such guarantees. or similar assurances.

(5) The Client acknowledges, accepts and understands that trading in financial instruments, both on a margin basis (with a guarantee amount) and without the use of margin, is highly speculative, may involve a high degree of risk and is suitable only for individuals, who may bear the risk of loss, including loss exceeding the amount of their margin deposits. The client agrees and declares that he has the financial ability to bear the risk of speculative trading in financial instruments.

(6) The Client is notified, understands and accepts the following risks when investing and transactions with shares, bonds or other transferable dematerialized financial instruments on the Client's account, issued by public companies, namely:

1. Financial instruments may lower their price in the future, leading to partial losses or loss of the entire investment;

2. The decrease in the price of financial instruments may be due to a number of factors related to the activity of the issuing company or the world economy, foreign financial markets, force majeure circumstances and others, the change of which the investment intermediary has no possibility to influence;
3. Purchased financial instruments may not be able to be converted into cash in whole or in part if there is no sufficiently liquid market in which to trade;
4. The client may not receive a dividend if the company has not realized and reported profit or the general meeting of the public company-issuer decides not to distribute a dividend;
5. The client will not be able to influence the management of the issuing company if it does not own a sufficient number of shares;
6. The client may not receive a liquidation share upon termination of the issuing company due to exceeding the company's liabilities to creditors over the assets owned by the company.
7. The client may lose part or all of the investment due to separation of the issuer from the trading venue, bankruptcy, liquidation, temporary or permanent suspension of trading in the issue, default or delayed execution by counterparties or by other participants in the capital market;
8. The client may have to incur financial and other additional liabilities as a result of transactions with financial instruments, including contingent liabilities, additional fees to the cost of acquiring the instruments.

(7) A detailed description of the risks associated with trading in financial instruments is contained in the documents:

1. The policy for execution of client orders for transactions with financial instruments, which contains a description of the risks in view of the places for execution of transactions;
2. Description of the products offered by BenchMark Finance and the risks associated with them, which contains a description of the risks in relation to the various financial instruments;
3. The Key Information Documents (KID) for the offered products and financial instruments (in the cases when the KID is required to be prepared).

The above documents are constantly available and accessible on the website of the intermediary and the client should read them in advance, as well as monitor their current versions. The enumeration of risks in these documents is informative and non-exhaustive.

(8) Additional risk warnings for clients trading in CFDs or other margin-based derivative financial instruments:

1. Clients who trade in CFDs or other derivative financial instruments should be aware that these are complex financial instruments and carry a high risk of rapid loss of funds as a result of leverage. Before trading such instruments, clients need to assess whether they understand how CFDs or other derivative financial instruments work and whether they can afford to take the high risk of losing their money.
2. Trading is directly or indirectly related to investments in financial instruments whose underlying assets are in different currencies. The potential gain or loss on transactions in investments in foreign currency denominated financial instruments also depends on exchange rate fluctuations.
3. Place stop or stop limit orders, which are intended to limit the amount of potential loss to the client, cannot always be executed due to current market conditions or existing technological constraints on the execution of such orders.
4. The prices quoted by BenchMark Finance may change in the period between the submission of the client's order (the quotation visible to the client) and its execution according to the market dynamics.

5. The client is informed, understands and accepts that trading against a guarantee amount (on margin) with contracts for differences (CFDs) is accompanied by risks that may lead to financial losses for the client, including a loss of or exceeding the amount initially invested.

6. Various events or situations may occur on weekends when the capital markets are closed for trading, as a result of which the prices (quotations) of financial instruments may differ significantly from the closing prices on Fridays or last working day. BenchMark Finance clients will not be able to open new positions and/or trade their positions on weekends or during non-working days/public holidays, to place or change orders. As a result, there is a significant risk that stop loss orders placed by the client in advance may be executed at levels significantly less favorable to the client than those specified in his order.

7. Trading is done with the help of electronic trading platforms MetaTrader 4/5 and the available communication networks for data transfer. Clients are exposed to all risks associated with the operation of electronic trading systems, including hardware or software problems, technical problems, temporary inability to access the system, connectivity problems, etc .;

8. In case of insufficient collateral (guarantee amount/margin), part or all of the client's positions may be forcibly closed without the prior consent or approval of the client.

9. Trading orders are executed outside the trading venue, namely the OTC market. The consequences for the client of this are related to the following risks and conflicts of interest, namely:

a) BenchMark Finance is the place of execution and counterparty to each transaction and therefore the client's trading opportunities are limited to the availability of BenchMark Finance's own liquidity;

b) The prices at which it is traded are determined (quoted) by BenchMark Finance and not by a counter-interest of another client;

c) The execution time of the client's orders may vary, there is no specific or fixed time in which BenchMark Finance commits or should execute orders received from clients;

d) The prices (quotations) offered by BenchMark Finance may differ from the prices (quotations) elsewhere for the performance of the respective contracts for differences (CFD);

e) There is a potential conflict of interest, BenchMark Finance to profit from the trading volumes that the client has realized, as the investment intermediary realizes a profit in situations where the client loses funds;

f) The instruments offered for trading are not transferable and the client cannot transfer them to another investment intermediary or to another place for trading or execution;

g) The trading rules that apply to the OTC market are different from the trading rules that apply to trading venues (regulated market, MTF, OTFs) and places where the underlying derivative is traded.

10. In the case of trading on "extended working hours", in addition to the risks associated with the traded financial instrument, there are the following risks: risk of lower liquidity, risk of higher volatility, risk of price changes compared to prices in normal working hours time, risk of wider than usual spreads and risk of different quotes compared to those in normal trading time. These risks will be presented in detail on the investment firm's website in case BenchMark Finance starts offering derivative financial instruments on "extended working hours".

(9) BenchMark Finance informs the client that margin trading in financial instruments is a high-risk trade and the client should make personal efforts for his own awareness and education about this type of trading, its nature and features, as well as the nature and peculiarities of traded financial instruments and the risks arising from this type of trade.

### *Signing a contract*

**Art.19** (1) The investment intermediary performs the services and activities on behalf of the client under standard conditions on the basis of a written contract, these general terms and all other documents applicable to the provided investment services and products, which regulate trade and relations between the client and BenchMark Finance. and obligations of the investment intermediary and the client, and have been prepared in accordance with MFIA, Delegated Regulation (EU) 2017/565 and Ordinance №38 on the requirements for investment intermediaries. The documents under sentence one also contain the information that the investment intermediary must provide to its clients in accordance with the requirements of the law.

(2) Before concluding a contract, BenchMark Finance provides the client with an opportunity to get acquainted with the documents under the first paragraph as they are available and freely available on the website of the intermediary. Clients can at any time get acquainted with the current content of the documents applicable in their relations with BenchMark Finance on the website of the investment intermediary.

(3) Exceptionally, in case of mutual agreement between BenchMark Finance and a client, it is possible to conclude a contract under individually and specifically agreed with him conditions. In this case, the contract may contain clauses in deviation from the present general conditions, only if these clauses do not contradict imperative normative provisions of the Bulgarian law or the European law.

**Art.20** The client, respectively his representative, concludes a contract with BenchMark Finance only in those entered in the register under Art. 30, para. 1, item 2 of the Law on the Financial Supervision Commission address of management, branch or office, unless the contract is concluded by electronic statement, electronic document or electronic signature, or by another form without the presence of the client. BenchMark Finance has the right, at its discretion, to limit the ways in which it may enter into a contract with a client.

**Art.21** (1) Conclusion of a contract through a proxy is admissible only if the proxy presents a notarized power of attorney, which contains a representative authority to perform management and/or disposition actions with financial instruments.

(2) The investment intermediary shall keep in the client's file the original power of attorney under para. 1, respectively a notarized copy of it. If the power of attorney has multiple effects, the investment intermediary shall keep a copy of it, certified by the proxy and by the person under Art. 65, para. 1 of Ordinance №38, which concludes the contract for the investment intermediary. The certification is performed by affixing the inscription "True to the original", date and signature of the persons.

(3) It is not allowed to conclude a contract through a proxy electronically or through another form without the presence of the client.

**Art.22** (1) Before concluding a contract, the client, respectively his representative, shall be identified in compliance with the procedure under the Anti-Money Laundering Measures Act and the regulations for its implementation. The investment intermediary may not conclude a contract if the client is not identified and if the client or his representative has not provided and signed the necessary documents, has submitted documents with obvious irregularities or the data in them are incomplete, have inaccuracies or contradictions or is there is another circumstance that raises the suspicion of unreliable identification or representation of the client.

(2) In connection with the identification and assessment of the risk profile of the client under LMMA BenchMark Finance has the right to request various documents and information to verify its identification, establish its beneficial owners, their identification and verification, clarify the capital structure, ownership and control (when the client is a legal entity or other legal entity), collecting information about the purpose and nature of the business relationship with the client, documents

or declarations to clarify the origin of the funds with which the client will operate and his property status, data on his professional activity, establishing his affiliation to a jurisdiction, all nationalities and other statutory information. The information and documents requested by the client must be provided to BenchMark Finance, initially when establishing a business relationship with the client, as well as periodically thereafter and may be requested by BenchMark Finance at any time after establishing a business relationship with the client.

(3) In connection with the provided investment services and activities, BenchMark Finance is obliged to collect from its clients or potential clients, in addition to complete personal data, information about their financial capabilities, experience and knowledge and investment goals of the client. In connection with the fulfillment of its contractual and regulatory obligations, BenchMark Finance has the right to request additional information from the client when it deems that there are reasonable grounds for doing so.

In cases where the client trades through an electronic platform for trading in financial instruments, the investment intermediary stores information about the Internet protocol addresses (IP addresses) of the client from which the trade is performed.

(4) (amended 22.11.2023 BenchMark Finance refuses to conclude a contract, respectively to provide services under a concluded contract, if this would lead to non-fulfillment or violation of the requirements of the Markets in Financial Instruments Act, the Act on the Implementation of Measures Against Market Abuse with Financial Instruments, the Act on Measures Against Money Laundering and the Regulations for its Implementation, the Act on the Public Offering of Securities, the Act on Special Investment Purpose Companies, the Act on Measures Against the Financing of Terrorism, other current regulatory acts of applicable Bulgarian or European law, as well as violation or non-fulfillment of these general terms and conditions or the contract, including in the event of refusal of the client or his representative to provide required documents, personal data or information.

(5) In case the client does not provide information, data and documents requested under the previous paragraphs, BenchMark Finance may refuse to enter into a contract, open an account, provide all or some services, temporarily or permanently terminate the business relationship with this client. , unilaterally terminating the contract.

(6) BenchMark Finance may, in its sole discretion, without giving reasons, refuse to enter into a contract with a person and outside the cases specified in these general terms and conditions and/or the contract.

(7) BenchMark Finance, without giving reasons, refuses to enter into a contract with a legal entity if it does not provide LEI before concluding the contract.

(8) BenchMark Finance, without stating reasons, may refuse to enter into a contract with a natural or legal person, if before concluding the contract the person does not submit a completed declaration under Art. 142t of the Tax-Insurance Procedure Code and / or does not provide the necessary information and / or documents, and thus prevents the implementation of a comprehensive inspection under the Tax-Insurance Procedure Code in connection with the requirements for automatic exchange of tax information. BenchMark Finance, without stating reasons, may refuse to enter into a contract with a natural or legal person, if before concluding the contract the person does not submit a completed declaration under Art. 142t of the Tax-Insurance Procedure Code and / or does not provide the necessary information and / or documents, and thus prevents the implementation of a comprehensive inspection under the Tax-Insurance Procedure Code in connection with the requirements for automatic exchange of tax information.

(9) BenchMark Finance may impose restrictions on the methods of concluding a contract depending on whether the client is a natural person or a legal entity and whether the contract is concluded by a proxy.

(10) In order to clarify the origin of the client's funds and in compliance with the rules of the Anti-Money Laundering Measures Act, BenchMark Finance collects information about the main activity of the client, including the actual and expected volume of business relationships and operations or transactions expected to be performed within these relationships, by filling in a questionnaire to clarify the origin of the funds under the Anti-Money Laundering Measures Act. The client is obliged to fill in and submit to BenchMark Finance the questionnaire for clarification of the origin of the funds under the Anti-Money Laundering Measures Act. If the client refuses to fill in and submit the questionnaire to clarify the origin of the funds under the Anti-Money Laundering Measures Act, BenchMark Finance has the right to refuse to enter into a contract with the client or if the contract is concluded, at its discretion - has the right to suspend all or part of services under the contract or to terminate the unilaterally concluded contract with the client.

(11) In case of inability of BenchMark Finance to clarify the origin of the client's funds after exhaustion of the methods under the Anti-Money Laundering Measures Act, as well as in cases where the collected information is contradictory, the clarification of the origin of the funds is done by a written declaration completed by the client or his legal representative or proxy.

If the client refuses to fill in and submit the declaration for clarification of the origin of the funds under the Anti-Money Laundering Measures Act, BenchMark Finance has the right to refuse to conclude a contract with the client or if the contract is concluded, at its discretion - has the right to suspend all or part of the services. under the contract or to terminate the unilaterally concluded contract with the client.

(12) The collection and processing of all personal data of the client under the previous paragraphs is required by the investment intermediary in order to fulfill obligations to perform identification, categorization of the client, assessment of appropriateness and / or appropriateness, risk assessment under Anti-Money Laundering Measures Act, etc. statutory obligations under MFIA, Regulation (EU) 2017/565, Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR), Anti-Money Laundering Measures Act, Law on Measures against the Financing of Terrorism, Tax-Insurance Procedure Code, Ordinance №38, etc. The collected data are stored at the investment intermediary in accordance with the requirements of the cited regulations and Personal Data Protection Act. BenchMark Finance is a personal data administrator within the meaning of the Personal Data Protection Act. In case the client refuses to provide his personal data and information, the investment intermediary may not perform activities and provide services at the expense of the client.

(13) By concluding a contract and accepting these General Terms and Conditions, individual clients and natural persons representing or beneficial owners of legal entities are notified and explicitly declare that personal data provided voluntarily by them may be provided to the competent state authorities implementing supervision over the activity of the investment intermediary, as well as of other persons, when the obligation for this is provided in a normative act. By concluding a contract, the client declares that BenchMark Finance may disclose his personal data for the purposes and for the purposes of reporting under MiFIR and EMIR, as well as for the purposes and for the purposes of automatic exchange of financial information in the field of taxation. the persons provided for in the Tax-Insurance Procedure Code and for the needs of the tax legislation in Bulgaria, the USA, etc. jurisdiction.

The information under Art. 142b, para. 1 of the Tax-Insurance Procedure Code, containing personal data of the client, availability or value on his account (s), as well as the income realized on the account (s), to be subject to automatic exchange of financial information according to Chapter XVI, Section IIIa of Tax-Insurance Procedure Code and to be provided to the jurisdictions of which the client is a local person for tax purposes, in fulfillment of the international commitments of the Republic of Bulgaria.

(14) BenchMark Finance treats all information provided by the client as confidential and will not allow its use except for the purposes provided by law. Provision of the processed personal data may be made in the cases of art. 91 of MFIA:

1. with the consent of the client;
2. within the framework of an inspection order carried out by duly authorized employees of the Financial Supervision Commission or of the Bulgarian Stock Exchange AD;
3. by a court decision issued under the terms of MFIA;
4. by the order of Title II, Chapter XVI, Section IIIa of the Tax-Insurance Procedure Code;
5. in case of established legal grounds for their submission to other regulatory bodies, places of implementation, depository institutions, approved reporting mechanisms, National Revenue Agency.

(15) The client is fully responsible for the accuracy of the information provided by him, and in case of change in the facts and circumstances he is obliged to inform BenchMark Finance. In connection with the fulfillment of its contractual obligations, BenchMark Finance has the right to request additional information from the client when it deems that there are reasonable grounds for doing so.

(16) The Client is obliged to immediately notify BenchMark Finance of any change in the circumstances, facts and personal data with which he was initially identified as a client.

Client natural person or actual owner of a client - legal entity or other legal entity, has an obligation within seven days to notify BenchMark Finance and to submit a declaration under Art. 36 of the Anti-Money Laundering Measures Act in case after establishing the business relations, acquires the status of a person who is a prominent political figure or is a person related to a prominent political figure.

Clients, legal entities, must notify of any changes in their legal status and of the persons who may represent them, providing the investment intermediary with all documents related to the change. The investment intermediary shall not be liable for actions and orders for transactions and/or operations undertaken prior to the notification of changes in their legal status and/or for the persons who may represent them, in execution of regularly submitted as currently available to the investment intermediary. information.

(17) BenchMark Finance shall not be liable for damages and/or lost profits suffered by the client due to non-fulfillment of his obligations under the preceding paragraphs.

**Art.23** (1) The investment intermediary provides the client with information (information is also provided through the website, the electronic trading platform or by e-mail or telephone number provided by the client for communication), concludes contracts under Art. 82, para. 1 of MFIA and accepts orders from clients through:

1. persons offering financial instruments;
2. brokers of financial instruments;
3. investment consultants;
4. the executive members of the management body of the investment intermediary.

When concluding a contract with an electronic application submitted by a client through the use of electronic means and means of communication, the provision of all necessary information by the client in accordance with applicable legal requirements in connection with its identification, performing a comprehensive inspection, assessment of expediency etc., shall be carried out through electronic statements between the parties, an electronic document or an electronic

signature, including through a simple electronic signature within the meaning of Art. 13, para. 1 of the Electronic Document and Electronic Certification Services Act.

(2) The investment intermediary shall submit orders under Art. 6, para. 2, item 1 of MFIA and provides the services and performs the activities under Art. 6, para. 2, items 2 and 3 of MFIA through brokers of financial instruments, which are entered in the register under Art. 30, para. 1, item 8 of the Law on the Financial Supervision Commission, except for the cases when the services are provided through an electronic trading platform, operating in automatic mode upon transmission or execution of the order.

(3) The investment intermediary provides the services under Art. 6, para. 2, items 4 and 5 of MFIA through investment consultants, which are entered in the register under Art. 30, para. 1, item 8 of the Law on the Financial Supervision Commission.

**Art.24** Pursuant to these general terms and conditions, the contract and other applicable and regulating documents between BenchMark Finance and the client, the client may open one or more accounts for trading in financial instruments in a currency in which BenchMark Finance allows account opening.

**Art.25** The services under the contract are provided at the initiative of the client. The client bears all the risks of trading in financial instruments and all transaction orders are executed entirely at his expense and at his risk. Transactions are concluded entirely only at the discretion and order of the client. BenchMark Finance does not provide investment advice or recommendations in connection with the client's transactions under the contract (except for portfolio management contracts or the provision of investment advice).

#### *Information provided to the client*

**Art.26** (1) Prior to concluding a contract, the investment intermediary shall provide the client and potential clients with data on the investment intermediary, the services provided by it, including whether it operates or concludes transactions with financial instruments on its own account; for financial instruments that are subject to the investment services provided by the intermediary and the risks associated with them; information on protection of financial instruments and clients' funds; the places for execution of the transactions; the types of costs and fees for the client and their amount, as well as all information required under the Markets in Financial Instruments Act, MIFID II and MIFIR, Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards the organizational requirements and conditions for the conduct of business by investment firms and for the definition for the purposes of that Directive (Delegated Regulation (EU) 2017/565), Regulation (EU) (600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) N<sup>o</sup> 648/2012 and other applicable Bulgarian legislation and European Union law.

(2) The information is provided by BenchMark Finance to the clients before the conclusion of the contract, and at any time thereafter, through the website of the investment intermediary, where the clients and potential clients have the opportunity to get acquainted with the current documents applicable and regulating the client relations and conditions. of trade as follows:

1. General terms and conditions applicable to contracts with clients;
2. Rules for categorization of clients, which describe the conditions and criteria by which clients are defined as professional or non-professional or as an acceptable counterparty, as well as the circumstances under which a client may be re-categorized;
3. The policy for execution of client orders for transactions with financial instruments, which contains a description of the places for execution of transactions;

4. Description of the products offered by BenchMark Finance and the risks associated with them;
5. Conflict of interest prevention and management policy;
6. Client Complaint Management Policy;
7. Tariff of the investment intermediary with a description of the types of costs and fees for the client and their amount;
8. Information on the costs and related fees for the clients of BenchMark Finance AD on the basis of and in accordance with the provisions of Art. 50, in connection with art. 46 and with Annex II of Delegated Regulation (EU) 2017/565;

The main information documents (MID) for the offered products and financial instruments (in the cases when required);

9. BenchMark Finance policy for registration of telephone calls and messages and of calls and messages via electronic means of communication
10. Privacy policy.

(3) The documents under the previous paragraph are not exhaustively listed. In order to meet regulatory and other requirements, it is possible that other documents may be applicable in client relations, whereby it is necessary for clients to regularly monitor and familiarize themselves with the latest versions of applicable documents, available and freely available at any time on the Internet. the page of the investment intermediary. Upon request, the investment intermediary provides the client with additional information, explanations and answers questions about the content of these documents.

**Art.27** (1) BenchMark Finance makes available to the client through its website or in its office or trading platforms certain information about the state of the market, which should not be perceived as a recommendation or refrain from concluding a particular transaction when making an investment decision by the client. . BenchMark Finance collects and provides information on the state of the market from sources that it has reason to believe to be sufficiently reliable, however BenchMark Finance is not responsible for the accuracy and completeness of the information from these sources.

BenchMark Finance is not responsible for the consequences of the client's investment decisions based on news, analysis or other information published on the website of the investment intermediary or in the trading platforms. The client should not base his investment decision solely on news, analysis or other information published on the investment intermediary's website or on trading platforms.

(2) BenchMark Finance clearly identifies relevant materials or publications as marketing ones when they are not prepared in accordance with regulatory requirements aimed at promoting the objectivity and independence of investment research and investment recommendations, and are not prohibited from concluding transactions in respect of certain financial instruments. instruments and/or issuers, before the distribution of the material by the person who prepared it or the relevant persons to the investment intermediary.

Relevant materials or publications should not be construed as a recommendation, transaction advice, investment research or investment advice, recommendation to follow a particular investment strategy or be taken as a guarantee of future performance. Clients should keep in mind that these materials do not take into account the risk profile, financial capabilities, experience and knowledge of a particular client.

In preparing them, BenchMark Finance uses public sources of information and is not responsible for the accuracy and completeness of the information, as well as for the period of its relevance after the publication of the material.

**Art.28** (1) By accepting these General Terms and Conditions, the clients, respectively the potential clients, **give their explicit consent** to BenchMark Finance to provide them with information on the terms of the contract, terms of trade, tariff, fees, commissions and costs for the client and all statutory information under Art. 44, 45, 46, 47, 48, 49, 50 and Art. 66 of Delegated Regulation (EU) 2017/565 through its website [www.benchmark.bg](http://www.benchmark.bg), including in its part available only to BenchMark Clients. The provision of the information through the website of the investment intermediary is appropriate for the context in which the business activity between the clients and BenchMark Finance is carried out or will be carried out. The provision by the client of an email for communication or the use by the client of an electronic trading platform is considered proof that the client has regular access to the Internet.

The access to BenchMark Clients is realized through the official website of BenchMark Finance AD - [www.benchmark.bg](http://www.benchmark.bg).

(2) The provision of information by electronic means by e-mail or on electronic trading platforms or by telephone (on a recording line) **is also considered** appropriate for the context in which the business activity between the investment firm and its client is or will be carried out. , as well as the fact that the client provides his e-mail and telephone number for the purposes of communication with the intermediary, which is considered proof that the client has regular access to the Internet and telephone.

The provision by the client of an email and/or telephone number for the purposes of communication with BenchMark Finance or the use by the client of an electronic trading platform is considered proof that the client has access to the Internet and/or telephone and **accordingly the client explicitly consents** to BenchMark Finance to provide him with the necessary statutory and other important information through the website of the investment intermediary, including in its part, available only to BenchMark Clients, through the electronic trading platform, for the use of which the client has entered into a contract or provided by the client for contact e-mail address and/or telephone number.

(3) BenchMark Finance notifies the client in a timely manner of any material change in information related to the services provided by the investment intermediary. The notification shall be given on a durable medium if the information to which it relates was initially provided on a durable medium. The provision of information to the client through the intermediary's website, including in its part accessible only to BenchMark Clients, through the electronic trading platform, for the use of which the client has entered into a contract, to the client's e-mail or by phone (subscriber telephone line) are considered to be a durable medium, as the information in them is stored chronologically and permanently, is accessible and can be recovered without change at any time.

(4) BenchMark Finance and the client expressly agree when they want to personally address the messages to each other, to use messages and/or documents sent to or from the e-mail address provided by the client or to use the personally accessible part of BenchMark Clients on the website of the mediator. In cases where it is necessary and the legal form requires it, BenchMark Finance may require the client to sign the documents or communications with a qualified electronic signature for their legal validity.

(5) In view of the existing or forthcoming relationship with the client, which is performed or will be performed mainly via the Internet, the client declares by concluding a contract and unless otherwise stated in the latter on all statutory information that is not addressed personally to the client and must be provided to him on a durable medium under Art. 44, 45, 46, 47, 48, 49, 50 and Art. 66 of Delegated Regulation (EU) 2017/565:

1. in view of the context in which the business activity between the investment firm and the client takes place or will take place, **considers it appropriate** to make it available on the intermediary's website, including in its part accessible only to BenchMark Clients and, where applicable and

possible, and in the respective electronic trading platform for which the client has concluded a contract;

2. **expressly prefers** the provision of information by BenchMark Finance to take place through the intermediary's website, including in its part accessible only to BenchMark Clients and, where applicable and possible, in the relevant electronic trading platform for which the client has concluded a contract;

3. **is notified electronically of the address of the intermediary's website** and of the location of the page where the information is located or access to the information may be obtained;

4. **is aware that the investment firm maintains up-to-date information that is continuously available** and can be checked by all clients on the intermediary's website, including in its part personally accessible only to BenchMark Clients and, where applicable and possible, in the electronic a trading platform for the use of which the client has entered into a contract.

(6) The information that BenchMark Finance provides to its clients as well as to potential clients, including in its advertising materials, is true, clear and not misleading. The advertising materials of BenchMark Finance are clearly marked as advertising materials.

### *Information on financial instruments and related risks*

**Art.29** (1) BenchMark Finance provides clients or potential clients in good time before the provision of investment services or additional services to clients or potential clients with a general description of the nature and risk of financial instruments, taking into account in particular the client's categorization as retail client, professional client or eligible counterparty. The description shall include detailed information on the nature of the particular type of instrument, the operation and performance of the financial instrument under different conditions, including favorable and unfavorable conditions, and the risks specific to that particular type of instrument, with sufficient detail to enable the client to make investment decisions on an informed basis. The information is provided on the website of the investment intermediary, in these general terms and conditions, and through the following documents:

- Description of the products offered by BenchMark Finance and the risks associated with them
- The policy for execution of client orders
- The Key information documents (KID) for the offered products and financial instruments.

(2) BenchMark Finance informs the client or the potential client about financial instruments, which are subject to current public offering, in connection with which a prospectus has been published under the terms and conditions of Regulation (EU) 2017/1129 and Law on the public offering of securities, that they can get acquainted with the full the text of the prospectus on the issuer's website, on the regulated market where the instrument is admitted to trading or on the website of the supervisory authority that confirmed the prospectus (FSC or another supervisory authority of a Member State). Issuers publish and maintain on their websites in a special section intended for investors all prospectuses regarding the financial instruments issued by them. The prospectuses of financial instruments traded on the Bulgarian Stock Exchange are also available at [www.bse-sofia.bg](http://www.bse-sofia.bg).

(3) BenchMark Finance promptly provides its clients with the information under Art. 110g, para. 3 of the Law on the public offering of securities on the basis of the information received from the depository institution regarding corporate events initiated by public companies (GMS, exercising the right to vote, dividend, etc.). The information about corporate events is provided to the clients-shareholders in these companies, through a special section on the website of the intermediary, for which the clients give their unconditional and irrevocable consent with the conclusion of a contract,

unless otherwise agreed with a specific client-shareholder. The section of the intermediary's website where BenchMark Finance provides the information under Art. 110g, para. 3 of Law on the public offering of securities is permanently available to all clients, shareholders or potential clients of the intermediary.

(4) When a financial instrument is composed of two or more different financial instruments or services, the risks associated with such a financial instrument are likely to be higher than the risks associated with any of its components. In that case, the investment firm shall provide a description of the legal nature of the financial instrument, the components of that instrument and how the interaction between the components affects the investment risk.

(5) In the case of financial instruments that include a guarantee or protection of capital, the investment firm shall provide the client or potential client with information on the scope and nature of that guarantee or protection of capital. Where the guarantee is provided by a third party, the information on the guarantee shall include sufficient details of the guarantor and the guarantee to enable the client or potential client to make a correct assessment of the guarantee.

**Art.30**(1) When providing a portfolio management service, BenchMark Finance establishes an appropriate valuation and comparison method, such as an appropriate target based on the client's investment objectives and the types of financial instruments included in the client's portfolio to enable the client to be relied upon. provides the service, to evaluate the results realized by the investment intermediary.

(2) When BenchMark Finance offers the provision of portfolio management services to a client or potential client, BenchMark Finance provides the client in addition to the information required under para. 1, such part of the following information as may be required:

- a) information on the method and frequency of valuation of financial instruments in the client's portfolio;
- b) details of any delegation of unrestricted management of all or part of the financial instruments or funds in the client's portfolio;
- c) specification of each target indicator with which the results of the client's portfolio will be compared;
- d) the types of financial instruments that may be included in the client's portfolio and the types of transactions that may be entered into with such instruments, including any restrictions;
- e) the objectives of management, the level of risk that will be reflected in the exercise of the manager's discretion, and any restrictions on that discretion.

The information referred to in points (a) to (e) shall be provided in a timely manner prior to the provision of investment services or ancillary services to clients or potential clients.

#### *Information about fees, charges, commissions and expenses*

**Art.31** (1) Cost and fee information includes:

1. all costs and fees for investment and ancillary services, including advice;
2. the costs related to the financial instrument recommended, offered or sold to the client;
3. the method of payment of expenses and fees;
4. all payments to third parties.

(2) The investment intermediary shall not be entitled in connection with the provision of investment or additional services to a client to pay, respectively to provide and receive, remuneration, commission or non-monetary benefit except:

1. remuneration, commission or non-monetary benefit paid or provided by or to the client or his representative;

2. remuneration, commission or non-monetary benefit paid or provided by or to a third party or his representative, if the following conditions are met:

a) the payment, respectively the provision, of the remuneration, the commission or the non-monetary benefit is with a view to improving the quality of the service and does not violate the obligation of the investment intermediary to act honestly, correctly, professionally and in the best interest of the client;

b) the existence, nature and amount of the remuneration, commission or non-monetary benefit are indicated to the client clearly, in an accessible way, accurately and understandably before the provision of the respective investment or additional service, and when the amount cannot be determined, the method for its calculation is indicated;

3. inherent fees which provide or are necessary for the provision of investment services such as custodial costs, settlement and currency exchange fees, legal fees and public fees and which by their nature do not conflict with the investment firm's obligation intermediary to act honestly, fairly, professionally and in the best interest of the client.

4. when a part of the aggregate costs and fees is to be paid or represents an amount in a foreign currency, the investment firm shall indicate the relevant currency and the applicable exchange rates and costs and provide information on the terms of payment or other performance. The investment intermediary shall inform the client about the order and the manner in which the client will receive a fee, commission, monetary or non-monetary benefit, when the investment intermediary has received such in connection with an investment or additional service for the client.

(3) The investment intermediary shall provide the client once a year in summary form with the information under para. 1, including the costs and fees related to the investment service and the financial instrument, which do not arise from the occurrence of market risk for the base market, so that the client understands the total costs and their total effect on the return on investment. The investment intermediary shall notify the client of the possibility, at his request, to provide him with a detailed breakdown of the costs by item.

(4) The information under this Article shall be provided to clients in a standardized format.

**Art.32** (1) BenchMark Finance is entitled to remuneration for the services provided, as well as to receive the costs incurred in connection with the implementation. The full information about the costs and fees for the services provided to the client is available **on the website** of the investment intermediary, as well as in the following documents, which the client gets acquainted with before concluding the contract and **declares** that he accepts them:

1. Tariff of the investment intermediary with a description of the types of costs and fees for the client and their amount;

2. Information on the costs and related fees for the clients of BenchMark Finance AD on the grounds and in accordance with the provisions of Art. 50, in connection with art. 46 and with Annex II of Delegated Regulation (EU) 2017/565;

3. The Key information documents (KID) for the offered products and financial instruments (in the cases when required).

The documents are available at any time on the website of the investment intermediary.

(2) If the remuneration or expenses under the contract with the client deviate from the announced Tariff of the investment intermediary, the provisions of the contract with the client shall apply.

**Art.33** (1) BenchMark Finance publishes in a prominent place on its website any amendment to the Investment Intermediary Tariff, together with information on the date of adoption and the

date of its entry into force. The publication of the tariff, as well as of its amendments and supplements shall be made not later than one month before the entry into force of the amendments and supplements.

(2) In case of disagreement with the amendments and additions to the tariff, the client has the right to terminate the contract without notice before the date of entry into force of the new tariff, without liability for penalties and costs, except for costs related to its assets. Upon termination of the contract on this basis, the investment intermediary settles its relationship with the client within 7 days of receipt of the statement of termination.

If the client does not object explicitly and in writing (including by letter sent to BenchMark Finance by e-mail or with a scanned document) to the new Tariff by the date of its entry into force, it binds him without the need for additional statement of will by the client .

**Art.34** (1) The client's due commissions, fees and expenses are collected by BenchMark Finance as the intermediary directly debits the client's trading account. Commissions, fees and expenses due by the client, as well as fees for clearing and settlement to regulated markets, depositories, banks and other persons in connection with the services provided by the intermediary, are paid by the client as BenchMark Finance deducts them directly from the client's trading account.

(2) The Client is obliged to always maintain sufficient cash on his trading accounts in BenchMark Finance so that he can regularly pay all his obligations to BenchMark Finance, including funds necessary for concluding transactions for the purchase of securities or subscription. of issues, cash required to cover the guarantee amount, in cases where trading in the respective financial instrument requires it (margin deposit), payment of custody fees, indemnities, fees due, commissions, deductions, deductions and all other amounts due to the client account.

Clients should keep in mind that if they have outstanding obligations to the intermediary before submitting a new transaction order, making an installment or withdrawal, or requesting the investment firm to execute another transaction or order in connection with the contract at their request, they should first cover their current obligations, otherwise, the operation requested by the client or his order will not be accepted and executed by the intermediary.

(3) The Client is notified and agrees that he is responsible for the payment of any taxes and the fulfillment of other tax obligations that may become due in connection with the investment services provided to him, the trading of financial instruments and the transactions concluded by the client.

In case BenchMark Finance pays tax or fulfills another tax liability at the expense of a client, the latter owes coverage of the cost and compensation to BenchMark Finance.

(4) When a client pays a liability to BenchMark Finance in a currency other than the one required for the respective liability, any differences in exchange rates, currency exchange fees, including damages or other expenses incurred or incurred by BenchMark Finance in this connection, are at the expense of clients.

(5) BenchMark Finance does not accrue or pay interest on the credit balances of the client's accounts opened with BenchMark Finance.

(6) In case the client has outstanding monetary obligations or has a negative cash balance, BenchMark Finance takes the necessary actions to notify the client in an appropriate manner - by phone, e-mail or by message in the electronic platform of the amount due and the period within which to be paid. Provided that the client does not pay within the given period, the intermediary has the right to temporarily suspend the client's access to trading platforms, to refuse to accept and execute any orders and instructions from the client, at the mediator's discretion to terminate the contract unilaterally and/or seeks his rights in court, and after the expiration of the given term, the client owes to the intermediary the amount of the legal interest for delay for each day delay in payment.

**Art.35** BenchMark Finance notifies its clients that:

1. Does not apply different tariffs, fees or commissions depending on the place of execution of the client's orders.
2. Does not receive from third parties or third parties (which are themselves places of execution) payments and incentives in connection with the execution of client orders;
3. Does not receive remuneration, discount or non-monetary benefit for the transfer of a client order to a specific place of trading, respectively place for execution of orders, BenchMark Finance does not receive non-monetary benefits when acting as an intermediary in clients transactions;
4. In connection with the services provided, it may negotiate with itself, as well as charge commissions as an intermediary to both parties to the transaction or to two or more participants in a transaction in accordance with Art. 24 (9) of MiFID II as the value of all monetary benefits received as an intermediary are specified in the Tariff.
5. The value of all fees and monetary benefits received by BenchMark Finance, as well as the fees due by the client for clearing and settlement to regulated markets, depositories, banks and other persons in connection with the services provided by the intermediary, are specified in the Tariff.

*Documents which the client agrees*

**Art.36** (1) Upon concluding a contract, the client declares that he has read, understood the content, accepts and agrees with these General Terms and Conditions and the following documents that apply to the relationship between the client and BenchMark Finance in connection with the services and products provided, together with these general conditions:

1. Rules for categorization of clients, which describe the conditions and criteria according to which clients are defined as professional or non-professional or as an acceptable counterparty, as well as the circumstances under which a client may be re-categorized
2. The policy for execution of client orders for transactions with financial instruments, which contains a description of the places for execution of transactions
3. Description of the products offered by BenchMark Finance and the risks associated with them
4. Conflict of interest prevention and management policy
5. Client Complaint Management Policy
6. Tariff of the investment intermediary with a description of the types of costs and fees for the client and their amount
7. Information on the costs and related fees for the clients of BenchMark Finance AD on the grounds and in accordance with the provisions of Art. 50, in connection with art. 46 and with Annex II of Delegated Regulation (EU) 2017/565
8. The Key information documents (KID) for the offered products and financial instruments in the cases when this is required
9. BenchMark Finance policy for registration of telephone calls and messages and of calls and messages via electronic means of communication
10. Privacy policy

(2) By accepting these general terms and conditions, the client confirms that the investment intermediary has notified him and provided him with information on:

1. The existing system for compensation of investors in financial instruments, including its scope and the guaranteed amount of client assets.

2. The rules for categorization of the clients applied by BenchMark Finance.
3. That it is possible for his orders to be executed outside a regulated market or a multilateral trading facility, where the order execution policy provides for such a possibility and agrees.
4. The description of the products and financial instruments offered by BenchMark Finance and **is aware of the risks** associated with them.
5. The places of execution of clients' orders and transactions with financial instruments.
6. The types of costs and fees for the client and their amount.
7. The protection of the client's financial instruments and his funds is ensured.
8. The types of potential conflicts of interest, their sources, nature and possible consequences, incl. and for conflicts of interest with another client or the relevant persons for the intermediary, according to the Policy for prevention and management of conflicts of interest.
9. The possibility for the investment intermediary to deposit the funds of its clients with the persons specified in Art. 93 of the Markets in Financial Instruments Act.
10. The opportunity to submit complaints and signals in accordance with the Complaints Management Policy adopted by the investment intermediary, published on the website.
11. The existence of a right of set-off on the client's money or financial instruments for the investment intermediary, in case the intermediary has a counter-due obligation to the client, regardless of which of the concluded contracts with the investment intermediary (in case several contracts have been concluded with the client of investment services). The set-off is made up to the amount of the lesser of the two counter-obligations, after notification by the intermediary to the client.
12. BenchMark Finance prepares and stores records of all telephone calls and messages and of electronic calls and messages related to the conclusion of transactions or the provision of services related to the reception, transmission and execution of client orders, even these calls or messages. not to lead to the conclusion of transactions and / or execution of client orders. The terms and conditions for registration and recording of telephone and electronic calls and messages are regulated in the Policy for registration of telephone and electronic calls and messages, published on the website.

### *Client declarations*

**Art.37** By accepting these General Terms and Conditions, the client confirms and declares the following:

1. He/She has reached the age of 18, is legally competent and capable of acting and is not subject to legal or other provisions that would impede the conclusion and execution of this contract or a specific transaction. In cases where the client is under 18 years of age or is incompetent or incapacitated, he may be represented in his relationship with BenchMark Finance only by his legal representative.
2. He/She has received all necessary consents and has the right to enter into a contract with BenchMark Finance, and if the client is a legal entity, his representative is duly authorized and has received the necessary corporate and other powers, according to its constituent and organizational documents.
3. Does not infringe applicable laws, including, but not limited to, tax laws and regulations, prohibitions on trading on a regulated or unregulated market, prohibitions on trading in certain instruments, special registration requirements or other restrictions issued or imposed by the

jurisdiction of which you are a national or where is the place of registration or residence of the client.

4. The information provided by the client of BenchMark Finance is true, current, complete, accurate and not misleading. The documents provided in connection with the concluded contract are authentic, genuine, do not contain false circumstances or statements, are not forged or altered.
5. He/She has got acquainted, understood and agreed with the information materials about the respective financial instruments and their trading, has received additional detailed information about the offered products and the risks related to their trading.
6. The amount invested by him/her was chosen taking into account his financial condition. He/she agrees and has the opportunity, financially and otherwise, to bear the risk of speculative trading in financial instruments.
7. The origin of the funds invested by him/her is from legal sources that are not related to illegal activity, criminal acts, corruption, evasion or avoidance of taxation, money laundering or terrorist financing.
8. He/She will not submit orders for transactions with financial instruments that are not available on his account or are blocked in the depository institution or a pledge or attachment has been established on them, and that the transactions subject to orders will not constitute a covert purchase or sale.
9. Accounts for trading in financial instruments are used only personally by the client. All orders for transactions, installments and withdrawals or other instructions addressed to BenchMark Finance are made personally by the client. The Client will not provide access to unauthorized third parties to his trading accounts.
10. It will not hold BenchMark Finance liable for losses resulting from decisions taken by the client based on analyzes and news on the platforms offered by BenchMark Finance or published on the intermediary's website.
11. It is impossible to guarantee a profit or release from a loss when trading in financial instruments. The Client confirms that he has not received such guarantees or similar assurances from BenchMark Finance or any of its employees, and that the Client has not entered into the contract, nor will he act in the future considering and relying on such guarantees or similar assurances.
12. The client is informed and accepts that confirmed amounts for money transactions ordered through a virtual POS terminal are not refundable.
13. All actions, ordered operations, submitted declarations and/or other documents performed on behalf of the client in BenchMark Clients after successful identification by entering a username and password (and in cases where applicable after entering a one-time code sent by the intermediary via SMS on a mobile phone for contact with the client), are considered made by the client and are valid signed written statements binding the client with the action of an electronic signature within the meaning of the Electronic Document and Electronic Signature Act.
14. It is considered that the above statements and guarantees will be valid at any time in the relationship between BenchMark Finance and the client. In the event that a declaration or guarantee is subject to change, the client is obliged to immediately notify BenchMark Finance, which has the right to terminate its relationship with the client if the change leads to inapplicability of the provisions of these Terms and Conditions or would lead to violation of regulatory requirements by the client or BenchMark Finance.

*Assessment of relevance and appropriateness*

**Art.38** (1) When performing services under Art. 6, para. 2, items 4 and 5 of MFIA (portfolio management or investment councils) the investment intermediary shall request from the client, respectively from the potential client, information about his knowledge and experience regarding the services under Art. 6, para. 2, items 4 and 5 of MFIA, its financial condition, its ability to bear losses and its investment objectives, including the acceptable level of risk for it. (Assessment of relevance)

(2) Based on the information under para. 1, the investment intermediary shall assess the adequacy of the extent to which the portfolio management service, respectively the financial instruments - subject of the investment council, correspond to the admissible level of risk for the client and to his ability to incur losses in order to recommend appropriate services or financial instruments.

(3) BenchMark Finance informs the clients or potential clients who wish or would like to use services under Art. 6, para. 2, items 4 and 5 of MFIA that the provision by the client of comprehensive and accurate information under para. 1 aims at the investment intermediary to recommend them appropriate products and services and to act in their best interest, as well as that the investment intermediary is obliged to perform an assessment of suitability.

BenchMark Finance collects information for the assessment of suitability through pre-prepared questionnaires or by discussion with the client, and the investment firm needs to ensure that the questions are properly understood by the client and that regardless of the method used to collect information, the necessary reliable data for the assessment of suitability. The investment intermediary shall not have the right to perform the services under Art. 6, para. 2, items 4 and 5 of MFIA for a client who has not provided this information.

(4) When providing investment advice to a client, the investment intermediary shall, prior to the execution of the order - as a result of the investment advice, provide the client with a permanent notification whether the advice corresponds to the preferences, needs and other characteristics of the non-professional client. When providing investment advice for the purchase or sale of a financial instrument in cases where the transaction is concluded by means of distance communication, which prevents the prior submission of the notification, the investment intermediary may provide it immediately after the transaction, provided that they are executed. the following two conditions:

1. the investment firm has given the client the opportunity to defer the transaction in order to receive the notification of compliance in advance, and
2. the client has given his consent to receive the notification in due time after the conclusion of the transaction.

(5) When an investment firm provides a portfolio management service or has informed the client that it will perform a periodic evaluation, the periodic report shall contain an updated statement and justification of how the investment meets the preferences, needs and other characteristics of the retail client.

**Art.39** (1)(amended 22.11.2023) When providing investment services other than those under Art. 6, para. 2, items 4 and 5 of MFIA, the investment informs the client of his obligation to carry out a suitability assessment, as well as that it is in the client's interest to provide accurate and comprehensive information in order for the investment intermediary to fulfil its obligation to act in the best interests of the client. In this regard intermediary requires from the client, respectively from the potential client, information about his knowledge and experience in connection with the investment services related to the specific type of product or service that are offered or sought, so that the investment an intermediary to be able to assess whether the investment service or product is suitable for the client. (Assessment of expediency)

(2) When the investment intermediary provides sale of a package of services or products according to art. 74 MFIA, it is assessed whether the package is generally suitable for the client.

(3) BenchMark Finance collects information for the assessment of suitability through pre-prepared questionnaires or by discussion with the client. When, on the basis of the received information, the investment intermediary considers that the product or service is not suitable, it shall warn the client or the potential client in writing. The warning is performed in a standardized format.

**If, despite the warning received, the client wishes to use the investment service or product, BenchMark Finance hereby warns the client that the decision is entirely his and the client bears the risk of using a service that is deemed inappropriate for him, it is possible to bear real financial losses and informs him that it is good to gain knowledge and experience by participating in training courses or by initially opening a demo account.**

(4) In case the client, respectively the potential client, does not provide the information under par. 1 or provides insufficient information about its knowledge and experience, the investment intermediary warns the client, respectively the potential client, that it cannot assess whether the specific investment service or product is suitable for it. The warning is performed in a standardized format.

**The client has been notified by BenchMark Finance and declares that he is aware that in case of failure to provide information about his knowledge and experience in the field of investment services or in case of insufficient information, BenchMark Finance will not be able to assess whether the offered investment service is appropriate. ) for him and agrees with the consequences.**

(5) When the investment intermediary provides investment services under Art. 6, para. 2, item 1 and/or 2 of MFIA with or without additional services, may provide such services without receiving from the client the information under para. 1 or without performing an assessment of expediency, when the following conditions are simultaneously met:

1. the subject of the services are the following financial instruments:

a) Shares admitted to trading on a regulated market or on an equivalent market in a third country, or in a Multilateral Trading System, where they are shares of companies, excluding units of undertakings which are not collective investment schemes, and shares which include a derivative financial instrument;

b) bonds or other forms of securitized debt admitted to trading on a regulated market or an equivalent market in a third country or in an Multilateral Trading System, with the exception of those bonds or other forms of securitized debt with an embedded derivative or which have a structure that allows the client to it is more difficult to understand the associated risk;

c) money market instruments other than those with an embedded derivative or that have a structure that makes it more difficult for the client to understand the associated risk;

d) shares or units of collective investment schemes with the exception of structured collective investment undertakings referred to in the second subparagraph of Article 36 (1) of Regulation (EU) N° 583/2010;

e) structured deposits with the exception of those with a structure that makes it more difficult for the client to understand the risk of return or the cost of early exit from the investment;

f) other simple financial instruments, similar to those under letters "a"- "e";

2. the service is provided at the initiative of the client or a potential client;

3. the client or potential client is notified in writing that the investment firm will not perform an assessment of appropriateness, and the notification may be in a standardized format;

4. the investment intermediary complies with the requirements under Art. 76 MFIA for prevention, establishment and management of conflict of interests.

(6) Paragraph 5 shall not apply in the cases of granting credits or loans under Art. 6, para. 3, item 2 of MFIA, other than existing credit limits on loans, current accounts and overdraft of clients.

(7) For the purposes of para. 5, item 1, the market of a third country shall be considered equivalent on a regulated market, when the European Commission has taken a decision for equivalence in compliance with the requirements and the procedure under Art. 25, paragraph 4, para. 3 and 4 of Directive 2014/65/EU.

(8) When providing investment services other than investment advice and portfolio management, BenchMark Finance may assume that the professional client has the necessary experience and knowledge to understand the risks associated with the specific investment service, transaction or product for which it is defined as professional.

(9) The investment firm does not assess the appropriateness/appropriateness when the services will be provided to a client designated as an eligible counterparty or a professional client in respect of the products, transactions and services for which it is designated as a professional and the client has the necessary experience and knowledge. Where the investment firm provides investment advice to a professional client or an eligible counterparty, the investment firm may assume that that client has the financial ability to bear all associated investment risks compatible with its investment objectives.

#### *Acceptance and execution of client orders*

**Art.40** (1) BenchMark Finance executes client orders in the best interest of the client according to the conditions, the order and the way and the places of execution, specified in the Policy for execution of client orders for transactions with financial instruments, with which the client had acquainted, understood, accepted as applicable and agreed with upon concluding a contract.

The policy for execution of client orders for transactions with financial instruments of BenchMark Finance is published and freely available on the website of BenchMark Finance - [www.benchmark.bg](http://www.benchmark.bg) and clients can get acquainted with its current content at any time.

BenchMark Finance cannot execute orders at the expense of clients if they have not given their prior consent to the Order Execution Policy followed by the intermediary.

(2) When executing a client's order, the investment intermediary shall take all sufficient steps to obtain the best possible result for the client, taking into account the price, costs, speed of execution of the order, probability of execution and settlement, size, nature, and all other circumstances related to the execution of the order. In case of specific instructions from the client, the investment intermediary executes the order following these instructions.

**(3) Clients should keep in mind that the special instructions submitted by them may prevent BenchMark Finance from taking the necessary actions to achieve the best result in the execution of client orders in accordance with these general terms and conditions and order execution policy, for that part of the order which the instructions refer to.**

**Art.41** (1) BenchMark Finance accepts and executes orders for the following financial instruments: shares, units of collective investment undertakings, exchange traded funds and exchange traded bonds (ETF, ETN), indices, debt securities (bonds and money market instruments), contracts for differences (CFDs) - CFDs on shares, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other OTC derivative instruments. A description of the financial instruments and products offered by BenchMark Finance

and the risks associated with them can be found on the website of the intermediary [www.benchmark.bg](http://www.benchmark.bg).

(2) Orders for trading in financial instruments may be submitted to an office of BenchMark Finance through an electronic trading platform, by telephone or by e-mail. Orders by phone and e-mail are submitted only to the telephone numbers and/or to respectively email addresses indicated on the website of BenchMark Finance. When orders are submitted by telephone, BenchMark Finance must record the conversation with the client. When the order is submitted by another remote method, BenchMark Finance stores on electronic media the data provided by the client in connection with the order.

(3) BenchMark Finance accepts orders for transactions with financial instruments, which are submitted personally by the client or by his/her proxy, and in the cases of clients - legal entities - by their authorized representative. When submitting orders on the spot in an office of BenchMark Finance, they are accepted only in the offices enlisted in the register kept/maintained by the FSC.

(4) Submission of an order through a proxy shall be carried out only in the office of the intermediary and if the proxy presents a notarized power of attorney, which contains representative authority to perform disposition actions with financial instruments and a declaration that the financial instruments- subject to an order for sale or exchange, are not blocked in the depository institution, no pledge or seizure/attachment has been imposed/established on them, and the transaction does not constitute/represent a covert purchase or sale.

(5) The orders for transactions have a normatively established minimum content and regardless of the chosen method, the client is obliged to submit his orders exactly with the content and in a manner indicated by BenchMark Finance, without omitting any of the requisites required by BenchMark Finance by virtue of the applicable regulations. BenchMark Finance includes the minimum content of the orders in the electronic trading platform, in the sample orders, as well as it requires it from the client when submitting an order by phone. In case of non-compliance with the requirements for content or manner of submitting the respective type of order or improper identification of the client or his representative (without complying with the requirements for authorization or without representative authority/power), the latter is considered as not submitted and BenchMark Finance has neither obligation to execute it, nor liability for non-performance or incorrect performance respectively.

**Art.42** (1) According to the regulations BenchMark Finance has no right to execute and does not execute the client's order, if it establishes/finds out that the financial instruments - subject to the sale order are not available on the client's account, except when this is legally admissible for certain cases (e.g. short sales) or are blocked in a depository institution, and if a pledge has been established or a lien has been imposed on them, or the transaction subject to the order is a covert purchase or sale of financial instruments/compensatory instruments.

(2) According to the regulations BenchMark Finance has no right to execute and does not execute a client's order or will suspend the execution of an order of its client (if the execution has already started), even it is possible to temporarily suspend the client's access to real trading and/including or unilaterally terminate a contract with a client in the event that a fact is established or there is a reasonable suspicion that there is "money laundering", insider dealing and/or manipulation of the market in financial instruments, of which it shall immediately inform the competent authorities in accordance with current regulations/legislation (applicable law). In this case, BenchMark Finance does not owe compensation or penalty to the respective clients.

(3) BenchMark Finance may execute an order upon submission, for which it subsequently establishes/finds out that the financial instruments - subject of the sale order are not available on the client's account, when BenchMark Finance otherwise ensures that the financial instruments subject to sale, will be delivered on/by the settlement date of the transaction.

BenchMark Finance will execute an order in respect of financial instruments that are pledged when the acquirer is notified of the pledge and has expressly agreed to acquire the pledged financial instruments and there is the explicit consent of the pledgee in the Special Pledges Act. cases, or if the pledge is established on a set within the meaning of the Special Pledges Act.

(4) BenchMark Finance may refuse to execute an order of the client if the client declares or the intermediary subsequently establishes that the client has inside information about the financial instruments which the order refers to or about their issuer, if the financial instruments are traded on a regulated market.

When submitting an order, when the financial instrument is traded on a trading venue, the client or his/her representative must declare whether:

a) The financial instruments/compensatory instruments - subject of the order for sale/exchange, are blocked or not in the depository institution where they are kept, a pledge has been established on them or has not, or have been seized or have not (a lien has been imposed on them, or has not).

b) Has/does not have inside information about the financial instruments to which the order relates and about their issuer, if the financial instruments are traded on a regulated market.

c) Transaction - subject of the order does not represent/ represents a covert purchase or sale of financial instruments/compensatory instruments.

The refusal to submit a declaration is certified by a signature of the client when the order is submitted on paper. The client is obliged to provide BenchMark Finance with any other related documents and data that, in the opinion of the investment intermediary, are necessary for the execution of the order.

(5) BenchMark Finance requires from a client, who submits an order for purchase of financial instruments, to provide the intermediary with the funds necessary for payment under the transaction - subject of the order, upon submission of the order, unless the client certifies that he/she will fulfil his/her payment obligation.

BenchMark Finance assesses on a case-by-case basis whether it can assume that the client has verified that he will fulfil his payment obligation. When a client is categorized as an eligible counterparty or professional client, BenchMark Finance may assume that this is a sufficient condition and the client has certified that it will meet its payment obligation. In case of non-payment by such a client, BenchMark Finance will apply Art. 63 and Art. 64 of these General Terms and Conditions, for which the client gives his unconditional and irrevocable consent, by acceptance of those General Terms and Conditions.

If the rules of the place of execution, where the transaction will be concluded allow the conclusion of a transaction in which the payment of financial instruments is not made simultaneously with their transfer, the investment intermediary may not require payment from the buyer with the express written consent of the seller. This shall also apply to other transfer transactions with financial instruments.

(6) BenchMark Finance refuses to execute a client's order , including refuses to provide services under a concluded contract, if this would lead to non-fulfilment or violation of requirements of the Markets in Financial Instruments Act, the Anti-Market Abuse Act, the Measures Act against money laundering and the regulations for its implementation, the Law on Public Offering of Securities, the Law on Special Investment Purpose Companies, the Law on Measures against the Financing of Terrorism, other current normative acts of the applicable Bulgarian or European law, the present general terms and conditions or the contract , including the refusal of the client or his

representative to provide the required documents, personal data or information. BenchMark Finance is not liable for any damages or lost profits/benefits, incurred by the client.

In all cases of refusal of BenchMark Finance to execute an order under the previous paragraphs, the investment intermediary shall immediately notify the client upon ascertainment of the grounds for refusal to execute the order.

**Art.43** (1) The orders of clients shall be executed by the order of registration in the system of BenchMark Finance, except when the characteristics of the order or the prevailing market conditions make this impossible, or the interests of the client require otherwise.

(2) In case BenchMark Finance executes an order for a transaction under more favourable conditions than those established by the client, the entire benefit/gain belongs to the client.

(3) Upon execution of a client's order of, BenchMark Finance has the right to conclude a transaction on its own behalf, but at the expense of the client, when the practice at the respective /specific place of execution allows this.

(4) Upon execution of a client's order of, BenchMark Finance has the right to negotiate with itself and may be counterparty to the transaction by acting for its own or for another's account, including when acting on behalf of another client of BenchMark Finance.

(5) The Client agrees that the positive and negative price and / or exchange rate differences realized as a result of concluded transactions shall be reflected in his account, recalculated in the currency in which the respective client's account with BenchMark Finance is opened, as well as all applicable fees, commissions and other costs for the client.

**Art.44** (1) The client may submit an additional order or withdraw a submitted order no later than the conclusion of a transaction in execution of the previously submitted order.

(2) In the event that under the order subject to withdrawal or change, BenchMark Finance has started execution at the time of receipt of the additional order or withdrawal, and provided that the order can be withdrawn or changed, the client shall indemnify the investment intermediary for the costs of execution and the damages incurred in connection with the execution of the order, change or withdrawal, and paying the intermediary also a remuneration, respectively of the actions taken for execution.

(3) Actions which BenchMark Finance has taken on behalf of the client, in the execution of the order subject of withdrawal or change to the time of receipt of the additional order or withdrawal, shall be binding for the client.

(4) The client has been notified and agrees that the cancellation of the order requires technological time and it is possible that the execution of the transaction may/to precede the cancellation order, in which case the client bears the risk of adverse consequences. The Client may also cancel other instructions given to BenchMark Finance, provided that the intermediary has not started to execute them.

### *Conflict of interests*

**Art.45** (1) When providing investment services and activities and ancillary services, BenchMark Finance shall take the necessary measures to identify and prevent or manage conflicts of interest between:

1. BenchMark Finance, including persons who manage the investment intermediary, persons who work under contract for it, tied agents or any person who is directly or indirectly related to the investment intermediary through a relationship of control, on the one hand, and its clients on the other hand;

## 2. Individual clients of the investment intermediary.

(2) The establishment, prevention or management of conflicts of interest shall be carried out in accordance with the Policy for Prevention and Management of Conflicts of Interest of BenchMark Finance, which the client declares that he has read, understands and accepts as applicable in his relations with BenchMark Finance upon signing a contract. The policy for prevention and management of conflicts of interest is provided to the client through publication on the website of the investment intermediary.

(3) The policy for prevention and management of conflicts of interest of BenchMark Finance shall be applied in connection with the provision of services to all clients of BenchMark Finance, regardless of their categorization as professional, non-professional or acceptable counterparties and shall regulate:

1. The treatment of conflicts of interest in accordance with the size and organizational structure of the investment intermediary and the nature, scale and complexity of the investment services and activities;

2. Circumstances constituting a conflict of interest or which may lead to a conflict of interest, creating a risk of harm to the interests of the client or clients of the investment intermediary in relation to any specific service or activity performed by the investment intermediary;

3. Procedures and measures for dealing with conflicts of interest.

(4) The policy for prevention and management of conflicts of interest of BenchMark Finance is published and freely available on the website of BenchMark Finance - [www.benchmark.bg](http://www.benchmark.bg) and clients can at any time get acquainted with its current content.

### *Confidentiality*

**Art.46** (1) In carrying out its activity BenchMark Finance shall be obliged to keep the trade secret of its clients, as well as their trade prestige.

(2) The members of the board of directors of BenchMark Finance and the persons working for it under contract may not disclose, unless they are authorized to do so, and use for the benefit of themselves or other persons facts and circumstances concerning the balances(stocks) and the operations on the accounts for financial instruments and for clients' money, as well as all other facts and circumstances, representing a trade secret, which they have learned while conducting their official and professional duties.

(3) In addition to the Financial Supervision Commission, the Deputy Chairperson and authorized officials of the Financial Supervision Commission administration or of the regulated market, which the intermediary is a member of, for the purposes of their control activity and within the inspection order, BenchMark Finance may provide information under para. 2 only:

1. with the consent of his client;

2. by the order of Title Two, Chapter Sixteen, Section IIIa of the Tax and Social Insurance Procedure Code;

3. by a court decision, issued under the conditions and by the order of art. 91, para. 2 and 3 Markets in Financial Instruments Act.

4.in the cases and under the conditions of art. 91, para. 4 and 5 Markets in Financial Instruments Act.

(4) BenchMark Finance and the client undertake not to disclose to another person, except in the cases stipulated by the legislation (provided by law), any information related to the contract and the business relations established between them, assets, business, investments, finances or other

data that are confidential to each of the parties. BenchMark Finance and the client should make reasonable efforts to prevent such disclosure.

### *Deposits and withdrawals*

**Art.47** (1) The conditions, the order and the procedures for withdrawal and deposit of money (monetary amounts) on the client's accounts are described/listed on the website of the investment intermediary and in the Tariff of BenchMark Finance. In cases where a prior notice/application is required, the request for cash withdrawal can be made at the intermediary's office, through the sections (part) of the intermediary's website accessible only to BenchMark clients or by e-mail sent to the email address, specified on the internet site (page) of BenchMark Finance.

(2) Upon filing (submission) an application for withdrawal by the client, the amount is blocked and cannot be used for transactions, for opening positions or guarantee deposit on already opened positions/transactions of the client.

(3) When withdrawing an amount, **the client** shall be responsible for the observance and shall not violate the requirements for a guarantee deposit, in the cases when according to the type of the provided services the maintenance of such a deposit is required.

(4) BenchMark Finance may require additional confirmation of electronic order or request for withdrawal submitted via/in BenchMark Clients or email by contacting the client. For this purpose, the telephone number and/or email provided by the client for contact upon his/her registration is used.

BenchMark Finance reserves the right to delay or refuse the execution of the money transfer in case:

1. fails to make contact with the client;

2. there is a doubt about the authenticity of the client;

3 requests presentation of additional documents and the client does not provide them (fails to comply/deliver)

(5) BenchMark Finance shall not be liable in case of an executed cash withdrawal transaction when the client had been sent an email requesting confirmation of the towing operation and accordingly a response had been received from the client that the client confirms the cash withdrawal transaction.

(6) Cash deposits (instalments) shall be credited to the trading accounts and respectively the received withdrawal orders shall be processed and executed, within the usual terms for the intermediary, described on the website of the investment intermediary.

(7) Clients should be aware that confirmed amounts for money transactions ordered through a virtual POS terminal are not refundable.

(8) All credit and debit entries on the client's accounts shall be considered final after the end of the accounting day.

(9) In connection with the execution of a specific operation of deposit (instalment) or withdrawal, and with the applicable requirements and provisions of the Anti-Money Laundering Measures Act, BenchMark Finance has the right to request from the client additional information, data and documents, and/or a declaration of origin of the funds under Art. 66 of the Law on Measures against Money Laundering. In case of failure/refusal by the client to provide information, data or documents, or failure/refusal to complete a declaration of origin of funds, the intermediary does not perform the operation for deposit or withdrawal of funds, requested by the client and notifies the relevant competent authorities in writing, Financial Intelligence Directorate of the State Agency

for National Security in accordance with the provisions of Art. 72 of the Law on Measures against Money Laundering.

(10) BenchMark Finance shall notify the client via a message sent to the email provided by the client about the execution of each operation for depositing or withdrawal of funds on his trading accounts, executed electronically.

*Concluding transactions with Contracts for Differences and other OTC derivative instruments on a margin basis*

**Art.48** (1) BenchMark Finance provides an opportunity to execute client orders regarding OTC derivative contracts - Contracts for Differences (CFDs) - CFDs on shares, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other OTC derivative instruments. The specific financial instruments that can be traded by the clients, as well as the types of orders that the client can submit/place, are determined by BenchMark Finance depending on (subject to) the rules of the respective market of financial instruments. They are announced on the website of BenchMark Finance - [www.benchmark.bg](http://www.benchmark.bg).

With regard to these instruments, BenchMark Finance is counterparty and the only place to execute the orders of its clients, as all orders are executed outside the trading venue, only OTC market. The transaction is concluded directly between the client and BenchMark Finance on an individual basis at pre-agreed conditions. Financial instruments purchased by the client shall be issued by BenchMark Finance.

Transactions with these financial instruments are of high risk, BenchMark Finance informs clients that under certain market conditions, in case of emergency or other undesirable situation, the market principles of trading in derivative financial instruments on the OTC market provide broad and extraordinary authority (powers) to the financial instruments issuer.

(2) For each individual transaction the client receives from BenchMark Finance a quotation through the electronic trading platform or by telephone, in compliance with the requirements for communication between BenchMark Finance and the client. Transactions are carried out through orders submitted through the relevant e-commerce platform, as well as on the basis of orders submitted by telephone. BenchMark Finance provides its clients with buy and sell quotes for the respective financial instruments. Quotes are valid till they are changed or cancelled. The quotations may change in the period between the submission of the client's order and its execution according to the market dynamics, which BenchMark Finance is not responsible/liable for.

Upon a request from the client for a price, BenchMark Finance always quotes bilaterally - price "buy" and price "sell" ("bid" and "ask" price). When the client intends to buy a financial instrument, he/she confirms the "sell" price and vice versa, if he/she wants to sell an asset, he/she confirms the "buy" price, provided to him by BenchMark Finance.

(3) As the only place for execution of the orders of its clients, BenchMark Finance generates independently and provides prices (quotations) at which the trade in contracts for differences (CFD) is carried out on the OTC market. The prices (quotations) offered by BenchMark Finance are not tied to and may differ from the prices (quotations) elsewhere for the performance of analogous or similar contracts for differences (CFDs). BenchMark Finance fulfills the conditions for fair pricing of its products in accordance with regulatory requirements and good practices.

(4) BenchMark Finance has the right at its own discretion to suspend the offering of quotations for a financial instrument by notifying the client and giving him at least seven days in which the client to take appropriate action to close his positions. If the client does not do so, BenchMark Finance has the right at its discretion and without notice to close the client's positions opened in this

financial instrument and the client agrees that BenchMark Finance may at its discretion determine the closing price, taking into account applicable market prices. BenchMark Finance will not be liable for the negative result for the client, as well as for any lost profits or losses incurred by the client, if the investment intermediary has taken all necessary actions to protect the client's interests and achieve the best result according to the applicable current market prices.

(5) Depending on factors such as unusual market conditions, the size of the order or the type of the order, the respective financial instrument may receive a price in part or in full and / or the execution of the order may be delayed during its processing, which may affect the price. , on which the order is executed, and this can be both in favor and to the detriment of the client. BenchMark Finance strives to use procedures that minimize the risk of delays, however, in case of force majeure, during important news and other events and factors that may have or affect the relevant markets, BenchMark Finance could not maintain normal liquidity in the same volumes. The possible effects of the influence of these factors are unpredictable and therefore cannot be listed/stated in these General Terms and Conditions. In such situations, it is possible to significantly expand the spreads compared to the usual and when submitting market, limited, stop or other types of orders to enter into transactions at prices significantly different from those that would have been concluded under normal market conditions, and at prices different from the one last seen by the client for the financial instrument in the platform or at a price different from the one visible to the client at the time of submitting the order.

(6) The Client has been notified and agrees that BenchMark Finance may not provide quotations if there are unforeseen / extraordinary market circumstances or force majeure events under item 17 and item 18 under §1 of the Final Provisions of these General Terms and Conditions or other circumstances under which transactions may not be executed on the respective markets. Providing CFD quotes with underlying asset such as stocks, indices, futures, exchange traded funds, futures on energy raw materials (oil, natural gas), cryptocurrencies or other exchange traded assets may sometimes not be possible in the first 15 (fifteen) minutes from opening or before closing of the trading session, or in case of sharp fluctuations and lack of sufficient liquidity, the spread between the "buy" and "sell" prices may be relatively wider than usual quotes. In this case, BenchMark Finance is not liable for damages, lost profits or losses incurred by the client.

(7) The Client is notified and agrees that when executing an order submitted by a client, when there are sharp fluctuations in market quotations, as well as at opening or at closing the relevant markets (including the so-called "gap"), BenchMark Finance may execute the client order, including limit orders, one-cancels-the-other, conditional, limit or stop orders at a price significantly different from the one specified in the order, respectively visible to the client at the time of order submission (including the so-called "slippage") or possibly given order, one-cancels-the-other, condition, limit or stop price cannot be fulfilled.

(8) When due to technical reasons, the client is temporarily unable to use the electronic trading system, the relevant orders may be submitted by telephone on a recording telephone line in compliance with the Rules for submission of telephone orders published on the intermediary's website. BenchMark Finance may not execute an order given by telephone to the client if he doubts his/her identity.

(9) BenchMark Finance accepts as valid any order submitted through the electronic trading platform to open or close positions under contracts for differences or other derivative financial instruments, with a valid username and password, without the need for additional confirmation of the order by the client. BenchMark Finance is not liable for damages resulting from the improper use of the client's access to the electronic trading platform by a third party.

(10) In the cases where, due to the fault of the client or as a result of objective circumstances, which do not depend on (beyond the influence of) BenchMark Finance and which BenchMark Finance is not liable for and that could not had been prevented by due care, the client cannot and/or does not manage to contact BenchMark Finance, or BenchMark Finance has not received a

message sent by the client, or the client has not received a message sent by BenchMark Finance, BenchMark Finance is not liable for:

1. losses incurred by the client, missed benefits(gains), damages or expenses in connection with an action, delay or omission, when these losses, missed benefits(gains), damages or expenses have arisen as a result of the inability of the client to make a deal;
2. when losses, missed benefits(gains), damages and expenses for the client have arisen as a result of the inability of the client to close an open position or the client has missed benefits (gain) due to inability to open a position.

**Art.49** (1) The client is informed and agrees as possible that while trading in real time, with a view to technological transmission time of the order, the quotes of certain financial instruments are changed in the period between submission of the order by the client and receipt of the order by/with BenchMark Finance. In this case, BenchMark Finance can execute the order on/at the quotation available at the time of its execution.

(2) BenchMark Finance strives to execute client orders as quickly as possible after their entry into the servers of the MetaTrader 4/5 platform, but nevertheless during low liquidity and / or high volatility, and/or depending on the type of financial instrument , and/or the current load on the servers and the flow of orders arriving at the same time, the execution time of client orders in the servers may vary and the investment intermediary may not be able to maintain the same speed and/or liquidity/probability of execution, as usual. Such market conditions cannot be foreseen/predicted and can occur at any time of the day, which will lead to an extension of the execution time of orders for an indefinite period of time. It should be borne in mind that delays in the execution of client orders may have a negative effect on the balance of client trading accounts, which may lead to a shortage of funds and the closure of positions.

(3) Clients should keep in mind that in cases when they submit orders and/or their orders enter the system of BenchMark Finance / the servers of the MetaTrader 4/5 platform and / or their orders are executed in the last minutes of the working hours on Friday trading sessions. or before a public holiday, in the first minutes after the markets' opening on Monday or after a public holiday and in the minutes around midnight when swap figures/values are charged on positions, these periods are characterized by low liquidity, therefore the execution time increases in compared to the time for which client orders are usually executed during the rest of the time (a few hours earlier, for example).

(4) BenchMark Finance shall not be liable for any losses or missed benefits (gains) from client based on quotes that as a result of problems with the internet connection in terms of delay or lack of connectivity does not reflect in true and fair manner the prices quoted by BenchMark Finance. Transactions, at the conclusion of which the client relied on a delay in the renewal of the quotations, can be cancelled/revoke by BenchMark Finance. BenchMark Finance is also entitled to make adjustments and changes in such kinds of transactions concluded by the client. Client accounts through which such transactions are executed may, at BenchMark Finance's own discretion, be deactivated or the client's access to the trading platform be suspended.

**Art.50** (1) BenchMark Finance seeks to quote the spread levels indicated on the intermediary's website, but nevertheless during low liquidity and/or high volatility the investment intermediary is likely to be unable to maintain the same spread levels as it normally quotes. Such market conditions cannot be foreseen and can occur at any time of the day, which will lead to widening spreads over a period of time. It should be borne in mind that wider spreads may have a negative effect on the balance of clients' trading accounts, which may lead to a shortage of funds and the closure of positions.

(2) BenchMark Finance has the right, at its own discretion, to suspend trading or add new financial instruments to the trading platforms by notifying customers in advance. When a financial instrument is suspended from trading, the investment intermediary shall notify clients at least

seven days before the suspension of trading in order to ensure a sufficient period of time for the client to take specific action at their own discretion regarding their open positions in the financial instrument which will be suspended before their positions are closed by BenchMark Finance.

The established term of at least seven days notice before the suspension of trading in a financial instrument will not be observed by the investment intermediary in case of unforeseen/extraordinary market circumstances and/or force majeure or circumstances under item 17 or item 18 of §1 of the Final Provisions of these general terms. In the event of suspension of trading of a financial instrument, BenchMark Finance has the right to close all existing positions of the client at prices relevant to the time of closing. Notice of suspension of trading in certain instruments or the addition of new trading instruments may be made by means of a message on the trading platform, an email, a telephone call to the email address and/or telephone number provided by the client or via news uploaded on the BenchMark Finance website.

**Art.51** (1) When an order to conclude a deal for Contracts for differences (CFD) and other OTC derivatives on a margin basis, clients must provide a security/guarantee deposit. The guarantee deposit serves to cover the risk of losses from an adverse movement in the price of traded financial instruments. The minimum guarantee deposit for each position is calculated individually depending on the type of financial instrument and/or the client (non-professional, professional or eligible counterparty).

The guarantee deposit shall be blocked immediately as a prerequisite for opening a position in Contracts for difference (CFD) or other derivatives of the client. BenchMark Finance may refuse to execute submitted by the client order to open a position in Contracts for difference (CFD) or other derivative instruments in the event that funds in the trading account of the client are insufficient to cover the minimum margin required for the respective position.

(2) The amount of the guarantee deposit/margin, expressed as a percentage, for the different types of instruments is indicated on the website of BenchMark Finance. In determining the amount of the guarantee deposit both for the client and for the financial instrument, BenchMark Finance complies with the requirements set by the Financial Supervision Commission (FSC), the European Securities and Markets Authority (ESMA) and/or by the supervisory authorities of other Member States of the European Union, if such requirements exist (if the case). In case of change of the regulatory requirements and/or setting of new requirements by FSC, ESMA and/or supervisory bodies of other Member States of the European Union, BenchMark Finance changes the amount of the minimum required guarantee deposit/margin, both for certain financial instruments and for individual clients.

(3) BenchMark Finance may in its sole discretion, without the need for prior notice, consent or approval from the client to change the amount of the minimum required margin, including already open client positions for certain financial instruments and for individual orders and/or items or client accounts:

- a) in the event of large or sharp fluctuations in the market for certain financial instruments or the underlying instruments for the relevant CFD (high market volatility);
- b) in the event of important economic and/or political news or events;
- c) in the case of force majeure events or circumstances;
- d) other circumstances affecting trade in certain financial instruments, which in the opinion of BenchMark Finance can lead to increased risk of trading in these instruments;
- e) when the total amount of balances on the client's account/accounts and the positions opened by him/her exceeds the risk limits acceptable to BenchMark Finance;
- f) if necessary to protect the client's interests and/or of BenchMark Finance's rights under the contract.

(4) In case the amount of the guarantee deposit/margin BenchMark Finance shall immediately notify the client by sending a message to the client's email address and/or contact him/her by phone provided by the client's phone number and/or sends a message within the trading platform and reflects the change into the electronic trading platform.

(5) If the balance on the client's account becomes negative (whether this is due to accrued negative exchange rate or price differences, market gap realized loss, interest, fees, costs, expenses or other obligations under the client's account) Benchmark Finance ceases to execute client orders for opening positions in contracts for differences or in other derivative financial instruments. The client is obliged to cover the deficit on his/her account, and he/she also owes a penalty of 0.1% on the negative balance for each day overdue. The above sentence does not apply to non-professional clients trading in contracts for differences, against which, by Decision of FSC № 918-IP of 30.07.2019 the investment intermediary is obliged to provide protection in case of negative balance.

(6) Where, at its discretion, BenchMark Finance considers that there are unforeseen/extraordinary market circumstances or force majeure events under items 17 and 18 of §1 of the Final Provisions of these General Terms and Conditions or that the current market situation endangers the interests of the client, or trading conditions are significantly different from those being normal/usual for the specific financial instrument, BenchMark Finance may, without prior notice to the client, for which the client, with the acceptance of these General Terms and Conditions, has given its unconditional and irrevocable consent to close early any or all of its open positions in contracts for differences and/or other derivative financial instruments, regardless of their current situation, even under conditions that are less favorable than initially set by the client. BenchMark Finance notifies the client of the closed positions and the conditions under which they are closed.

**Art.52** (1) All open positions of the client under contracts for differences and other derivative financial instruments, that are open and not closed as of 23:59:59 (server time), shall be subject to transfer for the next date. The position/s of the client is transferred to the next date taking into account the interest on overnight funding (swap) updated information for which can be found on the website of BenchMark Finance - [www.benchmark.bg](http://www.benchmark.bg).

(2) If the price of an underlying asset is influenced by corporate event/action BenchMark Finance determines the appropriate adjustment, if any, to be made as to the amount and/or value and/or the number of affected positions of the client, whether the affected positions have meanwhile been opened or have been closed. The adjustment does not take into account limit or stop orders placed in advance by the client in connection with an instrument whose underlying asset is subject to adjustment in connection with a corporate event/action.

Any adjustment in connection with a corporate event/action affecting the underlying asset of an instrument shall take effect from the moment it is reflected in the client's trading account. Corporate events/actions, as a result of which positions in contracts for difference may be subject to adjustment, include:

1. division, merger, acquisition, consolidation or change in the classes of shares, or free allocation of shares among the existing shareholders in the form of a bonus, capitalization, distribution of dividend, etc .;
2. distribution among existing shareholders additional shares, other types of equity or securities conferring entitlement to dividend or income from liquidation of the issuer or securities, rights or warrants entitling participation in the distribution of shares and/or purchase subscription or receipt of shares (in cash or otherwise) at a price lower than the current market price per share;
3. any other corporate event/action giving analogous to the rights described above, which have a decreasing or concentrating effect on the market value of the underlying asset.

(3) In cases where some or all of the markets on which the underlying asset whose price is a reference to a financial instrument, is traded, take action to suspend or restrict trading or prohibit trading in the underlying asset, Benchmark Finance shall temporarily or permanently suspend the possibilities of placing orders and concluding transactions with the financial instrument directly affected. Benchmark Finance shall have the right at any time during the limitation period or prohibition to change the value of open client positions in CFDs on those underlying assets at its sole discretion, doing so in good faith and in accordance with prevailing market practices. Upon the introduction of a definitive prohibition on trading with the underlying asset, and if the suspension or restriction of trading in the underlying assets continues for more than one business day, Benchmark Finance may terminate ex officio without the necessary consent of the client, all those affected by the prohibition, suspension or restriction of trading in the underlying client positions. BenchMark Finance determines and notifies the client about the date and price of official closing by email, telephone or by message on the trading platform.

(4) In case the underlying asset under a contract for difference is removed from stock exchange trading due to a decision for delisting from the stock exchange or the trading with it is permanently terminated or suspended or a bankruptcy, liquidation or transformation procedure is initiated against its issuer, BenchMark Finance has the right, without prior consent of the client, to close all affected positions of the client by determining at its discretion the date and price of closing. BenchMark Finance notifies the client of the actions taken by email, phone or via a message on the trading platform.

**Art.53** (1) In trading on margin the client shall be obliged to monitor the amount of his/her current balance and the free funds on his/her trading account. When the client accumulates losses from open positions or has opened too many positions or positions with large volume, the free funds on the account decrease and at some point it is possible that the account does not have the necessary cash guarantee to maintain open positions. The shortage of the current balance (free funds) may lead to official closing of positions, whereby BenchMark Finance may close partially or completely all opened client's positions at prices, determined by BenchMark Finance.

(2) The positions of client contracts for differences (CFD) - CFD on shares, CFD on commodities, CFD on currencies, CFD on indices, CFD metals, CFD on cryptocurrencies and other OTC derivatives, can be officially closed, partially or in full, without notice and without the need for approval or consent of the client, for which the client is considered as notified and with the acceptance of these General Terms and Conditions has given his/her unconditional and irrevocable consent. The cases and conditions under which BenchMark Finance may officially close the client's positions are described in the Policy for execution of client orders for transactions in financial instruments, the present general conditions and the contract with the client. In all cases of official partial or complete closure of the positions opened by the client, the client cannot contest the price levels of the transactions for closing his positions by BenchMark Finance. BenchMark Finance shall inform the client about the closed positions and closing prices. The notification may be made by telephone (on a recordable telephone line), by email or via a message on the relevant electronic trading platform, including by automatically generating a message. When notifying by email, BenchMark Finance accepts that the client has received the notification by sending the e-mail to the e-mail address provided by the client.

(3) BenchMark Finance has the right to close officially at its discretion and without prior notice open positions underlying assets, which is a financial derivative or futures contracts on commodities subject to actual delivery at the maturity of the respective exchange contract. BenchMark Finance performed the official closing of these positions within a reasonable time prior to the maturity date of the underlying derivative contract and then notifies the client of the official closing. After maturing of the current underlying derivative contract BenchMark Finance has no obligation to automatically renew the client's position in an instrument whose underlying asset is a derivative contract immediately following maturing. The price at which carried the official closing

is the closing price ( "buy" price for long positions, respectively - "ask" price for short positions) in the corresponding tool in the electronic trading platform on the day fixed as the last day of trading for an instrument. Information on the last day for trading in individual financial instruments, underlying assets on which there is a derivative exchange contract with a fixed maturity, can be found on the website of BenchMark Finance - [www.benchmark.bg](http://www.benchmark.bg). It is entirely the responsibility of the client to get acquainted with the schedule for the last day for trading in the electronic trading platform for individual financial instruments announced on the BenchMark Finance website and BenchMark Finance is not liable for damages caused by the client's not knowing about this schedule.

(4) Up-to-date information on the extent of the margin used, current balance and the amount of free trading margin is available to any client in module "Trade" of the platform used by the client and / or the client can get such information at any time via telephone by contacting BenchMark Finance at the telephone numbers listed on the intermediary's website.

(5) In order to ensure the amount of the required security deposit for the client's open positions and when the respective client has other securities on its account with BenchMark Finance, the latter has the right at its own discretion and when it deems it good to sell a portion or in full financial instruments or to close his/her own positions under art. 63 and Art. 64 of these General Terms and Conditions, as far as it is sufficient to cover his/her obligations, for which the client, by accepting these General Terms and Conditions, has given his/her unconditional and irrevocable consent. In the event that the amount received is insufficient, the provisions of Articles 63 and 64 of the General Conditions shall apply.

**Art.54** (1) BenchMark Finance considers as unscrupulous behavior on the part of the client trading methods aimed at taking advantage of obvious errors in the quoted prices. It is possible that the quotations of certain financial instruments, for which the client may submit orders for transactions in the electronic trading platforms or by telephone, may contain errors. An obvious error is any obviously incorrectly submitted by BenchMark Finance quotation on the basis of which a position under a contract for difference or other derivative financial instrument has been opened, taking into account the current market conditions at the time of submitting the order. In determining whether a transaction has been concluded with an obvious error, BenchMark Finance has the right to use the available market information and the quotation is considered incorrect if the price at which the transaction was concluded differs from the price of the respective financial instrument, received from at least two leading Bulgarian or international brokers or banks.

(2) Clients have the right to claim adjustment of the parameters for which an opened or closed position in a financial instrument is at their expense and for which they consider to be determined by the investment intermediary with an obvious error by sending a written email to the investment intermediary within three days from the receiving of the confirmation for executed transaction (confirmations are received immediately in the electronic trading platform). In case where the client does not object within the period under sentence one, it is considered that he has accepted the confirmation and cannot claim to adjust the parameters under which his position in a financial instrument is opened or closed on the basis of obvious error in quoted prices.

(3) BenchMark Finance may exercise its right (without a claim form a client) to ascertain an obvious error in the quotations or parameters at which a position in a financial instrument has been opened or closed at the expense of a client and to take the actions provided in article 4 of the present general conditions within three days from the execution of the transaction. The investment intermediary shall notify the client of the identified obvious error and accordingly, of the corrective actions taken by email and/or by means of a message on the electronic trading platform within the same three-day period.

(4) With regard to the identified obvious errors, BenchMark Finance has the right to take one of the following actions:

1. To adjust the quotations or parameters of the affected positions of the client, leaving in force the concluded transactions and the open positions of the client at the new quotations. In this case, BenchMark Finance determines the correct quotations at its discretion, providing on request data on prices collected from independent sources.

Or

2. To declare and determine all affected positions as invalid and to cancel the transactions concluded at wrong quotations.

(5) BenchMark Finance shall not be liable for losses and/or lost profits incurred by the client as a result of transactions determined as concluded as a result of obvious errors or as a result of a decision of BenchMark Finance to leave in force, correct or invalidate those affected by obvious transaction errors. BenchMark Finance is liable for losses and/or lost profits suffered by the client when the obvious error is caused by culpable conduct or gross negligence on the part of its employees, proven by a final, non-appealable decision of a competent authority.

(6) Trading methods such as scalping, arbitrage and other techniques in which the client seeks to take advantage of errors and/or delays in quotations and/or other weaknesses in the electronic trading platform, including when carried out through an automated expert system, script, API or other software developed by a third party, BenchMark Finance considers it unscrupulous and unacceptable behavior by the client. Provided that at the time of concluding a transaction there was an error and/or delay in the quotations and/or other weakness in the electronic platforms and there is a reasonable assumption that the client has taken advantage or has tried to take advantage of them, BenchMark Finance has the right to take the following actions:

1. To adjust the quotations and price spreads to which the client has access;
2. To restrict the client's access to quotes in real time with the possibility of opening positions, including to start providing quotes for a transaction only after requesting them by phone;
3. To immediately cancel the transactions and all open positions of the client, concluded through the mentioned trading methods;
4. To immediately terminate the client's access to the electronic trading platforms;
5. To terminate unilaterally without notice the contract with the client, notifying him.

**Art.55** (1) BenchMark Finance is not obliged to inform the client about the current market conditions or to inform him about upcoming or future changes in market conditions. It is entirely up to the client to be informed about the current market conditions, upcoming news or events. BenchMark Finance is not responsible for the client being uninformed, ignorance of market conditions, ignorance of news and events relevant to trade, not knowing how the financial instruments, ignorance or neglect by the client of the risks associated with trading contracts for differences and other derivative instruments, and the consequent losses incurred by the client on its open positions in contracts for differences or other derivative financial instruments.

(2) Client is responsible for any adverse consequences that have arisen or may arise for him due to faulty or incorrectly placed orders.

(3) The risk of third parties illegal actions, related to the submission of orders, respectively the opening of positions through the electronic trading system, shall be entirely at the client's expense.

(4) BenchMark Finance shall not be liable for non-execution or untimely execution of orders, submitted through the electronic trading platform for reasons beyond its control, including due to technical problems, force majeure, unforeseeable, extraordinary circumstances and others.

(5) BenchMark Finance shall not be liable for losses incurred by the client (including accidental, indirect or direct losses) resulting from negligence, breach of contract, concealment of facts and circumstances or other situation related to a transaction or with the client's trade, including in

connection with a client's order not executed by BenchMark Finance, which situation arose from client's fault or as a result of his/her actions or as a result of objective circumstances for which BenchMark Finance is not at fault and could not prevent by taking due care, and regardless of whether the client has been informed in advance of the possibility to incur/suffer loss.

*Electronic trading systems and platforms. Access and security*

**Art.56** (1) BenchMark Finance offers its clients the opportunity to trade through electronic trading platforms BG Trader and MetaTrader 4/5. BenchMark Finance offers its clients the opportunity to monitor the assets on their trading accounts, to receive market information and analysis, to make deposits/withdrawals of funds and others through the electronic system BenchMark Clients - available on the website of the investment intermediary only for its clients.

Access to BenchMark Clients is through the official website of Benchmark Finance AD - [www.benchmark.bg](http://www.benchmark.bg).

(2) Electronic trading platform BG Trader provides clients with:

1. Continuous remote access to its trading account on the Bulgarian Stock Exchange, information on balances and availability, movements, reports on assets, reports, etc.;
2. Direct Electronic Access (DEA) for submitting orders for transactions on the Bulgarian Stock Exchange and organized by it (the later) regulated market and Multilateral trading facility (MTF). The service is provided every working day, except for weekends and public holidays and Bulgarian Stock Exchange non-working days;
3. Confirmations of executed transactions (obtained immediately within the electronic trading system), market information, analysis and others. The service is provided every working day, except for weekends and public holidays and Bulgarian Stock Exchange non-working days.

(3) Electronic trading platform MetaTrader 4/5 provide clients with:

1. Continuous remote access to its trading accounts, information on balances and availability, movements, operations, reports on assets and reports, etc.;
2. Obtaining current "buy" and "sell" quotes for financial instruments available for trading in each of the platforms - contracts for differences (CFDs) and other derivative financial instruments. The service is provided every working day, except for weekends and non-working days for the respective markets;
3. Opportunity to open, respectively close positions in the financial instruments available for trading in each of the platforms - contracts for differences (CFDs) and other derivative financial instruments. The service is provided every working day, except for weekends and non-working days for the respective markets;
4. Confirmations of executed transactions (obtained immediately within the e-commerce platform), market information, analysis and others. The service is provided every working day, except for weekends and non-working days for the respective markets.

(4) BenchMark Clients electronic system provides clients with continuous remote access to:

1. Data on the assets available on the client's trading accounts, financial instruments, quantity, price, current market price, funds (cash), accrued expenses and other legally required information that should be disclosed to the client;
2. Opportunity for deposit and withdrawal of cash;
3. Receiving market information, news, analysis and more.

(5) The active functionality of electronic systems and trading platforms are determined by BenchMark Finance according to the technical security of the system, the investment intermediary has the right at its sole discretion to add new or restrict existing ones. BenchMark Finance notifies clients about changes in the functionality of electronic systems or trading platforms via a message on the website of the investment intermediary-[www.benchmark.bg](http://www.benchmark.bg), within electronic system or trading platform and at the discretion of BenchMark Finance, by phone or email, for which the client, by accepting these General Terms and Conditions, has given his/her unconditional and irrevocable consent.

(6) In cases where BenchMark Finance provides information to the client through the electronic system or trading platform on the main characteristics and features of a financial instrument or service, as well as when it provides statistical and/or current market information on the status of various financial instruments, issuers, underlying assets and/or markets, this information is indicative and should not be taken as a recommendation to enter into or refrain from concluding a transaction, as solicitation of a particular investment strategy or as providing investment advice.

(7) BenchMark Finance may provide the client with access to financial information published by third parties through the electronic system or trading platform. BenchMark Finance is not responsible for the content, accuracy or completeness of this financial information. It should not be considered as a recommendation or investment advice to enter into a transaction or to refrain from concluding a transaction. In the event that information provided by third parties ceases to flow regularly or in a form incompatible with the requirements of the relevant electronic system or trading platform, BenchMark Finance reserves the right to remove this information completely without prior notice and without the need for consent from the client.

(8) The Client does not have the right to copy, sell, transfer or provide to third parties access to the electronic system or trading platform and to the market and financial information provided through it. The Client has the right to use the electronic system or trading platform and the market and/or financial information, provided through it, solely for the purpose it is designated for, namely for remote access and possibility to submit orders/orders for concluding transactions with financial instruments, respectively for opening, closing positions in such, monitoring the availability of financial instruments and cash, receiving reports and references, statistics etc.

**Art.57** (1) The Client is notified and agrees that BenchMark Finance is not responsible for any losses, missed benefits(gains), costs, fees, damages or other expenses incurred by the client due to the specifics of electronic systems and trading platforms, access to which is through the Internet and through appropriate technical devices (computer, laptop, smart phone, tablet, etc.). Accordingly, technical malfunctions may occur, both in the hardware and software products and systems used by BenchMark Finance and/or clients, in the access devices and their capacity, in communication failures, unstable connectivity or internet environment, which may lead to delays in the transmission of information, delay or non-arrival/non-receipt of orders, or to execution, respectively non-execution of already submitted orders, as well as to inability to access electronic systems or trading platforms and other obstacles of technical nature.

(2) The electronic trading systems or platforms offered by BenchMark Finance are periodically updated, and new versions may differ in various aspects, including but not limited to the level of security applied, products and services available, functionality, etc. The Client undertakes to use the latest versions of electronic systems or trading platforms as available on the website. In case of non-fulfilment of this obligation, BenchMark Finance is not liable to the client for losses, costs, missed benefits (gains), damages, as well as potential liability arising for the client as a result of using an old (outdated) version of any of trading platforms, without corresponding improvements.

The technical requirements for the use of electronic trading platforms, as well as additional information about them, can be found on the website.

(3) BenchMark Finance shall not be liable for losses or missed benefits (gains) that have arisen as a result of the use, installation, maintenance, modification or deactivation of the electronic system or trading platform.

(4) The Client is responsible for all orders and instructions, submitted applications and requests, as well as for the accuracy and correctness of the information submitted, respectively sent over the Internet after receiving access and entry into the relevant electronic system or trading platform using his personal identification - name and password for access.

**Art.58** (1) The access of the client to the electronic system or trading platforms shall be carried out by means of a username and password. Username and password to log in electronic trading platforms are activated by BenchMark Finance only after signing a contract for investment services and only after all related contractual documents being provided by the client. The Client undertakes to keep his password secret and guarantees that he/she will not provide to third parties data that serves for his/her personal identification in the electronic system or trading platform - name and password for access.

(2) The Client is obliged to change the password for login to the electronic trading platform, provided to him by BenchMark Finance at his/her first login to the trading platform after activating his/her access to the system. The client can at any time change his/her password directly from the electronic system or trading platform. The Client is obliged to take all necessary steps to store the password and his username in a way that excludes third parties access to them, respectively to take all necessary steps and reasonable efforts not to allow a third party to use in any way an electronic system or a trading platform on behalf and for the account of the client. The Client is responsible for all actions and operations carried out using his/her username and password, and the obligations arising from these actions and operations, regardless of whether they are performed by the client or are the result of unauthorized third party access.

(3) In case the username and password have become known to third parties or in case of about the above, in case of lost or stolen password, in case of unauthorized use or suspicions by a third party, in case of breach of the security and confidentiality of his/her password or doubts about it, the client is obliged to immediately change his/her password and notify BenchMark Finance. If necessary, BenchMark Finance terminates the client's access to the electronic system or the trading platform.

(4) Beyond the cases under the preceding paragraph BenchMark Finance may terminate Client's access to the electronic system or trading platform and on its own initiative if in doubt about the client's proper identification and authentication. The client's access to the electronic system or trading platform is restored by generating officially a new password after proper identification of the client by BenchMark Finance.

(5) The orders that have been submitted, respectively the transactions that have been concluded, the operations that have been ordered or the requests that have been made prior to the termination of access to the electronic system or trading platform, shall be executed by BenchMark Finance under the conditions being valid upon submission, respectively execution.

(6) In case of technical problems with the functioning of the electronic system or a trading platform BenchMark Finance may temporarily suspend or restrict client's access to it as the terms of executed transactions, open positions or transactions are retained and the parties are obliged to fulfill their reciprocal obligations. During the period in which the client does not have access to the electronic system or trading platform, he/she may at any time submit an order by telephone (on a phone line that can be recorded) to open new or close already opened positions under contracts for differences or other derivative instruments or transactions in financial instruments.

(7) BenchMark Finance may temporarily or permanently suspend access to the electronic system or trading platform (without terminating the contract with the client) used by clients in the following situations:

1. Where with his/her behaviour and actions, the client creates a risk for the normal functioning of the electronic system or trading platform;
2. In case a fact is found out or there is a reasonable suspicion that there is "money laundering", trading in inside information and/or manipulation of the market with financial instruments, for which it shall immediately inform the competent authorities in accordance with the current legislation;
3. In case of inactivity of the client;
4. Where implementation of regulations or periodic review and updating of client records BenchMark Finance asks the client to submit additional documents, statements, certain registrations completed questionnaires new and/or information till the above is being provided by the client.

In such cases, the provisions of paragraph 5 above shall apply.

(8) BenchMark Finance shall not be liable for damages suffered by the client due to suspension or restriction of client's access to this Article.

(9) In the event that a client decides to use third-party software applications providing Automated trading programs (APIs), trading signals and advice, risk management or other forms of transaction assistance for trading activity ("Expert Advisor"), which applications may have direct access to or connection to the client's trading account in the electronic trading platform, BenchMark Finance is not responsible for the results of the investment decisions taken and does not assume any obligations regarding the operation of the respective application, product or service provided or developed by third parties, and the use of such applications, products or services provided or developed by third parties is entirely at the expense and risk of the client.

(10) The client shall indemnify BenchMark Finance for all losses, damages, costs or claims by third parties as a result of errors in submitted by the client in electronic systems or platforms for trading orders, instructions, orders or other actions and operations that are ordered by the client, and when those actions are carried out by an unauthorized by the client person upon log in to the electronic systems or trading platforms with client's identification data.

(11) BenchMark Finance shall not be liable for damages suffered by the client due to technical problems or malfunctions related to the functioning of the electronic system or trading platform unless those technical problems are caused by guilty conduct (behaviour) or gross negligence by an employee of BenchMark Finance, proven by a final, non-appealable decision of a competent authority.

### *Responsibility and non-compliance*

**Art.59** (1) The client will be responsible for the truthfulness, regularity, authenticity and accuracy of the submitted orders, the declarations and documents submitted to them, as well as for the existence and validity of the rights over the financial instruments provided by him, when the instruments are with real delivery. The investor intermediary is responsible for the accurate, lawful and conscientious execution of the orders submitted by the client.

(2) When submitting an order for sale or exchange of financial instruments with real delivery, the client shall be obliged to provide to the investment intermediary in an appropriate manner the entire quantity of financial instruments according to the order, which shall be in good condition, including from a legal point of view. without delayed execution of the order.

(3) If the financial instruments do not meet the condition under the preceding paragraph, the client shall replace them with regular ones within the term indicated by the investment intermediary or withdraw his order.

(4) The client shall not have the right to submit orders regarding financial instruments when he illegally possesses inside information, which are blocked in the depository institution, on which a pledge or attachment has been established. The client is not allowed to submit orders regarding transactions constituting a covert purchase or sale of financial instruments.

(5) It shall be considered that the client has violated his obligations under the contract with gross negligence, when he/she:

1. has stored the password for concluding transactions by phone or his login data in the trading platform and/ or in the BenchMark Clients section recorded on the same document;
2. has communicated his/her password for concluding transactions by telephone or his / her login details in the trading platform and/ or in the BenchMark Clients section to a third party, including a member of his/her family or relative;
3. has provided the password for concluding transactions by telephone or his login data in the trading platform and/ or in the BenchMark Clients section for use by a third member or has agreed or has allowed this data to be used by a third party.

The client shall bear all losses, regardless of their amount, related to unauthorized transactions, if they are caused by fraud or due to the non-fulfillment of one or more of the client's obligations under para. 5. In this case the client is obliged to indemnify BenchMark Finance by the order of art. 63 and Art. 64 of these General Terms and Conditions.

(6) In all cases of non-fulfillment of the client's obligations under the preceding paragraphs there is a culpable non-fulfillment of the obligations under the contract, for which the client is responsible and is obliged to indemnify BenchMark Finance for the property damages and expenses.

(7) The risk related to the investment and transactions with financial instruments shall be borne entirely by the client. The investment intermediary is not responsible for the result achieved by the client in the execution of the client's orders.

(8) If the client has caused to the investment intermediary property damages, expenses or other financially unfavorable consequences, the investment firm has the right to suspend the execution of already given orders or instructions of the client (eg for installments or withdrawals of funds, or transfer of financial instruments to another intermediary or depository, or other instructions or requests of the client) and to refuse the acceptance of new ones until the settlement of the property relations with the client.

**Art.60** (1) The investment intermediary shall be responsible for the fulfillment of the requirements of the law and the rules of the respective place of trade by the clients to whom it provides the service for providing Direct electronic access (DEA) to a place of trade, namely these are the clients of BenchMark Finance, which through the electronic platform BG Trader trade in financial instruments on the regulated market and / or multilateral trading system organized by the BSE. The investment intermediary monitors the transactions concluded by these clients in order to establish violations of the requirements of the first sentence, illegal trade or conduct that may be related to market abuse and which notifies the FSC.

(2) BenchMark Finance monitors and assures the clients using the Direct electronic access (DEA) service to a trading venue that they cannot exceed the respective pre-set trading thresholds and credit limits.

**Art.61** (1) BenchMark Finance shall not be liable in case of possible damage, lost profit, unrealized profit or realized loss, suffered by the client as a result of:

1. incomplete and / or inaccurate order or instruction submitted by the client;
2. temporary or permanent interruption of the client's connection to the Internet;

3. temporary or permanent damage to the other means of communication and communication used;

4. shortcomings or limitations related to the technical means and access devices used by the client, hardware and software products and systems, their capacity and technical characteristics, determining the stability and quality of the client's internet connection, the client's internet provider, the internet route, through which his relationship passes, the physical location of the client and other technical reasons independent of BenchMark Finance.

(2) In the event of a technical malfunction or other problem related to access or inability of the client to access its trading platform, incl. in the absence of quotations, the client is obliged to contact BenchMark Finance immediately before taking any action related to orders or open positions submitted by him. In case of incorrect execution (respectively non-execution) of an order due to a technical malfunction in the electronic trading platforms, BenchMark Finance will check and evaluate the executed (respectively unfulfilled) order and will take an opinion on the acceptance of the transaction as invalid (and will cancel it) or final.

BenchMark Finance is not responsible if the malfunction of the software is caused by external, independent factors, as well as due to unregulated intervention of the client or a third party in the software of electronic platforms, communication errors and other programs affecting the proper functioning of the software.

(3) When the client uses API, software products developed by third parties, as well as scripts, BenchMark Finance does not bear any responsibility, incl. and financial, for the results of the investment decisions taken by the client and for his subsequent actions, as he cannot influence these products, therefore they are entirely at the expense and risk of the client.

**Art.62** (1) In the cases when a dispute arises regarding actions taken in execution of the contract, an order or a specific transaction submitted by the client or a margin position, BenchMark Finance has the right at its discretion and without notice to close part or all of the client's margin positions, to reduce the size of the client's open positions, not to execute an order already placed, and not to accept an order for opening new positions until the dispute is resolved, in order to limit the maximum amount subject to the dispute with the client.

(2) When a given market, liquidity provider, stock exchange, intermediary, financial institution or third party used by BenchMark Finance for the purposes of the provided investment services takes action against BenchMark Finance, BenchMark Finance shall have the right to take appropriate actions at its discretion. in relation to the affected transactions, investment services and open counter-positions between BenchMark Finance and clients, including by canceling or increasing the requirements for a guarantee deposit or changing their parameters (volume, price/quotation, validity period, etc.).

**Art.63** 1) The Client undertakes to indemnify BenchMark Finance for all liabilities, losses, expenses, fees, damages or court costs (current and future, including unforeseen ones), incurred by or incurred for BenchMark Finance in connection with the provision of services to as a result of non-fulfillment of any of the client's obligations under the contract, these General Terms and Conditions, the policy for execution of client orders and other rules and policies applicable to the client's relations, market rules for trading on international markets or applicable regulations, except in the cases when these obligations, losses, damages, expenses or expenses have occurred as a result of culpable behavior on the part of an employee of BenchMark Finance, proved by a final, non-appealable decision of a competent authority.

(2) The Client is obliged to indemnify BenchMark Finance and if BenchMark Finance suffers losses, damages or monetary claims are addressed to third parties as a result of:

1. Errors in giving instructions or orders through electronic systems or trading platforms by telephone or email by the client; or

2. Incorrect fulfillment by the client of the conditions and requirements for normatively established minimum content of the order and the client's declarations to him.

(3) In the cases under the preceding paragraphs BenchMark Finance shall have the right to deduct the value of the suffered damage, loss, all expenses, fees, incurred liabilities or cash claims from the available funds on the client's accounts, for which it shall notify the client address, by telephone on a recording line or by message on the trading platform. If the value of the suffered damage, loss, expenses, fees, liabilities or monetary claims exceeds the amount of funds available on the client's accounts, BenchMark Finance has the right to seek compensation from the client in accordance with the general law, together with legal interest for delay.

**Art.64** (1) In case a client has outstanding monetary obligations under his contract with BenchMark Finance or has a negative cash balance on his trading accounts, BenchMark Finance has the right to sell at its own discretion and when it finds such part of the financial instruments of the client, which is sufficient to cover his obligations, for which the client, by accepting these General Terms and Conditions, gives his unconditional and irrevocable consent.

1. When financial instruments are regularly traded on a regulated market (including a multilateral trading system), BenchMark Finance will make the sale by submitting a market offer in the system of the regulated market at the expense of the client. In case the respective financial instruments are not regularly traded on a regulated market or are not admitted to trading on a regulated market, BenchMark Finance will make the sale, applying the Client Order Execution Policy, for which the client, by accepting these General Terms, gives his unconditional and irrevocable consent.

2. In case the client has open positions under contracts for differences and / or other derivative financial instruments traded on a margin basis, BenchMark Finance has the right to close, without the need for any approval by the client, partially or fully open positions in order to provide the necessary funds to repay the obligations of the client, for which the latter with the adoption of these General Terms and Conditions gives its unconditional and irrevocable consent. With priority, the positions with the highest realized negative result are closed in order to release sufficient funds on the client's account, as the client unconditionally and irrevocably agrees with the prices at which the positions are closed. BenchMark Finance shall notify the client in advance of its intention to exercise its rights under this provision, giving it, if possible, a period within which the client should pay the necessary funds to cover its obligations. The notification can be made by phone (on a recording line), by email or through the relevant electronic trading platform, including through an automatically generated message (margin call). When notifying by email, BenchMark Finance accepts that the client has received the notification by sending the e-mail to the e-mail address provided by the client.

(2) When the amounts received from BenchMark Finance in connection with the operations under the previous paragraph are in foreign currency upon repayment of the client's obligations, the "buy" rate of BenchMark Finance shall be applied for the respective currency on the day of the operation.

(3) In case after the sale of the client's financial instruments or closing of its positions under contracts for differences or other derivative instruments on margin, the balance on the client's account continues to be negative, the client shall be notified of the balance of the obligation, BenchMark Finance suspends his orders for purchase of financial instruments, respectively for opening positions under contracts for differences and / or other derivative instruments on a margin basis, as the client owes a penalty for delay in the amount of 0.1% for each overdue day on the outstanding part from its obligation to BenchMark Finance.

(4) In case the client has opened more than one trading accounts in BenchMark Finance and on one of them he has a negative balance, BenchMark Finance, in order to cover the client's obligations, has the right to transfer funds ex officio from one account for trading of the client to

another of his trading accounts, for which the client with the acceptance of these General Terms and Conditions gives his unconditional and irrevocable consent. BenchMark Finance notifies the client in advance of its intention to exercise its right under this provision by telephone (on a subscription telephone line), by e-mail or through the relevant electronic trading platform. When repaying the client's liabilities in case they are in foreign currency, the "buy" rate of BenchMark Finance is applied for the respective currency on the day of the transaction.

(5) The preceding paragraphs shall not apply in cases of negative cash balance on the trading accounts of non-professional clients trading in contracts for differences, to which Decision of FSC № 918-II dated 30.07.2019, the investment intermediary is obliged to provide protection in case of negative balance.

*Providing information on executed orders, reports and inquiries to the client*

**Art.65** (1) BenchMark Finance provides the client with reports on the services provided on a durable medium in accordance with Delegated Regulation (EU) № 2017/565. The reports include information that is consistent with the type and complexity of the relevant financial instruments and the nature of the service provided, as well as information on the costs associated with transactions and services performed at the expense of the client.

(2) When BenchMark Finance executes an order on behalf of a client, other than an order related to portfolio management, it must perform the following in respect of this order:

a) immediately provide the client with the basic information on the execution of this order on a durable medium;

b) sends to the client a message on a durable medium confirming the execution of the order as early as possible, but not later than the first working day after the execution, or when the investment intermediary has received the confirmation from a third party - not later than the first working day after receiving the confirmation from the third party.

Point b) shall not apply where the confirmation would contain the same information as the confirmation sent immediately to the client by another person.

Points a) and b) shall not apply where the orders executed on behalf of clients relate to bonds to finance mortgage credit agreements with said clients, in which case the transaction report shall be made at the same time as the terms of the mortgage are communicated. credit, but not later than one month after the execution of the order.

(3) Apart from the requirements of the previous paragraph, BenchMark Finance shall provide the client upon request with information regarding the status of the order.

(4) In case of client orders related to units or shares in a collective investment undertaking, which are executed periodically, BenchMark Finance shall provide the information under paragraph 2 (b) or provide the client with the information at least once every six months. referred to in Article 59 (4) of Delegated Regulation (EU) № 2017/565, in respect of those transactions.

(5) The investment firm may provide the client with the information referred to in Article 59 (4) of Delegated Regulation (EU) № 2017/565, as using standard codes, providing an explanation of the codes used.

(6) If the settlement is not made on the specified date or another change in the information contained in the confirmation of the transaction occurs, BenchMark Finance shall notify the client in an appropriate manner by the end of the business day on which he learned of the change.

**Art.66** (1) When providing a portfolio management service to clients, BenchMark Finance shall provide to each client a periodic reference on a durable medium for the portfolio management activities performed on behalf of this client, unless such reference is provided by another face. The

periodic report shall be a correct and balanced overview of the activities performed and the results of the portfolio during the reporting period and shall include the information referred to in Article 60 (2) of Delegated Regulation (EU) N° 2017/565.

(2) The periodic reference shall be provided once in three months, except for the following cases:

a) where the investment firm provides its clients with access to an online system that meets the criteria for a durable medium, if current client portfolio estimates are available and if the client has easy access to the information required by Article 63 (2) of the Delegated Regulation (EU) N° 2017/565, and the investment firm has evidence that the client has accessed the valuation of its portfolio at least once during the relevant quarter;

b) in cases where paragraph 3 applies, the periodic reference must be provided at least once every 12 months;

c) when the agreement between the investment firm and the portfolio management client authorizes a debt-financed portfolio, the periodic reference shall be provided at least once a month.

The exemption provided for in point b) shall not apply in the case of transactions in financial instruments covered by Article 4 (1) (44) c) of Directive 2014/65 / EU or falling under any of points 4 to 11 of Section C of Annex I to that Directive.

(3) In the cases when the client chooses to receive the information about the executed transactions on an individual basis, BenchMark Finance shall immediately provide the client with the basic information about this transaction on a durable medium upon execution of a transaction by the portfolio manager.

BenchMark Finance shall send the client a communication confirming the transaction and containing the information referred to in Article 59 (4) of Delegated Regulation (EU) N° 2017/565, no later than the first business day after implementation or when the investment firm receives confirmation from a third party - no later than the first working day following receipt of the confirmation from the third party. The requirement of the previous sentence shall not apply where the confirmation would contain the same information as a confirmation which is immediately sent to the client by another person.

(4) When BenchMark Finance provides the portfolio management service, it shall inform the client if the total value of the portfolio, estimated at the beginning of each reporting period, is depreciated by 10% and subsequently by multiples of 10%, not later than the end of the working day on which this threshold is exceeded or if the threshold is exceeded on a non-working day - until the end of the next working day.

(5) When in portfolio management the investment intermediary holds on behalf of a non-professional client positions in debt-financed financial instruments or transactions with contingent liabilities, BenchMark Finance informs the client when the initial value of each instrument is depreciated by 10% and subsequently by multiples of 10% of the value. Reporting is performed for each individual instrument, unless otherwise agreed with the client, and by the end of the business day on which this threshold is exceeded, or if the threshold is exceeded on a non-business day - by the end of the next business day.

**Art.67** (1) When BenchMark Finance holds financial instruments of clients or funds of clients, it shall send at least once a quarter to each client for whom it holds financial instruments or cash, a certificate on a durable medium for these financial instruments or funds, unless such reference is provided in another periodic reference. At the request of the client, the investment intermediary shall provide this information more often for a fee specified in the intermediary's tariff.

(2) The reference for the client's assets shall contain the following information:

a) details of any financial instruments or funds held by the investment firm for the client at the end of the period covered by the statement;

- b) the extent to which each financial instrument or client's funds have been the subject of securities financing transactions;
- c) the amount of any benefit achieved to the client as a result of participating in securities financing transactions and the basis on which those benefits have been achieved.
- d) an explicit indication of the assets or assets that are subject to the rules of Directive 2014/65 / EU and its implementing measures and those that are not, for example, that are the subject of a financial collateral arrangement;
- e) an explicit indication of assets which are affected by certain particularities with regard to property rights, for example, which are subject to a security interest;
- f) the market or estimated value, if the market value is not available, of the financial instruments included in the reference, with an explicit indication of the fact that the absence of a market price may indicate a lack of liquidity. The estimated value is determined by the investment intermediary on the basis of the principle of maximum effort.

In cases where the client's portfolio contains proceeds from one or more outstanding transactions, the information referred to in point a) may be based on either the trade date or the settlement date, provided that the same basis is used successively for all such information in the report.

The periodic statement of the client's assets shall not be provided when the investment firm provides its clients with access to an online system meeting the criteria for a durable medium, if up-to-date reports on the client's financial instruments or funds are readily available from the client and the investment firm has evidence that the client has accessed this report at least once during the respective quarter.

(3) When BenchMark Finance keeps financial instruments or cash and performs a portfolio management service for a client, it may include a report on the client's assets in the periodic report on the performed portfolio management activities, which it provides to that client under Article 60, paragraph 1 of Delegated Regulation (EU) No 2017/565.

**Art.68** (1) In the case of submitted orders and concluded transactions through an electronic trading platform the confirmations for concluded transactions, the trading reports and the inquiries for the financial instruments or the funds of the client shall be provided to the client through the electronic trading platform.

(2) When BenchMark Finance is obliged to provide a specific client with certain information or notification and the client has not provided for this purpose an email address or telephone or they are out of date, as well as when the content of the notification or information does not imply their provision by telephone, provided in the office of the investment intermediary upon request.

(3) The Client may submit a written objection to BenchMark Finance in connection with a received confirmation of a transaction, report or reference for financial instruments or cash within 3 days of its receipt. The client can object only to incorrect execution of a submitted order. In case the client does not object within the term under sentence one, it is considered that he has accepted the confirmation, the report or the reference for his assets.

### *General requirements for portfolio management or investment advice*

**Art.69** (1) BenchMark Finance provides portfolio management services or investment advice only upon request by a client, in compliance with the provisions of Directive 2014/65 / EU, Delegated Regulation (EU) 2017/565 and MFIA.

(2) When providing portfolio management services, BenchMark Finance concludes transactions with financial instruments at the expense of the client on its own initiative, without orders of the client, in compliance with the contract with the client and according to the client's suitability

assessment. Portfolio management services are offered only after signing a specific contract with the client, as the client gives his confirmation in advance and accepts the results of each transaction or transaction performed on his portfolio, performed by BenchMark Finance according to the contract.

(3) When providing portfolio management services or investment advice, BenchMark Finance shall inform the client that the provision of comprehensive and accurate information by the client aims at the investment intermediary to recommend appropriate products and services and to act in its best interest, as well as that the investment firm is required to perform a suitability assessment.

(4) When managing a portfolio, the client's financial instruments and funds shall be managed entirely at his expense and risk. When managing a portfolio or providing investment advice, BenchMark Finance is responsible only for the conscientious, lawful and competent performance of contractual obligations, but not for the final financial result achieved for the client. BenchMark Finance is not responsible for the financial result of an investment decision based on an investment advice it has provided to the client.

(5) When managing a portfolio, BenchMark Finance concludes transactions with financial instruments at the expense of the client under the best conditions and making efforts to achieve the best execution in accordance with the Order Execution Policy. When managing a portfolio, when BenchMark Finance submits orders for execution of another person on decisions taken by it for concluding transactions with financial instruments on behalf of the client, it acts in accordance with the best interest of the client, observing the relevant provisions applicable to this activity.

#### *Activity of a registration agent*

**Art.70** (1) BenchMark Finance shall carry out activity of registration agent, when on the basis of a written contract with the client submits in the respective depository institutions data and documents for registration of:

1. transactions with financial instruments, previously concluded directly between the parties;
2. transfer of dematerialized financial instruments in case of donation and inheritance;
3. change of data for the holders of dematerialized financial instruments, correction of erroneous data, issuance of duplicates of certifying documents and other actions, provided in the regulations of the respective depository institution.

(2) In the cases under par. 1, the persons, respectively their representatives, shall sign the necessary documents in the presence of a person under art. 65, para. 1 of Ordinance № 38, after their identity has been verified by the order of Anti money laundering act and Regulations for implementation of the Law on Measures against Money Laundering.

(3) The investment intermediary may carry out an inspection in the Central Securities Depository for the financial instruments owned by a given person, with which no contract has been concluded, on the basis of a written application. Paragraph 2 shall apply accordingly.

(4) The transferor and the acquirer of the financial instruments may be represented before the investment intermediary, which carries out activity of registration agent, by persons, explicitly authorized with a notarized power of attorney in compliance with the requirements of art. 59 of Ordinance № 38.

(5) BenchMark Finance refuses to conclude a contract under para. 1 on the grounds under Art. 112 of Ordinance № 38.

(6) At the request of the seller and with the consent of the buyer in case of purchase and sale of dematerialized financial instruments under para. 1, item 1, the amount representing the sale price under the transaction shall be deposited with the investment intermediary - registration agent,

until the registration of the transaction with the Central Securities Depository. The investment intermediary shall notify the parties to the transaction of this possibility.

(7) The requirements of Chapter Four of Ordinance N<sup>o</sup> 38, as well as Chapter Seven of MFIA, with the exception of Art. 70, para. 1, art. 71, para. 1, art. 76, 90 and 91 of MFIA shall not be applied in the cases when the investment intermediary provides services to a client as a registration agent.

### *EMIR reporting*

**Art.71** (1) This Article shall apply only to clients, legal entities that trade in derivatives and are obliged to report their transactions with the entry into force of Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and its accompanying additional standards, which creates a new European regulation related to the introduction of additional obligations in order to increase transparency in derivatives trading and reduce credit and operational risk in such transactions. The scope of the cited regulations includes both explicitly listed financial counterparties for transactions in derivative instruments, including investment intermediaries, and non-financial counterparties - legal entities established in the EU.

(2) BenchMark Finance and the client, determined as an obligated person - financial or non-financial counterparty, within the meaning of EMIR, shall be obliged to report the data on all transactions concluded by the client with derivatives to a person who centrally collects and maintains data for such transactions. called the Transaction Log. ViennaMark Finance informs its clients that for the purposes and needs of EMIR it considers and treats all its clients - legal entities, as a "Non-financial counterparty", unless they fall within the scope of the term "Financial counterparty" under Regulation 648/2012 on OTC derivatives, central counterparties and transaction registers (EMIR).

(3) The Client - an obligated person under EMIR, upon acceptance of these General Terms and Conditions, delegates to BenchMark Finance the full rights for the reporting of its transactions before the Register of Transactions.

(4) In case BenchMark Finance defines the client as an obligated person - financial or non-financial counterparty, within the meaning of EMIR, the parties shall be obliged to coordinate the client's portfolio in OTC derivatives under Regulation 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR), and to follow a specific procedure for the timely detection and resolution of disputes related to all OTC derivative transactions that have not undergone centralized clearing under EMIR.

(5) Disputes between the parties arising in connection with the application of EMIR shall be resolved in accordance with the procedure provided for in EMIR.

### *Entry into force and termination of the contract*

**Art.72** (1) The contract with the client shall enter into force after the commercial account of the client in BenchMark Finance is activated.

(2) All amendments and supplements to the contract between BenchMark Finance and the client may be made only with an explicit written agreement in the manner and manner in which the contract with the client has been concluded.

(3) (amended 22.11.2023) The contract may be terminated in the following cases:

1. by mutual written consent of the parties;
2. by unilateral written notice to the other party to the contract, the notice may be made:

- 2.1. without notice with immediate effect or specifying the date from which the contract will be terminated, when the client has no assets or
- 2.2. by notice with an appropriate period of time, set within a minimum of 7 (seven) days to 1 (one) month, when the client has assets. When a client submits a unilateral notice to terminate his contract at the time of submitting the written notice, the client must not have open positions and/or outstanding liabilities to BenchMark Finance;
3. upon expiration of the term of validity of the contract, if the contract is concluded with a term;
4. in case of death or placement under guardianship of a client, a natural person;
5. upon termination of a client, a legal entity or of the investment intermediary;
6. upon revocation of the license of the investment intermediary;
7. in case of disagreement, stated in writing by the client, with changes in the General Terms and Conditions, the tariff of BenchMark Finance, the policy for execution of client orders or other rules, policies or procedures of BenchMark Finance, stated within the terms and conditions of Art. 73 of these general terms and conditions;
8. unilateral termination of the contract by the BenchMark Finance, if a client has outstanding monetary obligations or has a negative cash balance on his account due to unpaid monetary obligations under transactions, owes a guarantee amount on open positions, owes losses incurred by the client, due commissions, custodian fees, interest, fees or expenses in connection with provided investment services, concluded transactions with financial instruments or safekeeping of its financial instruments;
9. unilateral termination of the contract by the BenchMark Finance, if the investment intermediary has reasonable doubts and / or at its own discretion determines the client's trading strategy as unscrupulous, as an attempt to take advantage or the client has taken advantage of errors and / or delay in quotations, and / or other weaknesses in the electronic trading platform, including when done through trading methods such as scalping, arbitrage and other techniques or through the use of an automated expert system, script, API or other software developed by third parties;
10. unilaterally by BenchMark Finance, in case the investment intermediary ceases to provide certain services used by the client;
11. unilaterally at the discretion of BenchMark Finance, when the client has not been active, has not concluded transactions and/or has not opened positions in financial instruments for a continuous period of 12 months. Clients who hold assets in the form of financial instruments with physical delivery or cash with BenchMark Finance and/or open positions in derivative financial instruments cannot be treated as inactive. Termination in this manner is carried out without a notice period, and the individually prepared notification to the client explicitly states the date from which the client's contract will be terminated.
12. unilaterally by BenchMark Finance, when due to a change in the regulations or in connection with actions performed by the investment intermediary for periodic review of client files, the client is required to submit additional documents and/or information and the client does not provide them within the deadline, given to him by BenchMark Finance;
13. unilaterally by the client, when he has concluded his contract by electronic means by sending a written notice of termination to the intermediary, without paying compensation or penalty and without stating a reason, the client may withdraw from the contract within 14 days from the date the conclusion of the contract, in which case at the time of submission of the written notification the client must not have open positions and/or outstanding liabilities to BenchMark Finance;
14. in the presence of other grounds provided for in these general terms and conditions or the applicable legislation.

(4) (amended 22.11.2023) In cases where the investment intermediary sends a written notice to the client for termination of the contract, it may do so by e-mail to the e-mail address provided by the client and/or by a hard copy letter to the postal address provided by the client, indicating the date from which the client's contract will be terminated.

The termination of the contract with the client, regardless of whether with or without notice, respectively by e-mail or by a hard copy letter, shall be carried out by an individually prepared notice to the client, indicating a specific notice period (if applicable), a specific value of the financial instruments and cash held by the client, as well as the specific options that the client has for disposing of the financial instruments and cash.

In the cases under Art. 73, para. 3, item 2, item 8, item 9, item 10, item 12 or item 14 when the client owns assets in the form of financial instruments and/or cash, BenchMark Finance terminates the contract with an individually prepared notification to the client with an appropriate notice period of at least 7 (seven) days to 1 (one) month, so that the client can dispose of his financial instruments and/or cash within this period. When the client does not own assets, the contract may be terminated without a notice period as BenchMark Finance indicates in the notification to the client as of which date his contract will be terminated.

In cases where it concerns the failure to fulfill a monetary or other obligation of the client, the investment intermediary gives him an appropriate deadline for performance, upon the expiration of which deadline, in the event of failure by the client, the contract is considered terminated.

(5) BenchMark Finance requires and/or sets off from the client payment of all monetary obligations, fees, commissions and other expenses accrued and due until the date of termination, as well as all additional costs and direct costs or losses incurred by BenchMark Finance. following termination, if any. Only after the repayment of all obligations of the client as of the date of termination, BenchMark Finance transfers the financial instruments and funds in accordance with the client's orders.

(6) (amended 22.11.2023) When sending a unilateral written notice of termination of the contract, as well as when signing a bilateral agreement for termination of the contract, the client is obliged to close all his open positions in contracts for differences or in other derivative instruments before the date of termination of the contract, as well as to indicate at least 3 (three) business days before the expiration of the period given to him in the notice and termination of the contractual relationship, where to transfer his financial instruments (if there are financial instruments with physical delivery on his accounts) and/or cash, if there are any with the investment intermediary.

The client's financial instruments are transferred to a depository institution, in accordance with the rules of the depository institution, to the client's sub-account with another person specified by the client or to the client's personal account, including by opening a new account, if the client does not specify his sub-account with another person within the period specified in the previous sentence.

BenchMark Finance pays the client's funds based on the instructions submitted by the client, in one of the following ways: in cash at a BenchMark Finance cash desk, in compliance with the requirements of the Law on Restrictions on Cash Payments or to a bank account specified by the client, of which the client is the holder.

In the event that before the date of termination of the contract the client does not withdraw his funds in cash and does not give an order for an outgoing transfer to his bank account, BenchMark Finance, at its discretion, transfers the funds to the client's bank account from which and to which, during the business relationship with the client, funds have been received or outgoing transfers have been ordered by the client or leaves them for safekeeping with BenchMark Finance in a special account for clients with terminated contracts, and the client may request them and request their payment at any time within the 5-year limitation period.

(7) (amended 22.11.2023) In the event that by the expiration of the period specified in the notice of termination of the contract, the client does not close his open positions opened in the trading platforms on international markets, the client agrees that they will be closed ex officio at the discretion of BenchMark Finance. at the time of termination. of the contract. In the case of official closure of positions opened in the trading platforms on international markets, the client unconditionally agrees with the price levels at which BenchMark Finance has closed its positions. Irrespective of the actions taken by BenchMark Finance to close the positions, if as a result the balance on the client's account is negative (loss is realized), the client is obliged to pay BenchMark Finance an amount equal to the realized negative cash balance. The previous sentence does not apply to non-professional clients trading in contracts for differences, against which by Decision of FSC № 918-IP of 30.07.2019 the investment intermediary is obliged to provide protection in case of negative balance.

(8) Upon termination of the contractual relations, BenchMark Finance has the right, at its own discretion, to complete a transaction, which is performed in favor of a client and is started before the termination.

(9) BenchMark Finance executes the client's orders for transfer of his financial instruments and funds to accounts specified by him, only after repayment of all obligations of the client to BenchMark Finance. The client is obliged to pay all fees, commissions and expenses of the investment intermediary in connection with the transfer of its financial instruments and funds. BenchMark Finance has the right to withhold all amounts due from the client before the transfer of its financial instruments and funds, such as in case of default by the client, insufficient cash or negative cash balance on the client's accounts, BenchMark Finance will comply , the conditions and the procedures under Art. 63 and Art. 64 of these General Terms and Conditions, for which the client is notified and gives his unconditional and irrevocable consent.

(10) The procedure and provisions regarding termination of a contract shall be applied by analogy and in settling the relations between the parties in connection with termination/ closing of a separate commercial account of the client, in cases when the contract between the client and BenchMark Finance is not terminated.

*Change of the general conditions, the tariff and the other documents applicable in the relations with the client*

**Art.73** (1) All amendments and supplements to these General Terms and Conditions, the Investment Intermediary Tariff, the Client Order Execution Policy, the Client Categorization Policy, the products offered by BenchMark Finance and the risks related to them, the Policy for Prevention and Management of Conflicts of interest, Client Complaints Management Policy, Privacy Policy and other documents applicable to the client relationship are adopted by the Board of Directors of BenchMark Finance. All amendments and/or additions to these documents shall be published on the website of the investment intermediary and the published documents shall indicate the date of their adoption and the date of entry into force. In case of disagreement with the amendments, the client has the right to terminate the contract without notice by notifying the investment intermediary in writing before the date of entry into force of the new documents, without liability for penalties and costs, except for costs associated with the client assets and their transfer to the client's accounts.

(2) The investment intermediary shall notify the FSC of any change in its General Terms and Conditions and the tariff. The full text of the General Terms and Conditions and the tariff with the reflected amendments and additions as of the respective date and the minutes of the Board of Directors for their acceptance shall be attached to the notification. When the adopted changes do not meet the normative requirements of the Markets in Financial Instruments Act and the acts on

its implementation, the FSC on the proposal of the Deputy Chairman has the right to request elimination of the established incompleteness, discrepancies and contradictions.

(3) All amendments or supplements to the General Terms and Conditions and the Tariff of BenchMark Finance shall be published on the website of the investment intermediary and the published documents shall indicate the date of their adoption and date of entry into force. The publication of the General Terms and / or the Tariff shall be made not later than one month before the entry into force of the amendments and supplements. In case of disagreement with the amendments to the General Terms and / or the Tariff, the client has the right to terminate the contract without notice before the date of entry into force of the new general terms and / or tariff, without liability for penalties and costs, except the costs related to the assets owned by the client and their transfer to the client's accounts. Upon termination of the contract under this procedure, the investment intermediary shall settle its relations with the client within seven days of receipt of the statement of termination by applying the procedure for settling relations with the client provided for in these general terms and conditions, unless signed in agreement with the client. termination of the relationship is not provided otherwise.

#### *Temporary or permanent suspension of the provision of services under the contract*

**Art.74** (1) Except in the cases provided in the contract with the client or in the other provisions of the present general conditions, BenchMark Finance may at its discretion temporarily or permanently (for an indefinite long time) terminate the provision of all or part of the services under the contract when:

1. there is a suspicion or there is data that the client has acquired and used inside information or other information protected by law or market practices;
2. there is a suspicion or there are data that transactions, subject of the client's orders, represent covert purchases or sales of securities;
3. there is a suspicion or there are circumstances from which suspicions may arise that the client violates the provisions against money laundering and terrorist financing or uses the investment intermediary for such purposes;
4. there is a suspicion or there is evidence that the client violates any of the clauses of the general conditions or mandatory provisions of the applicable law;
5. The LEI of a client legal entity has expired and the client has not renewed it or has renewed it, but has not notified BenchMark Finance in a timely manner.
6. When, in its sole discretion, BenchMark Finance ceases to provide an investment service, trade in a financial instrument, trade in an electronic trading platform, terminates access or business relations with a trading venue (regulated market, MTF, OCT) or place enforcement, terminate its business relationship with a depositary, etc.

In the above cases, as well as other cases explicitly stated in these General Terms and Conditions, BenchMark Finance has the right to unilaterally terminate the contract with the client with unilateral written notice to the client.

#### *Settlement of disputes. Reporting and complaints*

**Art.75** (1) The contradictions or disputes arising between the parties in connection with the interpretation and application of these General Terms and Conditions and the implementation of the specific contract shall be settled, following the principle of good faith and fairness. The parties shall resolve disputes between them by mutual consent and through negotiations. In the event that this is not achieved, the dispute shall be referred to the competent court or to arbitration

chosen by the parties. By signing the specific contract, the client gives his consent and accepts the information under Art. 90 of MFIA to be disclosed to the competent judicial or arbitration bodies in connection with the resolution of disputes between the parties.

(2) The clients should be acquainted with the possibility to submit complaints and signals, according to the conditions, the order and the procedure described in the Policy for management of complaints, published on the website, with which at concluding a contract, the client declares that he has got acquainted, has understood its contents, accepts and agrees to apply.

**Art.76** For all issues not settled by these General Terms and Conditions and other documents applicable in the relations with the client, with which the client has agreed upon concluding a contract and / or not settled in the specific contract with the client, the requirements of MFIA, Law on the public offering of securities, the Law on implementation of measures against market abuse of financial instruments and by-laws on their implementation and the provisions of the legislation in force in the country, as well as directly applicable EU Regulations governing the activities of investment intermediaries.

### **Final provisions**

**§ 1.** The words, expressions and terms used in the General Terms and Conditions have the meaning given to them by MFIA, Ordinance № 38, Delegated Regulation (EU) 2017/565 and other applicable Bulgarian and European law, with direct application in Bulgaria. For the purposes of these General Terms and Conditions, the following terms and expressions have the following meanings:

1. Base currency of the trading account - the currency of the account chosen by the client, in which all amounts received as a result of partial or complete closing of the client's positions are converted, the due commissions, expenses or revenues from overnight financing are accrued ( swap), dividends, interest, etc .;
2. Underlying asset - financial instruments on the basis of which a derivative is traded, whose price fluctuations serve as a starting point in determining the gains or losses on open positions in the derivative.
3. Contract for difference - an agreement between a "buyer" and a "seller" for exchanging the difference between the current price of an underlying asset (shares, currency, commodities, indices, etc.) and its price when the contract for difference (position) is closed . The contract for difference does not create rights and obligations for the parties related to the delivery of the underlying asset.
4. Guarantee deposit / guarantee amount (margin) - the amount of money that the client must provide in his trading account to open a position. The guarantee amount is blocked on the client's trading account from the total amount of his free funds and until the closing of the open position, which it guarantees, the client cannot use it for other purposes. The guarantee amount is expressed as a percentage of the value of the open position.
5. Maturity date - the official maturity date for the underlying asset (when available) in accordance with the terms and conditions for trading in the individual financial instruments announced on the BenchMark Finance website.
6. Last day for trading - last day within which a client can make transactions with a financial instrument using the services of BenchMark Finance.
7. Margin call - is a requirement for additional deposit deposit / amount that BenchMark Finance may require from the client to keep its open positions in order to protect itself from losses or risk of losses in connection with already opened positions / concluded transactions or future open

positions / transactions of the client. A margin call can be made by telephone (on a recording line), by e-mail or on the electronic trading platform, including by an automatically generated message.

8. Spread - represents the difference between the higher and lower value of a bilateral quotation for a given financial instrument.

9. Short position - sale of a financial instrument, which at the time of the transaction is not available in the client's portfolio. When opening a short position, the client expects the price of the financial instrument to decrease.

10. Long position - purchase of a financial instrument, which after concluding the transaction becomes part of the client's portfolio as an asset subject to sale. When opening a long position, the client expects the price of the financial instrument to increase.

11. Swap - represents the interest / amount that the client pays or receives when his position remains open at the end of the business day and is transferred to the next day.

12. Leverage - a financial term that illustrates the reinforcing financial effect of a financial transaction due to an increase in the invested resource with the help of borrowed funds, expresses the possibility to use borrowed capital as additional financing to the already invested funds.

13. "OCO" - an order of the type "one cancels the other" (One Cancels the Other), in which at the same time two limit orders for purchase are submitted, or two limit orders for sale at different prices, one of which is below, and the other above the current market price, in case one of these orders is executed, the other is canceled automatically.

14. API - application programming interface (Application programming interface) is software provided by a computer system, allowing its connection and interaction with other computer systems. API is a set of programming functions that allow automatic submission of commands to trading platforms and can allow connection to other software systems.

15. Script - a program (series of instructions) that is interpreted and executed by another program, and not pre-compiled to be executed by the processor.

16. Market rules / conditions / principles - rules, customs, principles, regulations, provisions or practices of an exchange, clearing house, regulated or unregulated market or other place or organization where transactions in financial instruments are made.

17. Contingencies / extraordinary market circumstances (extraordinary market situation) - events beyond the will and control of BenchMark Finance, which include, but are not limited to, temporary or permanent suspension of trading in a given underlying asset or currency of the underlying asset or currency, market, imposition of restrictions, special or unusual conditions, exceptional or excessive market movements on the price of an underlying asset or currency, volatility, loss of liquidity in respect of an underlying asset, division, liquidation or bankruptcy of an issuer of an underlying asset, and etc., as well as an upcoming event that, in BenchMark Finance's opinion, may significantly affect the price of the respective underlying asset or currency or market situation, where BenchMark Finance has reason to believe that any of the above events may occur.

18. Force majeure events or circumstances outside the markets in financial instruments - extraordinary events or circumstances beyond the will and control of BenchMark Finance, which include, but are not limited to:

18.1. Any action, event or circumstance, which may include, but is not limited to, natural disasters and natural disasters, hostilities, strikes, riots or riots, terrorist acts, actions and regulations of state bodies and institutions, imposition of restrictions of any kind, government bans, embargoes, sudden economic, political or societal changes on a global or regional scale, as a result of governmental or institutional orders, and other similar events that affect normal trading conditions and / or impede the proper functioning of the financial market and/or create an unusual,

extraordinary market situation with respect to one or more underlying assets, currencies or financial instruments offered by BenchMark Finance for trading.

18.2. Technical problems such as failure or damage to communications, internet connectivity or computers, servers, electronic systems, power outages, failure or damage to electronic or communication equipment that are beyond the control of BenchMark Finance .

19. LEI - Legal Entity Identifier for EMIR and MiFIR is a unique identification code by which the parties to derivative transactions and the Central Counterparties must report the data for each derivative contract concluded by them to the Transaction Registry. , as well as to report daily the transactions to the supervisory body of the FSC by the order of art. 26 of Regulation (EU) N° 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) N° 648/2012. The LEI is issued by the organizations or local operating units (Pre-Local Operating Unit - pre-LOU) belonging to the LEI/GEI system, which are approved to issue the LEI by the European Securities and Markets Authority (ESMA), and their list may to be found on the website of the LIEROC Regulatory Oversight Committee <http://www.lieroc.org>.

20. EMIR - Regulation (EU) N° 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories. The use of the term EMIR refers to Regulation (EU) N° 648/2012 and all other related regulations of the European Commission, Council, the European Parliament and ESMA.

21. Applicable legislation - the legislation in force on the territory of the Republic of Bulgaria regulating the activity of investment intermediaries, as well as all other rules of the respective regulatory authorities, depositories and/or markets regulating the trading in financial instruments, as well as all other applicable laws and regulations acts to them.

**§ 2.** These General Terms and Conditions completely repeal the previous General Terms and Conditions of the investment intermediary, adopted at a meeting of the Board of Directors of BenchMark Finance AD, held on 26.01.2009. and supplemented in implementation of recommendations given by the FSC with a decision of the Board of Directors at a meeting held on 20.01.2011, supplemented by a decision of the Board of Directors at a meeting held on 08.02.2012, amended and supplemented by a decision of the Board of the directors from a meeting held on 02.12.2013, amended by a decision of the Board of Directors from a meeting held on 08.01.2014. and 26.02.2014, amended by a decision of the Board of Directors at a meeting held on 14.04.2016. and from 30.05.2016, amended by a decision of the Board of Directors from a meeting held on 12.10.2016. in force from 20.12.2016.

**§ 3.** The General Terms and Conditions were adopted at a meeting of the Board of Directors of BenchMark Finance AD, held on 10.05.2021. and shall enter into force as of 14.06.2021., amended and supplemented by a decision of the Board of Directors of BenchMark Finance AD dated 22.11.2023 and shall enter into force as of 01.01.2024., amended by a decision of the Board of Directors of BenchMark Finance AD dated 11.12.2025 and enter into force as of 01.01.2026.

## **CATEGORIZATION RULES OF BENCHMARK FINANCE CLIENTS**

1. (Supplemented by a decision of the Board of Directors dated 19.10.2021) This document defines the rules, criteria and procedures of BenchMark Finance, on the basis of which the investment intermediary categorizes its clients as non-professional, professional or acceptable counterparty. The rules have been prepared in accordance with the Markets in Financial Instruments Act (MFIA), which introduces into Bulgarian legislation the requirements of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and of Directive 2011/61/EU (MIFID II) and in accordance with the measures provided for in Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to the organizational requirements and conditions for carrying out activities by investment firms and for giving definitions for the purposes of that Directive (Delegated Regulation 2017/565).
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;
- • (Amended by resolution of the Board of Directors dated 11.12.2025) local companies;
- other institutional investors.

7.2. • • (Amended by resolution of the Board of Directors dated 11.12.2025) Large companies that meet at least two of the following conditions:

- balance sheet figure - at least 20,000,000 euros;
- net turnover - at least 40,000,000 euros;
- own funds - at least 2,000,000 euros.

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. (Amended by resolution of the Board of Directors dated 11.12.2025) 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:

- (Amended by a decision of the Board of Directors of 14.09.2021) during the previous 4 quarters the person has concluded an average of 10 transactions per quarter with a significant volume on the relevant market. The investment intermediary determines the significant volume of the transaction on the respective market at least once a year on the basis of a report prepared by the head of the Risk Management Department according to the "Procedure for determining a significant volume of the transaction of BenchMark Finance";
- the size of the client's financial instrument portfolio, defined as including cash deposits AND financial instruments, is more than 500,000 euros;
- 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. (Amended by a decision of the Board of Directors of 19.10.2021, supplemented by resolution of the Board of Directors dated 11.12.2025) When an eligible counterparty requests treatment as a client against whom the requirements of Art. 70, para. 2 and 3, Articles 71, para. 1-9, art. 72, 73, 74, 77, 78, 79, 82, 84, 85, 86, 87 and 88 of the Markets in Financial Instruments Act (transposing into Bulgarian law the provisions of Articles 24, 25, 27 and 28 of Directive 2014/65/EU), the request shall be made in writing and shall indicate whether the treatment as a retail client or a professional client relates only to specific orders, one or more transactions, or investment products, or relevant ancillary services directly related to those orders, transactions or products.

18. (Amended by a decision of the Board of Directors of 19.10.2021, supplemented by resolution of the Board of Directors dated 11.12.2025) When an eligible counterparty makes a request to be treated as a client against whom the requirements of Art. 70, para. 2 and 3, Articles 71, para. 1-9, art. 72, 73, 74, 77, 78, 79, 82, 84, 85, 86, 87 and 88 of the Markets in Financial Instruments Act under the previous point, but did not request explicit treatment as a retail client, BenchMark Finance treats the eligible counterparty as a professional client.

19. (Amended by a decision of the Board of Directors of 19.10.2021) When an eligible counterparty explicitly requests treatment as a non-professional client, the investment intermediary may treat an eligible counterparty as a non-professional client, only if it explicitly agrees to provide the higher degree of protection for non-professional clients of the eligible counterparty.

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. (Amended by a decision of the Board of Directors of 14.09.2021) 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. 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. (Supplemented by a decision of the Board of Directors dated 19.10.2021) BenchMark Finance notifies new clients and existing clients, whom the investment intermediary has re-categorized in accordance with the requirements of the Markets in Financial Instruments Act for their categorization as a non-professional client, professional client or acceptable counterparty.

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. (Supplemented by a decision of the Board of Directors of 19.10.2021) These Rules have been adopted on the basis of the Markets in Financial Instruments Act (MFIA), transposing into Bulgarian

law the requirements of Directive 2014/65/EU of the European Parliament and of the Council on markets of financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MIFID II) and in accordance with the measures related to the categorization of clients provided for in Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 amending Directive 2014/65/EU of the European Parliament and of the Council as regards the organizational requirements and conditions for the conduct of business by investment firms and the definition of those Directives for the purposes of that Directive.

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.

35. These Rules were amended by the Board of Directors of BenchMark Finance on 14.09.2021, and the amendments came into force on the date of adoption. Amended and supplemented in accordance with instructions given by the Financial Supervision Commission by a decision of the Board of Directors dated 19.10.2021, the amendments coming into force on the date of adoption, amended by a decision of the Board of Directors of BenchMark Finance on 11.12.2025, with the amendments entering into force on 01.01.2026.

**POLICY FOR EXECUTION OF CLIENT ORDERS FOR TRANSACTIONS  
WITH FINANCIAL INSTRUMENTS**

## **I. GENERAL PROVISIONS. APPLICABLE FIELD**

### **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. 84 and Art. 86 of the Financial Instruments Markets Act and Chapter III, Sections 5 and 6 of 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 guarantees 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 With this document BenchMark Finance provides its clients with the relevant statutory mandatory information under Financial Instruments Markets Act and Delegated Regulation (EU) 2017/565 on its policy for execution of client orders. BenchMark Finance may not execute orders at the expense of a client and provide services to him if the client has not read this Policy in advance and has not given his prior consent to it.

1.5 BenchMark Finance provides the client with the Policy, together with the other documents, which he must read before signing a contract. By signing a contract, the client declares that he has read and accepts the application of this Policy. The Policy itself is provided and is constantly available to all clients and potential clients on the website of the investment broker [www.benchmark.bg](http://www.benchmark.bg).

1.6 BenchMark Finance notifies its clients of any change in this Policy through a notice published on its website. It is considered that the clients have given their prior consent to the current policy, as well as subsequent changes and additions to it, if they do not express to BenchMark Finance their explicit disagreement with the policy, respectively with the changes made within it, within 3 days from its publication, respectively from the publication of the changes in it, on the website of the investment intermediary [www.benchmark.bg](http://www.benchmark.bg).

1.7 For the purposes of this Policy, "**venue**" means a regulated market, a Multilateral trading facility, an Organized trading facility, 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.

1.8 By accepting this policy, the client expressly agrees to BenchMark Finance to execute orders submitted by him outside of trading venues. When executed outside a trading venue the investment firm informs the client that the counterparty's risk may be increased, as well as the reduced probability of execution, speed, settlement, which may generally increase the overall risk of the transaction.

1.9 With this policy, BenchMark Finance notifies its clients in advance that their orders regarding contracts for differences (CFDs) and over-the-counter derivatives through the MetaTrader 4/5 electronic platforms will be executed off-site (off-market, multilateral trading

facility, or an Organized trading facility). By signing a contract, the client declares that he gives his explicit consent for his CFD trading orders to be executed outside the trading venue.

1.10 BenchMark Finance does not provide algorithmic trading systems to its clients. BenchMark Finance provides its clients with direct electronic access (DEA) to a trading venue on the Bulgarian Stock Exchange and the regulated market and MTF organized by it.

1.11 A client may make reasonable and proportionate requests to the investment firm for information about its policies and rules, as well as the procedure for their revision, BenchMark Finance shall respond clearly and within a reasonable time to the requests made.

## 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.

2.3 This Policy applies to the orders of all clients of BenchMark Finance - non-professional clients, professional clients and eligible counterparties.

## 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.

3.3 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.

3.4 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.

**3.5 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.**

## 4. Financial instruments

4.1 (Amended by a decision of the Board of Directors dated 29.11.2021) BenchMark Finance

adopts and executes orders for the following financial instruments to which this implementing policy applies: shares, units of collective investment undertakings, exchange traded funds and exchange traded bonds (ETFs, ETNs), indices, debt securities (bonds and money market instruments), depositary receipts, rights, warrants, compensatory notes and vouchers and other instruments admitted to a trading venue (regulated market, Multilateral trading facility MTF and Organized trading facility OTF), contracts for differences (CFDs) - CFDs on stocks, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other OTC derivative instruments. A description of the products offered by BenchMark Finance and the risks associated with them can be found on the broker website [www.benchmark.bg](http://www.benchmark.bg).

## II. EXECUTION FACTORS. PRINCIPLES FOR DETERMINING PLACES FOR EXECUTION

### 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 of the financial instrument
- Costs related to the execution of the order
- Order size
- Speed of execution
- Probability of execution and settlement
- Type and nature of the order
- Other factors related to the execution of the order

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 that are directly related to the execution of the order, incl. place of execution fees, clearing and settlement fees, as well as other fees and charges payable to third parties linked to the execution of the order. Usually the costs are decisive for the choice of location for the execution of customer orders. BenchMark Finance does not have the right to determine and collect commissions in a way that unfairly differentiates the places of execution.

5.4 **Size:** The size of a client order is usually directly related to the price of the financial instruments and the transaction costs (for example, an order that is for a volume that is larger than the normal market size). Apart from the price, the size of the client's order is of special importance for the speed and probability of execution.

5.5 **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 as early 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.

**5.6 Probability of execution and settlement:** This refers to the probability that an order submitted by the client will be fully executed at a given place of execution. In illiquid financial instruments or illiquid markets, the probability of execution is a significant factor. **The Secured settlement** concerns the timeliness of the transaction, without delay, can be an important factor, especially in the case of large-volume orders, as well as in the case of orders submitted by a professional client. Depending on this, and to the extent that BenchMark Finance is aware of the further intentions and goals of the specific client, this factor may gain significant weight in meeting the criteria to ensure the best execution of client orders and to obtain the best possible result for the client.

**5.7 Nature of the order:** The characteristics of the client's order can have a significant impact on the choice of place of execution, in order to achieve optimal price and speed. For example, an order that has unusual characteristics such as an extended or shortened settlement period, its execution may differ from the way a standard order is executed. In this regard, the characteristics of the client's order can have a significant impact on the choice of place of execution, in order to achieve optimal price and speed.

**5.8 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 (in cases when BenchMark Finance does not act as the sole execution venue and counterparty to the transactions). The characteristics of the place of execution may, for example, be related to the characteristics of the sources of liquidity that are available to BenchMark Finance at a given place of performance.

6.2 When 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 related to execution.

6.3 Execution costs include all costs that are directly related to the execution of the order, including fees at the place of execution of orders, clearing and settlement fees, as well as other fees paid to third parties involved in the execution of the order.

6.4 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.

6.5 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.

6.6 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.

6.7 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. Principles for determining the places for execution of client orders**

7.1 Client orders are executed mainly on a trading venue - regulated market, Multilateral trading facility (MTF) or Organized trading facility OTF, or off-site (OTC market).

7.2 Based on an assessment of the performance factors and performance criteria, BenchMark Finance may select one or more performance locations. Client orders can be executed outside the trading venue, including the cases where BenchMark Finance trades for its own account by buying and selling financial instruments at prices determined by it.

The used places may include:

- Regulated market
- Multilateral trading facility (MTF)
- Organized trading facility (OTF)
- 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 accrue its commissions in a manner that unfairly discriminates against order execution venues. BenchMark Finance shall take all measures not to discriminate against the execution venues, except on the basis of the execution factors relevant to the order in question.

7.4 BenchMark Finance is not entitled to receive remuneration, discount or non-monetary benefit for submitting an order to a specific trading venue or for executing an order, if in this way it violates the requirements for managing conflicts of interest, disclosing information to the client, rules for providing independent investment advice, restrictions on the receipt of commissions and benefits, the assessment of appropriate service, the terms of the contract, the rules for the creation and offering of financial instruments. (Art. 84, para. 1 - 3, Art. 65, para. 1, item 7, Art. 70 - 74, Art. 76 - 82 and Art. 99 of FIMA - 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 BenchMark Finance warns that any specific instructions from the client may prevent the investment firm from taking the measures provided for and applied in this Policy to achieve the best possible results in the execution of these orders in relation to the elements covered by these instructions.**

7.7 Financial instruments for which execution is possible only in one execution venue is considered that by executing in this place, BenchMark Finance has achieved the best result for the client.

7.8 BenchMark Finance may transfer a client order for execution to its counterparties, which directly or through a broker are members of a respective trading venue or execution venue to which BenchMark Finance does not have direct access, acting in accordance with the best interests of its customers and this Policy.

7.9 BenchMark Finance also complies with the requirements of this Policy when providing a portfolio management service and executing orders, on behalf and for the account of the client whose portfolio it manages, including when transmitting them to its counterparties.

7.10 BenchMark Finance may execute client orders on a non-regulated (OTC) market directly with another investment broker, with a BenchMark Finance client or directly with BenchMark Finance acting on its own account. In accordance with the regulatory requirements, BenchMark Finance informs its clients about this possibility and is obliged to obtain the prior consent of its clients before proceeding with the execution of their orders outside the trading venue. This consent may be given in the form of principle consent, as well as in the form of consent in respect of individual transactions. For the cases of execution of orders of clients outside the trading place, which are described in this Policy, it is considered that BenchMark Finance has received the prior consent of its clients to be executed outside the trading place.

7.11 BenchMark Finance notifies the client in advance of all significant parameters of the transaction, which may be concluded outside the trading venue in execution of the client's order. When the client submits an order for concluding a transaction with a contract for differences or with foreign currency on a margin basis, or with another financial instrument, which is not allowed to trade on a regulated market, through an electronic trading system, the client is considered to be notified of all essential parameters of the transaction.

7.12 When executing client orders, BenchMark Finance uses such execution venues for each of the classes of financial instruments offered by the broker, which allow it to permanently achieve the best execution of orders and to obtain the best possible result for the client.

### **III. PLACES FOR EXECUTION OF CLIENT ORDERS**

We provide information on the execution venues that the investment firm relies on for each class of financial instruments offered by BenchMark Finance to execute orders from retail, professional clients and eligible counterparties, including the relative importance of execution factors depending on the nature of the various financial instruments presented by classes according to the classification in Annex I of Commission Delegated Regulation (EU) 2017/576.

## **8. Execution of client orders regarding financial instruments admitted to a trading venue - regulated market, MTF or OTF**

8.1 (Amended by a decision of the Board of Directors dated 29.11.2021) BenchMark Finance provides execution of client orders regarding financial instruments admitted to trading on a regulated market, MTF or OTF, as follows: equity instruments - shares and depository receipts; debt instruments - bonds and money market instruments; government securities; exchange traded products - exchange traded funds, exchange traded bonds and exchange traded goods (ETF, ETN, ETC); other instruments traded on the trading venue - rights, warrants, compensatory notes and vouchers, indices and others admitted to trading on a regulated market, MTF or OTF.

With regard to these instruments, BenchMark Finance provides its clients, categorized as non-professional, professional or eligible counterparty, with the opportunity to perform in the following places:

- (Amended by a decision of the Board of Directors of 29.11.2021) Regulated market and Multilateral trading facility - SME Beam Growth Market, organized by the Bulgarian Stock Exchange AD (BSE). Instruments admitted to a regulated market on the BSE cannot be traded on the MTF - SME Beam Growth Market, and vice versa. BenchMark Finance executes the orders directly in compliance with the relevant Trading Rules of the Bulgarian Stock Exchange, applicable to a regulated market or to MTF SME Growth Market Beam. With regard to most instruments admitted to trading on the regulated market and MTFs organized by the BSE, these trading venues are the only place of execution. The advantage of the markets organized by BSE as a place of execution is related to their physical location on the territory of the Republic of Bulgaria, trade on both markets organized by BSE is carried out through the trading platform of Deutsche Börse - T7® and there is no difference in the rules. of trading, financial instruments are traded continuously on the same schedule of trading sessions in both markets, which greatly facilitates consumers. Another very important advantage is the introduced favorable tax regime and tax reliefs in terms of personal income and capital gains of legal entities, realized by disposing of financial instruments in these markets, which are not subject to taxation. With regard to trade in the SME Beam Growth Market, it should be clarified that the tax relief applies for the period from 01.01.2021 to 31.12.2025.

The better commission policy of these performance sites compared to foreign ones should also be taken into account. Given the fact that the BSE trades financial instruments issued mainly by Bulgarian companies, this allows for the execution of client orders in the amount specified by the client, and the price of these instruments is formed on the same market where they will be bought or sold. There are also instruments that are traded only on the BSE, such as compensatory instruments, and this is the only place to execute orders with them. BenchMark Finance offers its clients an electronic trading platform, providing direct electronic access (DER) for the execution of their orders on the BSE. Thus, the implementation of the BSE is with significant speed, high probability of implementation, easy access at any time during working hours on the regulated market and MTFs organized by the BSE.

- (New with a decision of the Board of Directors dated 29.11.2021) Multilateral trading facility - MTF BSE International, organized by the Bulgarian Stock Exchange AD (BSE). BenchMark Finance executes the orders directly in accordance with the Trading Rules of the Bulgarian Stock Exchange. The instruments admitted to MTF BSE

International are traded through the T7® trading platform of the German market operator Deutsche Borse and follow the same trading rules as those on the BSE Main Market. The instruments are admitted ex officio by the BSE on the basis of expected interest from investors. All instruments on the MTF BSE International market have a registered market maker - Tradegate AG, which makes their liquidity extremely high. The transactions are carried out on the basis of the purchase and sale orders entered by the exchange members and the quotations of the market makers. The main advantage of MTF BSE International as a place of performance is that it provides an opportunity for local investors to diversify their portfolios with financial instruments issued by some of the most famous and liquid companies in the world. Customers can take advantage of real-time quotes for all instruments admitted to the market, which are practically identical in price to those listed on major European stock exchanges. Clients who have invested in financial instruments purchased on the MTF BSE International market can exercise all their rights under the instrument by receiving guaranteed rights upon merger, acquisition or division of the issuer, as well as cash or dividends in shares. Dividends are received directly on the client's account with the investment intermediary. BenchMark Finance's e-trading platform, providing direct electronic access (DER) for the execution of BSE orders, offers customers direct uninterrupted access to the MTF BSE International market at any time according to the schedule of the trading session in this market.

- Off-site trading (OTC) market - directly as a counterparty is another investment intermediary, or a client of BenchMark Finance, or directly with BenchMark Finance, acting at its own expense, at its discretion and provided that the client is notified in advance and explicitly consent to this, and the best performance will be achieved for the customer.
- (Amended by a decision of the Board of Directors dated 29.11.2021) Multilateral trading facility (MTF) - not directly, as BenchMark Finance transmits the execution order from its counterparties, which are members of such a system directly or through a broker. When the financial instrument to which the specific client order relates is traded on both a regulated market and a multilateral trading facility, and in the absence of explicit instructions from the client on the place of execution, BenchMark Finance will determine it in accordance with this Policy.
- With regard to orders for Bulgarian government securities issued by the Ministry of Finance, BenchMark Finance executes orders on the BSE and on the Multilateral trading facility, as well as on the interbank market. BenchMark Finance executes orders for transactions in government securities issued by other countries on a multilateral trading facility.

8.2 (Amended by a decision of the Board of Directors of 29.11.2021) The relative importance of the factors according to the classification of financial instruments in Annex I of Commission Delegated Regulation (EU) 2017/576 for execution in equity trading of shares and depositary receipts admitted to trading on a regulated market or MTF on the BSE is determined according to the liquidity / coverage quotation step as follows:

- At a liquidity quote step / ranges 5 and 6 (at least 2,000 trades per day) from the most significant to the least significant factor, as follows: 1. Price; 2. Speed / speed of execution; 3. Costs; 4. Size; 5. Settlement / probability of execution; 6. Any other individual characteristics and considerations related to the execution of the order.

- At liquidity quote step / ranges 3 and 4 (from 80 to 1,999 trades per day) from the most significant to the least significant factor, as follows: 1. Price; 2. Size; 3. Speed / speed of execution; 4. Costs; 5. Settlement / probability of execution; 6. Any other individual characteristics and considerations related to the execution of the order.
- At a quotation step for liquidity / ranges 1 and 2 (from 0 to 79 trades per day) from the most significant to the least significant factor, as follows: 1. Size; 2. Price; 3. Settlement / probability of execution; 4. Speed / speed of execution; 5. Costs; 6. Any other individual characteristics and considerations related to the execution of the order.

8.3 The relative importance of performance factors in trading in debt instruments - bonds and money market instruments, from the most significant to the least significant factor, as follows: 1. Price; 2. Size; 3. Speed / speed of execution; 4. Settlement / probability of execution; 5. Costs; 6. Individual characteristics and considerations related to the execution of the order.

8.4 The relative importance of performance factors in trading in exchange-traded products - exchange-traded funds, exchange-traded bonds and exchange-traded commodities (ETF, ETN, ETC), indices admitted to trading on the BSE, from the most significant to the least significant factor as follows: 1. Price; 2. Size; 3. Speed / speed of execution; 4. Settlement / probability of execution; 5. Costs; 6. Individual characteristics and considerations related to the execution of the order.

8.5 (Amended by a decision of the Board of Directors of 29.11.2021) The relative importance of the factors for execution in trading with other instruments traded on the trading venue - rights, warrants, compensatory notes and vouchers and others admitted to trading on a regulated market or MTF , from the most significant to the least significant factor, as follows: 1. Price; 2. Size; 3. Speed / speed of execution; 4. Settlement / probability of execution; 5. Costs; 6. Individual characteristics and considerations related to the execution of the order.

8.6 The relative importance of the factors for performance in trading in government securities from the most significant to the least significant factor, as follows: 1. Price; 2. Size; 3. Speed / speed of execution; 4. Settlement / probability of execution; 5. Costs; 6. Individual characteristics and considerations related to the execution of the order.

8.7 When executing orders of a non-professional client or a professional client, in principle the best execution is determined by the price and the costs of 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 the execution of the client's order, incl. fees for the place of execution, fees for clearing and settlement, as well as other fees and fees payable to third parties related to the execution of the order. The costs for implementation on the BSE are specified in the BenchMark Finance Tariff.

8.8 The probability of execution is assessed taking into account the nature of the order - size, validity, price and the availability of sufficient liquidity. "Sufficient liquidity" means the existence of such demand or supply (depending on the type of order) of the specific financial instrument to which the client order relates, where the relevant order can be executed immediately, and in BenchMark Finance's discretion would lead to a distortion of demand and supply, respectively.8.9 When assessing the place of execution, the speed of execution, the probability of settlement and other aspects of the transaction, such as the supervision of the trade, insofar as they are important for achieving the best possible result for the client.

8.10 (Amended by a decision of the Board of Directors dated 29.11.2021) The financial instruments admitted to trading on the BSE - regulated market and the multilateral trading facilities - Growth Market of MTF Beam and MTF BSE International are traded at their real value. The parties to the transaction acquire all rights and obligations under the financial instruments (property and non-property). The acquirer of the financial instruments is obliged to pay the full value of the financial instruments together with the fees and commissions for BSE and BenchMark Finance included in the value of the transaction, according to the BenchMark Finance Tariff. The transferor of the financial instruments is entitled to receive the full value of the financial instruments, subject of the transaction, reduced by the due fees and commissions of BSE and BenchMark Finance, according to the Tariff of BenchMark Finance. The transfer of financial instruments is performed by a depository institution, which may be Central Depository AD or another depository institution in which the instruments are registered, with settlement, which is two days after the date of concluding the transaction on the BSE. If the transaction is exceptionally concluded outside the trading venue, on the OTC market - directly between the parties, the transfer of financial instruments is made in the depository institution with a settlement of one day.

8.11 BenchMark Finance provides an opportunity for direct electronic access (DEA) to a trading venue on the BSE through the electronic trading system BG Trader. When providing DEA, BenchMark Finance has effective control systems and mechanisms that ensure compliance with the following requirements:

8.11.1. performs assessment, as well as regular review of the assessment of customers whether the service is appropriate and appropriate for them;

8.11.2. customers using the service may not exceed the relevant pre-set trading thresholds and credit limits;

8.11.3. the investment intermediary duly monitors the trading performed by the clients using the service by automatically blocking, revoking client orders, stopping flows of client orders, temporarily terminating or denying services to a client of DEA in the cases provided by the regulations and rules of the trading venue;

8.11.4. Risk control mechanisms shall not allow transactions that may create risks for the investment firm, lead to market disruptions, or transactions that are contrary to Regulation (EU) N° 596/2014 or the rules of place of trade.

8.11.5. Monitors the concluded transactions in order to establish violations of the requirements, illegal trade or behavior that may be related to market abuse and for which it notifies the FSC.

8.12 Due to the specifics of the electronic trading platforms (such as the electronic trading system BG Trader), which are accessed via the Internet, it is possible that technical malfunctions may occur both in the hardware and software used by BenchMark Finance and in the hardware used by the client. products and systems or access devices. It is also possible for communication failures to occur, leading to delays or non-arrival of orders, or to execution, respectively non-execution of already submitted orders, as well as to inability to access trading platforms and others.

## **9. Execution of client orders on OTC derivative contracts - CFDs - CFDs on stocks, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other derivatives**

9.1 BenchMark Finance provides execution of client orders on OTC derivative contracts - difference contracts (CFDs) - CFDs on shares, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other OTC derivatives. With respect to these instruments, BenchMark Finance is a counterparty and the only place to execute the orders of its clients, categorized as non-professional, professional or acceptable counterparty, as all orders are executed outside the trading venue, only on the OTC market.

9.2 With regard to trading in these financial instruments traded on the OTC market, BenchMark Finance executes the orders by being a counterparty to each transaction. The transaction is concluded directly between the client and BenchMark Finance on an individual basis under pre-agreed terms. The financial instruments purchased by the client through the MetaTrader 4 and 5 platforms are issued by BenchMark Finance.

9.3 The relative importance of performance factors in OTC derivative trading - CFDs for all types of CFDs offered by BenchMark Finance regardless of the type of CFD, from the most significant to the least significant factor, as follows: 1. Price; 2. Size; 3. Speed / speed of execution; 4. Probability of performance; 5. Costs; 6. Individual characteristics and considerations related to the execution of the order.

It is important to note that in certain circumstances, BenchMark Finance may prioritize the best execution of high volume orders at a time of high volatility and / or low liquidity, the speed and / or probability of execution that may take precedence over cost and performance costs factors.

9.4 In connection with the execution of clients' orders for trading in over-the-counter CFD derivatives, there is no alternative place for execution, therefore the due fees and commissions may not vary depending on the client or the place of execution, BenchMark Finance does not receive from third parties ( which are in themselves places of execution) payments and incentives, and does not receive remuneration, discount or non-monetary benefit for the transfer of a client order to a specific place of trade or place of execution of orders. BenchMark Finance charges its clients only the fees specified in the Tariff of BenchMark Finance, which states the value of all benefits received by the intermediary.

9.5 Consequences and risks for the clients from the fact that BenchMark Finance executes orders for trading with contracts for differences (CFD) outside the trading place:

BenchMark Finance is the place of execution and counterparty to each transaction and therefore the client's trading opportunities are limited to the availability of BenchMark Finance's own liquidity;

the prices at which it is traded are determined (quoted) by BenchMark Finance and not by a counter-interest of another client;

the execution time of the client's orders may vary, there is no specific or fixed time in which BenchMark Finance commits or should execute orders received from clients;

the prices (quotations) offered by BenchMark Finance may differ from the prices (quotations) elsewhere for the performance of the respective contracts for differences (CFD);

there is a potential conflict of interest, BenchMark Finance gains from the trading volumes that the client has realized, as the investment intermediary realizes a profit in situations where the client loses funds;

the instruments offered for trading are not transferable and the client cannot move them to another investment intermediary or to another place for trading;

the trading rules that apply to the OTC market are different from the trading rules that apply to the trading venue.

9.6 As the only place to execute the orders of its clients, BenchMark Finance generates independently and provides the prices (quotations) at which the difference contracts (CFDs) are traded on the OTC market. The prices (quotations) offered by BenchMark Finance are not linked to and may differ from, the prices (quotations) elsewhere for the performance of similar or similar contracts for differences (CFDs). BenchMark Finance fulfills the conditions for fair pricing of its products in accordance with regulatory requirements and good practices.

9.7 Depending on the strategy and policy of BenchMark Finance, in cases of regulatory restrictions or those imposed by supervisory authorities, not all products may be available to non-professional customers.

9.8 For each individual transaction, the client receives a quote from BenchMark Finance via the electronic trading platform or by telephone, in compliance with the general requirements for communication between BenchMark Finance and the client. When the client requests a price, BenchMark Finance always quotes bilaterally - price "buy" and price "sell". When the client intends to buy a financial instrument, he confirms the "sell" price and vice versa, if he wants to sell an asset, he confirms the "buy" price provided to him by BenchMark Finance.

9.9 BenchMark Finance forms its prices (quotations) independently by combining and / or comparing the quotations published by one or several independent information sources. For this purpose, BenchMark Finance has access to the published data on the prices (quotations) of at least one information source: liquidity provider and / or quotation provider, investment intermediary, stock exchange, market maker or other specific place where the underlying asset is traded. or a derivative of the relevant financial instruments.

9.10 Depending on factors such as unusual market conditions, the size of the order or the type of order, the relevant financial instrument may receive a price in part or in full and / or the execution of the order may be delayed in processing, which may affect the price at which the order is executed, and this can be both for the benefit and to the detriment of the client. BenchMark Finance strives to use procedures that minimize the risk of delays, however, in case of force majeure, during important news and other events and factors that may have or affect the relevant market, BenchMark Finance would not maintain normal liquidity in the same volumes. The possible effects of the influence of these factors are unpredictable and therefore cannot be specified in the current policy. In such situations, it is possible to significantly expand the spreads compared to the usual and when submitting market, limited, stop or other types of orders to conclude deals at prices significantly different from those that would be concluded under normal market conditions, as and at prices different from the one last seen by the client for the financial instrument in the platform or at a price different from the one visible to the client at the time of submitting the order.

9.11 BenchMark Finance may not provide quotations if there are circumstances in which transactions cannot be made on the respective markets. Providing CFDs with underlying assets, stocks, indices, futures, exchange traded funds, futures on energy commodities (oil, natural gas) and other exchange traded assets may sometimes not be possible within the first 15 (fifteen) minutes of opening or before the closing of the stock exchange session or in case of sharp fluctuations and lack of sufficient liquidity, the spread between the "buy" and "sell" prices may be relatively wider than the usual quotation.

9.12 When executing an order submitted by the client, when there are sharp fluctuations in market quotations, as well as when opening or closing the relevant markets for the underlying instruments (including the so-called "gap"), BenchMark Finance can execute the client's order, including limited orders, OCO, conditional, limited or stop orders at a price significantly different from the one indicated in the order, respectively from the one visible to the client at the moment of submitting the order (including the so-called "slippage") or an order, OCO, condition, limit or stop price can not be met.

9.13 In real-time trading, it is possible, in view of the technological time for transmission of the order, the quotations of certain financial instruments to change in the period between the submission of the order by the client and the receipt of the order by BenchMark Finance. In this case, BenchMark Finance can execute the order on the quotation available at the time of its execution.

9.14 Clients need to be aware that as a issuer of contracts for differences (CFDs) and other derivative financial instruments, the only place to execute client orders and a counterparty in terms of trading with them, BenchMark Finance is not bound by a specific or fixed time for execution of client orders.

9.15 BenchMark Finance does not have information about the exact moment when the customer has submitted his order through the MetaTrader 4/5 customer terminal of the electronic device used by the customer (computer, tablet, mobile smartphone, etc.), as such information does not enter the servers of the MetaTrader 4/5 platform. BenchMark Finance has information about the client's order from the moment the order is received in the system of BenchMark Finance / the servers of the MetaTrader 4/5 platform.

In this regard, customers should keep in mind that the main reason for delaying the receipt of customer orders is the quality of the customer's Internet connection and / or the technical characteristics of the communication devices used by the customer. The time may vary depending on the speed of the internet connection, the internet provider, the technical characteristics, incl. hardware and software, determining the power, stability and reliability of the communication devices used by the customer, through which he has access to the Internet and to trading platforms (computer, mobile smartphone, tablet, etc.), the Internet route through which his connection passes, the physical location of the client and other technical reasons independent of BenchMark Finance.

9.16 In the servers of MetaTrader 4/5, respectively in the offered trading platforms MetaTrader 4/5, with which BenchMark Finance operates, the deviation function is not used in case of discrepancy between the buy or sell price of the financial instrument at the moment of receiving the order and the respective price. the financial instrument at the time of execution of the order.

9.17 BenchMark Finance strives to execute customer orders as quickly as possible after their entry into the servers of the MetaTrader 4/5 platform, but nevertheless during low liquidity Client execution policy for financial instrument transactions 14 and / or high volatility and / or depending on the type of financial instrument and / or the current server load and the flow of orders arriving at the same time, the execution time of client orders in the servers may vary and the investment intermediary may not be able to maintain the same speed and / or liquidity / probability of execution as usual. Such market conditions cannot be foreseen and can occur at any time of the day, which will lead to an extension of the execution time of orders for an indefinite period of time. It should be borne in mind that delays in the

execution of customer orders may have a negative effect on the balance of customer trading accounts, which may lead to a shortage of funds and the closure of positions.

9.18 Clients should be aware that when they submit orders and / or their orders enter the BenchMark Finance system / the servers of the MetaTrader 4/5 platform and / or their orders are executed in the last minutes of the business hours of the Friday trading session or before a holiday day off, in the first minutes after the market opens on Monday or after national holidays, in the minutes around midnight when a swap is charged on the positions, these periods are characterized by low liquidity and slowly renewing quotes, therefore the execution time increases compared to the time for which customer orders are usually executed during the rest of the time (several hours earlier, for example).

9.19 In case BenchMark Finance starts offering to its clients and quoting prices for certain financial instruments during extended working hours, outside the working hours of the respective trading session where the underlying asset is traded, BenchMark Finance will inform its clients in advance about the conditions under which it provides extended working hours trading, the risks associated with this and will draw up a list on its website of those instruments for which it offers trading on the relevant extended working hours.

9.20 Due to the specifics of the electronic trading platforms accessed via the Internet, technical malfunctions may occur both in the hardware and software products and systems used by BenchMark Finance and in the hardware and software products used by the customer. Communication failures may also occur, leading to delays or non-arrival of orders, or to execution, respectively non-execution of already submitted orders, as well as to inability to access the trading platforms and others.

9.21 BenchMark Finance seeks to quote the spread levels indicated on the intermediary's website, however, during low liquidity and / or high volatility, the investment firm may not be able to maintain the same spread levels that it normally quotes. Such market conditions cannot be foreseen and can occur at any time of the day, which will lead to widening spreads over a period of time. It should be borne in mind that wider spreads may have a negative effect on the balance of clients' trading accounts, which may lead to a shortage of funds and the closure of positions.

9.22 BenchMark Finance has the right, in its sole discretion, to suspend trading or add new financial instruments to trading platforms by notifying customers in advance. In the event of suspension of trading of a financial instrument, BenchMark Finance has the right to close all existing customer positions at prices at the time of closing. Notifications for suspension of trading in certain instruments or the addition of new trading instruments may be made by means of a message on the trading platform, an email, a telephone call to the email address and / or telephone number provided by the client, or via news uploaded on the BenchMark Finance website.

9.23 The client's position in contracts for differences (CFDs) - CFDs on stocks, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other OTC derivative instruments may be officially closed:

9.23.1 When trading in a underlying CFD asset is discontinued at at least one place of performance where it is traded;

9.23.2 When the relevant execution venue prohibits the underlying asset for trading, and in connection with this prohibition an additional requirement arises to close all positions on that

asset, BenchMark Finance has the right to close the client's positions in CFD on this asset, with all current gains and losses being credited to the customer's account.

9.23.3 For positions in CFDs on shares, in cases of emergencies concerning and in relation to the company on whose shares the CFD instrument is based, such as:

- a) The company falls into insolvency or is declared bankrupt.
- b) Offers for acquisition, merger or amalgamation have been made with regard to the company or during the duration of the client's position in the CFD a transaction has been made for acquisition, merger or amalgamation of the company-issuer of the shares on which the CFD is based.
- c) The company issuing the shares has publicly announced information about a split of the shares or consolidation of the par value of the shares (reverse split).
- d) The company has announced a decision or intention to freely transfer or distribute an additional number of shares in the name of current shareholders in the form of a bonus due to an increase in capital with realized profit or the issuance of a new issue, which is distributed only among shareholders.
- e) The Company has announced a decision to transfer or issue in the name of the existing shareholders of securities entitling to receive a guaranteed dividend or liquidation quota, additional or new rights, warrants or entitlement to transfer, purchase, subscribe or receive shares at a price lower than the market.
- f) Any event similar to the above, leading to a change in the number of shares, issuance of new shares or special rights, split / division of shares in the capital, change in free float of shares or an event with a concentrating effect on the market capitalization of securities of the company whose capital is the underlying asset of the CFD.

When the underlying assets of an issue become subject to any of the events mentioned above and in case the client has open positions in CFDs based on them, BenchMark Finance reflects this change in accordance with the market rules of the respective market and the tax legislation of the country where the underlying assets are traded. This change will be considered effective on the date set by BenchMark Finance. However, in each of the above situations, BenchMark Finance has the right to close the CFD positions issued on the client's account, based on shares of the issuing company, by setting a closing date and price at its discretion.

9.23.4 In case of CFD positions on maturing futures contracts, in case the client does not close its positions before the maturity of the futures, BenchMark Finance officially closes the client's positions at the prices available at the time of closing and cancels all submitted orders related to trading with this CFD with underlying asset maturing futures.

9.23.5 In case of introduction of restrictions on the positions of clients (limits), when at the discretion of BenchMark Finance limits of the positions of the client/s are set in order to limit the risk for the clients or for BenchMark Finance or to limit the amount of the margin (guarantee amount), BenchMark Finance may require clients to limit the number of open positions in certain instruments and in case the client does not comply with this requirement, BenchMark Finance may at its discretion close one or more positions of the client.

9.23.6 In the event of a dispute regarding actions taken pursuant to this agreement, BenchMark Finance has the right to close part or all of the client's open positions, to reduce

the size of the client's open positions, not to execute an order already placed, and not to accept an order opening new positions until the dispute is resolved.

9.23.7 In case of shortage of free funds securing the client's positions in the cases under item 9.29 of this policy. In case the available funds on the client's account are insufficient to secure the margin (guarantee amount) determined by BenchMark Finance on its website for the client's open positions, BenchMark Finance may, at its discretion, officially close one, several or all open positions of the client immediately without notice.

9.23.8 In case of non-compliance by the client with a margin call and / or if the client opens a position, as a result of which the margin (guarantee amount) on his account becomes insufficient to secure his positions, BenchMark Finance may at its discretion close one, several or all open positions of the client immediately without notice.

9.23.8 In the event of another situation, explicitly specified in the contract or the General Terms and Conditions of BenchMark Finance.

9.24 In the event that during the duration of an open position in a CFD, trading in the futures, stocks or indices on which the CFD is based is restricted or prohibited for a certain period of time or completely prohibited, the value of the client's position is estimated at the time before of this restriction or prohibition. BenchMark Finance reserves the right at any time during the period of restriction or prohibition to change the value of the CFD at its sole discretion, doing so in good faith and in accordance with prevailing market ratios. If this restriction or prohibition lasts more than 1 (one) business day, BenchMark Finance has the right to close the respective CFD by setting a price and closing date.

9.25 When trading CFDs on cryptocurrencies, customers should be aware and keep in mind that in the case of cryptocurrency, which is the underlying asset for a CFD offered by BenchMark Finance, the so-called fork may occur. A fork is a change in the cryptocurrency protocol in which the blockchain is divided into two or more parts. In this case, the clients of BenchMark Finance should be familiar with and take into account the following circumstances:

a) BenchMark Finance is not obliged to notify its customers in the event of an expected occurrence and / or incidental occurrence of a fork.

b) In the event of a cryptocurrency fork, BenchMark Finance may suspend trading in the relevant CFDs on cryptocurrencies indefinitely.

c) BenchMark Finance explicitly points out that in the case of a cryptocurrency fork, the market of the respective cryptocurrency, respectively the CFD market on this currency, can become highly volatile. Fork on a particular currency can affect and cause high volatility in the market of other cryptocurrencies.

d) In the event of a fork in which none of the branched blockchains has yet been terminated, BenchMark Finance will base the CFD on the relevant cryptocurrency on the chain with which the majority of users agree, with BenchMark Finance retaining the right to determine the chain with which the majority agrees. users and on which it will offer CFDs.

e) In the event of a fork in which the two chains continue to coexist as separate cryptocurrencies, BenchMark Finance is not obliged to offer CFDs on the new cryptocurrency, nor does it undertake in any way to debit or credit customers' accounts with CFDs on newly created ones. cryptocurrencies or with their respective cache equivalent in another currency.

9.26 Trading CFDs on stocks, CFDs on commodities, CFDs on currencies, CFDs on indices, CFDs on metals, CFDs on cryptocurrencies and other OTC derivatives is carried out against a guarantee amount or it is "margin trading". This type of trading uses the so-called "leverage", which is a "lever" mechanism and multiplies both profits and losses as relatively small market movements can have a large effect on customer positions. Trading in these financial instruments provides the opportunity and allows investment in leverage, whereby BenchMark Finance, in compliance with regulatory requirements and market practices, requires its customers to provide a guarantee for possible losses. As a result, the deposited funds representing a guarantee ("margin") on open positions may be completely exhausted. The margin / guarantee amount provided by the client, which secures his positions and is in his trading account, is measured as a percentage of the transaction value.

**Example 1:** If for a given instrument the required margin rate is 10% and the client opens a position for USD 20,000, then the blocked margin (guarantee amount) for the open position will be USD 2,000. Although the blocked margin of the client is only USD 2,000, his exposure is the same as it would be if the instrument were not traded on a margin, ie USD 20,000.

**Example 2:** If a client opens a position of 2000 CFDs on a share, with an initial margin rate of 20% and a base share price of USD 5, the amount to be blocked on the client's account will be  $USD\ 5 \times 2000 \times 20\% = USD\ 2000$ . The leverage effect, in this case 1/20% (1:5), will result in a notional contract value of  $USD\ 5 \times 2000 = USD\ 10,000$ . This means that for every cent a change in price (a change in price from USD 0.01) of the base share, the value of the CFD changes by USD 20. For example, if the client has a long position and the price of the base share increases by one cent (0.01), then he will make a profit of USD 20. However, if the price of the base share decreases by one cent (0.01), then the client will realize a loss of USD 20.

The amount of the guarantee amount / margin, expressed as a percentage, for the different types of instruments is indicated on the website of BenchMark Finance. In determining the amount of the guarantee amount both for the client and for the financial instrument, BenchMark Finance complies with the requirements set by the Financial Supervision Client execution policy for financial instrument transactions 18 Commission (FSC), the European Securities and Markets Authority (ESMA) and / or or by the supervisory authorities of other Member States of the European Union, if any.

9.27 In case of change of the regulatory requirements and / or in case of setting new requirements by FSC, ESMA and / or supervisory authorities of other Member States of the European Union, BenchMark Finance changes the amount of the minimum required guarantee amount, both for certain financial instruments and for individual customers. In this case, BenchMark Finance immediately notifies the client by sending a message to the e-mail address provided by the client and / or contacts him by phone at the contact telephone number provided by the client and / or sends a message to the trading platform itself and reflects the change in the electronic trading platform.

9.28 BenchMark Finance may, at its sole discretion, change the amount of the minimum required guarantee amount, both for certain financial instruments and for individual orders and / or positions or accounts of the client in the following cases:

a) in case of large and sharp fluctuations in the market of these financial instruments or of the underlying instruments for the respective CFD;

- b) in the event of important economic and / or political events;
- b) other circumstances affecting trading in those financial instruments;
- c) when the total amount of the balances on the client's account / accounts and the positions opened by him exceeds the limits acceptable for BenchMark Finance;
- d) in case of need to protect the rights of BenchMark Finance under the contract.

In case of such a change, BenchMark Finance immediately notifies the client by sending a message to the e-mail address provided by the client and / or notifies him by phone on the contact telephone number provided by the client or in the trading platform itself and reflects the change in the electronic trading platform.

9.29 When trading on a margin, the client must monitor the amount of his current balance and free cash in his trading account. When the client accumulates losses from open positions or has opened too many or in a large volume of positions, the free funds on the account decrease and at some point it is possible that the account does not have the necessary cash guarantee to maintain open positions. **The shortage of the current balance (free funds) may lead to official closing of positions, whereby BenchMark Finance may close partially or completely all positions opened by the client at prices determined by BenchMark Finance.**

Up-to-date information on the level of utilized margin, the current balance and the amount of the free trading margin is available for each client in the "Trading" module in the platform used by him and / or the client can receive at any time by phone by contacting BenchMark Finance the telephone numbers listed on the intermediary's website.

In all cases of official partial or complete closure of the positions opened by the client, the client cannot contest the price levels of the transactions for closing his positions by BenchMark Finance.

9.30 BenchMark Finance reserves the right, in its sole discretion or to protect the client's interests, to set limits, limit the amount of the margin (guarantee amount) and / or take other measures it deems appropriate to control the client's ability to trades, such as setting maximum size and price of orders, determining the maximum amount of the total exposure of a client, control over orders submitted at a price that differs significantly from the prevailing market price, as well as any other measures.

BenchMark Finance may take the measures under the previous sentence and in cases where this is required by the requirements of applicable law, decisions of the FSC, ESMA and / or supervisory authorities of other Member States of the European Union.

Such limits or other measures may be amended, added or removed without prior notice to the customer, except when imposing limits on the amount of the margin (guarantee amount) when BenchMark Finance notifies the customer in the manner described above.

#### **IV. SUBMISSION AND EXECUTION OF CLIENT ORDERS. COMBINATION OF CLIENT ORDERS. RESTRICTED POLICY APPLICATION**

##### **10. Submission and execution of client orders**

10.1 BenchMark Finance makes transactions with financial instruments at the expense of the client under the best conditions and BenchMark Finance makes efforts to achieve the best

performance. BenchMark Finance concludes transactions with financial instruments at the expense of clients in accordance with the orders submitted by them.

10.2 BenchMark Finance accepts orders for transactions in financial instruments, which are submitted personally by the client or his competent representative. In the case of clients - legal entities - by a duly authorized representative. When submitting orders on the spot at BenchMark Finance office, they are accepted only in the offices, entered in the register kept by the FSC. The orders are submitted with content, according to the normative requirements.

10.3 Passing of an order through a representative is done only in the office of the intermediary and if the representative presents a notarized power of attorney, which contains representative authority to perform disposition of financial instruments and a declaration that the financial instruments - subject to sale or exchange, are not blocked in the depository institution, no pledge or attachment has been established on them, and the transaction does not constitute a covert purchase or sale.

10.4 The Client is being informed about:

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

10.5 When the client submits an order for deals with financial instruments through the electronic platforms, offered by BenchMark Finance, or by phone, it is considered that the client has been notified of all significant parameters of the deals.

10.6 Orders for trading with financial instruments can be submitted at an office of BenchMark Finance, via an electronic trading platform, by telephone or by e-mail. Orders by phone and e-mail are submitted only to the telephone numbers indicated on the website of BenchMark Finance, respectively e-mail addresses. When orders are submitted by telephone, BenchMark Finance must record the conversation with the client. When the order is submitted by another remote method, BenchMark Finance stores on electronic media the data provided by the client in connection with the order.

10.7 BenchMark Finance accepts and executes orders of clients also through electronic trading platforms offered by it, which provide the client with access to a certain place of execution. BenchMark Finance provides, through a trading platform, direct electronic access (DEA) to a regulated trading venue on the BSE in respect of all financial instruments, admitted to trading at that location. BenchMark Finance uses MetaTrader 4/5 trading platforms for trading derivatives - contracts for differences (CFDs), traded outside the trading venue, on the OTC market, in respect of which BenchMark Finance is a counterparty and the only place to execute the orders of customers. The access to the electronic trading platforms and the entry of orders by the client is carried out by means of an username and a password.

10.8 BenchMark Finance provides the client with a signed copy of the accepted order, when the order is submitted and accepted at the office of the investment intermediary. The orders, submitted in the electronic platforms, are kept in the platform itself, the confirmations for

their execution are received by the client automatically in the platform immediately with the execution of the client's order.

10.9 According to the regulations, BenchMark Finance **has no right** to execute and does not execute a client's order, if it finds that the financial instruments - subject of the sale order, are not available on the client's account, except when this is legally permissible for certain cases (e.g. short sales), or are blocked in a depository institution, as well as if a pledge has been established or a lien has been imposed on them, or the transaction - subject of the order, represents a covert purchase or sale of financial instruments/compensatory instruments.

BenchMark Finance may execute an order, upon submission of which it subsequently establishes that the financial instruments subject to the sale order are not available on the client's account, when BenchMark Finance otherwise ensures that the financial instruments subject to sale will be delivered on the settlement date of the transaction.

BenchMark Finance will execute an order in respect of financial instruments that are pledged when the acquirer is notified of the pledge and has explicitly agreed to acquire the pledged financial instruments and there is the explicit consent of the pledgee in the Special Pledges Act (SPA). cases, or if the pledge is established on a set within the meaning of the SPA.

10.10 BenchMark Finance **may refuse** to execute a client's order, if the client declares or the intermediary subsequently finds that the client has inside information about the financial Client execution policy for financial instrument transactions 21 instruments to which the order relates or about their issuer, if the financial instruments are traded on a regulated market.

When submitting an order, in case of the financial instrument is traded on a trading venue, the client must declare if:

- a) The financial instruments/compensatory instruments - subject of the order for sale/exchange, are/are not blocked in the depository institution where they are kept, a pledge has been/has not been established on them, a/has not been seized.
- b) Has/does not have inside information about the financial instruments to which the order relates and about their issuer, if the financial instruments are traded on a regulated market.
- c) The deal- subject of the order, does not represent/represents a covert purchase or sale of financial instruments/compensatory instruments.

The refusal to submit a declaration is certified by a signature of the client when the order is submitted on paper.

10.11 BenchMark Finance requires a client, who submits an order to purchase financial instruments, to provide it with the funds necessary to pay for the transaction - subject of the order, when submitting the order, unless the client certifies that he will fulfill his obligation to pay. If the rules of the place of execution, where the deal will be executed, allow the deal execution, in which the payment of financial instruments is not made simultaneously with their transfer, the investment intermediary may not require payment from the buyer with the express written consent of the seller. This applies accordingly to other transfer transactions with financial instruments.

10.12 At the moment of submitting the written orders, respectively immediately after receiving the orders submitted remotely, they are registered in the system of BenchMark Finance, assigning them a unique serial number. Orders, submitted through an electronic

trading platform, are automatically registered in the BenchMark Finance system. The orders are executed in accordance with the provisions of the specific contract, this Policy, the General Terms and Conditions of BenchMark Finance, applicable to the contracts with clients and the rules for trading on the respective market. Execution is performed in the order of registration of orders in the system of BenchMark Finance, except when the characteristics of the order or the prevailing market conditions make this impossible, or the interests of the client, according to this Policy, require otherwise.

10.13 BenchMark Finance informs the non-professional client about any significant difficulty, related to the correct execution of the orders, immediately after learning of the difficulty.

10.14 BenchMark Finance enters the orders for transactions with financial instruments for its own account in the manner and order for client orders. In this way, BenchMark Finance pursues an effective policy to prevent conflicts of interest with its clients.

10.15 When two or more orders to sell 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 outside BenchMark Finance (for example for financial instruments with a trustee), BenchMark Finance will not consider such an order to be identical to the others and Client execution policy for financial instrument transactions 22 will execute them, in the order of their submission and validation, even if these orders are submitted later in time.

## **11. Grouping (merging) of orders**

11.1 BenchMark Finance executes customer orders and orders for its own account individually. In certain cases, BenchMark Finance may combine client orders and those for its own account with other client orders, provided that:

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

11.2. In the event that upon entering the place for execution of a joint order, the counteroffer is changed and the combined offer is executed in several parts and at different prices or even partially executed, the previously submitted individual client order shall have priority

11.3 BenchMark Finance will not distribute the concluded transactions in execution of a joint order in a way that is to the detriment of the clients.

11.4 BenchMark Finance combines its orders with client orders in order to minimize administrative costs and time, when the initial subscription of shares, or the admission to trading of financial instruments on the spot for execution for the first time, the allocation procedure in case of re-subscription provides for proportionality, for all investors.

11.5 BenchMark Finance has the right to combine its own and client's orders, in the cases when it will be able to prove reasonably and indisputably that without the merger it would not be able to execute the client's order under such favorable conditions for him, or that it would not be able to fulfill. In this case, BenchMark Finance can distribute the concluded transaction proportionally between itself and the client.

11.6 Except for the cases under the previous two points, when BenchMark Finance has combined a client order with a transaction for its own account and thus the combined order is partially executed, the investment intermediary will distribute the transactions for the client's account with priority. BenchMark Finance has no right to redistribute transactions for its own account, executed jointly with client orders, when this is to the detriment of the client.

11.7 BenchMark Finance may combine orders for transactions with financial assets, which are submitted on behalf and for the account of portfolios of clients, which it manages. Such consolidated order is treated as an individual client order and is executed, respectively combined with other client orders and orders for own account of BenchMark Finance according to this Policy, and in its partial execution the financial assets are always distributed proportionally in order to ensure equality of clients, whose portfolios BenchMark Finance manages.

11.8 BenchMark Finance does not execute an order of a client or a transaction for its own account combined with an order of another client when it comes to orders for trading in CFDs on the OTC market, as in this case BenchMark Finance is the only place to execute orders and is the counterparty to each transaction. In view of this, the Policy does not contain rules concerning the preservation of the client's interest in the cases of merging (grouping) and distribution of orders for trading in CFDs on the MetaTrader 4/5 platforms.

11.9 When the investment intermediary charges receivables from two or more participants in a transaction in accordance with Article 24 (9) of Directive 2014/65 / EU and its implementing measures, the investment intermediary informs its clients of the value of all monetary and non-monetary benefits, received by the intermediary.

BenchMark Finance acts as a counterparty to the transactions of clients with OTC derivatives, contracts for differences (CFD) on the OTC market, therefore BenchMark Finance does not accrue receivables from two or more participants in a transaction in accordance with Art. 24 (9) of MiFID II does not receive non-monetary benefits as an intermediary and the value of all monetary benefits that it receives as an intermediary are specified in the BenchMark Finance Tariff of Fees and Commissions.

## **12. Cases where the best execution policy has a limited position**

### 12.1 Specific instructions

12.1.1 A Client may request from BenchMark Finance to execute his order in accordance with specific instructions - both in full and separately. BenchMark Finance will follow the client's instructions as much as possible. However:

- When the specific instructions of the client lead to higher implementation costs, BenchMark Finance will pay these additional costs by charging them as fees to the client. In this case, BenchMark Finance will notify the client of the changed fees before accepting the execution order.
- When the specific instructions of the client are in conflict with the normal work processes, BenchMark Finance will give priority to the specific instructions. This can lead to a different result when executing the customer's order.
- When there is no conflict, BenchMark Finance will continue to follow this implementation policy.

12.1.2 In the case of specific instructions from the client (eg indication of the place of execution of the order), BenchMark Finance respects its obligation for best execution to the client's order and to take all sufficient steps to obtain the best possible result for the client, following exactly the client's instructions and executing the client's order in accordance with them. This Policy is not applicable to performance factors, specified by the customer and BenchMark Finance will execute customer orders in accordance with the instructions submitted by the customer and the customer acts at his own risk and responsibility for the performance factors specified by him. For factors for which no instructions have been submitted by the client, BenchMark Finance will apply this Policy.

**The client should keep in mind that the special instructions submitted by him may prevent BenchMark Finance from taking the necessary actions to achieve the best result in the execution of client orders in accordance with the current order execution policy for this part of the order to which the instructions refer.**

## 12.2 Stop-out closure

12.2.1 In the event of an official closing of positions, BenchMark Finance seeks to immediately close, terminate or cancel all or part of the client's positions. BenchMark Finance has the discretion and personal judgment on how to perform automatic closing of positions in order to release additional margin and reach the margin requirement levels, including personal judgment regarding the execution of the order, the amount of instruments, aggregation, the determination of the priority of the positions (in what order to be closed) and at what prices to perform the closing of the client's positions.

12.2.2 In case of official closing of positions and/or sale of financial instruments to the client in order to cover a negative cash balance on one or more accounts of the client, accumulated as a result of transactions, concluded by the client or provided investment or additional services under Art. 6 of Financial Instruments Markets Act. In cases of official closing of positions, the client unconditionally agrees with the price levels at which BenchMark Finance has closed its positions and the closing of the client's positions in financial instruments is carried out at the discretion of BenchMark Finance at current market prices and in compliance with the current policy.

12.3 Execution at a highly volatile market, which leads to a number of risks associated with performance in a volatile market. Clients should be aware of the following risks, associated with market volatility, especially in the vicinity of the opening or closing of a standard trading session.

12.3.1 Execution of the order at a significantly different price from the quotation of the offer or from the last reported (quoted) price at the time of acceptance of the order or the price

visible from the client (quotation), as well as partial execution or execution of large orders in several transactions at different prices.

12.3.2 The prices at the opening of the market may differ significantly from the prices at which the market closed during the previous session.

12.3.3 The opening price coincides with the closing price or falls into a “gap” in the case of a closed market. In this case, when the market is opened, the client orders will be executed at the first possible market price, which is unpredictable, as there may be a significant widening of the spreads, compared to the usual and when submitting market, limit, stop or other types of orders to be concluded at prices, significantly different from those, set by the client.”

12.3.4 Market volatility is one of the factors that can lead to the execution of an order. When there is a large volume of orders on the market, imbalances can occur, as well as delays in execution. This means that more time is needed to execute pending orders. Such delays are usually due to the excessive number and size of orders to be processed, the speed, with which current quotations are provided (or information on the last price, when selling instruments), the limitations related to the technical capacity of the systems, the Internet Client execution policy for financial instrument transactions 25 connection or devices, used by the customer or applicable to a trading venue or an execution venue, as well as those of BenchMark Finance and other financial institutions.

#### 12.4 Use and transmission of information

BenchMark Finance may access and use and/or provide its counterparties with information about customer orders, positions, trade and other data analyzes in the form of general anonymous and aggregated data. This anonymous and aggregated data can be used for market information, analytical materials, risk management strategies, creating a target market for products and services, providing liquidity and other products and services of BenchMark Finance. The nature of the anonymous and aggregated data provided may differ from that provided to other counterparties in terms of quantity, scope, methodology or otherwise and may be changed without notice to customers.

#### 12.5 With regard to prices

When trading over-the-counter derivatives on the OTC market, offered by BenchMark Finance, clients trade at a price, quoted by BenchMark Finance. There are a number of factors that can be used to construct a derivative price and they vary, depending on the asset class traded, the nature of the market, the characteristics and terms of the transaction and any particular market or credit risks. BenchMark Finance applies a standard method for determining the price/quotation of the offered derivatives to ensure that the price/quotation at any time is always considered to be a fair and best price that the client can receive.

## **V. FINAL PROVISIONS**

### **13. Policy check and updates**

13.1 BenchMark Finance monitors the effectiveness of this Policy and the quality of execution of customer orders and, when necessary, takes measures to eliminate identified irregularities.

13.2. BenchMark Finance conducts an annual review of this policy, as well as any significant changes that may affect the ability of BenchMark Finance to provide the best results for the execution of customer orders when using the execution venues included in this politics.

13.3 BenchMark Finance presents in accordance with Art. 85 of Financial Instruments Markets Act announcing annually by April 30 on its website summarized information and reports on the first five places for execution of orders in terms of volume of transactions in the previous year and the quality of execution for each class of financial instruments for the previous year according to the requirements of Delegated Regulation 2017/576.

13.4 As a place of execution of orders for certain financial instruments (CFDs) and a market maker of financial instruments traded on the BSE, BenchMark Finance publishes on its website [www.benchmark.bg](http://www.benchmark.bg) up-to-date data on the price, costs, speed of execution and the probability of implementation, according to the content, format and frequency of information provided in Delegated Regulation 2017/575.

## **14. Final provisions**

14.1 This policy is provided to clients in Bulgarian and English, and is constantly available to all clients and potential clients on the website of the investment intermediary [www.benchmark.bg](http://www.benchmark.bg) Upon request, BenchMark Finance may provide this policy to another durable medium. BenchMark Finance notifies its clients of any change in this Policy through a notice published on its website.

In case of discrepancies in the texts of the provisions of the two languages, the text of the respective provision in Bulgarian shall prevail. By concluding a contract, the client declares that he agrees to use the Policy in one of the two available languages and will not require translation into a language other than Bulgarian and English.

14.2 BenchMark Finance considers that the clients have given their preliminary consent to the current policy, as well as subsequent changes and additions to it, if they do not express their explicit disagreement with the policy, respectively with the changes made in it, within 3 days of publication. respectively, from the publication of the changes in it, on the website of the investment intermediary [www.benchmark.bg](http://www.benchmark.bg).

14.3 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. This policy repeals the current Client Order Execution Policy, adopted by a decision of the Board of Directors of BenchMark Finance on May 16, 2018.

14.4 This Policy has been adopted by a decision of the Board of Directors of BenchMark Finance, according to the minutes of a meeting held on 29.01.2021 and is in force since 02.02.2021, amended and supplemented by a decision of the Board of Directors, according to the minutes of a meeting held on November 29, 2021 and is effective from December 3, 2021.

### **List of execution venues:**

- Bulgarian Stock Exchange AD - licensed trading venue. Implementation of the regulated market (Main Market) and multilateral trading facilities organized by the BSE - Beam SME Growth Market and MTF BSE International.
- 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 RELATED RISKS**

## **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](http://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 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.**

(Amended by a decision of the Board of Directors dated 29.11.2021) The products offered by BenchMark Finance, which are created by other persons are: shares, debt instruments - bonds and money market instruments, government securities, exchange traded products - exchange traded funds, exchange-traded bonds and exchange-traded commodities (ETF, ETN, ETC), depository receipts, rights, warrants, compensatory notes and vouchers, indices and other instruments and products admitted to trading on the regulated market and multilateral systems organized by the Bulgarian Stock Exchange AD. trade - SME (small and medium enterprises) Beam and MTF BSE International Growth Market. BenchMark Finance executes orders for transactions with these products mainly on the respective regulated market or MTF on which they are admitted to trading and exceptionally on a non-regulated market. When executing the orders, BenchMark Finance complies with the Policy for Execution of Client Orders for Transactions with Financial Instruments of BenchMark Finance.

### **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

(Amended by resolution of the Board of Directors dated 11.12.2025.) When trading the above products, clients are exposed to currency risk when their funds are in a currency other than the euro, due to constant movements in exchange rates. Investors who assume such currency risk when purchasing would increase or decrease the effective yield on their investment, as a result of the strengthening or weakening of the euro exchange rate against the respective other currency in which the investor's funds are denominated. In the case of financial instruments denominated in euro, it determines the absence of currency risk for investors whose initial funds are in the same currency. In particular, the currency risk when investing in financial instruments issued by Bulgarian issuers is related to their denomination in euro. An unfavorable change in the exchange rate of the euro against other currencies would change the yield that foreign investors outside the Eurozone expect to receive, comparing it with the yield that they would receive from

a similar investment in the respective currency. This may lead to a general decline in investor interest, a decrease in demand and, accordingly, a decrease in the prices of some financial instruments.

The currency risk of the investment could be reduced by using currency instruments to minimize it (hedging). The stability and high confidence in the reliability of the euro, as well as the dominant positions of the euro in international currency markets, limit the presence of currency risk to a certain extent.

However, any investor who trades securities in 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 occurs 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 of financial instrument. Stocks are major financial instruments proving ownership over the capital of public companies. Clients who have purchased stocks acquire both proprietary rights (e.g. 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 Description of the offered products and related risks 4 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 making 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 clients who intend to invest in a company's bonds should be aware of 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 of financial instruments. Investing in shares of UCITS and an 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 making 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.

### **2.12 Specific risk when using electronic platforms for trading**

(Amended by the decision of the Board of Directors of 29.11.2021, amended by the decision of the Board of Directors of 27.01.2022) Due to the specifics of the electronic platforms for trading (such as the electronic trading platform BG Trader), access to which is carried out via the Internet may technically arise malfunctions, both in those used by BenchMark Finance and in those used by customer hardware and software products and access systems or devices. Some communication failures may occur, leading to delays or non-arrival of orders, or until execution, respectively non-execution of already submitted orders, as well as the inability to access the trading platform and others.

If a customer is unable to access the trading platform for any reason, he will not be able to trade in the relevant financial instrument at that moment, due to which he may suffer a loss. There is a risk in extremely rare cases in unforeseen market situations BenchMark Finance to impose restrictions on the volume of transactions or filter trades, enter pre-set trading thresholds, credit limits, suspend or delay the execution of customer orders or take other restrictive measures.

### **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](http://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 in 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. Risk linked to leverage**

#### **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.

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. Risk 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**

(Amended by resolution of the Board of Directors dated 11.12.2025) 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 EUR 20,000.

## **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 a 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. 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,

Description of the offered products and related risks

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 interest**

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 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 an 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 do 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**

Description of the offered products and related risks

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	-	-

### 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 Indices		
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	-	-
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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	-	-

## 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 positions	-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 decided 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 hold	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:

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

<b>CFD share XYZ (USD)</b>	<b>Open</b>	<b>Close</b>
<b>Direction</b>	Buy	Sell
<b>Number of CFDs</b>	1000	1000
<b>Price</b>	12.02 USD	12.52 USD
<b>Value</b>	12 020 USD	12 520 USD
<b>Commission</b>	50 USD	50 USD

<b>Profit/Loss calculation</b>		
<b>Gross P/L</b>	+500 USD	(12 520 USD – 12 020 USD)
<b>Dividend</b>	+100 USD	(0.10 USD x 1000)
<b>Commission</b>	-100 USD	2 x 0.05 USD x 1000
<b>Swap</b>	-50.07 USD	30 days x 1.669 USD/day
<b>Net Profit/Loss</b>	+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:

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

<b>CFD share XYZ (USD)</b>	<b>Open</b>	<b>Close</b>
<b>Direction</b>	Sell	Buy
<b>Number of CFD's</b>	500	500
<b>Price</b>	25.00 USD	28.00 USD
<b>Value</b>	12 500 USD	14 000 USD
<b>Commission</b>	25 USD	25 USD

<b>Profit/Loss calculation</b>		
<b>Gross P/L</b>	-1500 USD	(12 500 USD – 14 000 USD)
<b>Dividend</b>	0 USD	
<b>Commission</b>	-50 USD	2 x 0.05 USD x 500
<b>Swap</b>	-17.36 USD	10 days x 1.736 USD/day
<b>Net Profit/Loss</b>	-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:

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

<b>CFD index (USD)</b>	<b>Open</b>	<b>Close</b>
<b>Direction</b>	Buy	Sell
<b>Number of CFD's</b>	10	10
<b>Price</b>	2 500 USD	2 580 USD
<b>Value</b>	25 000 USD	25 800 USD

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

### **5.3.2. Short Position (Selling)**

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:

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

<b>CFD index (USD)</b>	<b>Open</b>	<b>Close</b>
<b>Direction</b>	Sell	Buyl

<b>Number of CFD's</b>	5	5
<b>Price</b>	6 100 USD	6 300 USD
<b>Value</b>	30 500 USD	31 500 USD

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

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

### 5.4.1. Long position (Buying)

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 future, 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.

<b>CFD futures (USD)</b>	<b>Open</b>	<b>Close</b>
<b>Direction</b>	Buy	Sell
<b>Number of CFD's</b>	200	200
<b>Price</b>	56.05 USD	53.00 USD
<b>Value</b>	11 210 USD	10 600 USD

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

### 5.4.2. Short position (Selling)

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).

### **Correction**

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

<b>CFD futures (USD)</b>	<b>Open</b>	<b>Close</b>
<b>Direction</b>	Sell	Buy
<b>Number of CFD's</b>	200	200
<b>Price</b>	56.00 USD	54.05 USD
<b>Value</b>	11 200 USD	10 810 USD

<b>Profit/Loss calculation</b>		
<b>Gross P/L</b>	+390 USD	(11 200 USD – 10 810 USD)
<b>Swap</b>	0	It is not due to a maturing instrument
<b>Net Profit/Loss</b>	+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).

## IV. FINAL PROVISIONS

(Supplemented by a decision of the Board of Directors of November 29, 2021)

1. This document is provided to customers in Bulgarian and English, and is constantly available to all customers and potential customers on the website of the investment intermediary [www.benchmark.bg](http://www.benchmark.bg). BenchMark on request Finance may make this document available on another durable medium. BenchMark Finance shall notify its clients of any change in this document by means of a communication, published on its website.

In case of divergence in the wording of the provisions of the two languages, the text of the relevant provision in Bulgarian. By concluding a contract, the client declares that agrees to use the document in one of the two available languages and will not require it translation into a language other than Bulgarian and English

2. BenchMark Finance believes that by concluding a contract, the client has given his consent to this document, as well as subsequent amendments and additions to it, if the client does not express his explicit disagreement with the changes within 3 days from the publication of the changes on the website of the investment intermediary [www.benchmark.bg](http://www.benchmark.bg).

3. This document was adopted by a decision of the Board of Directors of BenchMark Finance, according to the minutes of a meeting held on 16.05.2018, amended and supplemented by a decision of the Board of Directors, according to the minutes of the meeting held on 29.11.2021, in force since 03.12.2021, amended by a decision of the Board of Directors, according to the minutes of the meeting held on 27.01.2022, in force since 01.02.2022., amended by decision of the Board of Directors of 11.12.2025, effective from 01.01.2026.

**BENCHMARK FINANCE POLICY**  
**FOR REGISTRATION OF TELEPHONE CALLS/CONVERSATIONS AND**  
**MESSAGES AND OF CALLS/CONVERSATIONS AND MESSAGES VIA**  
**ELECTRONIC METHODS OF COMMUNICATION**

1. The policy of BenchMark Finance for registration of telephone calls/conversations and messages and of calls/conversations and messages through (via) electronic means of communication (the Policy) has been prepared/ drawn up in accordance with Art. 97 of the Markets for Financial Instruments Act (MFIA) and Art. 76 of Commission Delegated Regulation 2017/565 supplementing Directive 2014/65 / EU of the European Parliament and of the Council with regards to the organizational requirements and conditions for conducting business by investment intermediaries and for setting definitions to set up the definition for the purposes of the abovementioned Directive and is part of the internal documents of BenchMark Finance.

2. This Policy regulates the terms and conditions for registration and recording of telephone calls/conversations and messages and of calls/conversations and messages via electronic means, which relate to the conclusion of transactions for own account or to the acceptance, transmission and execution of client orders, regardless of whether the transaction is concluded.

3. BenchMark Finance prepares and stores records of all telephone calls/conversations and messages and of electronic calls/ conversations and messages related to the conclusion of transactions for its own account or to the provision of services related to the acceptance, transmission and execution of client orders, even if these conversations or messages do not result in transactions and / or execution of client orders. Telephone calls/conversations and messages and electronic calls/conversations and messages can be both with clients of the investment intermediary and/or between/among employees of BenchMark Finance.

4. Before providing investment services or activities related to the acceptance, transmission and execution of client orders, BenchMark Finance shall notify its clients that:

4.1 Telephone calls/conversations and messages and electronic calls/conversations and messages with them will be recorded;

4.2 The records will be available to clients upon request for a period of five years and when requested by the Financial Supervision Commission for a period not exceeding 7 years from their creation.

5. The obligation under item 4.1 shall be deemed to have been fulfilled when BenchMark Finance notifies the client once before the start of the provision of the investment services. BenchMark Finance may not perform investment services and activities related to the acceptance, transmission and execution of client orders by telephone or other electronic communication in case it has not fulfilled the requirement under item 4.1.

6. The information under item 4 shall be provided in Bulgarian and/or English.

7. The acceptance and initiation by BenchMark Finance of telephone calls/conversations and messages and of electronic calls/conversations and messages, related to the conclusion of transactions for own account or related to the acceptance, transmission and execution of orders of clients, are carried out by technical means and equipment designated for this purpose by the investment intermediary and made available in this connection to relevant employees or other persons working for it under contract .

8. It is inadmissible and prohibited to make telephone calls/conversations and communications and electronic calls/conversations and communications in connection with the provision of investment services or activities, relating to the acceptance , transmission and execution of client orders, even when such calls/conversations and messages or electronic communication may not lead to the conclusion of transactions and/or execution of client orders, through the use of technical means and apparatus/equipment (including personal phones, personal computer systems, tablets, etc.),

communication from which the investment intermediary is unable to record or copy, and which are different from those designated for that purpose.

9. BenchMark Finance keeps and updates on a regular basis a register of persons who have business or personal devices, e-mail addresses, etc., approved for use by the investment intermediary (Appendix № 1 to this Policy).

10. Where exceptional circumstances arise and BenchMark Finance is unable to register the relevant calls/conversation or message on the devices provided, accepted or authorized by the investment intermediary, the relevant employee or the person working for BenchMark Finance under contract who conducted the call/conversation or received the message, shall prepare a written report on the content of the conversation or message, the recipient, the duration of the conversation and the commitments undertaken, if any, by the employee. The report on the above circumstances shall be kept by BenchMark Finance for the period specified in paragraph 16 and shall be made available upon request to the FSC.

11. The Board of Directors of BenchMark Finance shall effectively supervise and supervise this policy and procedures relating to the recording of telephone calls/ conversations and messages and electronic calls/conversations and messages and may require demonstration of their functionality. The registration compliance mechanisms, applied by BenchMark Finance are technologically neutral. BenchMark Finance shall periodically assess the effectiveness of this policy and procedures relating to the recording of telephone calls/conversations and messages and electronic calls/conversation and messages and shall adopt alternative or additional measures, if necessary and where appropriate. As a minimum, such alternative or additional measures shall be adopted when BenchMark Finance accepts or allows the use of a new means of communication.

12. In order to monitor compliance with the requirements for registration (recording) of telephone calls and messages and electronic calls and messages, the Benchmark Mark Finance Regulatory Unit shall periodically monitor transactions and orders subject to registration (recording), including relevant conversations. This monitoring is based on the risks identified by BenchMark Finance and the risk profile of the clients, and is proportional to the services and activities offered.

13. BenchMark Finance registers/records on a durable device (media) any material information related to direct conversations with clients, held on site (on the spot) at the offices of BenchMark Finance with employees of the investment intermediary or other persons working for it under contract.

14. The registered information for the direct calls/conversations under item 13 shall contain at least the following information (Appendix № 2 to the Policy):

a) date and time of meetings;

b) place of meetings;

c) identification of participants;

d) initiator of the meetings;

e) relevant/significant information about the client's order, including price, volume, type of order and when it must be transmitted or executed.

15. Records created under this Policy shall be kept/stored on a durable device (media) allowing their reproduction or copying in a format which prevents the original record from being altered or deleted.

Records are stored so that they are easily accessible and available to clients on request. BenchMark Finance provides the quality, accuracy and completeness of the records of all telephone records and electronic communications.

16. The storage/ retention period of records and documents created under this policy shall start from the date on which they are created. They are kept by BenchMark Finance for a period of not less than 5 years from their creation. In accordance with the procedure laid down in Art. 276 of the Markets in Financial Instruments Act the Deputy Chair of the FSC may determine a longer period for storage (retention period) of documents and records, but not longer than 7 years from their creation.

17. BenchMark Finance trains its employees and other persons working for it under contract, on the current policy and the procedures, regulating/ governing the requirements under art. 16, para. 7 of MIFID II (Directive 2014/65 / EU) and Art. 76 of Commission Delegated Regulation 2017/565 (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65 / EU of the European Parliament and of the Council with regards to the organizational requirements and conditions for conducting business by investment intermediaries and for setting definitions for the purposes of that Directive.

## **FINAL PROVISIONS**

18. The Board of Directors of BenchMark Finance reviews and evaluates, on a regular basis at least once a year by January 3, the compliance of this Policy with the services and activities performed by the investment intermediary, and in case of incompleteness and / or a need of improvement the internal organization, adopts amendments to the Policy. Notwithstanding the requirement of the previous sentence, the management body shall adopt amendments and supplements to this Policy upon finding the need to do so.

19. This Policy shall be made available for information and implementation to the members of the Board of Directors of the investment intermediary, as well as to all personnel working for it under contract. This policy is also applicable by tied agents appointed by the investment intermediary.

20. This policy was adopted by the Board of Directors of BenchMark Finance on 16.05.2018 and enters into force on the date of its adoption.

## **Annex No 1**





**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 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](mailto: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:
  1. Applicant's name and client number;
  2. Correspondence address and/or email address;
  3. Applicant's phone number;
  4. How and where the applicant wishes to receive a response to his/her complaint, whether by email or hard copy;
  5. The nature and circumstances of which the applicant is dissatisfied.

## **III. Complaints procedure**

8. (amended January 29, 2021) Complaints submitted in BenchMark Finance's office are accepted by a front desk receptionist or an employee of the Trade and Customer Service

Department 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. (amended January 29, 2021) When submitting a complaint in BenchMark Finance's office, if the complainant wishes, he can have a conversation and discuss the problem with an employee of the investment intermediary. The head or an employee of the regulatory compliance department may also attend the meeting at his discretion and if necessary.

10. (amended January 29, 2021) When the complaint is submitted in writing on paper and received by BenchMark Finance by mail at the address: Sofia 1407, 32 Cherni Vrah Blvd., ent. A, it is entered in the register with incoming correspondence of BenchMark Finance with an incoming number from the date of receipt of the letter. After filing the complaint, the receptionist submits it to the regulatory compliance department for entry in the "Complaints" register and to take further action.

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

12. (amended January 29, 2021) If the complainant has not addressed his letter explicitly to the email address of the Regulatory Compliance Department, but has sent it to the official address of BenchMark Finance or to the addresses of any of the employees or other departments of the investment intermediary, the respective employee received the complaint, forwards it to the email address of the Regulatory Compliance Department for entry in the "Complaints" register and to take further action.

#### **IV. Complaints registration procedure**

13. (amended January 29, 2021) The complaints shall be registered in the order of their entry in the Complaints register, which shall be kept according to a model approved by the Executive Director.

14. (amended January 29, 2021) If a complaint has already been communicated with the applicant, in which he continues to have repeated or new complaints, then the subsequent letters and correspondence are not recorded and considered as new complaints in the Complaints register, 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. (amended January 29, 2021) The Complaints register is kept by the Compliance Department both on paper and electronic. The new circumstances in the complaint register 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. (amended January 29, 2021) In the Complaints register should be recorded:

1. The date of receipt and the unique complaint number at BenchMark Finance;
2. The unique number of the complainant (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 who has made the entry under points 5 and 6.

17. (amended January 29, 2021) Following the entry in the Complaints register, 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 situations. 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. (amended January 29, 2021) 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 followed 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. (amended January 29, 2021) 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. 65 of Markets in Financial Instruments Act and Art. 40, para. 1, item 11 of Regulation № 38 on the requirements to the activity of investment intermediaries.

40. The complaint management policy was adopted by the Board of Directors of BenchMark Finance on 16 May 2018 and is effective from the same date, amended by a decision of the Board of Directors of BenchMark of January 29, 2021.



## BENCHMARK FINANCE TARIFF

BULGARIAN FINANCIAL MARKET OPERATIONS	
<b>I. Securities transactions</b>	
<b>1. Transactions with shares, rights, compensation instruments, warrants and other instruments, traded on BG Trader platform</b>	
1.1. For a turnover of transactions up to 100 000 BGN/51 129,19 EUR	0,7% of the transaction value, minimum 1 BGN/0,51 EUR
1.2. For a turnover of transactions over 100 000 BGN/51 129,19 EUR for one calendar year	0,6%, minimum 1 BGN/0,51 EUR
1.3. For a turnover of transactions over 1 000 000 BGN/511 291,88 EUR	negotiable
1.4. For clients on Tariff One Time, Plan 2*	1,4% of the value of the transaction at purchase/ no commission on sale
1.5. Transactions with bonds and Sovereign bonds	0,15% of the value of transaction, minimum 3 BGN/1,53 EUR
<b>2. Transactions with shares, rights, compensation instruments, warrants and other instruments, where the order is placed in BenchMark Finance office</b>	
2.1. For a transaction worth up to 10 000 BGN/5 112,92 EUR	2% of the transaction value, minimum 20 BGN/10,23 EUR
2.2. For a transaction worth BGN 10 000/5 112,92 EUR to 30 000 BGN/15 338,76 EUR	1,5% of the value of the transaction
2.3. For a transaction worth over 30 000 BGN/15 338,76 EUR	negotiable
2.4. Transactions with bonds and Sovereign bonds	0,2% of the value of transaction, minimum 20 BGN/10,23 EUR
<b>3. Repo deals</b>	0,15% of the value of transaction, minimum 20 BGN/10,23 EUR

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

\* One time, Plan 2 Tariff is available only for clients who have signed a contract before 02.12.2013.

<b>II. Other operations</b>	
<b>1. Custody fee on securities*</b>	0,1% annually on the value of the assets
<b>2. Custody fee on cash assets*</b>	0,5% annually on the value of the assets
<b>3. Transfer of securities/compensation instruments to the Central Depository register</b>	
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 10/5,11 EUR per issue
<b>4. Issuance of a certificate of ownership for financial instruments (depository receipt) by Central Depository AD</b>	
10 BGN/5,11 EUR	
<b>5. Safe-keeping of issue of shares in client's portfolio::</b>	
5.1. Shares of a non-public company	2 BGN/1,02 EUR per issue per month
5.2. Shares of company under insolvency or liquidation	2 BGN/1,02 EUR per issue per month
5.3. Shares of company temporarily suspended from trading on Bulgarian Stock Exchange	2 BGN/1,02 EUR 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	
<b>1. CFD trading on currencies, precious metals, commodities, stock indices</b>	no commission
<b>2. CFD trading on equities</b>	according the terms and conditions posted on the website of the intermediary and/or in the MetaTrader platform
<b>3. Interest rate adjustments, swaps, dividends and currency conversion</b>	according the terms and conditions posted on the website of the intermediary and/or in the MetaTrader platform
<b>4. MetaTrader VPS fee</b>	according the terms and conditions posted on the website of the intermediary and/or in the MetaTrader platform
<b>5. Account maintenance in the absence of a transactions or open positions for more than 12 consecutive months*</b>	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	
<b>1. Cash deposit in BGN and in foreign currency</b>	no commission
<b>2. Cash withdrawal in BGN and in foreign currency</b>	no commission
<b>3. Bank deposit in BGN and in foreign currency</b>	no commission
<b>4. Bank withdrawal via bank in Bulgaria</b>	
BGN	no commission
express request for withdrawal in BGN	the bank fee is at the expense of the client
foreign currency	foreign currency
<b>5. Deposit by ePay.bg</b>	no commission
<b>6. Deposit by POS terminal with VISA, Mastercard, Borica or Maestro cards</b>	no commission
CASH OPERATIONS FOR CLIENTS OPERATING OUTSIDE THE TERRITORY OF BULGARIA	
<b>1. Bank deposit</b>	no commission
<b>2. Bank withdrawal</b>	no commission
<b>3. Deposit by Sofort</b>	no commission
<b>4. Deposit by virtual POS terminal with VISA or Maestro card</b>	no commission
OPERATIONS AS A REGISTRATION AGENT	
<b>1. Registration of transactions, donations or other transfers previously agreed between the parties</b>	negotiable
<b>2. Securities inheritance procedure</b>	0.5% of the market value of the securities, minimum 20 BGN/10,23 EUR + 10 BGN/5,11 EUR per transfer
<b>3. Issuance of a copy of a certificate of ownership of financial instruments (depository receipt)</b>	25 BGN/12,78 EUR
<b>4. Portfolio statement</b>	
individuals	25 BGN/12,78 EUR
legal entities	200 BGN/102,26 EUR
<b>5. Information about an extended portfolio and a portfolio as of an old date from the Central Depository</b>	
individuals	40 BGN/20,45 EUR
legal entities	200 BGN/102,26 EUR
<b>6. Change of personal data in Central Depository</b>	25 BGN/12,78 EUR

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	
<b>1. Consulting services</b>	
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
<b>2. Sending documents on paper through the postal service</b>	15 BGN/7,67 EUR
<b>3. Assistance in issuing and maintenance of a LEI number for BenchMark Finance clients</b>	20 BGN/10,23 EUR

The commissions in Section Other of the BenchMark Finance AD Tariff are without VAT. BenchMark Finance AD reserves the right to negotiate commissions other 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. BenchMark Finance AD reserves the right to apply other commissions if the client does not use the account mainly for trading on the financial markets

This Tariff is approved with a decision of the Board of Directors of BenchMark Finance AD dated 18.04.2024 and shall enter into force on 20.05.2024. According to a decision of the Board of Directors of BenchMark Finance AD dated on 20.06.2025, the tariff was prepared with double designation of the currencies in BGN and EUR at the fixed exchange rate of BGN 1.95583 per EUR 1

## ANNEX 1 TO THE TARIFF OF BENCHMARK FINANCE

This Annex 1 to the Tariff was approved by a Resolution of the Board of Directors of BenchMark Finance AD dated 10.11.2025 and enters into force and applies to all clients of the investment intermediary from 01.01.2026 to 31.12.2026.

<b>BULGARIAN FINANCIAL MARKET OPERATIONS</b>		
<b>I. Securities transactions</b>	<b>For the period from 01.01.2026 r. to 31.01.2026 r.</b>	<b>For the period from 01.02.2026 r. to 31.12.2026 r.</b>
<b>1. Transactions with shares, rights, compensation instruments, warrants and other intruments, traded on BG Trader platform</b>		
1.1. For a turnover of transactions up to 100 000 BGN/51 129,19 EUR	<b>no commission</b>	0.7% of the transaction value, min. BGN 1 / EUR 0.51
<b>1.2.1. With a turnover from transactions exceeding 100,000 BGN / 51,129.19 EUR for the period from 01.01.2026 to 31.01.2026</b>	<b>no commission</b>	<b>0.35% of the transaction value, min. BGN 1 / EUR 0.51</b>
1.2.2. For a turnover of transactions over 100 000 BGN/51 129,19 EUR for one calendar year	<b>no commission</b>	0.6% of the transaction value, min. BGN 1 / EUR 0.51
1.3. For a turnover of transactions over 1 000 000 BGN/511 291,88 EUR	<b>no commission</b>	Negotiable
1.4.1. For clients on Tariff One Time, Plan 2* (who concluded a contract before 02.12.2013.) with a turnover from transactions exceeding 100 000 BGN./51 129,19 EUR in the period from 01.01.2026 . to 31.01.2026 .	<b>no commission</b>	1.4% of the transaction value for purchases / no commission for sales
<b>1.4.2. For clients on Tariff One Time, Plan 2 (who concluded a contract before 02.12.2013 r.) with a turnover from transactions exceeding 100 000 BGN/51 129,19 EUR in the period from 01.01.2026 r. to 31.01.2026 r.</b>	<b>no commission</b>	<b>0.7% of the transaction value for purchases / no commission for</b>
1.5. Transactions with bonds and Sovereign bonds	<b>no commission</b>	0.15% of the transaction value, min. BGN 3 / EUR 1.53

The commissions under Section I of Annex 1 to the Tariff of BenchMark Finance AD do not include the commissions of BSE AD and the Central Depository AD.

\*The turnover is calculated based on all executed BSE transactions (in the process of settlement) during the period from 01.01.2026 to 31.01.2026, and not based on "completed" transactions (with completed settlement).

This Annex to the Tariff applies to all clients of the investment intermediary – natural persons, legal entities, institutional clients, existing or new clients, professional or non-professional clients. The commissions under Annex 1 apply without limitation to the types of client orders submitted through the BG Trader platform that fall within the promotional period.

BenchMark Finance AD will conduct an internal review as of 31.01.2026 to identify the clients who have met the turnover requirement; such clients will be notified and will automatically switch to the preferential commission rate for the period up to 31.12.2026.

After 31.01.2026, clients who have not generated a turnover from transactions exceeding BGN 100,000 / EUR 51,129.19 during the period 01.01.2026–31.01.2026 shall be subject to a commission of 0.7% of the transaction value, minimum BGN 1 / EUR 0.51.

After 31.12.2026, the commissions under Section I of the Tariff of BenchMark Finance AD dated 18.04.2024, effective as of 20.05.2024, shall apply, prepared in accordance with a decision of the Board of Directors of BenchMark Finance AD dated 20.06.2025, with dual currency indication in BGN and EUR at the fixed exchange rate of 1.95583 BGN per 1 EUR.