BenchMark
est. 2003

POLICY FOR

CLIENT ORDERS EXECUTION FOR TRADING IN FINANCIAL INSTRUMENTS

BenchMark
est. 2003

CONTENTS

I. FRAMEWORK

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

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

II. CLIENTS

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

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

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

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

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

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

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

III. SCOPE OF APPLICATION

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

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

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

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

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

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

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

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

IV. FINANCIAL INSTRUMENTS

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

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

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

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

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

Article 20 Securities can be:

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

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

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

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

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

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

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

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

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

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

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

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

V. FACTORS OF CLIENT ORDER EXECUTION

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

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

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

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

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

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

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

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

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

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

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

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

VI. IMPORTANCE OF FACTORS

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

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

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

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

VII. EXECUTION VENUES

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

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

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

"Bulgarian Stock Exchange-Sofia" JSC

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

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

Foreign Regulated Markets

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

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

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

Non-regulated markets

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

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

VIII. PRINCIPLES FOR THE BEST EXECUTION

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

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

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

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

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

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

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

IX. PLACING AND EXECUTING CLIENT ORDERS

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

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

Placing orders

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

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

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

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

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

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

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

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

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

Priority to implement accepted orders

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

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

Requirements for placing orders by phone

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

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

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

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

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

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

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

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

Requirements for placing orders by e-mail

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Types of orders

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

Execution of orders

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Order Pooling

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

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

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

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

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

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

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

Non-executed Transactions

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

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

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

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

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

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

X. GENERAL AND SPECIFIC RISKS AT INVESTING IN FINANCIAL INSTRUMENTS

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

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

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

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

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

General risks

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

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

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

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

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

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

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

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

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

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

Specific Risks

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 115 Specific risks at options and futures:

- **The option** is a transaction at which the option buyer obtains the right to buy or sell a given financial instrument (underlying asset) under a price determined (fixed) in the contract (option exercise price). There are two types of options: call and put options. An option that entitles to purchase an underlying asset is a call option. The option that entitles to sell the underlying asset is a put option. The option is a tradable financial instrument and can be bought or sold. Depending on the time at which they can be exercised, options can be either European options (exercised only at maturity) or American options (can be exercised any time until maturity). The size of the potential profit or loss depends on whether the option is bought or sold. The purchase of an option provides unlimited possibility of profit, representing the difference between the exercising price of the option and the sport price of the underlying asset less the paid premium (option price) at loss limited to the amount of the paid premium, in case that the investor exercise its right on the option. At the sale of an option, the amount of profit is limited to the amount of the received premium and the amount of the potential loss is theoretically unlimited and equal to the difference in benefit of the buyer between the exercising price and the sport price of the underlying asset, deducted by the received optional premium.
  (2) **Currency options** – ensure the possibility of purchase/sale of an exactly specified amount of a particular currency (base currency) against purchase/sale of another currency (additional currency) under a rate fixed in advance and on a certain future date:
- **BenchMark Finance** offers trading in European type of options (options that are executed solely on the maturity day and which can be traded as an instrument anytime until the maturity day);
- At the purchase of a call-option, **the Client** is entitled but not obliged to purchase the base currency on the maturity day, at the price fixed in the option. At the sale of a call-option, it is possible that **the Client** is obliged to sell the relevant currency on the maturity day, at the price fixed in the option;

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

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

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

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

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

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

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

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

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

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

"Bulgarian Stock Exchange – Sofia" JSC trading risks

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

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

Risks at trading in financial instruments on international financial markets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other risks

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

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

Article 124 Market conditions (e. Liquidity) and/or the functions of certain markets' conditions (e. Suspension of trading in contract or a certain maturity month due to a limit to the price movement or temporary suspension of the trading in unforeseen situations – "circuit breakers") can increase the risk of loss by making it difficult or impossible to execute transactions or closure/offset of positions. Normal price ratios between the underlying asset and derivative do not always exist. The absence of a reference price for the underlying asset can make it difficult to deternine "fair" price.

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

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

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

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

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

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

XI. ADDITIONAL PROVISIONS

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

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

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

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

XII. FINAL PROVISIONS

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

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

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

---

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