

General conditions, for deals with financial instruments of Investment Broker "Varchev Finance" Ltd.

I. General information about the investment broker

Art. 1. The current general conditions arrange the relations between "Varchev Finance" Ltd. (The Company, IB) and its client, in reference to its activity as an investment broker.

Art. 2. "Varchev Finance" Ltd. is licensed investment broker, according Decision № 54– IB/26.02.2003 of the Governmental commission of securities, Decision № 511-IB/12.11.2003, Decision № 580-IB/14.07.2004r. and Decision № 146-IB/22.02.2006 of the Financial supervision commission (FSC), listed in the register of the investment brokers of the Commission under registration № RN-03-0205 and with an issued License from the Financial supervision commission of Republic of Bulgaria № RN-03-0205/15.03.2006r. VARCHEV FINANCE Ltd. is listed in the register of trade companies batch No 29, vol. 263, page 114, on firm case. No 1854/2002 of Varna district court.

Art. 3. General information about the IB, provided to customers is:

Unique identifier: 103775285

Headquarters: Varna, blvd. Vladislav Varnenchik №186, 3rd floor, office 4.035

The capital of "Varchev Finance" Ltd. is 1 500 000 (one million and five hundred thousand) leva.

Contacts: +359 52 63 10 00, +359 2 954 51 15

E-mail: info@varchev.com

Web-site: varchev.com

LEI: 529900H1OT06BP9DAT78

Languages for communication with the clients: Bulgarian and English;

Methods of communication with the clients, other than sending orders of execution, in relation to signed contracts for providing investment and additional services: in the office of the IB, through e-mail (in the cases when the client declares that he has permanent access to internet), on the phone, by fax.

Methods of notification from and to the IB: written on the listed address for correspondence or through e-mail, in the cases when the client has permanent access to internet.

Art. 4. The company is registered on firm case № 1854/2002 r, batch 29, vol. 263, page 114.

Art. 5. (1) The owned by the company license for executing activity as an investment broker refers to activities and services from Art. 6, para. 2 и para. 3 of LMFI, as follows:

A) Executing on the territory of Republic of Bulgaria and abroad the following investment services and activities:

1. accepting and submitting of orders about securities, including intermediation for signing deals for securities;
2. execution of orders for buying or selling securities on account of the client;
3. deals with securities on its own account;
4. managing, according the contract signed with the client, of the individual wallet, including securities, by its own judgment without special orders from the client;
5. providing individual investment consultations to a client, by own initiative or by request from the client, about one or more deals, related to securities;
6. accepting emissions of securities and/or offering for initial sale securities in conditions of unconditional and irrevocable obligation to write down/acquiring the securities on its own account;
7. offering for initial sale securities without unconditional and irrevocable obligation for acquiring the securities on its own account;
8. Organization of MTS (Multilateral trading system);
9. Organization of OTS (Organized trading system)

B) Providing on the territory of Republic of Bulgaria and abroad the following services:

1. storage and administration of financial instruments on account of the client, including custodian activity and related to that services like managing finances and collaterals, except the centralized running of accounts for securities according part A, p. 2 from the application to Regulation (EU) № 909/2014;
2. providing loans for execution of orders with securities, with condition that the person who provides the loan, takes part in the deal with conditions and in order, defined by a regulation;
3. consultations for companies about the capital structure, industrial strategy and related to that topics, as well as consultations and services, related to consolidation and acquisition of companies;
4. deals with foreign payment funds, as long as they are related to the provided investment services;
5. investment researches and financial analyzes or other forms of general recommendations, related to deals with securities;
6. services, related to the activity according to A) - points 6 and 7.

C) Deals with foreign payment funds.

(2) Varchev Finance Ltd. executes activity as a registration agent, and based on a written contract with the client, submits to a regulated market or on the Central depository (except when its about governmental book entry registered securities, issued by the Ministry of Finance) information and documents for registration of:

1. deals with book entry registered securities, signed in advance directly between the parties, including deals by Art. 149a, para. 5 LAW on the Public Offering of Securities;

2. transfer of book entry registered securities by donation or inheritance;

3. change of information about the owners of book entry registered securities, fixing wrong information, issuing duplicates of certificates and other activities, provided in the rules of the Central depository.

(3) In case that Varchev Finance Ltd. executes public offering of securities within the meaning of Art. 4 of LAW on the Public Offering of Securities, it has to publish confirmed by the Financial Supervision Commission (FSC) prospect and a notification for public offering in the order of chapter 6 of LAW on the Public Offering of Securities, when this is required by the law.

(4) Varchev Finance Ltd. can't execute other commercial transactions, other than transactions with currency (cash and non-cash), these transactions are additional service and are not part of the main subject of the company.

All services and activities, listed in the scope of activity of the Company, can be executed abroad adhering to the local law. The services and activities, included in the scope of activity of the Company, can be executed within the European Union or the European Economic Area by establishing a branch or under the conditions of free providing of services.

II. General conditions

Art. 6. Client of the IB is any Bulgarian or foreign physical or juristic person, that is using investment and/or additional services from Art. 6, para. 2 and 3 from the Law for the markets of financial instruments (LMFI), provided by the Company.

Art. 7. (1) The current General conditions are applicable in the case, when the IB signs contracts with clients for providing one or more services, explicitly listed in Art. 5, para. 1

(2) The full text of the General conditions and the tariff by Art. 8 become part of the specific contract with a client, only if the latest gives a written confirmation, that he's familiar and accepts them.

(3) In the cases of absent signing a contract, the confirmation of the previous paragraph is executed in accordance to the conditions listed in section XV.

Art. 8. The IB announces in a tariff the regular commission and the kind and size of the expenses for the clients, if they are not included in the remuneration.

Art. 9. (1) Before signing a contract with a client and providing investment services and/or activities, the IB categorizes every client as a professional, unprofessional or acceptable versus party, according explicit rules for categorization of the clients, accepted by the IB. The clients are allowed to ask to be defined differently and to get information about the limitations of their protection with defining them differently, according the conditions of the rules for categorization of the clients.

Art. 10. The specific conditions in a contract with a client must be conformed to the information provided by him and based on that the issued by the IB evaluation of expediency and/or pertinence.

Art. 10A. Within the meaning of these General conditions (called below GC) financial instruments are:

1. securities;

2. instruments, other than securities:

- instruments on the monetary market

- parts of companies for collective investment;

- options, features, swaps, forward contracts with fixed interest rate and other derivative contracts on securities, currency, interest rates, income or other derivative instruments, indices or financial indicator, the duties on which could be executed through a delivery or monetary payment;

- options, features, swaps, forward contracts with fixed interest rate and other derivative contracts on commodities, the duties on which have to be executed through monetary payment or the duties on which have to be executed through monetary payment on demand of one of the sides (outside the cases of non-performance or other reason to cancel the contract);

- options, features, swaps and other derivative contracts on commodities, the payable amounts for which can be executed through a delivery, when they are traded on a regulated market and/or multilateral trading system;

- options, features, swaps, forward contracts and other derivative contracts on commodities, other than the listed in "A", the duties on which could be executed through a delivery, that are not commercial securities and according Art. 38, paragraph 1 of Ordinance (EO) № 1287/2006 of the Commission have the characteristics of other derivative financial instruments according whether they are subject of clearing and settlement, including through certified clearing houses, or are being used as a collateral for margin purchases or short sales;

- derivative financial instruments for transferring credit risk;

- contracts for difference;

- options, features, swaps, forward contracts with fixed interest rate and other derivative contracts related to climate changes, freight tariffs, prices of quotas for trade with emissions, percentages of inflation and other official economic statistic indicators, the duties on which have to be executed through monetary payment or the duties on which have to be executed through monetary payment on demand of one of the

sides (outside the cases of non-performance or other reason to cancel the contract), and any other derivative contracts, related to assets, rights, obligations, indices and indicators other than the listed in this article, that have the characteristics of the other derivative financial instruments according whether they are being traded on a regulated market, are subject of clearing and settlement, including through certified clearing houses, or are being used as a collateral for margin purchases or short sales, and the derivative contracts according Art. 38, paragraph 3 of Ordinance (EO) № 1287/2006 of the Commission.

A) "Securities" are transferable rights, registered on accounts in the Central depository, and for the government securities - registered on accounts in the Bulgarian National Bank or sub depository of government securities or in foreign institutions, executing such activities (dematerialized securities), or documents, materializing transferable rights (materialized securities), that can be traded on the capital market, except payment instruments like:

- shares in companies and other securities, equivalent to stocks in capital companies, personal companies and other juristic persons, and depository receipts for shares;
- bonds and other debt securities, including depository receipts for such securities;
- other securities, that give a right of acquisition or sale of such securities or that lead to monetary payment, defined by securities, exchange rates, interest rates or income, commodities or other indices or indicators.

III. Requirements and restrictions for the activity of the IB

Art. 11. (1) When executing the services and activities from Art. 5, para. 1, at the expense of the clients, the IB acts honestly, fairly, as a professional, makes the effort of a good trader for the interest of its clients and chooses their interest over its own, by notifying the client for the risk of deals with financial instruments.

(2) Implementing its activity, the IB keeps the trade secret of its clients and their trade reputation.

(3) IB notifies its clients for existing system for compensation of the investors, including its reach and for the guaranteed size of its client's assets, and by demand provides information about the conditions and order for compensation of client assets by Fund for compensation of the investors in securities.

(4) IB signs deals with financial instruments at the expense of the client with the best conditions and makes effort to achieve the best execution according the given customer orders, in an order and conditions provided in accepted by the IB explicit policy of execution of orders with the best conditions for the client. IB has accomplished this obligation, if by executing a client order have been taken all sufficient steps for receiving the best possible result for the client taking into account price, expenses, speed, possibility of execution and settlement, size, character and any other consideration, according the execution of the order with the best conditions for the client.

(5) IB treats equally and fairly its clients and as soon as possible executes their orders, respectively signs deals when managing a wallet, if that wouldn't be clearly disadvantageous for the clients.

(6) IB provides to its clients and potential clients its advertising and public statements of the members of managing and control of the IB, people, managing its activity and people working with a contract for the IB (the respective people), understandable, correct, clear and not misleading information.

(7) IB provides to its clients enough information about a specific service, including the expenses for deals and the rest of activities, provided at the expense of the client, when this is applicable.;

(8) IB executes immediately, fairly and clearly the accepted client orders, by keeping the order of their entrance, including the identical ones.

(9) IB must divide its own financial instruments and finances from those of the clients.

(10) IB doesn't answer its creditors with financial instruments and finances of its clients and with securities that are basic for depository receipts.

(11) IB regularly notifies its clients for availabilities and operations on the accounts for finances and financial instruments that it keeps and for the conditions of the contracts for their storage.

(12) Except normatively regulated cases, IB is not allowed:

1. to use at its own expense finances and financial instruments of its clients;
2. to use at the expense of its client finances or financial instruments of other clients;
3. to use at the expense of a client its own finances or financial instruments.

(13) IB stores the financial instruments of its clients in a depository institution in client accounts to the account of the IB or in accounts, open on the account of a third person and deposits the finances of its clients by Art. 93, para. 1 of LMFI.

Art. 12. (1) The investment broker cannot:

1. keep to itself the finances of its clients;
2. transfer execution of investment and additional services at the expense of a client to another investment broker, and execution of important operational functions to a third person, if by this will interfere with the realization of effective inside control or the possibility for FSC to accomplish its supervisory functions;
3. to execute deals at the expense of the clients in volume or with frequency, at a price or with a defined versus party for which according the circumstances can be accepted that are executed exclusively in the interest of the Company, except deals for the execution of which the client has given explicit instructions on its own initiative;
4. to execute at the expense of a client operations with money and financial instruments of the client, for which is not empowered by the client;
5. to sell at the expense of someone else financial instruments, that his client doesn't own, except under conditions and in the order of a ordinance;

6. to take part in the execution, including as a registration agent, of hidden purchases or sales of financial instruments;

7. to get a part or the full benefit, if the IB has signed and executed the deal with conditions, better than the ones the client has established;

8. to execute activity in other way, that threatens the interests of his clients or the stability of the market for financial instruments;

9. to use the financial instruments and finances of clients for purposes, that are not related to the activity, that he executes at their expense, including using at clients expense its own or another client's finances or financial instruments, except for normative defined conditions and in order.

Art. 13. (1) The respective persons and the affiliates are not allowed to buy at their own expense financial instruments, for which a client of the IB has submitted an order for purchase, and to sell them to the client at a price higher than the price they bought them at;

(2) The respective persons cannot announce, except if they're not authorized for that, and to use for their own advantage or for other people facts and circumstances about the stocks and actions on the accounts for financial instruments of clients of the IB, and any other facts and circumstances being a trade secret, they got to know during execution of working and professional obligations. During the inauguration or beginning an activity for IB, the respective persons, sign a declaration for keeping the secret.

(3) The ordinance of subparagraph 2. is about the cases when the respective persons are not working or their activity is discontinued.

(4) Other than FSC, the deputy chairman and affiliated officials of the administration of FSC, for the purposes of their supervising activity and in the limitations of an order for revision, and on the respective regulated market, the IB can give information only with permission from its client or in the order of part two, chapter XVI, section IIIa of the Tax-Insurance Procedure Code, or with a decision from the court, issued with the conditions and in order of Art. 91, para. 2 и para. 3 of LMFI.

IV. Providing and receiving information, before signing a contract with a client. Evaluations of appropriateness and expediency. Requirements for the content of the information.

Art. 14. (1) Before signing a specific contract the IB opportunely provides to its clients and the potential clients, including in the advertisement and public statements of the respective persons, understandable, fair, clear, full and not-misleading information. The advertisement of the IB must be clearly denoted as that.

(2) The information in subparagraph 1 (The information), that the IB gives to the clients or spreads in a way they can be reached, responds to the following conditions:

- contains information about the IB, including the name and address of the IB, information about the contacts necessary for the clients, so they are able to maintain an effective connection and the languages

for communication;

- contains information about the received by the IB license, name and address for communication for the competent body that issued it.

- contains information about the ways of maintaining connection between the IB and the client;

- contains information about the provided by the IB services, including whether it's executing an activity or signs deals with financial instruments at its own expense;

- contains information about the financial instruments, subject of the provided by the IB investment services and the offered investment strategies, and for the risks related to the investors in the respective financial instruments or related to the offered investment strategies;

- contains information about the places of execution of the deals with financial instruments;

- contains information about the kinds of expenses and fees for the client and their size, including all expenses and fees for investment and additional services and for investment advices ; the expenses related to the suggested, offered or sold to the client financial instrument; the method of payment of the expenses and fees and all payments to third parties;

- contains information about the nature, frequency and periodicity of the reports for the results of the services, that will be provided by the IB, according to Art. 25, para 6 of Ordinance 2014/65/EU;

- contains a brief description of the measures that the IB takes to guarantee the protection of its clients' assets and the existing pattern for guaranteeing of assets or compensation of the investor;

- is clear and doesn't underline potential benefits from a given investment service or financial instrument, without showing clearly and on a visible place the respective risks;

-is sufficient and is provided in an understandable manner for the respective addressees;

- doesn't hide, miss, or underestimate important messages, statements or warnings.

(3) If the information in subparagraph 1 contains and comparison between investment or additional services, financial instruments or persons, providing investment or additional services, the comparison has to be meaningful and presented in objective and balanced way, to show the sources of information, used for the comparison, and to include the main facts and suggestions, used to prepare the comparison.

(4) When the information contains indication of the previous profitability of a financial instrument, financial index or investment service, pointing the previous profitability doesn't have to be the most important part of the message that includes appropriate information about the profitability in the last 5 years. If the period, in which the financial instrument has been offered, respectively the financial index has been shaped or the investment service has been offered, is shorter or longer than 5 years, has to show information about the profitability in this period, as in every case the information about the profitability are based on a full period of 12 months;

(5) Additional in the information, when the same contains pointed out previous profitability of a financial

instrument, financial index or investment service, is designated the period, for which the information is about, and its source, and an explicit warning, that the information is about a past period and is not a certain indicator for future results.

(6) If the information contains data and values in currency, different from the national currency (BGN), the currency has to be clearly defined and to have an explicit warning, that the profitability could be decreased or increased from the change in the exchange rates. When the profitability is designated in general, is pointed out the size of the commissions, fees and other expenses for the clients.

(7) When the information contains or refers to a simulated past profitability, it has to refer to a financial instrument or financial index, the simulated past profitability has to be based on real past profitability of one or more financial instruments or indices, which are the same or which are a basis asset of the financial instruments, for which is simulated profitability, to contain an explicit warning, that the data is based on a simulated profitability and it is not a certain indicator for future profitability.

(8) When the information contains data for future profitability, it is not based on and doesn't refer to a simulated past profitability, is based on justified assumptions, backed up with objective information and facts. When the information is based on general profitability, is pointed out the size of the commissions, fees and other expenses for the clients, and contains an explicit warning, that these assumptions are not a certain indicator for a future profitability.

(9) When the information refers to a taxation with a specific tax, it contains the clarification that the taxation depends on the specific circumstances, related to the client and can be changed in the future.

(10) The IB in an appropriate term before providing an investment or additional service gives to the client information about the cases when the accounts that contain money or financial instruments of the client, are subject or will be subject of regulation from the law of a country that is not in the EU, as well as:

1. presence of a right of collateral or a right of retention of client money or financial instruments for the IB and for the conditions when arises or could arise such right;
2. presence of a right to deduct client money or financial instruments for the IB and for the conditions when arises or could arise such right;
3. the existence or the conditions when the IB has or could have a right of deduction of client financial instruments or money;
4. the possibility the depository institution to have a right of a collateral, right of retention or deduction of client financial instruments or money, when this is possible.

Art. 15. The IB timely notifies the client for every significant change in the provided information in Art. 14, para. 1, that is related to the offered to the client service.

Art. 16. (1) The information in Art. 14, para. 1 is provided to the client on paper or in a different way, respecting the following requirements:

1. Providing of information in such way is appropriate considering the existing or future relations

with the client

2. The client has explicitly preferred this way of providing information before providing it on paper.

(2) All of the information that has to be given can be provided to clients of the IB without being addressed to a specific client and by the webpage of the Company, only with the following conditions:

1. providing information in such way is appropriate considering the existing or future relations with the client

2. the client has permanent access to internet, as this circumstance is proven by providing from the client an e-mail address for the needs of the established relations with the IB;

3. the client explicitly agreed with this way of providing the information;

4. the client is notified through electronic way for the address of the webpage of the IB and the location of the webpage, where this information can be found;

5. the information provided on the webpage of the IB is up to date;

6. the information is accessible constantly on the webpage of the IB and for the time usually necessary for the clients to get to know it.

Art. 17. (1) When managing a wallet and providing investment advices, the IB requires from the client, respectively the potential client, information about his knowledge and experience about the provided services, his financial position, his ability to bear with losses and his investment goals, including the acceptable for the client level of risk.

(2) Based on the information in subparagraph 1. The IB evaluates the appropriateness, including about how much the financial instruments – subject of the investment advice, correspond to the acceptable for the client level of risk and his ability to bear with losses. When providing investment services, the IB is leaded by the information given by the client.

(3) The IB is not allowed to execute managing of a wallet and providing investment advices to a client who didn't provided the information in subparagraph 1.

(4) When the IB provides an investment advice with a recommendation for sale of package of services or products according Art. 74 of LMFI, every separate part and the package have to be overall appropriate for the client.

(5) When providing an investment advice to a client before executing the order – consequence of the investment advice, the IB provides to the client on a permanent bearer, notification whether the advice corresponds to the preferences, needs and other characteristics of the unprofessional client.

(6) When providing an investment advice for purchase or sale of financial instrument in the cases when the deal is signed through the methods of communication from distance that obstructs the aforesaid presentation of the notification by subparagraph 5, the IB can provide it right after signing the deal, in condition that the following conditions have been fulfilled:

1. the IB has provided to the client a possibility to delay the deal with purpose to receive the notification for accordance in advance, and

2. the client agreed to receive the notification by subparagraph 5. timely after signing the deal.

(7) With providing the service of managing a wallet or when the IB has notified the client of making a periodical evaluation, the periodical report contains updated statement and justification of the way the investment corresponds to preferences, needs and other characteristics of the unprofessional client.

Art. 18. (1) When providing investment services, other than the listed in Art. 17, para.1, the IB requires from the client, respectively potential client, information about his knowledge and experience with the investment services, related to the specific product or service, that are being offered or wanted, so that the IB is able to estimate whether the investment service or product are appropriate for the client, and to update this information.

(2) Based on the information in subparagraph 1. the investment broker evaluates the appropriateness, by apprising whether the offered investment service is appropriate for the client, respectively potential client. If based on the received information the IB decides that the product or service are not appropriate, he warns about that in written form the client, respectively potential client.

(3) In case the client, respectively the potential client, doesn't provide the information in subparagraph 1. or the provided information is insufficient for the evaluation in para.2, the IB must warn the client, respectively the potential client, in written form that he can't estimate whether the offered investment service or product are appropriate for him.

(4) In the cases when the IB provides services and activities, related to accepting and submitting orders about one or more financial instruments, including intermediation for signing deals with financial instruments, and for executing orders at the expense of a client, the IB can provide such services, without receiving the information in sub.1 or without evaluating the appropriateness, when simultaneously exist the following conditions:

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

a) stocks, allowed to trade on regulated market or equivalent market in a third country, or in MTS, when those are stocks of companies, except shares in companies that are not collective investment schemes, and stocks that include derivative instrument;

b) bonds or other forms of securitized debt, allowed to trade on unregulated market or on equal market in a third country, or in MTS, except the bonds or other forms of securitized debt that have an integrated derivative instrument or that have a structure because of which is more difficult for the client to understand the related risk;

c) instruments of the money market, except those with integrated derivative instrument or have a structure, because of which is more difficult for the client to understand the related risk;

d) stocks or shares of collective investment schemes, except the structured companies for collective investment by Art.36, paragraph 1, para.2 of Ordinance (EU) № 583/2010;

e) structured deposits except those that have a structure because of which is more difficult for the client to understand the risk of return or the expenses for pre-term exit out of the investment;

f) other simple financial instruments similar to the ones above

2. the service is provided on the initiative of the client or respectively potential client;

3. the client or the potential client is notified in a written form that the investment broker will not evaluate the appropriateness, and the notification can be in a standardized format;

4. The investment broker follows the requirements of Art. 76 of LMFI and applies measures for prevention, establishing and managing of conflict of interests.

(5) Subparagraph 4 is not applied in the cases of granting credits or loans by Art. 6, para. 3, p. 2 of LMFI, other than existing credit limits for loans, current accounts and overdraft of clients.

(6) For the purposes of sub.4 p.1 the market of a third country is considered equivalent to a regulated market, when the European commission took a decision for equivalence with respecting the requirements and procedure by Art. 25, paragraph 4, para. 3 и 4 of Ordinance 2014/65/EU.

(7) When the IB provides a sale of package of services or products according Art. 74 of LMFI, is considered whether the package is overall appropriate for the client.

Art. 19. (1) When providing investment advices or executing of management of wallet, based on the information in Art. 17, para. 1, the IB establishes the essential facts about the client and assumes whether the products or services that will be recommended or provided correspond to the investment goals of the client, whether the client has the financial stability to bear with the eventual losses and whether the client has the necessary experience and knowledge to understand the risks related to the provided services.

(2) When providing an investment service to a professional client, the IB can assume that when it comes to the products, deals and services, for which he's defined as a professional client, he has the necessary experience and knowledge and has the financial ability to bear with eventual losses.

(3) The information about the financial state of the client or potential client could include, when it's applicable, information about the size and sources of income, information about owned by the client assets, including financial instruments and other relevant information.

(4) The information about the investment goals of the client or potential client, includes, when it's applicable, information about the period of time in which the client wants to keep the investment, his preferences about the investment instruments, his risk profile and goals of the investment.

Art. 20. When providing investment services, other than managing a wallet and investment advices, the IB can assume that a profession client has the necessary experience and knowledge to understand the risks, related to a specific investment service, deal or product, for which the client is defined as professional.

Art. 21. The information that the IB requires from a client or potential client about his experience and knowledge about the investment services, contains at least information about:

- Knowledge about the execution of deals with financial instruments;
- Presence of experience in execution of deals with financial instruments;
- Character of the experience (because of education, profession, occupation, scope of activity, regular deals etc.)

(2) The IB requires such part of the information in sub.1 that is appropriate for the characteristics of the client, the essence and scope of the services that will be provided, and the types of products and deals that are prevised, including their complexity and the related to them risks.

(3) By assumption of the IB can be required more detailed information from a client that contains additional information to the basic information from sub.1, including but not only about:

- the essence, volume and frequency of the deals with financial instruments and the period they have been signed for;

- education, profession or relative past profession of the client.

Art. 22. The IB cannot encourage its clients or potential clients to not provide the required information of Art. 17 and Art. 18.

V. Measures for prevention, establishing and managing of a conflict of interests

Art. 23. (1) When executing investment services and activities and additional services, the IB takes the necessary measures to establish, prevent or manage conflicts of interest between the IB, including persons who manage and represent the IB, persons who work for it with a contract, the related agents or any person who is directly or indirectly related to the IB through relation of control on one side and its clients on the other.

(2) The IB undertakes the actions from sub1. in the cases when a conflict of interests can arise as a result of received remuneration, provision of incentives from third persons or other mechanisms for stimulation.

(3) When despite the application of the rules for prevention of a conflict of interest continues to exist a risk for a client's interests, the IB doesn't execute activity at the expense of a client, when he didn't inform it about the general nature of and/or about sources of the potential conflicts of interests and the undertaken measures for limiting of the risk in the interest of the client.

(4) For the purposes of sub.3 the IB provides enough detailed information on a permanent bearer to every single client, to ensure a possibility to take an informed decision about the service, about which the conflict has arisen the conflict of interests.

Art. 24. The measures and criteria for preventing, establishing and managing potential conflicts of interests, related to providing different kinds of investment services are defined with explicit rules of dealing with conflicts of interests, accepted by the IB.

VI. Receiving remunerations, commissions and monetary profits from third persons.

Art. 25. The IB is not allowed in relation to providing investment or additional services to a client to pay, respectively to give or get remuneration, commission or non-monetary profit, except:

1. A remuneration, commission or non-monetary profit, paid or provided from or to the client or his representative;
2. A remuneration, commission or non-monetary profit, paid or provided from or to a third person or his representative in the following conditions:
 - a) The payment, respectively the provision of the remuneration, commission or non-monetary profit is about improving the quality of the service and doesn't interrupt the obligation of the IB to act fairly, correctly, professionally and in the best client interest;
 - b) The existence, nature and size of the remuneration, commission or non-monetary profit are listed to the client clearly in an accessible way, clearly and understandable before providing the respective investment or additional service and when the size can't be defined is mentioned the way of its calculation.
3. The fees that ensure or are necessary for providing the investment services like expenses for custodian services, fees for settlement end currency exchange, fees for legal services and public

fees and which by its nature don't lead to arising a conflict with the obligation for the investment broker to act fairly, honestly, professionally and in the best client interest.

Art. 26. (1) The IB doesn't provide remuneration and doesn't evaluate the results of the job of its employees in a way that contradicts with its obligation to act in the best client interest and doesn't provide incentives to its employees to recommend to an unprofessional client a specific financial instrument, when the IB can offer another financial instrument, that meets the needs of the client better.

(2) The IB informs the client about the order and method the client will receive a fee, commission, monetary or non-monetary profit, when the IB has received one in relation to an investment or additional service for the client.

Art. 27. The IB accepts an explicit policy of providing or receiving remunerations, commissions or other monetary or non-monetary profits, with which establishes clear and objective principles for providing or receiving remunerations, commissions or other monetary or non-monetary profits.

VII. Providing of the investment service with another service or product.

Art. 28. (1) When the investment service is provided with another service or product as a part of a package or as a condition for the same contract or package, the IB notifies the client whether it's possible to receive execution of the separate parts separately and provides him with information about the expenses and fees for every part separately.

(2) When there's a possibility of risks, coming from providing the service with another service or product as a part of a package or as a condition for the same contract or package, offered to an unprofessional client, to be different from the risks, related to the different parts, the IB provides appropriate description of the separate parts and the way the interaction between them reflects on the risks.

VIII. Providing of services through intermediation from another investment broker

Art. 29. (1) When providing services at the expense of a client, according an order from another investment broker, the IB is allowed to get the information about the client, collected by the investment broker, by the order of which the services are being executed.

(2) The investment broker, by the order of which are being executed the services form sub.1, is responsible for the completeness and accuracy of the provided information.

(3) The IB has a right get and refer to the investment advices, provided to the client by the other broker about the service or deal.

(4) The investment broker, by the order of which are being executed the services form sub.1, is responsible for the advices provided to the client to be relevant and the suggestions – appropriate.

(5) The IB, executing services by sub.1 according an order from another investment broker, is responsible for the execution of the order or signing the deal based on the received information and advices from sub.1 and 3.

IX. Actions of the IB related to signing a contract and execution of orders. Rights, obligations, responsibilities

Art. 30. (1) The investment broker “Varchev Finance” Ltd. provides investment and additional services at the expense of the clients based on a written contract. The submitted client orders about disposal actions with financial instruments are inseparable part of the contract.

(2) In the contract in sub.1 (the contract) are inscribed the individual information about the persons who sign it, the quality in which is acting the person, signing the contract from the name of IB, the date and place of signing, the acting at the moment of signing general conditions and the acting tariff of fees and commissions of the IB, the general rights and obligations of the sides and pointing the information that the IB has to give to the client.

(3) A copy of the identity document of the client, respectively his representative, verified by him and the person who signed the contract for the IB, stays in the archive of the IB. The validation is executed by writing “true to the original”, date and sign of the person who executes the deal.

(4) Signing the contract from sub.1 through attorney is acceptable only if he provides notarized power of attorney that has representative power for executing managing or ordering actions with financial instruments and a declaration from the attorney that he’s not executing by occupation deals with financial instruments, and he has not executed such deals one year before signing the contract.

(5) The IB keeps in its archive the declaration and the original letter of attorney by sub.4, according a notarized copy of it. If the letter of attorney is for multiple use, the IB keeps a copy of it, verified by the attorney and a person from “Internal control”.

(6) The IB signs written contracts and accepts orders from clients only on the addresses of inscribed in the register of the Financial supervision commission, address of management, branch or office, except when the contract is signed not in person with the conditions of Art. 26a, para. 266 and para. 26B of Ordinance 38.

(7) The premises where the client orders are accepted must have the necessary technical equipment, program insurance, allowing to accept orders, including those, submitted through remote method of communication, keeping the order of entrance of the orders for submitting them for execution and keeping the information.

(8) When signing a contract about providing services by registration agency, a person from “Internal control” checks if the contract is in accordance with the requirements of the law and the internal acts of the IB. In this case the person, until the end of the work day, composes a document, with which he certifies the execution of the check.

Art. 31. The IB cannot sign a contract with a customer, if the client or his representative has not provided a and signed all necessary documents, according the requirements of the law, has provided documents with visible irregularities or the information in them are incomplete, have inaccuracies or contradictions or there’s another circumstance that rises a doubt of inappropriate legitimations or representation. The IB cannot sign a contract with a client and if a client is represented by an attorney who declares the execution by occupation of deals with financial instruments.

Art. 32. The IB is not allowed to sign a contract for services of providing investment advices and managing a wallet, if the specific client has not provided information about his knowledge and experience about the provided services, his financial state, ability to bear with losses and his investment goals, including the acceptable for the client level of risk.

Art. 33. The clients of the IB submit orders according the conditions, order and form defined in section XIV.

Art. 34. (1) The IB accepts orders from clients only through physical persons who work with a contract for it and are:

1. Brokers, or:
2. Persons who respond to the requirements in Art. 3, p. 1 - 6 of Ordinance № 7 of FSC from 2000. For the requirements the physical persons have to meet, that by contract directly execute deals with financial instruments and investment services about financial instruments, and the order of obtaining and withdrawing the right to practice such activity and are inscribed in a respective register, conducted by the FSC, or:
3. Manager of the investment broker and procurators.

(2) The IB denies to execute an order from a client, if the conditions, order and form of submitting are not followed.

(3) The IB doesn't execute the submitted orders if the attorney of the client hasn't provided notarized letter of attorney that has representative power for executing prescriptive actions with financial instruments and doesn't execute an order if the client is represented by attorney who declares execution by occupation of deals with financial instruments or hasn't executed such deals one year before signing the contract.

Art. 35. The IB is not allowed to execute an order of a client if the client, respectively his representative, denies to submit a declaration by Art. 35, para. 1 of Ordinance № 38 of FSC, has declared that the deal – subject of the order, is a hidden purchase or sale of financial instruments. The denial of the above is proven with a separate document, signed by the client.

Art. 36. Other than the restrictions from para. 31 and para. 35, when executing activity as a registration agent, the IB denies to sign a contract with a client and to accept documents for executing registration activities and if:

1. It's not available all the necessary information and documents, the provided documents contain obvious irregularities or the information has inaccuracies and contradictions;
2. A side for the order declares that it has internal information about the financial instruments – subject of the deal, if they are traded on a regulated market or about their issuer;
3. There's a circumstance that arises doubt about inappropriate legitimation or representation;
4. A side for the deal, respectively an attorney of a side, declares the execution by occupation deals with financial instruments, in the cases of deals, signed between the sides in advance.

Art. 37. The investment broker executes client orders with the following conditions:

1. Immediate and clear registration and division of the orders for execution;
2. Immediate execution in the order of entrance of identical orders, except when the characteristics of the order or the predominant market conditions make this unrealizable or the client interests require something else;
3. When informs an unprofessional client about the arisen objective difficulties, impeding the clear execution of the orders, immediately after finding out about them.

Art. 38. When the IB has an obligation to organize and monitor the settlement of an executed order at the expense of a client, the required actions have to be taken, to ensure that all client financial instruments or

money, received from the settlement, immediately and clearly are transferred in the accounts of the respective client.

Art. 39. The IB doesn't misuse information about unexecuted client remunerations and undertakes all necessary measures to prevent such misuse from every respective person.

Art. 40. (1) According the requirements of Art. 94 of LMFI for keeping financial instrument of clients, before execution of an order for sale, the IB checks in the respective depository institution or third person, where are kept, if the financial instruments the order is about are available on the account of the client, if they're blocked or on them is established a pledge or there's an imposed distraint.

(2) When the IB executes the check for financial instruments of a client, that are kept by a trustee, the information from sub.1 is required from the trustee, and if it's necessary the client cooperates for that, including, but not only with agreeing for execution of the check at a trustee and gives instructions to the trustee about providing information to the IB.

(3) The IB keeps in its archive the provided information about the results from the check and all the correspondence with the trustee.

(4) The check from sub.1 is not executed if the IB provides otherwise that the financial instruments, subject of the sale, will be delivered at the day of settlement of the deal, and in other explicitly provided cases.

Art. 41. (1) The IB requires from a client who submits an order for purchase of a financial instruments, to provide the cash in hand, necessary for the payment for the deal – subject of the order, when submitting the order, except if the client proves that he will execute his obligation to pay, and in other explicitly provided cases.

(2) If the rules of the place of execution, on which the deal will be signed, allow signing a deal in which the payment for the financial instrument is not happening at the same time as their transferring, the IB can not require payment from the buyer if there's an explicit consent in written form from the seller. This respectively applies and to other transferable deals with financial instruments.

Art. 42. The IB is not allowed to execute an order and if it has declared or finds out that the financial instruments – subject to the order for sale, are not available on the account of the client or are blocked and if on them is established a pledge or there's an imposed distraint, except when:

1. The acquirer is notified about the established pledge and has given an explicit content to obtain the pledged financial instruments, there's an explicit content of the pledge creditor in the cases provided in the The Special Pledges Act;
2. The pledge is established on an aggregation by the meaning of the The Special Pledges Act Art. 43. The IB is not allowed to execute an order of a client for deals with financial instruments and if that would lead to violation of LMFI, LAW on the Public Offering of Securities, Law on Ownership and Use of Agricultural Land, Law for the companies with a special investment purpose or other acting normative acts, including national and European.

Art. 44. The IB is not allowed to execute a client order and/or to sign a deal at its own expense, by uniting them with other client orders, except according explicit rules for uniting and allocation of orders, accepted by the IB.

Art. 45. (1) The IB creates a record for every client, in which keeps the signed with him contract and all documents, related to the provided investment services to the client and keeps accountancy of the information that he got from the clients.

(2) The IB and respective persons cannot use the received information about the investment intentions of the client in his detriment, for its own advantage or for the advantage of third persons.

Art. 46. Before the immediate provision of investment services, related to acquiring or opening positions in financial instruments, the IB identifies its clients and requires from them information about the origin of their money according to the Law on Money Laundering Measures.

Art. 47. If the IB signs and executes the deal with conditions, better than the agreed with the client, the full profit belongs to the client.

X. Keeping registers about received and processed orders and signed deals

Art. 48. About every order, received from a client and about every decision for trade, the IB immediately registers and keeps available for the FSC the information, listed in part 1 of the Application IV to the delegated Directive (EU) 2017/565 of the Commission from April 25th, 2016 to complete the Directive 2014/65/EC of the European parliament and the Council of organizational requirements and the conditions for executing activity of the investment brokers and giving definitions of the purposes of the listed Directive (Regulation 2017/565).

Art 49. Immediately after receiving an order from a client or making a decision for trade, the IB registers and keeps available for the FSC at least the information, listed in part 2 of the Application IV to Regulation 2017/565.

Art 50. In relation to the requirements of Art. 48, the IB keeps record in a special journal of the order of submitting all orders of their clients, including the identical ones and executes them by keeping this order and about the requirements of Art. 49, the IB keeps a journal in which registers, not later than the end of the work day, the signed deals and the processed orders.

Art. 50A. The IB keeps daily accounting and documental archive and keeps for 5 years all the documents and information about the activity, according to the requirements of the law and internal rules of the IB.

XI. Keeping client assets

Art. 51. (1) The IB keeps the financial instruments of the clients in a depository institution in client subaccounts to its account or in accounts, open to the account of a third person.

(2) When opening an account for financial instruments for a client at a third person, the IB takes care of the interests of the client when defining of this person and making him keep the financial instruments of the client and periodically, at least once a year, reviewing with the same care the choice of this person and the conditions in which it keeps the financial instruments of the client.

(3) When executing the obligations from sub.2 the IB reports the professional qualities and market reputation of the third person, and the normative requirements and market practices, related to keeping such financial instruments that can impair the client rights.

(4) With keeping financial instruments of a client at a third person in a country, whose legislation provides a special regulation and supervision about keeping financial instruments at the expense of another person, the IB can't provide for keeping client financial instruments at a person from this country, that isn't a subject of the provided from the local legislation regulation and supervision.

(5) The IB is not allowed to keep financial instruments of a client at a third person in a third country, whose legislation doesn't regulate keeping financial instruments at the expense of third person, except when there's one of the following conditions:

1. The nature of the financial instruments or investment services, provided in relation to these instruments, requires keeping them at a third person in a third country;
2. a professional client in a written form asks for his financial instruments to be kept at a third person in a third country.

(6) The IB ensures, keeping financial instruments of clients at a third person to be executed in a way that guarantees identification of client financial instruments separate from the financial instruments of the IB and the third person's, through keeping separate accounts from this third person or through applying other measures, ensuring the same level of protection.

(7) In the cases when the applicable legislation to the activity of the third person doesn't allow keeping the requirements from sub.6, the IB takes appropriate measures to guarantee the rights of the client related to the kept financial instruments, including by opening separate from its own accounts for financial instruments of clients, that the third person keeps on the name of the IB, but at someone else's expense.

Art. 52. (1) The IB deposits the money, provided from clients or received as a result of executed at their expense investment services in individual bank accounts of clients or in a mutual bank account, open by the IB to keep client money, separate from the account for the personal money of the IB, open in:

1. Central bank
2. Credit institution, licensed to execute activity according the Law for credit institutions, according respectively the requirements of Directive 2013/36/EU;
3. Credit institution, licensed in a third country.

(2) The IB can deposit and keep money of its clients and in certified fund on the money market.

(3) The IB takes the necessary care of the client interests when defining the people by sub.1 and periodically, but at least once a year reviews with the same care their choice and the conditions by which they keep the client money.

(4) When executing the obligations of para. 2 the IB reports the professional qualities and market reputation of the persons of para.1, regarding guarantee of the rights of the client, and the normative requirements and market practices, related to keeping money that can impair the rights of the client.

(5) The IB is not allowed to keep and invest the money of a client in a collective investment scheme, if the client confronts to this way of keeping the provided by him money.

Art 53. When providing investment or other services, the IB accepts and executes payments with cash by keeping the requirements of the Law for limitation of the cash payments.

Art. 54. In relation to the provided by him investment services, the IB can't use financial instruments of its clients at its own expense, at the expense of other clients or at the expense of any other person, except when he has the explicit consent of client.

Art. 55. The IB is allowed to sign deals for financing of securities with kept by him financial instruments of clients or in another way to use at its own expense or at the expense of someone else such financial instruments, except for when the client gave his explicit consent in advance to use his financial instruments with specific conditions and the usage of the financial instruments is accomplished by

keeping these conditions. The consent of the above is given in a written form, if the client, whose financial instruments are used, is unprofessional.

Art. 56. The IB is not allowed to sign deals for financing of securities with financial instruments of clients, kept in a mutual client account at a third person, or in another way to use at its own expense or at the expense of another client such financial client instruments. The prohibition for the above is not applicable, if the requirements from para.1 are kept and at least one of the following conditions:

1. All clients, whose financial instruments are kept together in a mutual account, have explicitly given their consent in advance, according sub.1;
2. The IB has established procedures, guaranteeing that will be used only financial instruments of clients, that have given their explicit consent about that in advance, according sub.1, as well as mechanisms for control about keeping this requirement.

Art. 57. In the cases of para.56 The IB includes in its accountancy information about the client, by whose order have been used the financial instruments, and for the number of the used financial instruments of every client, regarding the correct distribution of eventual losses.

XII. Assignment of important operational functions to a third person

Art 58. (1) The IB can assign the execution of important operational functions or investment services and activities to a third person. The assignment is implemented based on a written contract between the IB and a third person, in which are exhaustively indicated the rights and obligations of the sides.

(2) When assigning important operational functions the IB guarantees that it undertakes appropriate measures to avoid unwarranted additional operational risk, when it counts on a third person to execute the operational functions, critical for the continuous and satisfactory providing services to clients and execution of investment services. In this relation the IB evaluates and manages the risk, related to the possibility to authorize third persons to execute specific actions and to assign important operational functions to third persons.

(3) Assigning important operational functions and investment services and activities is done in a way that doesn't lead to exemption of the IB of the resulting from the law obligations and delegation of responsibility from the management of the IB.

Art. 59. The order and way of assigning the execution by Art. 58, para. 1, the management of the respective risks, and the regulation of established measures and actions for the IB to take, are defined by explicit rules, accepted by the IB.

XIII. Presentation of accountable information to the clients

Art. 60. (1) When executing client order, other than an order, related to the management of a wallet, the IB immediately provides to the client on a permanent bearer the basic information about the execution of this order and presents on a permanent bearer, to the client a confirmation for a signed deal, as soon as possible, but not later than the first workday after the execution, or when the IB has received the confirmation from a third party – not later than the first workday after receiving the confirmation from a third party.

(2) Sub.1 is not applicable when the confirmation is sent immediately to the client from another person and could contain the same information, like the confirmation.

(3) Other than the requirements of para.1 the IB provide to the client by request and information about the status of a certain order.

Art. 61. (1) The confirmation by Art. 60, para.1 includes the following information:

- a) Identification of the investment broker who is reporting;
- b) Name or other designation of the client;
- c) Day of trade;
- d) Time of trade;
- e) Kind of the order;
- f) Identification of the place of execution of the order;
- g) Identification of the instrument;
- h) Indicator “buy”/”sell”;
- i) The nature of the order, if it’s different from “buy”/”sell”;
- j) Quantity ;
- k) Unit price;
- l) Total value;
- m) Total amount of the charged commissions and expenses by request from the client – detailed breakdown that includes, when it’s applicable, any imposed increase or decrease, if the deal is executes from the IB while trading at its own expense and the IB owes the best execution to the client;
- n) The received exchange rate, if the deal includes currency exchange;
- o) Responsibilities of the client related to the settlement of the deal, including a term for payment or delivery, as well as appropriate details about the account, when those details and responsibilities have not been announced before that to the client;
- p) When the counterparty of the client was the IB itself or any other person from the group of the IB, or another client of the IB – pointing out this fact, except if the order has not been executed through a system for trade, that eases the anonymous trade.

(2) For the purposes of k), when a certain order is being executed in tranches, the IB can provide to the client information about the price of every tranche or an average price. When is provided an average price, the IB provides by request of the client information about the price of every tranche.

(3) The IB can provide to the client the information by using standard codes, if he also provides an explanation of the used codes.

Art. 62. (1) When holding financial instruments to clients or cash to clients, the IP sends quarterly to any client for whom it holds financial instruments or funds, reference to a durable medium for those financial

instruments or funds, unless the relevant information is provided in another periodic report. Upon request by the client, the IP provides this reference more often for remuneration, according to the Tariff of the IP.

(2) The report under paragraph. 1 contains the following information:

(a) details of all financial instruments or funds held by the II for the client in the end of the period covered by the report;

(b) the extent to which each financial instrument or client 's funds have been subject to securities financing transactions;

(c) the amount of each benefit achieved for the client as a result of participation in financing transactions with securities as well as the basis on which these benefits are achieved.

(d) an explicit indication of the assets or means which are the subject of a contract for the financial collateral with transfer of rights;

(e) an explicit indication of assets that are affected by certain features with respect to of property rights, for example, which are subject to a secure interest;

(f) the market value or the estimated value, if the market value is not available, of the financial value tools included in the report, with an explicit indication of the fact that the absence of a market price may be indicative of a lack of liquidity.

(3) In cases where the client's portfolio contains receipts from one or more unsettled transactions, the information referred to in point (a) may be based either on the date of conclusion of the contract transaction or the settlement date, provided that the same basis is used consistently for all such information in the report.

(4) Reference under para. 1 is not granted when the IP provides its clients with access to online system meeting the criteria for a durable medium, if current financial reports tools or client tools are readily available to the customer and the IP has evidence, that the customer has accessed this report at least once during the relevant quarter.

(5) About financial instruments or funds of customers using a management service of the portfolio The IP may include the report under paragraph. 1 in the information contained in the periodic portfolio management report.

Art. 63. The IP shall notify its clients under the conditions and procedure laid down in the specific contract, when resulting from transactions in financial instruments, including management a portfolio for them arises under Art. 145 of the Public Offering of Securities Act.

XIV. ACTIONS BY A CLIENT IN CONNECTION WITH THE CONCLUSION OF A CONTRACT AND PERFORMANCE OF ORDERS. RIGHTS, OBLIGATIONS, RESPONSIBILITIES

Art. 64. In relation to contractual relations with the II, the Customer has the right to demand accurate and accurate execution by the IP and to verify performance if this does not violate the operational independence of the IP, while the client is required to give, personally or through clear, precise and comprehensive orders related to performance.

Art. 65. The risk of objective impossibility for the execution of the contract, respectively. Client orders are worn in full by the client and the risk of investing in financial instruments are wholly borne by the client, as it is not possible for the II to secure profits return on investment and ancillary services.

Art. 66. Conclusion of a contract and the submission of orders by a proxy is only admissible if a notarized power of attorney containing the required representative is presented authority for disposition actions on behalf of the client, as well as a declaration by the proxy that he / she does not carry out transactions in financial instruments on a professional basis and that he has not carried out such transactions within one year prior to the conclusion of the contract.

Art. 67. (1) Upon conclusion of a contract, the client shall provide information about his / her knowledge and experience in relation to the particular services provided so that the II can assess whether the services are suitable for the client.

(2) The failure to provide information under para. 1, is not based on the refusal of the II to conclude a contract with the customer and provide the relevant services.

Art. 68. (1) In carrying out investment advisory and management services of the client's portfolio, respectively by the potential client, must be provided to the IP information about his / her knowledge and experience regarding the services provided, his / her financial status, its ability to bear losses and its investment objectives, including its eligibility the level of risk on the basis of which the IP makes the appropriate assessment of relevance.

(2) In the event of failure to provide information under para. 1, the II refuses to enter into a contract with the client and to provide the relevant services.

Art. 69. (1) Upon submission of orders, the client shall be obliged to provide to the II, either personally or in person through its proxy, a statement whether:

1. financial instruments subject to a sale or replacement order are blocked at the depository institution in which they are held, whether a pledge has been established or a distraint has been imposed on them;
2. the client has inside information about the financial instruments to which it relates the order, and for their issuer, if the financial instruments to which the order relates, or on the basis of which the financial instruments, subject of the order, were issued, are traded on regulated market;
3. the transaction - subject of the order, represents a disguised purchase or sale of financial instruments.

(2) In case of declaring any of the circumstances under para. 1, as well as with respect to an order to sell financial instruments that are not available on its behalf, the client can not request the IP to provide the service.

(3) With regard to pledged financial instruments, the prohibition does not apply to the following cases:

1. the acquirer has been informed about the pledge and has expressly agreed to acquire the pledged financial instruments, there is an explicit consent of the pledge creditor the cases provided for under the Law on Special Pledges;

2. the bet is set up on an aggregate within the meaning of the Special Pledges Act.

(4) The prohibition on the sale of financial instruments that are not available on the Bank's account client, does not apply in the following cases:

1. where the IP provides services relating to short sales and provision of services loan of financial instruments;

2. where the II has otherwise provided that the financial instruments subject to the sale will be delivered to the settlement day of the transaction.

Art. 70. (1) The client shall perform his obligations in good faith by providing to the II the financial instruments and the necessary cash to implement contract and specific orders, according to the deadlines.

(2) When ordering for purchase of financial instruments, the Client shall provide the cash funds required to pay on transactions when submitting the order, unless it can provide or ensure that it will fulfill its obligation to pay in due time.

(3) When transferring financial instruments from a personal account to a client account with the II, the client is obliged to provide to the IB a certification document.

Art. 71. (1) A client of the II may withdraw his order in accordance with the one provided for the order itself, order, conditions and form.

(2) In connection with the withdrawal, the client shall pay to the IP the agreed remuneration and the costs incurred so far.

Art. 72. (1) The Client shall accept confirmations of the concluded transactions and the prepared by the II periodic reports at an IP office, personally, by e - mail, by another remote method for communication or under terms and conditions specified in the particular contract.

(2) Within two days of receipt thereof, in case the client does not accept the confirmations the reports provided by the II have the right to object, in writing. The objections raised are shall be considered within five business days and the IP shall provide the customer with a written opinion on them.

Art. 73. (1) A client of the IP may submit orders for transactions with financial instruments under telephone and / or electronic communication, provided that the IP established procedures this and explicitly, on a durable medium, has provided the customer with information about the existence of such possibility.

(2) In all other cases, the conclusion of a contract and the acceptance of client orders only written.

XV. ADDITIONAL CONDITIONS RELATING TO CONTINUOUS CONCLUSION OF
CONTRACT, SUBMISSION OF CLIENT ORDER AND ACCEPTANCE OF DOCUMENTS

CLIENT

Art. 74. (1) The IB may conclude a contract with a client, respectively, to accept a client order as well to accept documents and by exchanging electronic statements signed with qualified electronic signature, and the client, or his / her representative, sends to the IP signed with a qualified person electronic signature copy of his identity document, and for clients - legal entities - and a copy from commercial registration documents containing data on incorporation and representation.

The provisions of Art. 30, para. 3 and Art. 34, para. 1 shall not apply.

(2) Upon conclusion of the contract referred to in para. 1 way person under Art. 34, para. 1 checks the identity of the customer or his representative, respectively, by checking the data available in electronic signature and declare whether the requirements of the preceding sentence have been met.

(3) Where, during the inspection under para. 2 found that there was a discrepancy in the identity of as stated in the electronic statement under para. 1 person and the holder of the Qualified Electronic signature or discrepancy between the holder of the qualified electronic signature and the person who may represent the legal entity from which the electronic statement proceeds, it is considered that contract has not been concluded. The IP shall immediately notify the holder of the electronic signature and the author of the an electronic statement through the appropriate Certification Services Provider about the circumstance of the preceding sentence.

(4) The provision of all necessary information by the client, including the information needed to carry out an assessment of the appropriateness, assessment of relevance, can be done through an electronic statement signed by the client with a qualified digital signature.

Art. 75. (1) The contract with a client may be concluded in absentia by exchange of the necessary documents signed by the parties, provided that the client is the holder of a bank an account opened with the credit institution meeting the requirements of paragraph 2. Customer, respectively his / her representative, shall send to the investment intermediary the signed contract, a document in an original issued by the relevant credit institution that the customer is the holder of a bank account and a certified copy of his / her identity document, and for clients - legal entities - and a certified copy of commercial registration documents containing data on incorporation and representation.

The authentication shall be done by affixing the inscription "True to the original", date and signature of the customer.

The provisions of Art. 30, para. 3 and Art. 34, para. 1 shall not apply.

(2) The bank account under para. 1 must be open to a credit institution domiciled in a country - a Member State of the European Union, a State party to the European Economic Agreement space. The credit institution that issued the document under par. 2, may also be domiciled in a country - Member of the Financial Action Task Force (FATF), the Asia Pacific Anti-Money Laundering Group (APG), the Eurasian Anti-Money Laundering Group of Money and Financing of Terrorism (EAG) or the Committee of Experts on Measure Assessment against money laundering (MONEYVAL) to the Council of Europe.

(3) Cash transfers in connection with the receipt and provision of investment and additional services by the client under a contract under para. 1 are made only from and to a payment account, led by a credit institution under para. 2, on which the client is the owner.

(4) No contract may be concluded under the terms of this Article through a proxy.

Art. 76. (1) The contract with a client may be concluded in absentia by exchange of the necessary paper documents signed by the parties and the client signs the signature in the presence of a notary who certifies this circumstance. Providing the whole information required by the customer in accordance with this Ordinance and the provision of information from the client, necessary for the assessment of the appropriateness, resp. assessment of relevance, can be done by the client remotely by signing the necessary documents before notary. When the contract is concluded with a notarized signature of the client's signature, the provisions of Art. 30, para. 3 and Art. 34, para. 1 shall not apply.

(2) The client, respectively his / her representative, shall send to the II signed the notary signing a signature contract, a certified copy of your identity document, and for clients - legal entities and a certified copy of commercial registration documents containing data on the establishment and representation. Validation of ID and Documents commercial registration shall be done by affixing the inscription "true to the original", date and signature of client.

XVI. ADDITIONAL CONDITIONS RELATING TO PORTFOLIO MANAGEMENT

Art. 77. In case of portfolio management, the II is responsible only for the good faith and competent performance of the contractual obligations, but not for the result achieved on behalf of the client.

Art. 78. When managing a client's portfolio, the II applies an appropriate valuation method and comparison, depending on the client's investment objectives and types of financial instruments, portfolio included in such a way that the customer can assess the performance of the service provided by the IP.

Art. 79. In addition to the general information under Art. 14, para. 1, provided to customers, under management of the portfolio The IP shall also provide the following information, where applicable:

1. information on the method and periodicity of valuation of financial instruments in client portfolios;
2. data on each delegation of the management of all or part of the financial instruments and / or money in the client's portfolio;
3. characteristics and information for each benchmark or benchmark by which the results of portfolio management will be compared;
4. the types of financial instruments that can be included in the client's portfolio; types of transactions that may be concluded with them, including any restrictions;

5. the objectives of the management, the level of risk contained in the discretion of the manager portfolio, as well as any specific limitations on that discretion.

Art. 80. When providing investment advice or performing portfolio management The IP requires the customer or the potential customer the information they need for the establishment of the essential facts about the client concerning the performance of the relevance justifying the service being granted or denied.

Art. 81. (1) The portfolio management contract shall at least be included the following conditions:

a) The IP does not promise a fixed income from the portfolio management, incl. interest rate;

(b) the portfolio is managed entirely at the expense and risk of the client;

(c) a detailed description of the client's investment objectives and strategy as well as the limitations to invest in specific types and / or issues of financial instruments;

(d) type of operations for which the client authorizes the II;

(e) the type of financial instruments that can be acquired;

(f) a description of the cash and financial resources initially allocated to management instruments and their market value at the time of the conclusion of the contract;

(g) the remuneration for the II, the costs and fees for the client and the way they are determined.

(2) By the conclusion of the management contract, the client shall be deemed to have given it in advance its confirmation of any specific transaction or transaction carried out by the II under the terms of the contract.

(3) If a specific contract does not contain restrictions on the type of operations, the II is considered empowered in its sole discretion and guided by the client's investment objectives and strategy the permissible level of risk to invest in its funds, buy, sell, yes opens positions in financial instruments and uses the funds received to open a new positions in financial instruments, to receive interest and dividends on behalf of the client, which means also to use for its intended purpose and to carry out all the operations it considers would be in the client's interest.

(4) The investment intermediary shall provide to every client, on a durable medium, a periodic report on the executed transactions account of the client's portfolio management activities unless provided to the client from a third party.

(5) The II provides the report under para. 4 every three months when he has signed a contract with non-professional client, except:

1. where the IP provides its clients with access to an online system that responds to the criteria for a durable medium if the actual customer portfolio assessments are available and if the customer has easy access to the information required by Art. 62, para. 2, and the IP has evidence that the client has accessed the evaluation of his portfolio at least once in the year the relevant quarter;

2. in the cases under para. 6 when the report is submitted once every 12 months;

3. where, in the contract between the II and the client, leverage is allowed in the management of the portfolio, in such cases the report shall be submitted at least once a month.

(6) The Client has the right to choose to receive information about each concluded transaction under management of its portfolio after its conclusion. In cases under sentence one, the IP provides the customer's essential transaction information on a durable medium immediately after their conclusion.

(7) In the cases under para. 6, the IP sends to the client a message confirming the transaction containing the information under Art. 82, not later than the first working day after execution or when the IP receives confirmation from a third party no later than the first business day following receipt of the third party confirmation.

(7) The II informs the unprofessional client for whose account he / she manages a portfolio when there is uncovered open positions under conditional transactions.

Art. 82. The report under Art. 81, para. 4 represents a fair and balanced review of the performed activities and portfolios during the reporting period and includes, where applicable, following information:

(a) the name of the investment firm;

(b) name or other designation of the customer's account;

(c) a description of the contents and valuation of the portfolio, including details of each a financial instrument held, its market value or fair value when the market value is not available, and cash balance at the beginning and end of the reporting period as well the results of the portfolio during the reporting period;

(d) the total amount of charges and liabilities charged during the reporting period, by type and by total management fees and common costs associated with the implementation and, where appropriate, that a more detailed breakdown will be provided on request;

(e) a comparison of the results over the reference period with the benchmark the effectiveness of the investment (if any) agreed between the II and the client;

(f) the total amount of dividends, interest and other payments received during the reporting period in relation to portfolio management;

(g) information on other corporate actions giving rise to rights in connection with the financial instruments held in the portfolio;

(h) for each transaction carried out during the period, as far as applicable, at least the following:

- trading day;
- trading hours;
- type of order;
- identification of the place of execution of the order;
- tool identification;

- Buy / Sell indicator
- the nature of the order, if different from "buy" / "sell";
- quantity;
- unit price;
- aggregate value.

Art. 83. (1) The investment intermediary shall inform the client if the total value of the portfolio, estimated at the beginning of each accounting period is impaired by 10% and subsequently by multiples of 10%, not later than the end of the working day in which this threshold is passed or if the threshold is passed on a non-working day – to the end of the next business day.

(2) When holding a non-professional client with positions in funded by debt financial instruments or contingent liabilities transactions, the II informs the client when the initial value of each instrument is depreciated by 10% and subsequently multiplied by 10% values. Reporting is done for each individual tool unless agreed with the customer otherwise, by the end of the working day in which that threshold is passed or if the threshold is passed non-working day - by the end of the next business day.

Art. 84. (1) The remuneration of the II under the management contract shall be determined as a fixed amount or relative value of the portfolio value, or as a percentage (part of a percentage) of the portfolio the positive result of managing client assets.

Art. 85. (1) Upon termination of a management contract, before expiry of the term for which the same has been concluded, the II is accountable to the client within 7 days.

(2) The client is obliged to accept the results of portfolio management and indicate how to receive the cash and / or financial instruments subject to management reported by IP.

(3) Cash and financial instruments of the client may remain with the IP of the client other grounds, including a contract for the provision of investment services.

XVII. AMENDMENT AND TERMINATION OF A CONTRACT. EXECUTION OF

ORDER FOR PAYMENT OF CASH AND TRANSFER

FINANCIAL INSTRUMENTS.

Art. 86. Amendment of a contract, concluded between the IB and a client is done with a written consent of the parties as a form of additional agreement (annex) that inaugurates at the moment of signing from the parties.

Art. 87. (1) The contractual relations between the IB and a client expire with the expiry of the duration of the contract, if it is defined from the parties, as well as within death or placing under distraint of the client, revoking from the Financial supervision commission of the decision of the company for execution of activity as a IB.

(2) The contractual relations can be suspended and unilaterally from any of the parties with a written notice within one month.

(3) The contractual relations, except those for managing a wallet are suspended and if within 12 months of signing a certain contract or the last execution of client order to this contract, have not been executed new client orders or have not been signed deals at the expense of the client.

(4) When sending a written notification for suspension of the contract, as well as signing an agreement for suspension of the contract, the client has to close all his open positions before the date of suspension of the contract, and to say at least 5 workdays before the suspension of the contractual relations where to be transferred his financial instruments and/or money if there's such at the investment broker.

(5) Varchev finance requires and/or gets from the client a payment for all fees, commissions and other expenses, accumulated to the date of the suspension, and also all additional expenses like the arisen for the IB direct losses due to the suspension, if there's any. Only after payment of all liabilities of the client to the date of suspension, Varchev finance transfers the financial instruments and money, according to the orders of the client.

Art. 88. (1) After suspending the contractual relations with a client, the IB accounts to the client and arranges his relations with him, as follows:

- a) About the money – confirms a given from the client bank account/s and/or pays out the money in cash, within 7 days from the date of suspension of the contractual relations.
- b) About the financial instruments of the client, within 7 days from the date of suspension of the contractual relations transfers the financial instruments of the client to another investment broker, indicated by the client or if there's no explicit instructions and this is possible undertakes actions for transferring the financial instruments to a personal account of the client, including trough opening a new account, in order, defined according the rules of the respective depository institution or a third person, where are open the respective accounts for keeping of client financial instruments.

(2) Other than suspension of the contractual relations, every client, at any time can order to the IB to pay out money or to transfer financial instruments to an account at other investment broker or to a personal account in a depository institution or to a third person.

(3) The IB executes client orders from sub.2 in accordance to the terms in sub.1

Art. 88a. The IB can temporary stop providing all or part of the services from the contract when LEI of a client juristic person, who has signed a contract for trade at international markets, has expired and the client has not renew it or renewed it, but didn't notify timely Varchev finance about that.

In this case Varchev finance has a right to suspend unilaterally the contract with the client by the order in art.87 (1).

XVIII. Information about the general conditions and the tariff. Amendments. Effects of the amendments for the clients.

Art. 89. (1) The IB announces in a tariff its standard commission remuneration for the different types investment and additional services (The tariff), as well as the kind and size of the expenses for the clients, if they are not included in the remuneration.

(2) The tariff, altogether with the General conditions is published at a visible and accessible place in the premises, where the IB meets clients, and are published on the webpage of the IB.

(3) When signing a contract the IB provides to the client the General conditions and the Tariff, and the client confirms that is familiar and accepts them. The adopted General conditions and Tariff are inseparable part of the contract.

Art. 90. (1) The IB publishes at a visible place on its webpage every change and addition of the General conditions and/or the Tariff, that include information about the date of adoption and the date of inauguration. Publishing the General conditions and the Tariff, as well as any changes and additions to them is done within not less than one month before the inauguration of the changes and additions.

(2) The changes have power towards the clients of the IB from the moment of written confirmation from a client or respectively one, done through exchange of electronic statements with the IB, through a qualified electronic signature, about a consent with the changes and additions in the General conditions and/or the Tariff.

(3) If there's a disagreement with the changes and additions in the General conditions and/or the Tariff every client has a right to suspend the contract without notice before the date of inauguration of the General conditions and/or the Tariff, without being responsible for penalties and expenses, except the expenses related to the owned by him assets.

(4) All changes and/or additions to the Policy of execution of client orders, the Rules and Conditions for trade at international markets of Varchev finance are published on the webpage of the investment broker. If within 3 days of publishing the document, the client doesn't oppose explicitly and in a written form to the new documents, the same inaugurate for him, without being necessary an additional statement from him about their adoption. If he disagrees with the changes and additions to the Policy of execution of client orders and/or the Rules and Conditions for trade at international markets of Varchev finance, the client is allowed to suspend the contract without a notice, before the date of inauguration of the new documents, without being responsible for penalties and expenses, except the expenses for the owned by the client assets. With suspension of the contract in this order, the investment broker arranges his relations with the client within 7 days of receiving the statement for suspension as he applies the order for arranging the relations with the client, provided by Art. 87, para. 4 and 5, Art. 88 para. (1), (2) and (3) by the current conditions, except when in the contract with the client or the agreement for suspension is provided otherwise.

XIX. Forefeits

Art. 91. (1) In case that the IB or a client, as parties of a contract don't execute their obligations, they owe a compensation, as the size of the compensation and the responsibility for non-execution of the contractual obligations are defined with an explicit clause in the contract.

(2) In the contract is pointed out that the compensation comprises the suffered loss and/or missed advantage, as much as they're in direct and immediate consequence of the non-execution, and by barratry – all direct and immediate harms.

XX. Arrangement of disputes

Art. 92. Disputes, arisen between the IB and a client about execution of a signed contract and resulting from this relations, are arranged through application of reasonable efforts for reaching a fair decision for the parties, through reaching it by mutual consent.

Art. 93. In case the dispute cannot be solved by reaching a consent, it is forwarded for a decision to a competent court.

XXI. Conclusive provisions

§ 1. Every specific contract contains a clause about whether the client has received the information that the IB is obliged to provide to him according LMFI and the acts of its application and whether he's familiar with the risks, related to investing in financial instruments.

§ 2. Signing deals with financial instruments through approved by a regulated market or system for trade electronic platform, is executed by adherence to the requirements of Art.34, para. 8 of ordinance № 38 of FSC.

§ 3. Every document that according the law and the current General conditions is required to be compiled in a written form, can be compiled as an electronic document, in case that it's signed according the Law for the electronic document and the electronic signature and is ensured the respective adherence to the other legislative requirements. In the cases when the electronic document contains an electronic statement, the addressee of which is FSC or the deputy chairman, it can be signed only with a universal electronic signature.

§ 4. The current General conditions are applicable according to the activity of the IB, according all financial instruments from Art.4 of LMFI, as well as about all other securities and derivative instruments, including the ones traded on unregulated market.

§ 5. The IB gives explanations about the General conditions, and by request from a client, provides a copy of it for free.

§ 6. The references to normative act and documents of the IB, containing in the texts of the current General conditions have to be interpreted extensively and in case of a change of a specific provision, without respective change in the General conditions, for the time of the actualization, referring has to apply to an according text, if such doesn't exist at the moment.

§ 7. For the unarranged in the General conditions cases is applied the acting legislation in Republic of Bulgaria.

These Current conditions are accepted with a protocol from the sole proprietor of the capital from 21.05.2018 and inaugurate on 22.06.2018 and the same suspend the General conditions of the company, accepted with a decision from 18.05.2018.

“VARCHEV FINANCE” Ltd. Varna

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Biser Simeonov Varchev

Sole proprietor of the capital and
Manager