



TRADE RULES TO CONTRACTS FOR TRADING ON GLOBAL FINANCIAL MARKETS THROUGH THE eTRADE PLATFORMS OF VARCHÉV FINANCE Ltd.

(„Varchev Absolute Trader“, „Meta Trader 4“ and „Meta Trader“ 5)

1.1. Client shall hereby acknowledge, accept and understand that trade with financial instruments on margin or without margin is highly speculative, may be associated with high risk and is suitable only for persons who, when carrying out margin transactions are in position to take risk exceeding the amount of their margin deposits.

1.2. Where *Varchev Finance* shall provide opinion, information or recommendation to Client, the latter shall not base his / her investment decision only on that provided opinion, information or recommendation.

1.3. Client shall hereby acknowledge, accept and understand that:

1.3.1. Because of the low margin usually required for margin transactions, the equity price performance may result in significant losses, which may exceed Client margin deposit.

1.3.2. Where Client shall order *Varchev Finance* to carry out a transaction, any gain or loss arising from equity fluctuation shall be entirely at Client expense and risk.

1.3.3. He / she is able, financially and otherwise, to take the risk of speculative trade with financial instruments.

1.3.4. He / she shall not hold *Varchev Finance* for any losses caused by Client transactions as result of decisions taken on the basis of analyzes and news in the platforms offered by *Varchev Finance* or published on the website.

1.3.5. It is impossible to guarantee profit or release from losses when trading with financial instruments. Client hereby shall confirm not having any such guarantees or similar promises by *Varchev Finance* or by any of its representatives, as well as the Client has not entered into the Contract having in mind to rely in the future of such guarantees or promises.

1.3.6. All transactions with financial instruments shall be carried out in accordance with market principles which usually cover wide powers in case of emergencies or other unsolicited situations.

1.3.7. Where any exchange, clearing house or third party broker where Client positions are exposed shall undertake action affecting specific transaction or contract, then *Varchev Finance* shall be entitled to take measures as in its discretion considers desirable in Client and *Varchev Finance* interests.



1.3.8. *Varchev Finance* shall not be held liable for any and all losses incurred by Client as result of the actions undertaken by any exchange, clearing house or third party broker, or any measure undertakes logically by *Varchev Finance* in reaction to such action.

1.4. *Varchev Finance* shall be entitled to suspend entirely or partially, permanently or temporarily without notice the service of any account provided by *Varchev Finance* to Client. The situations in which *Varchev Finance* may undertake such action include, but are not limited, the following:

1.4.1. Where *Varchev Finance* shall consider that Client may have inside information;

1.4.2. Where *Varchev Finance* shall consider that trading conditions are abnormal (unforeseen or unavoidable event of extraordinary nature having occurred after the signing of the contract, including cases where just part of *Varchev Finance* are affected by such event).

1.5. *Varchev Finance* shall be entitled to close officially without notice entirely or partially a position in the following instances:

1.5.1. Upon explicit request by the regulatory authority;

1.5.2. Where *Varchev Finance* reasonably determines that this is necessary to comply with the provisions of the legislation in force;

1.5.3. As well as in any and all cases referred to in the present Rules, Client Contract, and *Varchev Finance* General Terms and Conditions for Transactions with Financial Instruments.

1.6. *Varchev Finance* shall be entitled, in addition to any other rights it has under the Contract, these Rules, and the legislation in force, to limit the amount of Client open positions (net or gross) and to deny execution of orders to open new positions. The situations in which *Varchev Finance* shall be entitled to exercise this right include, but are not limited, the following:

1.6.1. Where *Varchev Finance* shall consider that Client may have inside information;

1.6.2. Where *Varchev Finance* shall consider that trading conditions are abnormal (i.e. Force Majeure).

1.7. Notwithstanding other Contract clauses, when providing services *Varchev Finance* shall be entitled to undertake any actions it deems necessary at its sole discretion, in order to secure compliance with market principles, legislation in force, and regulatory decisions.

1.8. The platforms offered by *Varchev Finance* shall provide opportunities to perform certain transactions. Details on bills, confirmations for transactions and messages from *Varchev Finance* to Client may be found on the platforms themselves. In addition to the conditions listed on the website for Internet transactions apply the following requirements:

1.8.1. *Varchev Finance* shall not be liable to Client for any losses, costs, expenses or liabilities incurred or suffered by Client due to system failure, delays in transmission and other obstacles of a technical nature;

1.8.2 In case of a technical failure, including absence of quotations, Client shall be obliged to immediately contact *Varchev Finance* before taking any action related to orders placed by him / her or to his / her open positions.

In case of incorrect execution (resp. failure of execution) of an order due to a technical failure in eTrade platforms *Varchev Finance* shall carry out an inspection and an evaluation of the executed (resp. unexecuted) order and shall provide a statement on the approval of the transaction either as invalid or as final, and Client shall accordingly be notified within 3 (say: three) business days of the technical malfunction findings.

1.8.3. The platforms offered by *Varchev Finance* shall be updated from time to time and the new versions may differ in various aspects, including but not only, in terms of the relevant security level, available products and services, etc. *Varchev Finance* shall not be liable to Client for any loss, costs or expenses incurred by Client, as well as for potential liability arising to Client as a result of the use of old (outdated) version of the trading platform without its respective improvements.

1.8.4 When following the receipt of certain orders or instructions from Client *Varchev Finance* shall find that because of circumstances outside *Varchev Finance* power it is virtually impossible to execute such orders or instructions for a specific period of time, *Varchev Finance* shall be entitled to defer or deny execution. In such case *Varchev Finance* shall promptly notify Client through the eTrade platform or otherwise and shall not be liable for any incurred by Client damages.

1.8.5. Client shall be liable for all orders, as well as for the accuracy of submitted, respectively sent via the Internet, information using Client name, password, or other personal identification, or other means of identification, which identify Client.

1.8.6. Client shall be liable to keep secret the passwords provided by *Varchev Finance* as well as shall guarantee that he / she shall not grant third party access to Client trading means.

1.9. All instructions sent via platforms or e-mail by the Client shall be deemed to have been received and shall constitute a valid instruction and / or binding contract between *Varchev Finance* and Client only when such instructions has been recorded as executed by *Varchev Finance*, and *Varchev Finance* shall confirm execution by confirmation to Client for transaction and / or statement of account, thus the simple transmission of an instruction by Client shall not represent binding contract between *Varchev Finance* and Client.

1.10. Client shall send to *Varchev Finance* timely the instructions that *Varchev Finance* may ask for. If the Customer shall not provide such instructions promptly, *Varchev Finance* may in its sole discretion undertake at Client expense the steps it deems necessary or desirable to protect itself and Client. This clause shall apply as well in situations where *Varchev Finance* shall not be able to establish contact with Client.

1.11. Client shall be liable to indemnify *Varchev Finance* for any losses that *Varchev Finance* may incur as a result of any error in the instructions / orders submitted by an authorized person, as well as in respect of losses incurred as a result of *Varchev Finance* actions carried out according the instructions / orders which appear formally given by an authorized person.

1.12. Mistakes in prices of financial instruments quoted by *Varchev Finance* may occur. In such cases *Varchev Finance* shall be entitled to terminate a transaction, or change the incorrect price at which the transaction is executed to the correct historical market price, if:

1.12.1. *Varchev Finance* shall be in position to prove to Client that during the operation is quoted a clearly incorrect; or

1.12.2. The price was, or reasonably should have been, known by Client as incorrect during the operation.

This paragraph shall not apply to instructions for trading with foreign financial instruments and transactions carried out on foreign regulated markets.

1.12.3. Client shall be deemed informed and shall agree that during equity trade in real time it is possible, taking into account processing time for transfer of orders, that the quotations of certain equity change in the period between submission of Client order and its reception by *Varchev Finance*. In such case *Varchev Finance* reserves the right to execute the order at the quotation available at the time of its execution.

1.13. A Trade method aimed at exploiting errors and / or delays in quotations, or taking advantage of weaknesses in other trading platforms, including when it is done through an automated expert system, shall be unacceptable for *Varchev Finance*.

1.14. Once *Varchev Finance* shall determine in good faith and in its sole discretion the Client trading strategy as an attempt to take advantage of such errors and / or delays in quotations, *Varchev Finance* shall be entitled to take one or more of the following measures:

1.14.1. Adjust the price spread accessible to Client;

1.14.2. Restrict Customer access to current market quotes providing opportunity for immediate transaction, including provision of quotes for transaction upon request;

1.14.3. Cancel (by deducting / withholding) from Client account all previous gains that have been accumulated as a result of such trading;

1.14.4. Suspend immediately Client access to its eTrade platforms;

1.14.5. terminate unilaterally with immediate effect and without notice the Contract between Client and *Varchev Finance*.

Any such measure may be undertaken at any time during the relationship between *Varchev Finance* and Client. This paragraph shall not apply to instructions for trading with foreign financial instruments and transactions carried out on foreign regulated markets.

1.15. Client shall acknowledge that *Varchev Finance* shall be entitled to record all telephone conversations, internet conversations (chat) between Client and *Varchev Finance*, as well as to use

those records or copies of them as evidence in front of any person, respectively authority, to which *Varchev Finance* shall consider desirable or necessary to disclose such information, in case of dispute between *Varchev Finance* and Client. It shall be borne in mind that sometime due to technical reasons *Varchev Finance* shall not be able to record a conversation, and that the recordings or transcripts made by *Varchev Finance* shall be destroyed in accordance with adopted practice at *Varchev Finance*.

1.16. Client shall agree that *Varchev Finance* shall be entitled in its sole discretion to suspend trading or to add new assets with electronic or written notice, and in cases of trade suspension *Varchev Finance* shall be entitled to close all open positions at closing prices of the respective closing day. Current information about trading instruments shall be available on *Varchev Finance* Internet page.

1.17. In currency trading Client shall be entitled to select the trade margin percent, though it must be within the specified percentage limits on the website and in compliance with Tariff limit range. The trade margin percent shall be selected by completing and signing Contract Annex No2.

1.17.1 Where in time changes occur in Client equity and due to such changes the parameters fall within a different Tariff listed trade margin percent limit requirements, *Varchev Finance* shall be entitled to change accordingly Client trade margin requirements in accordance with the Tariff.

1.18. Client shall be entitled to open a new trade account in eTrade platform by completing and signing Annex No2

II. Margin contracts

2.1 Client and *Varchev Finance* shall accept as *conditio sine qua non* for all margin contracts (MC) the following:

2.1.1 none of the Contracting parties shall acquire ownership on the MC underlying equity (stocks, indexes, or futures);

2.1.2. none of the Contracting parties shall be obliged to purchase or sell, deliver or receive effectively the MC underlying equity;

2.1.3. each Contracting party rights and liabilities concerning MC shall be limited only to performance or receipt of payments in accordance with submitted order in manners described in these Trade Rules, and the results of executed Client orders shall be recorded in his / her positions in equity and / or cash in the analytical Client accounts open for the purpose with *Varchev Finance*.

2.2. In order to provide accurate and timely valuation of Client positions in CM, *Varchev Finance* shall determine the CM price on daily basis starting the date of Client position opening and until the date of its closing.

2.3. Where the Client shall be in open position, *Varchev Finance* shall certify or shall debit Client account in pursuance of Art.2.1.3 with the interest rates listed in the Tariff, depending of the currency in which the position is open, so that the amount of interest shall accumulate each day until the position closing date. The interest rate shall be calculated on an annual basis (365/365 or 365/360,

depending on the underlying equity market practice) and shall be transferred to Client account on the next business day.

2.4. *Varchev Finance* shall debit the Client account pursuant to Art.2.1.3 with the amount of any and each fee and commission due from Client at conclusion of a transaction in accordance with the Tariff, and on the day of this transaction order execution.

2.5. Dividends payments and deductions on MC with underlying equity of shares shall be as follow:

2.5.1. when Client shall be on long position in MC, *Varchev Finance* shall credit Client account with the dividend of one MC multiplied by the quantity in Client position at previous business day closing values;

2.5.2. when Client shall be on short position in MC, *Varchev Finance* shall debit Client account with the dividend of one MC multiplied by the quantity in Client position at previous business day closing values;

2.5.3. dividends payments and deductions shall take place only in cases where the shares, underlying the MC equity, issuer has announced payment of dividends. Dividends payments and deductions shall take place based on Client open position at previous business day closing values.

2.6. *Varchev Finance* shall pay and deduct dividends by accounting their amounts in correlation with the dividends accrued and paid by issuers of the MC underlying equity. *Varchev Finance* shall reserve the right to change the amount and the method of dividends payments and deductions shall take place as defined in **Art. 2.5.** above, in case of amendments in the legislation governing the distribution of dividends by issuers in their relevant jurisdiction.

2.7. The position in MC shall be deemed closed when:

2.7.1 Client shall provide instructions to *Varchev Finance* to close it, and the execution result for the Client shall be expressed in the same quantity MC bought and sold by Client;

2.7.2. the company on which equity underlies the MC shall be insolvent or declare bankruptcy. *Varchev Finance* shall be entitled to close this MC and the date of declaring insolvency or bankruptcy shall be considered as closing date. *Varchev Finance* shall determine the price of this MC at its discretion based on good will assessment;

2.7.3. the circumstances mentioned in the Tariff concerning trade with MC with underlying equity futures are present;

2.7.4. the trade with MC underlying equity shall be terminated at least on one location of execution where it is traded;

2.7.5. a situation expressly defined in the Contract and the Trade Rules occurs, and *Varchev Finance* exercises the rights conferred by these agreements.

2.8. A MC position with underlying equity of shares may be closed as well in the event of force majeure such as offers for acquisition, takeover or merger concerning the company whose shares are MC underlying equity.

2.9. As force majeure and emergency events in the sense of **Art. 2.8.** above shall be considered the listed below events is the issuer of the shares serving as MC underlying equity shall make declaration for:

2.9.1. shares nominal value split or consolidation, or free transfer of an additional number of shares in the hands of existing shareholders in form of bonus, capitalization or a new emission of shares;
2.9.2. transfer in the hands of existing shareholders of other capital, or securities with rights to dividends or liquidation quota on the capital, or rights and warrants entitling to transfer, purchase, subscription or reception of shares at a price lower than the market price;
2.9.3. any event similar to the ones mentioned in **Art. 2.9.1** and **Art. 2.9.2** above, causing erosion or concentration on the market capitalization of the securities.

2.10. When the underlying equity of a specific emission shall be subject to change in price or quantity, as result of the occurrence of any of the events referred to in **Art. 2.8.** and **Art. 2.9.**, and in case that Client shall possess MC open positions with this underlying equity, *Varchev Finance* shall account the change according to market rules on the concerned market and tax legislation of the country where the underlying equity is traded. This change shall be deemed to take effect at a date determined by *Varchev Finance*.

2.11. *Varchev Finance* shall not be liable for any damages suffered by Clients in case of the occurrence of any event listed in **Art. 2.8.** and **Art. 2.9.**

2.12. When during Client MC open position shall take effect transaction of emitting company merger, whose shares serve as MC underlying equity, with another company, then *Varchev Finance* shall be entitled to close any MC based on shares of merged entity in the way specified in **Art.2.8.**

2.13. When during an open position in MC the trade with futures, stocks or indices serving as underlying equity shall be restricted or prohibited for a certain period of time in total or partially, the value of Client open position shall be accounted at the time before the onset of such restriction or prohibition. *Varchev Finance* shall reserve the right at any time during the period of restriction or prohibition to change the MC value in its sole discretion, as doing so in good faith and in accordance with prevailing market ratios. If such restriction or prohibition shall last more than 5 (say: five) working days *Varchev Finance* shall be entitled to close the MC and to specify price and date of closing.

2.14. When during an open MC short position shall occur a prohibition on the concerned place of execution where the underlying equity is traded, and in connection with the prohibition arise additional requirement to close all short positions on this equity, *Varchev Finance* shall be entitled to close Client MC short position, with all current gains and losses accounted on Client account.

III. Types of available orders

3.1 Clients shall be entitled to place the following types of orders in the eTrade platforms *Meta Trader 4*, *Meta Trader 5* and *Varchev Absolute Trader*:

3.1.1 Market orders - Market orders serve for instant opening and closing of a position at current market price. On the *Meta Trader 4*, *Meta Trader 5* and *Varchev Absolute Trader* platforms market orders can be placed only during the working hours of the relevant trading tool.

3.1.2. Pending orders (Limit / Stop orders) - Pending orders have predetermined execution price. They shall be activated only if the market price reaches or passes the level set. Clients may place the following types of pending orders:



3.1.2.1. Limit for buy (Buy Limit) is a buying order placed below the current market price.

3.1.2.2. Limit for sell (Sell Limit) is a sell order placed above the current market price.

3.1.2.3. Stop of buying (Buy Stop) is a buying order placed above the current market price.

3.1.2.4 Stop of sell (Sell Stop) is a sell order placed below the current market price.

3.2. Performing orders Stop Loss, Take Profit, Buy Stop, Sell Stop, Buy Limit, Sell Limit.

3.2.1. *Varchev Finance* shall not guarantee the performance of the preset value for orders of type Stop Loss (Stop), Take Profit (Limit), Buy Stop, Sell Stop, Buy Limit, Sell Limit. At time of reaching the price level set by Client if for any reason there is no possibility to perform the order on the exact price level set, the order shall be executed at the first possible market price, which can be better or worse than the price level set by Client. The market orders for currency buying and selling shall be performed either on the price level set by Client or at the first possible market price.

3.2.2. When starting weekly trade with gap, i.e. the opening price is lower or higher than the previous week closing price, all placed limiting (stop / limit) orders for opening new positions or for closing open positions within the gap limit shall be performed at the first possible market price from the launch of trading session.

3.2.3. In case of gap incidence during a trading session, at time of disclosure of important economic news and releases, or at any other time during which the new price differs from previous and within the price difference between these two prices (gap) fall some placed orders, all limiting (stop / limit) orders to open new positions or close open positions falling within the gap limit shall be performed at the first possible market price.

IV. Margins and payments

4.1. Client shall be liable to pay on demand to *Varchev Finance* such amounts that the latter may request in order to meet the margin security requirements as indicated in the Terms and Conditions for Trade and in the Tariff for different financial instruments.

4.2. Client account shall be credited only when *Varchev Finance* shall have effectively received the security amount

4.3. Where Client shall fail to secure margin, deposit or other amount due in connection with a transaction, *Varchev Finance* shall be entitled to close any open position without notifying the defaulting Client.

4.4. Client shall be entitled to modify the security amount percentage for currency trade with application to *Varchev Finance* consisting of completing and signing Annex to the Contract.

The amendment shall be registered in the eTrade platform only in case where Client shall not have any open position.

4.5. In case of accumulation of losses from open positions the available funds in the account decrease and at a certain point it is possible that the account has no longer the security amounts required to maintain the open positions. This can cause official closing of positions.

4.6. If the percentage of margin level falls to 50%, the platform shall notify Client with margin call for margin critical level. *Varchev Finance* shall not undertake making margin calls to its Clients. Each Client shall be liable himself / herself to monitor the current status of his / her open positions with the trading platforms *Meta Trader 4*, *Meta Trader 5* and *Varchev Absolute Trader*.

4.6.1. The margin level percentage may be lifted at any time with additional installments in the account or with partial close of open positions.

4.7.2. If the percentage of margin level falls to 30%, *Varchev Finance* shall be entitled to close without notice partially or completely all open positions. *Varchev Finance* shall officially close some or all open positions of a Client without notice in cases where the current balance on the account (Current Balance) reaches 30% of the necessary margin required to maintain all open positions.

4.7.3. Each Client shall be liable to monitor the current status of his / her open positions in the systems *Meta Trader 4 - Varchev Financial Brokers* and *Meta Trader 5 - Varchev Financial Brokers*. The system records the status of Client open positions in the field "Terminal" => "Trade".

4.7.4. *Margin* is the amount required to keep a position open.

4.8. If a Client shall possess more than one trade account, the amount of Current Balance / Equity shall be determined by the sum of all Equity of Client trade accounts, thus making a Total Current Balance. The Total Current Balance for all accounts shall have to comply with leverage maximum levels / limits set out in *Varchev Finance Tariff*.

4.8.1. If a Client shall possess more than one trade account, the net exposure (Net volume of short and long positions in a financial instrument) for individual financial instruments shall be the sum of net exposures in the same financial instruments in all trade accounts. For setting leverage maximum levels (limits) the Tariff takes into account all net exposure in each financial instrument from all accounts - the sum of volumes of all orders (transactions) in various financial instruments.

V. Deductions

5.1. In the event that at the same time between the parties shall be pending counter payments, the amounts shall be automatically deducted. If the amounts are not in the same currency, they shall be converted by *Varchev Finance* in accordance with the principles of the present section.

5.2. In the event that the total amount subject to payment by one party exceeds the aggregate amount payable by the other, the first party shall pay the difference to the other, thus the obligations of both parties shall be considered satisfied.

5.3. If the contract shall be terminated, the both parties claims shall be settled by netting. The value of open positions shall be accounted in accordance with the principles set out below, the final amount to be paid shall be the difference between the payment obligations of the parties.

5.4. The positions shall be closed at market rates applicable on the day when *Varchev Finance* shall decide to close positions because of the event of default.

5.5. In its reasonable discretion *Varchev Finance* shall be entitled to determine the levels of closure, taking into account market prices and other market makers for the period and the financial instrument concerned. By taking knowledge of these Rules, Client shall agree to these identified closing levels.

5.6. When determining the value of the positions to net, *Varchev Finance* shall apply its usual spread (difference) and shall include all costs and other charges.

VI. Defaults. Corrective actions in cases of default.

6.1. Each one of the events listed below, though not only, shall be considered as Client default:

6.2.1. Where Client shall fail (completely or partially) to perform any payment or any obligation provided for in the Contract, a specific transaction or any other reasonable requirement of *Varchev Finance*.

6.2.2. Where Client shall fail to provide the resources needed to complete delivery to *Varchev Finance* on any transaction on the first date due.

6.2.3. Where Client shall fail to secure or accept delivery of equity on the first date set for.

6.2.4. In the event that any of the declarations and / or warranties provided by Client shall turn out of being or become incorrect.

6.3. In the event of Client default *Varchev Finance* shall be entitled and is authorized at its discretion to:

6.3.1. Require Client to close immediately and settle specific transaction in a manner that *Varchev Finance* shall indicate;

6.3.2. Contract transactions with foreign currency at exchange rate and in time specified by *Varchev Finance* in order to cover liabilities arising in connection with specific transaction.

6.4. Client shall hereby authorize *Varchev Finance* to take the appropriate actions as described in the present section without notifying Client for such steps and shall accordingly accept that *Varchev Finance* shall not be held liable for any of the consequences for taking these steps.

6.5. Without prejudice to any other rights of *Varchev Finance* provided for in the Contract or the legislation in force, *Varchev Finance* may, at any time and without notice, combine or consolidate

all or any of the Client accounts with *Varchev Finance* and compensate any or all amounts owed by the Client to *Varchev Finance*.

VII. Servers preventive optimization

7.1. Every night between 02:00 and 02:20 AM for about from 5 to 10 minutes shall be carried out daily optimization and restart of the *Meta Trader 4* servers.

7.1.1. During the platform optimization connection to the *Meta Trader 4* servers shall be suspended and no orders for opening, closing, or alteration of positions shall be accepted.

7.1.2. Any type of order or check of an account status shall be accepted by phone or chat. When placing an order by phone, the chat order is placed by the dealer according to Client instructions. In this case the dealer shall be entitled to ask Client to present his / her specially provided for that purpose password, and ask Client different questions in order to guarantee his / her accurate identification.

7.1.3. In this case *Varchev Finance* shall not be responsible for Client damages and loss of benefits.

VIII. Client declarations and warranties

8.1. Client shall declare hereby, that:

8.1.1. he / she has come of age and competence, and is not subject to legal or otherwise provisions preventing him / her to sign and execute the Contract or a transaction;

8.1.2. he / she is in possession of all consents and is in capacity to sign Contract with *Varchev Finance* (or if Client is legal person that Client is duly authorized and has obtained all necessary corporate and other powers in accordance with the company statutes and decisions in force);

8.1.3. he / she is not violating any legislation in force, including, but not only, tax laws and regulations, requirements for stock or other exchange control, as well as requirements for registration;

8.1.4. he / she has presented to *Varchev Finance* complete, accurate and not misleading information;

8.1.5. he / she has accepted, read and understood the information guidelines for corresponding products;

8.1.6. he / she has received additional detailed information about the products offered, as well as information about related risks;

8.1.7. the amount invested is selected taking into account his /her financial situation;

8.1.8. he / she is not professional carrying out transactions with financial instruments in connection with Art.25, paragraph 1 of Regulation № 38 concerning the requirements for investment brokers by the Commission of Financial Monitoring (in cases where the Contract is signed by proxy);

8.1.9. he /she does not possess insider information for the financial instruments related to orders places, as well as for the issuers of such equity; that the financial instruments are not blocked, they are not subject to pledge or seizure, as well as that the transaction subject of an order is not a concealed purchase or sale;

8.1.10. he / she is informed and accepts that the relationships established between him / her are subject to the application of the present Rules, the Contract, the General Terms and Conditions for transactions with Financial Instruments of *Varchev Finance*, the Tariff, the information posted on the website, as well as the legislation in force.

8.2. It shall be considered that the above declarations and warranties shall be valid at any time of the relationship between *Varchev Finance* and Client. In the event that a declaration or a guarantee is subject to change, the shall immediately notify *Varchev Finance* who shall be entitled, in addition to its rights under these Rules, to terminate the relationship with Client if the change shall cause inapplicability of the provisions of present Rules or of the Contract with Client.

IX. Limitations of responsibility and indemnities

9.1. Client shall indemnify *Varchev Finance* for any losses, fees, costs, expenses, and liabilities (current and future, including unforeseen ones) suffered by *Varchev Finance* as result of, or in connection with Client violation of present Rules or of the Contract.

X. Confidentiality and disclosure of information by *Varchev Finance*

10.1. Contracting Parties shall undertake not to disclose to third persons (except in cases provided by law or for the enactment of obligations under present Rules and / or Contract) any information relating to business, investment, financial or other data confidential to the other party, provided that the information and / or data are / can be acquired in connection with relations between the *Varchev Finance* and Client or otherwise. Each Party shall make reasonable efforts to prevent such disclosure.

10.2. By signing the Contract, Client shall authorize *Varchev Finance* to disclose such information pertaining to Client which may be required by the legislation in force, a regulatory authority, including such concerning the applicable market principles, without prior notification to Client.

XI. Amendments

11.1. *Varchev Finance* shall be entitled to amend from time to time present Rules with notice to Client which may take form inclusive post on the website.

11.2. Client shall be entitled by written notice to *Varchev Finance* to change Client correspondence address for messages and notifications under the Contract terms and conditions.

XII. Claims and disputes

12.1. The Parties shall agree that in cases of dispute between them, they will first attempt to solve it in the spirit of good will. In such case, Client shall submit his / her claim to *Varchev Finance* and *Varchev Finance* shall examine the claim promptly and exhaustively.

12.2. Without prejudice to any other contractual rights of *Varchev Finance*, in each case when Client and *Varchev Finance* have a disagreement concerning margin transaction, or suspected margin transaction, or an instruction related to margin transaction, *Varchev Finance* shall be entitled, at its discretion, and without notice, to close this margin transaction, or suspected margin transaction, if there is sufficient information to reasonably believe that such action is needed in order to limit the maximum amount concerning the dispute¹. *Varchev Finance* shall not be liable for or any liability to Client in connection with subsequent fluctuations in the margin transaction levels. If *Varchev Finance* shall close a margin transaction in accordance with this clause, this action shall be without prejudice to Client right to open a new margin transaction in accordance with the Contract.

XIII. General provisions

13.1. *Varchev Finance* shall not be liable to Client for contractual liability partial or full default where it is due directly or indirectly to circumstances beyond his control. These shall include force majeure, unforeseeable events within the meaning of Art. 306 of the Commerce Act, as well as any technical difficulties, problems, interruptions of telecommunications or unavailability of the website (for example, when at the time the site is inaccessible or non-upgraded).

13.2. Moreover, *Varchev Finance* shall be entitled, at its discretion, to determine whether there is an emergency or an exceptional market situation. These situations include, but are not limited to: suspension or closure of any market or the abandonment or fulfillment of any event to which *Varchev Finance* connects its offer or the occurrence of an excessive movement in the level of a specific margin transaction and / or on the main market or there is legitimate expectation by *Varchev Finance* for such movement. In such cases *Varchev Finance* shall be entitled to increase the margin requirements, to close some or all margin transactions opened by Client and / or suspend or modify the application of any or all conditions of the present Rules and the Contract with Client, including, but not limited to, when it is impossible or impractical in view of market conditions for *Varchev Finance* to comply with the relevant condition. **XIV. Definitions**

14.1. The terms used below, except if otherwise required, shall have the following meaning used in singular or plural and vice-versa, depending of context:

14.1.1. „eTrade platforms offered by *Varchev Finance*” in the present Rules shall mean the platforms “**Varchev Absolute Trader**”, “**Meta Trader 4**” and “**Meta Trader 5**”.

¹ This paragraph shall not apply to instructions for trading with foreign financial instruments and transactions carried out on foreign regulated markets.

14.1.1.1. „Varchev Absolute Trader” is an Internet trade platform provided by **Varchev Finance** to **Client** and offering capacity to conclude transactions with currency, CFD, options, metals and many other.

14.1.1.2 „Meta Trader 4” and “Meta Trader 5 “ are an Internet trade platforms provided by **Varchev Finance** to **Client** and offer capacity to conclude transactions with currency, metals, and CFD.

14.1.2. „Varchev Finance” shall mean **Varchev Finance Ltd.**, investment broker holder of license for investment brokerage № PF-03-0205/15.03.2006, with seat and registered address of management: Bulgaria, Varna, 186, Boulevard Vladislav Varnenchik, fl.3, office 4.035, tel. ++ 359 52 631 000; ++ 359 52 634 040.

14.1.3. „Rules” shall mean the provisions of present Rules as applicable to the Contracts for trade on international financial markets via platforms offered by Investment Broker **Varchev Finance** EOOD.

14.1.4. „Website” shall mean the website on address www.varchevbrokers.com

14.1.5. „Services” shall mean the services provided by **Varchev Finance** according the Contracts with **Clients**.

14.1.6. „Transaction” shall mean any sale and purchase transaction concerning specific financial instrument and contracted between **Varchev Finance** and **Client** via the eTrade platforms, including such based on **Client** order by mouth or by telephone.

14.1.7. „Transaction confirmation” shall mean a notice form **Varchev Finance** to **Client**, with the main parameters of the transaction concluded by **Client**.

14.1.8. „Contract” shall mean the Contract for trade with financial instruments on international financial markets and its Annexes.

14.1.9. „Client” shall mean any natural or legal person party in the Contract.

14.1.10. „Account” shall mean **Client** account for transaction with **Varchev Finance**, opened according a Contract for trade with financial instruments on international financial markets via the platform *Meta Trader 4*, *Meta Trader 5* or *Varchev Absolute Trader*.

14.1.11. „Account statement” shall mean a report concerning turnover of amounts in a specific account.

14.1.12. „Margin transaction” shall mean a transaction for the purchase of financial instruments for **Client** account, where for payment of the concerned financial instruments **Client** uses a loan from the corresponding market.

14.1.13. „Market principles” shall mean the principles, regulations, and customary practices of specific exchange, clearing house or other organization or market involved in the conclusion,

performance or settlement of a transaction or Contract, and any exercise of such rights by any exchange, clearing house or other organization or market.

14.1.14. „Insider information” shall mean specific information which has not been made public relating directly or indirectly to one or more issuers of financial instruments or to one or more financial instruments, and if made public, could have a significant impact on the price of those financial instruments or the price of related derivative financial instruments. The information in the first sentence include any information that:

1. points facts or circumstances that have occurred or may reasonably be expected to occur in the future, and it is specific enough to allow conclusions about their effect on the price of the financial instruments or related derivative financial instruments;
2. is commonly used by investors when making an investment decision about a financial instrument.

In respect of persons who execute orders concerning financial instruments, inside information shall also mean specific information communicated by Client and related to submitted but still uncompleted Client orders that relates directly or indirectly to one or more issuers of financial instruments, or to one or more financial instruments and which, if made public, could affect the price of those financial instruments, or on the price of related derivative financial instruments.

14.1.15. „Business day” shall mean the days when **Varchev Finance** serves its **Clients**. These days shall be all weekdays, with the exception of some Bulgarian or international public holidays for which dates **Client** shall be notified in advance via website and / or platform message.

14.1.16. „Proxy” shall mean a person holding public notary certified express power of attorney from **Client** authorizing him / her to provide instructions and / or orders to **Varchev Finance**.

14.1.17. „Tariff” shall mean **Varchev Finance Tariff** as posted on the website.

14.1.18. „Derivate” shall mean a financial instrument traded on exchange or OTC, which price directly depends of the value of one or more underlying equity (securities, equity indices, debt instruments, commodities, or any other derivatives). Derivatives include trade rights and obligations based on the underlying asset, but not in a direct transfer of ownership.