RISK MANAGEMENT RULES OF " Axiom Invest " OOD

I. GENERAL

Art . 1. (1) These rules are adopted on the basis of Art . 23 of Delegated Regulation (EU) 2017/565 of the Commission of April 25 , 2016 to supplement Directive 2014/65/ EU of the European Parliament and of the Council regarding the organizational requirements and conditions for carrying out activities by investment intermediaries and for the granting of definitions for the purposes of the said directive .

(2) The rules under para . 1 aim to regulate :

1. policies and procedures for establishing the risks related to the activities , procedures and systems of the investment intermediary (II), and for determining the level of risk accepted by the investment intermediary , if such can be established in the organizational structure and levels of responsibility for the management of the risk at the investment intermediary ;
2. policies and procedures for managing and monitoring the risks related to the activities , procedures and systems of the II in accordance with the permissible level of risk assumed by the investment intermediary , taking into account the nature , scope and competence of the activity of the intermediary ;
3. effective risk management procedures and measures ;
4. mechanisms for monitoring the adequacy and effectiveness of the policy and procedures under the 1 - 3 and on compliance by the investment intermediary and persons who work under a contract for the investment intermediary with the procedures and measures under these rules , incl . internal control mechanisms and administrative and accounting procedures for risk management and rules and procedures for evaluating and maintaining internal capital ;
5. mechanisms for monitoring the adequacy and effectiveness of the measures taken to eliminate identified deficiencies and inconsistencies in the policy and procedures under the 1-4 and the procedures and measures under these rules , incl . impossibility of their compliance by persons .

(3) (New , with decision dated 30.06.2022) In these rules , Managers develop , adopt and implement strategies , policies , processes and systems for establishing , measuring , managing and monitoring :

1. the material sources and effects of risk to customers , as well as any material impact on equity ;
2. the material sources and effects of market risk , as well as any material impact on equity ;
3. the significant sources and effects of risk for the investment intermediary , in particular those that may reduce the amount of own capital available to the investment intermediary , which when applicable include :
   - material changes in the book value of assets , including any claims against tied agents ;
   - non-performance by customers or counterparties ;
   - positions in financial instruments , foreign currencies or commodities ;
   - liabilities to pension schemes with a predetermined amount of the pension .
4. the liquidity risk determined for appropriate periods of different duration , including within one day , to ensure that the investment intermediary maintains an adequate level of liquid resources , including in relation to the treatment of the significant sources of risk under item 1 - 3.

(4) (previous para . 3, amended by decision of 06.30.2022) The company may have a risk management department that functions independently and implements the policies , the procedures and mechanisms regarding risk minimization or avoidance provided for in these rules . The department ensures identification , measurement and proper reporting of all significant risks related to the activity of the investment intermediary and actively participates in the development of the company's risk-taking and management strategy and in making decisions related to the management of all significant risks . He must at all times be able to present a comprehensive overview of all the risks to which the investment intermediary is exposed .

(5) (previous para . 4, amended by decision of 30.06.2022) Apart from these rules , the company additionally adopts other relevant strategies , plans , mechanisms , rules, etc. n . in accordance with the special requirements of Regulation (EU) 575/2013 of the European Parliament and of the Council of June 26 , 2013 . on the prudential requirements for credit institutions and investment intermediaries and on the amendment of Regulation (EU) No. 648/2012 (OJ , L 176/1 of June 27 , 2013) (Regulation (EU) No. 575/2013) and Regulation No. 50 of March 30 , 2022 . for capital adequacy , liquidity of investment intermediaries and supervision of their compliance (Ordinance No. 50), which meet the specific requirements of the above-mentioned legal acts , including risks .

II. POLICIES , MECHANISMS AND PROCEDURES FOR IDENTIFYING , MANAGING AND MONITORING THE RISKS RELATED TO THE ACTIVITIES AND SYSTEMS OF THE II

Art . 2. (1) The process of establishing , managing and monitoring the risks related to the activities and systems of the II aims to reduce the influence of external and internal risk factors on the activity of the investment intermediary , including the risks arising from the macroeconomic environment .

(2) Procedures for assessment and management of individual types of risk include :

a) identification of individual external and internal data , facts and events affecting the activity of the investment intermediary ;

b) identification and measurement of risk ; c) measures to manage each type of risk .

(3) Analysis and monitoring of risk factors is carried out daily by the relevant employee in the company and by the risk management department at the operational level , in accordance with the distribution of risk management responsibilities specified in Art . 21 - Art . 25 of this policy .

(4) The risk assessment is carried out on the basis of an analysis of the following components : a) the main and significant activities of the investment intermediary ;

b) the type and level / degree / of the risks inherent in the investment intermediary ; c) the adequacy and effectiveness of the policy and procedures hereunder rules and on compliance by the investment intermediary and the persons who work under a contract for the investment intermediary with the procedures and measures under these rules .

Art . 3. According to these rules , the company monitors , evaluates , reports and reduces the following risks :

a) market risk – the probability of incurring losses or not making a profit under the influence of unfavorable changes in the prices of financial instruments , market interest rates , exchange rates and others ;

b) credit risk and counterparty risk , incl . and from large exposures - the probability of violating the capital requirements of the investment intermediary ;

c) operational risk – the probability of incurring losses as a result of inappropriate or incorrect internal procedures , errors of officials at the investment intermediary , incl . in the offices or from internal events ;

d) legal risk – the probability of incurring losses as a result of violations or non-compliance with legal and by - laws or internal company documents ;

e) reputational risk – the possibility of negative publications and statements in the mass media , electronic media, etc. , concerning the investment intermediary , true or false , which could lead to a decrease in the client base , revenues or to the filing of lawsuits ;

f) business risk – the possibility , under the influence of various factors from the external environment – macroeconomic , political and others , as well as from the working conditions in this environment, to cause negative consequences in the activity of the investment intermediary

g) positional risk / general and specific / – risk of the change in the price of a given instrument as a result of factors related to the issuer or in the case of a derivative instrument – related to the issuer of the underlying instrument , as well as the risk of the change in the price of the given instrument due to a change in the level of interest rates ;

h) ***(amended by decision of 22.07.2021) commodity risk*** – risk of positions in exchange-traded goods or commodity derivative instruments ;

i) concentration risk – risk of maturities not matching between exposures and their credit protection , as well as the risk that arises when applying credit risk reduction techniques and large indirect credit exposures ;

k) liquidity risk – the possibility that the investment intermediary will not have sufficient funds to meet its obligations when they become due and the inability to realize its assets at an appropriate price and within acceptable terms .

l) currency risk – the risk of changes in the exchange rate of the BGN against foreign currencies ;

m) interest rate risk – risk of fluctuations in interest rates , insofar as interest-bearing assets and interest-bearing liabilities mature or undergo changes in interest rates at different times and to different degrees ;

n) securitization risk - risk arising from securitization exposures in the trading portfolio ;

o) ***(repealed by decision of 15.06.2021)*** p) residual risk ;

r) **(amended by decision of 30.06.2022)** other risks included in Regulation (EU) No. 575/2013 and Ordinance No. 50 to which the investment intermediary is exposed or may be exposed and applicable in view of its activity .

Credit risk and counterparty default

Art . 4. Credit risk at investment intermediaries has two main components :

1. Risk of default of the counterparty in margin transactions / loan transactions / on the capital market - currency operations , futures , swaps , options , shares and shares ;
2. Product risk , which is measured by the possible loss in case of non-fulfillment of obligations by the counterparty in the transaction .

Art . 5. Counterparty credit risk is the risk that the counterparty to a certain transaction will default before the final settlement of the cash flows of the transaction .

Art . 6. Credit risk from the counterparty arises from :

1. transactions with derivative instruments ;
2. financial transactions tools ;
3. margin loan transactions ;
4. extended settlement transactions .

Art . 7. (amended by decision of 30.06.2022) In the management and assessment of credit risk , the investment intermediary applies an effective system for ongoing management and monitoring risks for different portfolios and exposures and provides risk diversification .

Residual risk

Art . 8. The investment intermediary monitors and controls the residual risk resul ng from a lower than expected efficiency of the techniques used to reduce the credit risk and the expected loss .

Art . 9. (1) (amended by decision of 30.06.2022) According to Art . 1, para . 4 of the present rules , the company develops , adopts and implements separately a residual risk management policy and procedures , which ensure the monitoring , reporting and control of the recognized credit risk reduction techniques , if they show lower efficiency than expected .

(2) When a reduction of the credit risk or the expected loss is considered, the investment intermediary also performs a comprehensive assessment of the credit risk of the base exposure .

(3) The techniques used to deliver credit protection , actions and steps taken should ensure credit protection arrangements are legally valid and enforceable in each relevant jurisdiction .

Concentration risk

Art . 10. (1) The company monitors the concentration risk arising from exposures to each counterparty , including to central counterparties , to groups of related counterparties , to counterparties from the same economic sector , geographic area or to counterparties dealing with the same activity or goods , as well as the concentration risk arising from the application of credit risk mitigation techniques , including the risks associated with large indirect credit exposures ,such as exposures to a single collateral provider .

(2) (amended by decision of the Board of Directors dated 30.06.2022) Pursuant to Art . 1, para . 4 of the present rules , the company additionally adopts and implements a risk management policy and procedures under para . 1.

Market risk

Art . 11. (1) ***(amended by decision of 15.06.2021) Market risk*** is the risk of losses arising from unfavorable movements in the market prices of debt / interest / and capital instruments and of commodity instruments in the investment portfolio of the II .

(2) ***(amended by decision dated 15.06.2021) The*** investment intermediary determines the capital requirements for market risk and risk factors for the market in accordance with chapter three , title II of Regulation (EU) 2019/2033.

(3) In the management of the market risk according to the present rules , the following mechanisms are observed : identification and determination of an acceptable level for the market risk ; his constant monitoring ; taking measures by the intermediary to maintain the market risk assumed by him at a level that does not endanger his financial stability and the interests of his clients ; excluding the use of inside information and conflicts of interest .

(4) According to Art . 1, para . 4 of the present rules , the company additionally adopts and implements a policy and procedures for managing market risk that meet the requirements of Art . 41, para . 2 of Ordinance No. 50.

Interest rate risk

Art . 12. (1) ***(amended by decision of 22.07.2021) Interest rate*** risk is the risk of a change in the price of a financial instrument as a result of a change in the level of interest rates

rates in the case of a traded debt instrument or derivative or in the case of an equity instrument or derivative due to changes in the capital market unrelated to specific characteristics of the individual instruments .

(2) According to the current rules , the mechanisms for managing this risk regulate the following measures and rules :

- emphasis on short-term and medium-term debt financial instruments at the expense of long-term ones ;
- predominance of financial instruments with a floating interest rate at the expense of those with a fixed one ;
- analyzing the dynamics of interest rates on net interest income , which is based on expectations about changes in interest rates in the future .

(3) (amended by decision of 30.06.2022) Pursuant to Art . 1, para . 4 of the present rules, the company additionally adopts and implements a policy and procedures for market risk management that meet the requirements of Art . 76, para . 2 of Ordinance No. 50.

Operational risk

Art . 13. (1) Operational risk is the risk of loss as a result of inadequate or poorly functioning internal procedures and / or processes , persons and systems or due to external events , including legal risk .

(2) ***(amended by decision of 15.06.2021) The*** company determines the capital requirements for operational risk in accordance with chapter four , title II of Regulation (EU) 2019/2033. This is a significant risk that must always be covered by equity .

(3) The company determines the scope of the operational risk to which it is exposed , as well as the risk factors and events related to the operational risk .

(4) The policy and procedures of the investment intermediary , which ensure assessment and management of exposures to operational risk include :

- identification of the event that is a potential bearer of the operational risk , which is carried out with the assistance of the internal control department and each of the persons working under an II contract having a relationship or reach with the relevant operational event ;
- preparation of a solution to the problem by the department / employee who identified the risk ;
- bringing the ready solution to the knowledge of all participants in the problem process ;
- bringing the problem to the attention of the internal control department , who will carry out a control check after a period of time - the time is estimated by the head of the department , but no later than 1 month from the occurrence of the problem .

(5) The investment intermediary's policy and procedures for managing and minimizing this risk , in addition to the actions specified in the previous paragraph , also include :

1. Measures to facilitate the processing and analysis of data - only high-quality specialized software is used , which has proven its effectiveness and lack of errors during use , which allows fast and accurate and reliable processing of incoming information , including processing of accounting information , which contributes to early diagnosis and identify operational risk and minimize the risk of staff error . The measures also provide for the use of the services of software specialists for software maintenance and prevention .

2. Measures for the protection and storage of the led accounting , documentation and information , provided in detail in the rules for the internal organization of the intermediary , in order to prevent the loss of information .

- Information and reporting kept on a magnetic medium must also be stored on a second medium in order to prevent its loss in the event of a technical accident .
- In case of loss of information in the event of a technical accident, immediate actions are taken to eliminate the accident and restore the information, and the FSC is notified of the actions taken and the result .
- All documentation and information related to the activity is stored by the intermediary in an easy and accessible place .

3. **(amended by decision dated 30.06.2022)** Measures to limit the legal risk - the internal control department , in accordance with its powers according to the rules regarding the intermediary's internal control system , carries out control , incl . current and preventive , in view of the availability and compliance of contracts , orders , declarations , information and all other documentation with the requirements of the current legislation .

(6) ***(amended by decision of*** 15.06.2021 ***) According*** to Art **.** 1, para . 4 of the present rules and art . 43 of Ordinance No. 50 and Regulation (EU) No. 575/2013, the company additionally maintains contingency plans to ensure business continuity and limit losses in the event of crisis situations .

Liquidity risk

Art . 14. (1) Liquidity risk , also referred to as financing risk , is the one in which the investment intermediary will encounter difficulties in procuring financial means to fulfill commitments related to its activity . The reason for the liquidity risk can be the impossibility to quickly realize a financial asset with a value close to its fair value , as well as poor and effective management of other risks .

(2) Measures and procedures for managing risk-reducing factors include :

1. Reduction to the optimal minimum of investments of the investment intermediary in weakly liquid and unprofitable assets ;
2. Good and transparent management of the intermediary's overall activity , which will minimize the risk of deterioration of his reputation ;
3. Careful monitoring of trends in the market of financial instruments ;
4. In the trust management contracts concluded by the intermediary , a sufficient period of notice for termination or withdrawal of amounts is foreseen , so that the intermediary can easily secure the necessary funds ;
5. ***(amended by decision of 15.06.2021) Maintenance of*** reserves and liquid buffers
   - in order to cover unforeseen expenses for the activity ;
6. Monitoring the market of financial instruments and especially the positions whose liquidity is decreasing and if necessary - reduction or exemption from these positions ;
7. Operational monitoring by the accountant of the cash flows and the maturity structure of the assets and liabilities of the II in BGN and foreign currency .

(3) In order to prevent a liquidity crisis , and when such a crisis cannot be avoided , upon its occurrence , the company implements the following contingency plan :

A. _ Preventive actions and methodology for establishing , measuring , managing and controlling funding sources

1. The " Accounting " Department applies methodologies for establishing , measuring , managing and ongoing control of funding sources , which cover current and projected significant cash flows arising from assets , liabilities and off-balance sheet items , incl . contingent liabilities and the possible effect of reputational risk , using the following methods for this purpose :

a) regularly analyzes cash flows under conditions other than normal and gives an opinion on the following issues :

- Which funding sources will remain with the intermediary under all circumstances and can they be increased , taking into account the effect of reputational risk ;
- Which sources of funding will go silent when problems arise and at what speed , taking into account the effect of reputational risk ;
- Can the intermediary rely on reserve liquid funds and under what conditions , taking into account the effect of reputational risk .

b) preparation of a simple analysis in which the nature of the company's sources of financing and the external environment in which the company operates are reviewed , with the aim of assessing its impact on cash flows under item 1, in which data can be used for specific industries , countries , regions or macroeconomic indicators that have an impact on the company's current and projected cash flows in order to ensure ongoing control of these sources and their better management ;

c) preparation of scenario tests , the purpose of which is to analyze and measure the discrepancy between cash flows resulting from assets , liabilities and off-balance sheet items , incl . contingent liabilities , as well as alternative scenarios regarding their liquid positions and risk-reducing factors .

2. ***(amended by decision of 15.06.2021) The*** provisions specified in Art . 27, para . 3 of the current action rules .
3. Maintaining sufficient amounts of cash , resp . Government securities as a ratio of current liabilities subject to compliance with regulatory requirements and restrictions .

4. Depending on the results when using the methods under item 1, sufficient liquidity buffers are always maintained . They must be diversified . Since it is not possible to know in advance which assets may be subsequently exposed to shocks , the II will promote a diversified and high-quality liquidity buffer consis ng of different asset categories - cash and other highly liquid financial instruments and assets to be used , in case of a liquidity crisis .

B. _ Actions in the event of a liquidity crisis

1. Performance by the " Accounting " department and the " Risk Management " department of an analysis and assessment of the specific situation and reasons that led to the emergence of the liquidity crisis and an analysis and assessment of the discrepancy between the cash flows arising from all assets , liabilities and off-balance sheet positions , incl . contingent liabilities of the company .

2. Immediate reporting of the event and analysis under item 1 of the Company's Managers .

3. In the event of a shortage of liquid funds , the Managers , together with the Risk Management Department and with the assistance of all risk-related departments in the investment intermediary , develop a specific action plan with specific actions and measures that follow and include the following in this policy, a plan of actions and measures , namely :

3.1. Increase in liquid assets . ***(amended by decision of 15.06.2021)***

These measures may include the sale of own assets (receivables , material and technical stocks), taking into account both the period in which the sale can be realized and the price that can be obtained , as well as other appropriate measures depending on the specific already a situation .

3.2. Reduction of short-term liabilities .

These measures include taking actions , incl . negotiations for the rescheduling of upcoming payments, taking into account both the term of the rescheduling and the " cost " of the postponement in order to avoid a new liquidity crisis at a later point in time .

3.3. Cost reduction .

These measures include immediate actions to reduce fixed costs (financial and operational) in the company , incl . and by reducing the salaries and remuneration of the Managers , if the specific situation requires it .

3.4. Provision of additional resources .

Actions are taken to secure a corresponding borrowed or other resource to cover urgent costs and obligations, subject to the rule that this resource should not deepen and increase the company's liquidity crisis or create a danger of a future one .

3.5. Creating profitability .

This measure is taken , and in the short term it includes the measures under item 3.3., and in the long term, new markets (customers) and implementation of all possible services included in the company's license are sought .

3.6. Management of stocks of liquid assets .

At any time , incl . and at a time of liquidity crisis , the intermediary manages its stocks of liquid assets in a way that ensures maximum accessibility to them in adverse conditions by avoiding holding large concentrations of certain assets .

3.7. Use of liquid buffers .

In the event of a liquidity crisis , when the intermediary needs an immediate increase in its liquidity , the funds maintained by it are used according to b . " A ", t . 4 liquidity buffers in case standard sources of financing are not sufficient .

3.8. Actions are being taken to increase the company's capital in the amount of sufficient to overcome the liquidity crisis that has occurred .

The above mentioned in b . " B ", t . 3 actions are carried out sequentially or simultaneously depending on the specific situation and size of the liquidity crisis . The specific plans under b . " B ", t . 3 are subject to regular testing and updating based on the results obtained from the alternative scenarios and scenario tests specified in letter " A " , item 1, b . " c ", are reported to the Managers and approved by them .

Positional risk

Art . 15. (1) The company calculates the capital requirements for positional risk according to the third part , title IV, chapter 2 of Regulation (EU) No. 575/2013.

(2) The procedures and methods for managing and controlling this risk are : determining an effective structure of financial instruments through portfolio diversification , guaranteeing the minimization of potential losses from the negative movement of the prices of individual financial instruments in the portfolio of the investment intermediary and the portfolio of each individual client at fiduciary management , with diversification taking place in relation to issuers - related parties , issuers from one industry , from one geographical area and others .

(3) In order to manage this risk , if the investment intermediary has netted its positions in one or more securities comprising a stock index against one or more positions in a stock index - linked futures or other stock index-linked product , it must have adequate internal capital to cover the base risk of loss that may occur in the event of a discrepancy between the change in the value of the futures or the relevant other product and the change in the value of the securities making up the index . The investment intermediary must also have adequate internal capital when holding contrarian positions in index-linked futures, which are not identical in terms of their maturity or of

its composition , or both .

Currency risk

Art . 16. (1) The main risk is the collapse of the currency board before the accession of Bulgaria to the single European currency , the probability of which will occur is very small , which is why the risk for the intermediary of the occurrence of such a risk is minimal .

(2) Despite what was stated in the previous paragraph , the mechanisms for managing this risk provide for monitoring by the risk management department of the processes in the country in this direction and taking possible and necessary actions depending on the specific situation and possible expected consequences .

Securitization risk

Art . 17. ***(repealed by decision of 15.06.2021)***

Risk of excessive leverage

Art . 18. (1) The risk of excessive leverage arises from vulnerability , due to the level of leverage or conditional leverage , which may require the inclusion of unforeseen , corrective measures in the business plan , i.e. h _ urgent sale of assets , which may lead to a loss or revaluation of the company's remaining assets , where the term " leverage " has the meaning given in Regulation (EU) No. 575/2013.

(2) The leverage ratio is a new regulatory mechanism , the purpose of which is to prevent the II from taking large risks due to excessive leverage , leading to high and unexpected losses, and the end result should be to ensure sufficient equity capital to cover unexpected losses .

(3) The indicators for the risk of excessive leverage include a leverage ratio calculated according to Art . 429 of Regulation (EU) No. 575/2013, and the discrepancies between assets and liabilities .

(4) In order to protect against this risk, the company takes measures to overcome the risk of excessive leverage , duly accounting for its increase due to a decrease in equity as a result of expected or incurred losses , depending on the applicable accounting rules according to Bulgarian legislation, in order to be able to withstand a series of crisis situations related to the risk of excessive leverage .

(5) (Amended by decision of 30.06.2022) Pursuant to Art . 1, para . 4 of the present rules and art . 86, para . 2 of Regulation No. 50 , the company additionally adopts a policy and procedures that regulate the risk of excessive leverage , which ensure that it establishes , manages and monitors the risk of excessive leverage .

Other risks in the course of the implementation of the activity of the II

Art . 19. (1) A risk that exists in the activity carried out by the sole trader is related to the adequate and effective storage of the financial instruments and the cash of the clients .

(2) When managing this risk, the following measures are taken to establish and minimize it :

1. II , resp . the persons who work under a contract for him strictly comply with the normative requirements , resp . the storage rules established in the rules of internal organization by storing fin . instruments and clients' funds only in depository institutions , expressly specified in the MFIA and the regulations with direct effect , and the funds provided by clients or received as a result of investment services performed on their account are deposited no later than the end of the next business day .

2. **(Amended by decision dated 30.06.2022)** The II does not accept cash payments from clients for the provision of investment and / or additional services , and accordingly does not make cash payments to clients .

3. When an individual opens an account for financial instruments of his client with a third party , resp . keeps clients' cash , due care is taken for the client's interests when determining this person and entrusting the same to keep the client's financial instruments , as well as periodically , but at least once a year , the selection of

these persons is reviewed with the same care and the conditions under which they store the client's financial instruments , resp . the cash .

4. When determining the persons where cash or financial instruments of private clients are stored , resp . the persons who work under a contract for him take into account the professional qualities and market reputation of these persons , as well as the regulatory requirements and market practices related to the holding of such financial instruments that may infringe the client 's rights . The necessary actions are also taken to ensure that the storage of financial instruments of its clients with a third party is carried out in a manner thatwhich guarantees the identification of the client's financial instruments separately from the financial instruments of the investment intermediary and of the third party , by keeping separate accounts by this third party or by applying other measures ensuring the same level of protection , and with respect to cash funds , that the deposited those of clients are kept on individual accounts or the client 's account , separate from the funds of the investment intermediary .

Art . 20. (1) When entrusting the performance to a third party, there is a risk of occurrence of a change in the legal relations of the investment intermediary with its clients or in its obligations to them according to the PFFI and the acts on its implementation and from violation of the requirements of the PFFI and the acts on its implementation .

(2) According to these rules, the following mechanisms and policies are foreseen to identify and minimize this risk :

1. assignment of important operational functions or investment activities for execution by a third party is carried out only in the case when it is objectively impossible for the II to carry out its activities normally without the participation of a third party under para . 1.

2. the assignment under item 1 takes place on the basis of a contract , in which the II takes due care for its conclusion , operation and termination , in which it is taken into account whether the third party has the necessary opportunities , resources and permits required by law for the reliable and professional performance of the assigned functions , whether is able to perform the services assigned to him effectively , whether he exercises proper control over the performance of his assigned functions and adequately manages the risk associated with this assignment .

3. The II takes appropriate appropriate actions if it is evident that the person under item 1 cannot perform the assigned functions effectively and in accordance with the normative and regulatory requirements , incl . to exercise control and risk management regarding the functions assigned to the third party through its own risk management department , incl . can terminate the assignment contract if necessary , without affecting the continuity and quality of the provision of services to clients .

4. ***(amended by decision of 15.06.2021) The*** II monitors and ensures compliance with all other requirements , restrictions and measures provided for in Regulation (EU) 2017/565 in relation to the third party and the effect of the contract concluded with him .

Art . 21. (1) Risk that exists in the activity carried out by the II is related to the adequate and effective implementation of the activity related to the offered services , incl . on acceptance and execution of customer orders , respectively . the transmission / submission of execution orders .

(2) With a view to establishing and managing these risks, the II adopts and implements in its activities a Policy for determining the client as a professional , non-professional and acceptable counterparty , a policy for the execution of customer orders and for the transmission / submission of orders , a policy for treatment of conflicts of interest (in the rules for the internal organization), rules for the internal control system , concludes its contracts with clients on the basis of general conditions , in which it provides clients with maximum information according to the regulatory requirements , when applicable ,such as the specified policies , rules and general terms and conditions and the measures , rules , restrictions , prohibitions of behavior in certain situations, etc. n . are strictly applied by persons who work under an II contract .

III. ORGANIZATIONAL STRUCTURE AND ALLOCATION OF RESPONSIBILITIES FOR RISK MANAGEMENT - IDENTIFICATION AND MANAGEMENT OF RISKS

Art . 22. (1) The establishment of risks and their management is related to the overall organizational structure established in the Rules for the internal organization of the company , which includes both the Managers and all employees working under a contract for the investment intermediary .

(2) The organizational structure and levels of responsibility for risk management at the investment intermediary , established in the rules for internal organization of the intermediary , determine a clear and precise distribution and division of responsibilities between all units in the company and limitation of the movement of information within the company , i.e. is . compliance with the principle of " Chinese wall " and minimal dissemination of information within the company , in order to prevent conflicts of interest , both between the company and its clients , and between the clients themselves .

(3) The purpose of the organization mentioned in the previous paragraph is to reduce the risk of " front running " when concluding transactions , incl . when concluding transactions of persons related to the intermediary at their expense , and from insider trading within the meaning of the Markets in Financial Instruments Act.

(4) The distribution of functions and responsibilities according to the internal organization rules established by the II , provide for a strict determination of the level of competence of each person who works under the contract for the company , which allows for quick establishment , respectively . management of the risks associated with the company's systems (document storage system , accounting system , including accounting system , system for performing the activities of the intermediary as an II ,and in general the overall system of organization in II).

Art . 23 . According to the current rules , apart from the specialized risk management department , which has exclusive functions regarding risk management , each unit (department) is involved in both the identification and management of risks , in order to support the detection and resolution of problems , related to the establishment of risks for II , with the participation and contribution of all employees .

Art . 23 a . (New , with a decision dated 30.06.2022) At the present time , the sole proprietor has not concluded " Professional Liability " insurance.

(2) The sole trader's own cash can be kept in a cash register or in payment or deposit accounts in a bank that is not in bankruptcy proceedings or placed under special supervision , in accordance with Art . 43 of Regulation (EU) 2019/2033. The sole trader's own cash on current or deposit accounts in a bank must be no less than 70 percent of all

funds of the investment intermediary . Clients' funds are kept in accordance with Art . 93 of MFIA .

(3) Own cash on current or deposit accounts in a bank , with which the investment intermediary can dispose at any time , must be in an amount not less than 70 percent of all cash , and the investment intermediary takes actions to diversify them .

(4) The II shall duly account for any significant impact on equity when there are risks that are not adequately covered by the capital requirements determined pursuant to Art . 11 of Regulation (EU) 2019/2033.

Art . 24. Managers at the investment intermediary have the following responsibilities for establishing and managing risks :

1. Adopt the relevant rules , procedures , policies , plans , measures , strategies, etc. required by Ordinance No. 50 and Regulation (EU) No. 575/2013 . similar , regarding monitoring , evaluation and management of the various types of risks to which the investment intermediary is exposed and in general to the risk in general and monitor their updating , incl . approve the implementation of the strategic objectives of the investment intermediary and the strategy regarding risk and internal management;
2. Accept and update all internal acts of the II within the terms specified in them and the normative acts ;
3. They control the risk factors for the investment intermediary, being responsible for the management and control of the risks ;
4. Make decisions on staffing , software and other provision of risk management activities ;
5. Periodically evaluate the effectiveness of the management systems in the investment intermediary , and if necessary, take the necessary measures to eliminate the discrepancies found ;
6. They take decisions on personnel , material , technical and methodical provision of risk management activities .

Art . 25. (1) Responsibility for establishing each and every risk to which the II is exposed is borne jointly by the head of the relevant department , and when there is none – by the employees of the same and by the employees of the risk management department . The head of the department , respectively the employees are responsible for the proper organization of the activity and work processes in the relevant department , incl . and in the risk management department itself . Upon establishing any risk from the persons under the previous sentence ,the same is reported immediately to the Managers .

(2) The persons under para . 1 implement the adopted strategies , measures , plans , procedures , policies for managing , monitoring and reducing the risks to which the investment intermediary is exposed or may be exposed , including the risks arising from the macroeconomic environment .

Art . 26. Employees working under a contract for the investment intermediary have the following responsibilities related to risk management :

1. The " Risk Management " department , which functions independently and its main functions are expressed in the application of the following policies and procedures :

a) applies the policy , procedures , measures and mechanisms under the current risk management rules ;

b) monitors and evaluates how the measures , procedures and mechanisms provided for in the rules under b are applied . and in the overall activity of the II ;

c) takes measures to eliminate the identified deficiencies and inconsistencies in the policy and procedures under b . b . a and b , incl . provides, if necessary, to the Managers a report on the department's activities , in which it indicates

the identified deficiencies and inconsistencies in the risk management policy and procedures ;

d) ensures the establishment , measurement and proper reporting of all significant risks related to the activity of the investment intermediary ;

e) actively participates in the development of the strategy for undertaking and managing the risks of the II and in making decisions related to the management of all significant risks . He must at all times be able to present a comprehensive overview of all the risks to which the investment intermediary is exposed ;

f) reports directly to the Managers in cases where the development of a specific risk affects or may affect the II ;

e) exercises its authority under Art . 28 of the present rules .

2. ***(amended by decision of 15.06.2021)*** " Trading in Financial Instruments " Department 2.1. Brokers :

a) perform functions of accepting orders and concluding contracts with customers ;

b) conclude transactions immediately - in accordance with the policy applied by the II for the execution of customer orders and transmission / submission of orders and in accordance with all legal requirements ;

c) monitor the avoidance of potential and other conflicts of interest , and in the event of such conflicts, they have the obligation to strictly comply with the policy adopted by the internal organization for the treatment of conflicts of interest , incl . if necessary, notify the internal control department ;

d) control relations with clients in matters related to depositing , blocking , collateral of financial instruments .

2.2. ***(previous item 3, amended by decision of 15.06.2021)*** " Back office " employee : a) carries out timely and correct entry of transactions ;

b) monitors daily the movements of concluded transactions , open customer and speculative positions , status of customer accounts and, if necessary, takes action to resolve problematic situations ;

c) makes all contacts in a timely manner , incl . exchanging electronic and other messages with depository institutions related to the completion of transactions , and in the event of errors , delays or software problems, immediately informs the immediate supervisor , the risk management department and the Managers . When a Back Office employee detects increased levels of risk , he reports immediately , but no later than the end of the next working day, to the head of the department or to the Managers , indicating the type of risk, the deviation and its probable causes .

3. ***(previous item 4, amended by decision of 15.06.2021)*** Internal control department : a) implements measures and procedures to establish any risk of non-fulfilment of the obligations of the II , by constantly monitoring and evaluating the adequacy and effectiveness of the measures and procedures provided for in the rules for the internal organization of the II , as well as the measures taken to eliminate inconsistencies in the activity of the investment intermediary with the requirements of the PFFI and the acts on its implementation , performing the functions assigned to him according to the rules for the internal control system of the II , in view of the scale

and complexity of the risks inherent in the business model and activities of the investment intermediary . The goal is to implement internal control systems ,which allow at any time verification of the compliance of the activity of the investment intermediary with the rules adopted in accordance with the MFRS , Regulation (EU) 575/2013 and Ordinance No. 50;

b) provides advice and supports the persons responsible for the services and activities performed by the investment intermediary , in order to guarantee their implementation in accordance with the requirements of the PFMI and the acts on its implementation ;

c) controls the reporting of market risk assessments in daily risk management and the integrity of the management information system ;

d) controls the process of approval of the risk assessment methods and systems used by the persons involved in the conclusion and accounting of the transactions ;

e) control the scope of market risks and approval of all significant changes in the risk measurement process ;

f) control the accuracy and completeness of position data , the accuracy and appropriateness of volatility and correlation assumptions , as well as the accuracy of risk sensitivity estimates and calculations ;

g) controls the verification that the company performs to assess the compatibility , timeliness and reliability of the data sources used in the internal models (if such are used), including the independence of the information sources .

f) *(* applies a three-level risk control mechanism : preventive , current and subsequent .

- Preventive control regarding the assessment of risk factors , incl . by organizing a professional briefing for the persons under Art . 65, para . 1 , item 1-3 of Ordinance No. 38 on the requirements for the activity of investment intermediaries and employees in the internal control department , incl . conducting briefings at least once a year and, if necessary, for the same and other preventive control functions according to the rules for the internal control system ;
- Current control , resp . subsequent control , which includes the powers of the department related to document checks, document verifica ons , demanding explanations from persons working under a contract for the II , constant operational monitoring of the overall activity carried out by the II and the functioning of each system (of storing information , reporting, etc.) etc. , especially in the case of operational risk , where the role of the internal control department is particularly important.
- Follow-up control , expressed in an annual assessment of the internal organization and control system operating in the investment intermediary , including the rules for the internal organization through a report to the Managers , with a view to the possibility of guaranteeing the legal functioning of the investment intermediary and the timely establishment of the performance of an activity in violation of the regulatory requirements , as well as proposals to the Managers for adopting changes in these rules , in case they do not sufficiently ensure the fulfillment of these requirements. The report is prepared and presented by the Managers' department no later than January 31 of the year, following the year for which the assessment was made . The report shall explicitly indicate whether corrective measures have been taken in case of deficiencies .

4. ***(previous item 5, amended by decision of 15.06.2021)*** Department " Accounting "

In accordance with the accounting policy of the intermediary and its organizational structure , it should strictly implement the following procedures , with a view to risk management and its minimization :

- Compliance with the accounting policy of the investment intermediary approved by the Managers , prepared in accordance with the International Standards for Financial Statements ;
- True , accurate and timely accounting of business processes ;
- Ensuring the necessary information flow to the accounting unit ;
- Timeliness of the information submitted to the " Accounting " department ;
- Structuring the individual chart of accounts for the purposes of obtaining the necessary accounting information ;
- ***(amended by decision of 15.06.2021) Daily accounting*** of all operations in the investment intermediary , as well as revaluation of financial instruments

from the investment portfolio , in accordance with the regulatory requirements and the adopted accounting policy ;

- ***(amended by decision dated 15.06.2021)*** Daily extraction ***, provision*** to the relevant departments and the management of the investment intermediary , as well as analysis of information for the assessment of risks , capital adequacy and liquidity of the investment intermediary . Daily preparation of analytical balance sheet and financial information reports according to IFRS (FINREP), as well as capital adequacy and liquidity report (COREP) according to Regulation 2019/2033 (EU)on prudential requirements for investment intermediaries and amending regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014 and

Ordinance No. 50 on approved samples ;

- Timely corrections when errors of a different nature are made in the accounting unit ;

- Reliable storage of paper carriers of information by providing suitable premises for this ;

- Availability of software products aimed at automating processes , systematizing information , facilitating data access from primary documents and sources and their reliable archiving .

- Upon detection of elevated levels of risk by a department employee " Accounting ", he reports immediately , but not later than the end of the next working day, to the head of the department or directly to the Managers, indicating the type of risk , the deviation and the probable reasons for it .

5. ***(previous item 6, amended by decision of 15.06.2021) Investment*** consultant :

The same is involved in risk management in cases where the company provides investment advice to clients or manages a portfolio , not only performing investment analyzes and advice on financial instruments for clients , incl . prepares investment strategies and financial plans , but also reviews and revises them depending on the market conditions and accompanying risks .

IV. MONITORING AND EVALUATION OF THE APPLIED MEASURES AND POLICIES IN THESE RULES

Art . 27. (1) In accordance with these rules, each department , its head or any person who works under an II contract , applies the relevant policy , measures , plans , strategies , procedures , etc. similar , related to the risks accepted by the company , as the greatest burden and responsibility for applying the rules rests with the specialized department for risk management . However, this does not release the Managers from their responsibility for risk management and control .

(2) (Amended by decision of 30.06.2022) These rules are reviewed and evaluated by the Managers at least once a year , by January 31 , and in case of deficiencies and / or the need to improve risk management , he accepts amendments and additions in the same . Managers accept amendments and additions to the present rules and upon any finding that this is necessary , beyond the preceding sentence .

(3) Through its powers under para . 2, Managers including :

a) monitor and evaluate how the measures and procedures provided for in these rules are implemented in the overall activity of the II and in all the company's built systems , incl . supervise the adequacy and effectiveness of the policy and procedures , and their compliance by the II and the persons who work under a contract for it . In addition to the measures and procedures under the previous sentence , the Managers periodically monitor and evaluate all other strategies , measures , plans ,

policies and similar adopted by the company according to Regulation (EU) No. 575/2013 and Ordinance No. 50.;

b) take the necessary , depending on the specific case , measures to eliminate the identified deficiencies and inconsistencies in the policy and procedures according to the present rules , respectively . in all other strategies , measures , plans , policies and the like , adopted by the company in accordance with Regulation (EU) No. 575/2013 and Ordinance No. 50, when they find inadequacies and inconsistencies in them related to the management of risk in the II ;

c) monitor and evaluate, including the adequacy and effectiveness of the measures taken to eliminate identified deficiencies and inconsistencies in the policies and procedures under Art . 1, para . 2 , item t . 1-4 of the present rules .

(4) The managers of the investment intermediary devote sufficient time to consider the issues related to the risk . Managers are actively involved in the process of managing all significant risks specified in Regulation (EU) No. 575/2013, PFFI and Regulation No. 50 of the Financial Supervision Authority , as well as in the assessment of assets (positions), the use of external credit ratings and internal models . related to these risks .

(5) With the adoption of these rules , the investment intermediary creates clear mechanisms for reporting to the Managers and defines levels of responsibility to cover all significant risks , risk management policies and their amendments .

Art . 28. (1) The risk management department , when one is created in the II , prepares and submits to the Managers at least once a year , a report on the department's activities , in which it indicates the identified deficiencies and inconsistencies in the policies , procedures , mechanisms and measures , provided in the present rules , respectively in all other strategies , measures , plans , policies and the like , adopted by the company according to the Regulation (EU) No. 575/2013 and Regulation No. 50, as well as the measures taken to remove them . The report is submitted to the Managers by the 10th of the month following the month in which it was compiled . The report also contains an assessment of whether the II has taken and complies with the necessary actions regarding risk management according to Art . 23 of Delegated Regulation (EU) 2017/565 of the Commission of April 25 , 2016. The report explicitly states whether corrective measures have been taken in case of deficiencies.

(2) The risk management department monitors and evaluates incl the adequacy and effectiveness of the measures taken by the department to eliminate identified deficiencies and inconsistencies in the policies and procedures according to the present rules , making, if necessary, justified proposals for their amendment or addition to the Managers .

(3) The risk management department is actively involved in the development of the strategy for undertaking and managing the risks of the investment intermediary and in making decisions related to the management of all significant risks . He must at all times be able to present a comprehensive overview of all the risks to which the investment intermediary is exposed .

(4) The risk management department reports directly to the Managers , c the cases when the development of a specific risk affects or may affect the investment intermediary . The actions under the first sentence of the risk management department do not exempt the Managers from their responsibility under the MFRS , Ordinance

No. 50 of the FSC and Regulation (EU) No. 575/2013 in relation to risk management .

(5) The head of the risk management department (if a separate employee is not appointed) can be a person from the composition of the senior management staff , who is expressly assigned responsibility for the risk management function . If the designation of a separate responsible person does not correspond to the nature , scale and

the complexity of the activity of the investment intermediary , another person from the composition of the senior management staff may also perform this function , provided that there is no conflict of interest .

(6) The Head of Risk Management may not be dismissed without the prior approval of the Managers . The head of the risk management department has the right to address and ask questions in this competence directly to the Managers , as well as to the General Meeting of Partners .

V. ADMINISTRATIVE AND ACCOUNTING PROCEDURES FOR ASSESSMENT OF RISK AND INTERNAL CAPITAL

Art . 29. The accounting procedures regarding the management of risks and the assessment of the internal capital have been adopted and followed by the investment intermediary, actions for processing the incoming financial and accounting information , preparing an analytical turnover sheet and financial information reports according to IFRS (FINREP), as well as capital adequacy and liquidity report (COREP), through which assessments of risk levels , capital adequacy and liquidity are reached .

Art . 30. (1) The main purpose of the accounting procedures is the adequate classification , processing and presentation of reliable , systematized and timely information about :

1. the degree of risk to which the investment intermediary is exposed ;
2. the necessary capital to cover the assumed risks of the activity of the investment intermediary .

Art . 31. The timely and accurate presentation of information on the degree of risk exposure and capital adequacy of the investment intermediary to the head of the risk management department and the Managers is a prerequisite for preventing the concentration of risks and incurring financial losses .

Art . 32. A number of actions and coordination with all departments at the investment intermediary are necessary to achieve the goals facing the accounting procedures for managing risks and assessing the adequacy of capital and liquidity .

Art . 33. The prerequisites for the proper functioning of the accounting procedures are the following :

1. Compliance with the accounting policy of the investment intermediary approved by the Managers , prepared in accordance with the International Standards for Financial Statements ;
2. True , accurate and timely accounting of business processes ;
3. Structuring the individual chart of accounts for the purposes of obtaining the necessary accounting information ;
4. Active interaction with the risk management department and other departments at the investment intermediary to obtain accurate and timely information on the degree of risk exposure and the respective required level of capital corresponding to the risk exposures ;

6\. Organizational structure of the " Accounting " department in accordance with the needs of the investment intermediary , with clearly defined rights , responsibilities and levels of access to information ;

8. Preparation of analytical turnover sheet , balance sheet , financial information report according to IFRS (FINREP), as well as capital adequacy and liquidity report (COREP);

9. Possibility of control of the activity by the " Internal control " department and the Managers of the investment intermediary ;

Art . 34. The investment intermediary defines certain rules , which it will follow consistently , in connection with the calculation of the capital requirements for

the different types of risks . The rules of action determined in this way bind the investment intermediary to the requirements for calculating the capital commitments for the various types of risks .

(2) The investment intermediary accepts and applies various internal rules that ensure the lawful implementation of the company's activities . The rules under para . 2 include properly distributed powers and duties of the employees , through which the company is able to function , within the normative limitations of its activity .

(3) The administrative procedures necessary to carry out the company's activities are :

• Procedure for approving or correcting the internal rules ;

• Availability of a system for internal control and regulatory compliance ;

• A series of actions of employees , in connection with the implementation of the investment services and activities that the intermediary offers , in accordance with the license issued to him ;

• Authorization of employees to confirm and sign documents within the scope of the activity of the investment intermediary ;

• Procedure for creation , operation and management of data and documents in the intermediary , including their archiving ;

• Administration and management of information systems ;

• Rules and responsible officials for notifying the Financial Supervision Commission regarding the activity of the investment intermediary .

Art . 35. (1) ***(amended by decision of 22.07.2021) The*** investment intermediary uses as sources of price information the data from the regulated securities markets – BSE and other foreign places of execution .

(2) Sources of quotations can be recognized global news agencies such as REUTERS, BLOOMBERG , etc. Quotations from primary dealers for them can be used to evaluate the Bulgarian government securities , in which case it is required to determine the dealers and the persons responsible for collecting and processing the information .

Art . 36. For each of the positions in financial instruments that do not have current price quotations, a method for calculating their fair price is determined , and this method is followed consistently and its suitability and adequacy are periodically checked .

Art . 37. The investment intermediary should delegate responsibilities to employees to monitor for deviations in the settlement of transactions with debt instruments , shares , currencies and commodities . If the settlement does not meet the agreed date , as well as if there is a credit risk of the counterparty , the investment intermediary calculates and maintains own capital to cover these risks .

Art . 38. Responsibilities for monitoring and complying with the requirements for covering the capital requirements of the various types of risk are distributed among the Departments and units of the company on the basis of these rules .

VI. DISTRIBUTION OF INTERNAL CAPITAL . CAPITAL REQUIREMENTS

Art . 39. The internal capital of the company represents the capital necessary to cover the risks related to the overall activity of the company . The calculation of the internal capital is carried out in accordance with the provisions of Regulation No. 50 and Regulation 575/2013.

Art . 40. (1) The monitoring and calculation of the capital requirements for the various types of risk is carried out on the basis of the entries reflected in the company's information - accounting system and the defined criteria for maintaining the value , types and distribution of internal capital .

(2) The amount of internal capital is calculated daily by a department " Accounting " according to the normative provisions contained in ordinances and regulations , and the data on the individual areas in the activity of the investment intermediary , for which the allocation of financial resources is required .

(3) The required amount of internal capital depends both on the current activity of the investment intermediary and on its activity in previous years , since for certain risks , the calculations are based on data from previous financial years .

(4) When calculating the capital requirements for settlement risk in transactions with debt or capital instruments , foreign currency or goods , the price difference is determined in connection with which the investment intermediary is exposed to risk .

(5) When determining the capital requirements for positional risk , the sum of the capital requirements for general and specific risk related to positions in debt and capital instruments is calculated .

(6) When determining capital requirements for currency risk , the investment intermediary calculates the sum of the total net position in foreign currency and the net position in gold .

(7) When calculating capital requirements for commodity risk , the investment intermediary applies the simplified approach .

(8) When calculating the capital requirements for operational risk , the investment intermediary applies the base indicator approach .

(9) When calculating the capital requirements for the risk of credit assessment adjustment , a standardized method is applied .

VII. REGULATORY COMPLIANCE AND CONTROL MECHANISMS FOR THE DIFFERENT TYPES OF RISKS

Art . 41. (1) The " Internal Control " department performs at least once a year a review of the company's activities , including a risk assessment , which includes the inspections specified above in these rules .

(2) The " Internal Control " department carries out periodic checks on the compliance of the company's activity with the risk profile of the investment intermediary .

(3) (Amended by decision dated 30.06.2022) The company's internal control mechanisms ensure the establishment and documentation of all large exposures and subsequent changes in them and for the purpose of subsequent monitoring of these exposures as part of the overall exposure monitoring process .

(4) The " Internal Control " department periodically performs checks for the timely reflection of information on the company's current activity from the operational departments and units in the company's information - accounting system .

Art . 42. (1) The preventive control regarding the assessment of the risk factors in the transactions carried out by the company are aimed at :

1. Organization of professional instruction for the employees with whom the company has concluded contracts , as well as with the persons concluding contracts and accepting orders from clients ;
2. Submission of proposals for timely updating and improvement of internal company documents , in accordance with adopted new regulatory requirements or directly applicable EC Regulations , as well as in accordance with ESMA guidelines ;

3. Conducting regular briefings of the employees in the company's offices regarding omissions , errors , weaknesses in their work on transactions and orders , as well as on changes in internal company documents accepted by the Managers .

(2) Current controls regarding proper risk management include :

1. Daily monitoring that the exposures to one person or to a group of related clients do not exceed the established percentage limits , in order to limit the risk of their excessive concentration ; monitoring for the timely establishment and documentation of all major exposures ;

2. Timely notification of the Commission for Financial Supervision in case of excess of large exposures , indicating the reasons that led to the excess and the specific measures to bring the exposures in line with the established limits ;

3. Monitoring for valuing positions at readily available closing prices from an independent source , such as stock market prices or prices from market information systems .

(3) Follow-up control regarding risk management includes :

1. Mandatory recommendations for implementation in case of violation of risk management rules and seeking disciplinary and property responsibility from the guilty officials ;

2. Submitting specific proposals to the Managers for changes in the company's internal documents , with a view to preventing omissions , weaknesses and violations and bringing them into line with legal requirements ;

3. Regular training of employees .

VIII. PROFIT DISTRIBUTION RULES

Art . 43. (1) This section introduces internal rules ensuring that the amount of profit subject to distribution and the maximum amount for distribution are correctly calculated .

(2) The application of the rules under this Section is carried out in strict compliance with the requirements of Regulation (EU) No. 575/2013 and Regulation No. 50.

(3) The adoption of the rules in this Section is intended to ensure that the amount of profit subject to distribution and the maximum amount for distribution are correctly calculated and that the II can prove their accuracy when requested by the FSC .

Art . 44. (1) The company may distribute part of the profit if it has fulfilled the requirements of art . 133 of the Commercial Law .

(2) The proposal to distribute a part of the profit takes into account the capital adequacy and liquidity of the II . No proposal is made for the distribution of part of the profit if the distribution will lead to a violation of the legal requirements for capital adequacy and liquidity of the II .

(3) The amount of the distributable portion of profit is determined by the General Meeting of Partners and may be determined as an absolute value for one share and / or as a total absolute value .

(4) If the amount of the distributable part of the profit is determined as an absolute value for one share , the maximum amount for distribution is equal to the product of the determined absolute value and the number of shares .

(5) If the amount of the distributable part of the profit is determined as a total absolute value , this is also the maximum amount for distribution .

(6) The managers of the company check whether the amount of the distributable part of the profit and the maximum amount for distribution have been correctly calculated , complying with the legal requirements and the current rules . At the request of the FSC , the II is obliged to provide copies of all documents proving the accuracy of the calculations .

(7) ***(New , with a decision dated 15.06.2021) In*** the event that the General Meeting of Partners decides to do so , the profit may not be distributed in the form of a dividend , but may be used to increase the company's capital by issuing new partitions . These partitions will be written by

the existing partners in proportion to their shareholding at the time of the capital increase .

(8) ***(New , with a decision of 15.06.2021 and amended with a decision of 30.06.2022)*** Currently, " Axiom Invest " OOD. does not envisage the possibility of distributing part of the profit in the form of shares for managers or employees of the company . In the event that there is such an opportunity in the future and such a decision is made , the necessary changes will be introduced in the organizational and internal documents of the company , incl . in these Rules .

IX. FINAL PROVISIONS

§1. In cases where the II has assigned important operational functions or investment services and activities to a third party under Art . 20 of these rules , these rules also apply to this third party , in order to effectively manage the risks of this assignment .

§2. (amended by decision of 30.06.2022) These rules were adopted by decision of the Managers of " Axiom Invest " OOD dated 19.11.2020 . and were amended by decisions of the Managers from 15.06.2021 . , from 22.07.2021 _ _ and 30.06.2022)

Managers :

1. **Georgi Kovachev**
2. **Ventsislav Filipov**

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