

**POLICY
FOR EXECUTING ORDERS
FOR TRANSACTIONS IN FINANCIAL INSTRUMENTS AT ELANA TRADING AD**

**CHAPTER ONE
GENERAL**

Article 1. This Policy for executing orders for transactions in financial instruments at ELANA TRADING AD (The Policy) defines the rules and procedures that ELANA TRADING AD (The Investment Intermediary) and the persons working under contracts for said company shall follow in order to ensure the best execution of clients' orders, as well as to ensure that ET takes all necessary steps to obtain the best possible result for the client and to avoid conflict of interest.

Article 2. (1) The Policy aims to determine the execution venues for orders, the advantages and disadvantages of each venue and the principles for achieving best results in execution of orders submitted by non-professional and professional clients.

(2) The Policy shall not be applied in the cases where the client has been categorized as an eligible counterparty.

Article 3. The main rule in carrying out the activities of the Investment Intermediary is the honest, fair and professional attitude towards clients, as well as their equal treatment, in accordance with their best interests.

Article 4. This Policy is based on the principle of compliance with the requirements of all statutory regulations and internal company documents; the Investment Intermediary shall promptly notify its customers of any changes thereto via its Internet website www.elana.net.

Article 5. At the time of preparation of this Policy, the Investment Intermediary accepts and executes orders for the following financial instruments: stocks, shares in collective investment undertakings, exchange-traded funds (ETFs), indices, debt securities (bonds and money market instruments) and contracts for differences (CFD), derivatives. A description of the products offered by the Investment Intermediary, as well as the risks associated therewith, can be found on the Internet website of the intermediary www.elana.net.

**CHAPTER TWO
“BEST RESULT” PRINCIPLE**

Article 6. (1) The Investment Intermediary shall execute the client's order whilst taking all steps to obtain the best possible result for the client. The Investment Intermediary has fulfilled this obligation if it has taken sufficient steps to take into account:

- the price, according to the terms of the order;
- the amount of costs;
- the speed of execution of the order;
- the likelihood of performance;
- the settlement;
- the amount and nature of the order;
- as well as any other circumstances related to the execution of the order.

(2) When executing an order submitted by a non-professional client, the best possible result shall be determined by the total value of the transaction, including the price of the financial instrument and the costs related to the execution.

(3) The costs related to the execution shall include all costs which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees, as well as other fees and remunerations paid to third parties participating in the execution of the order.

(4) In order to achieve the best possible result, in the cases where there is more than one competitive execution venue for an order in connection with financial instruments and in performing assessment and comparison of the results that can be achieved for the non-professional client when executing the order at each of the execution venues specified in this Policy, the Investment Intermediary shall take into account:

- its commission fee, and
- the costs of executing the order at each of the possible execution venues.

(5) The Investment Intermediary shall not be entitled to receive remunerations, discounts or other type of benefits for transmitting an order to a specific trade venue or order execution venue, if in doing so it would be in violation of the requirements regarding conflict of interest management, disclosure of client information, the rules on provision of independent investment advice, the restrictions on receipt of commissions and benefits, and the clauses of the contract.

Article 7. In the case of specific instructions on the part of the client, the Investment Intermediary must execute the order following said instructions, and with regard to the factors that determine the best execution – in the best interest of the client. For orders without specific instructions, the Investment Intermediary shall make appropriate assessments. By following the specific instructions, the Investment Intermediary shall have fulfilled its obligation to act so as to achieve the best result for its clients.

Article 8. The client should keep in mind that the special instructions submitted by him may prevent the Investment Intermediary from taking the actions necessary to achieve the best result in the execution of the client's orders in accordance with this Policy, for the part of the order for which said instructions apply.

Article 9. If, at the discretion of the Investment Intermediary, the special order significantly deviates from the market situation, the Investment Intermediary may, when in the interest of the client, execute it without following the client's instruction and by applying this Policy.

Article 10. The Investment Intermediary shall execute orders on behalf of a client after said client has given his prior consent with regard to following this Policy.

Article 11. The Investment Intermediary shall take care to achieve the best result for the client in terms of instruments admitted on a regulated market, observing all principles of this Policy and the legislative criteria.

CHAPTER THREE FACTORS FOR DETERMINING BEST EXECUTION AND THEIR RELATIVE IMPORTANCE

Article 12. The Investment Intermediary shall determine the relative importance of the factors specified in Article 6, taking into account a multitude of criteria, including client categorization (whether the client is categorized as a professional client or as a non-professional client), the availability of more than one competing venues to execute the order and the costs of execution at each of these venues, the characteristics of the order itself and of the financial instruments to which the order relates.

Article 13. The main criteria that the Investment Intermediary shall take into account when determining the relative importance of the factors for best execution, according to the categorization of the client, are:

- For professional clients: the Investment Intermediary determines the best possible result for the client taking into account his characteristics, including his categorization as a professional one, the characteristics of the order, including where it relates to a securities financing transaction, the characteristics of the financial instruments that are the subject of said order, as well as the characteristics of the execution venues to which the order may be directed.
- For non-professional clients: the Investment Intermediary determines the best result for the client in terms of the total value of the transaction for the client, representing the price of the financial instrument increased or decreased respectively by the costs related to the execution of the order, which costs include all costs incurred by the client and directly related to the execution of the order, including order execution venue fees, clearing and settlement fees, as well as other fees paid to third parties related to the execution of the order.

CHAPTER FOUR CLIENT ORDER EXECUTION VENUES

Article 14. Client orders shall be executed mainly at trading venues and also outside trading venues.

Article 15. The trading venues shall be:

- Regulated Market ("RM");
- Multilateral Trading Facility ("MTF");
- Organized Trading Facility ("OTF").

Article 16. Other trading venues may be:

- Systematic Participant;
- Market Maker;

- Other Liquidity Providers.

Article 17. The orders for transactions in financial instruments submitted to the Investment Intermediary through the platforms and admitted to a regulated market abroad shall be executed on the respective regulated market abroad indirectly, where the Investment Intermediary transmits the execution order to its partners who are members, directly or through another broker, of this market.

Article 18. For financial instruments for which execution is possible only at one execution venue, the Investment Intermediary shall be deemed to have achieved the best result for the client by executing at this venue.

Article 19. If the financial instruments are traded on more than one regulated market, the order shall be executed at the venue where it is possible to achieve the best result.

Article 20. When providing order execution services on behalf of non-professional and professional clients, as well as trading on its own account, where the Investment Intermediary acts as a counterparty to such clients, the intermediary shall rely significantly on the following execution venues, according to the class of financial tool being traded:

Equity Securities

- Stocks and shares of companies admitted to trading on a regulated market of "Bulgarian Stock Exchange-Sofia" AD (BSE)
- The Investment Intermediary shall execute client orders for transactions in stocks and shares of companies admitted to trading on a regulated market organized by BSE only on this regulated market.

Debt Instruments

- Corporate Bonds

The Investment Intermediary shall execute client orders for concluding transactions in corporate bonds admitted to trading on the regulated market organized by BSE only on this regulated market.

The Investment Intermediary executes client orders for concluding transactions in corporate bonds admitted to trading on a trading venue outside the territory of the Republic of Bulgaria through a Multilateral Trading Facility organized by Saxo Bank A/S and Auerbach Grayson.

- Government Securities (GS)

The Investment Intermediary shall execute orders for Bulgarian GSs issued by the Ministry of Finance on BSE and on a multilateral trading facility, as well as on the interbank market.

The Investment Intermediary shall execute orders for transactions in government securities issued by other countries on a multilateral trading facility.

Other Instruments

The Investment Intermediary shall execute client orders for transactions in compensatory instruments, warrants and rights admitted to trading on the regulated market organized by BSE only on this regulated market.

OTC Derivatives

The Investment Intermediary shall execute client orders for transactions in currency forwards and swaps, interest rate swaps, currency and interest rate options, commodity swaps and other Over-the-counter derivatives, outside the trading venue. The execution of these transactions shall take place in the form of OTC transactions between the client and the Investment Intermediary. Clients shall enter into a standardized contract with the Investment Intermediary.

The Investment Intermediary shall execute client orders for transactions in the Over-the-counter financial instruments ("OTC") described so far in accordance with the current law and insofar as this is not contrary to the Investment Intermediary's obligations to trade in stocks admitted to trading on a regulated market or traded on an MTF on a regulated market, an MTF with a systematic participant or on an equivalent market in a third country, and to trade in derivatives, for which such an obligation is specifically established, only on a regulated market, an MTF, an OTF or on an equivalent market in a third country.

Derivatives admitted to a trading venue

The Investment Intermediary shall execute client orders for transactions in derivatives admitted to a trading venue outside the territory of the Republic of Bulgaria by transmitting the order to an investment intermediary providing access to the respective trading venue or by concluding OTC transactions with the client as a counterparty in accordance with applicable law and insofar as this is not contrary to the obligations of the Investment Intermediary.

In case the derivatives are subject to a trading obligation, the Investment Intermediary shall execute client orders for transactions therewith only on a regulated market, an MTF or an OTF.

Article 20. The advantage of “BSE-Sofia” AD as an execution venue is related to its physical location on the territory of the Republic of Bulgaria which enables the intermediary to work very efficiently in terms of execution of client orders. The better commission policy at this execution venue, compared to foreign ones, should also be noted. Given the fact that on “BSE-Sofia” AD stocks of Bulgarian companies are traded, this allows for execution of client orders in the volume specified by the client, and the price of such stocks is formed on the same market where they will be bought or sold. Last but not least, compensatory instruments are traded only on “BSE-Sofia” AD as an execution venue.

Article 21. Choice of execution venue may be provided to the client through the respective trading platforms. In the event that such a choice is provided to the client, the client shall be given correct, clear and non-misleading information to prevent the client from choosing one execution venue over another solely on the basis of the intermediary’s pricing policy.

Article 22. In the event of execution outside a trading venue, the Investment Intermediary shall inform the client that the counterparty’s risk may be increased, as well as of the reduced probability of execution, speed, settlement, which as a whole may increase the overall risk of the transaction.

Article 23. **The factors used to select an execution venue shall be the following:**

- the possibility to achieve the best price for the client according to the terms of the order and the type of financial instrument traded;
- amount of the costs;
- speed of execution of the order;
- probability of execution;
- settlement and clearing, organized by the respective execution venue.

Article 24. The Investment Intermediary shall take into account the above factors when selecting execution venues, shall evaluate on an ongoing basis the extent to which the execution venues on which the Investment Intermediary relies to provide the best possible result for the client and whether it is necessary to make changes to the selected execution venues. The selection process shall be done by the Board of Directors of the intermediary.

Article 25. The Investment Intermediary shall apply a standardized approach in determining the amount of fees and commissions for each individual type of financial instruments, for which it provides services for acceptance, transmission and execution of orders. Such fees and commissions shall include fees and commissions due at the execution venues for concluding the respective transactions, fees and commissions payable to depositary institutions or sub-depositaries for settlement of concluded transactions, as well as the costs of the Investment Intermediary of carrying out activity in connection with the respective execution venue, a reasonable amount of remuneration for the services provided by the Investment Intermediary and, where applicable, the respective commissions to investment intermediaries to which the Investment Intermediary transmits execution orders related to the conclusion of transactions at different execution venues.

In this regard, it may be that for the different execution venues the Investment Intermediary applies different fees for the services provided. These different amounts of fees shall reflect the different costs that are due for concluding transactions in financial instruments and their settlement at the respective execution venues, as well as the different amounts of the operating costs that the Investment Intermediary would incur in connection with these different venues.

CHAPTER FIVE REQUIREMENTS FOR ACCEPTANCE AND EXECUTION OF CLIENT ORDERS

Article 26. Execution by the Investment Intermediary of orders initiated by and for the account of clients shall be the performance of actions aimed at concluding transactions for purchase or sale of one or more types of financial instruments on behalf of and for the account of a client.

Article 27. (1) For execution of transactions in financial instruments, the clients shall submit orders to the Investment Intermediary, with the following content:

1. name(s) and unique client number of the client;
2. type, issuer, unique issue code or name of the instrument, respectively characteristics of the derivative financial instrument and number of financial instruments to which the order relates;
3. order type;
4. nature of the order (purchase, sale, exchange, etc.);

5. unit price and total value of the order;
6. validity term of the order;
7. execution venue, where the order shall be executed, if the client sets such a venue;
8. quantitative execution of the order (partially, completely);
9. payment method;
10. date, time and place of submission of the order;
11. other specific instructions of the client.

(2) Orders for transactions in financial instruments shall be accepted only from clients with whom the Investment Intermediary has concluded the respective contracts and who have been properly identified.

(3) The manner of submitting orders for transactions in financial instruments shall be indicated in advance in the contract concluded between the Investment Intermediary and the client, or in an annex thereto.

(4) **(15.09.2021)** Orders for transactions in financial instruments may be submitted by telephone or via another remote method of communication from clients - QES or a Trading Platform.

The Investment Intermediary accepts orders at the following e-mail address:

brokers@elana.net

The Investment Intermediary accepts orders by telephone at the following numbers:

For BSE:

02/81 000 25

02/81 000 26

For International Markets:

02/81 000 29

(5) Submission of orders through a proxy shall be done only on the condition that the latter shall present a notarized power of attorney which contains representative power for carrying out dispositional actions with financial instruments. The authorized person shall also be obliged to sign a declaration that they are not carrying out transactions in financial instruments by profession.

(6) Submissions of orders through a proxy may be done only in person at the investment centres of the Investment Intermediary.

(7) The Investment Intermediary may accept orders from clients through an electronic trading system, which system ensures compliance with the requirements of MFIA and Regulation 2017/565 and provides access to the client to a specific execution venue. Access to the system under the previous sentence and the entry of orders by the client shall be carried out via identifying the client with a username and a password.

(8) The Investment Intermediary may accept orders by telephone, in which case the Client shall be provided with identification data which he shall be obliged to use when communicating with the Investment Intermediary. The client shall be responsible for the orders and for the truthfulness of the information sent using his identification data. The order shall be considered accepted if the telephone conversation has not been interrupted before an unambiguous instruction for action has been received and before the Investment Intermediary has given confirmation.

Article 28. Upon acceptance of an order, the Investment Intermediary shall require from the client, or his representative respectively, to declare whether:

1. he is in possession of inside information about the financial instruments to which the order relates, as well as about their issuer, if the financial instruments to which the order relates or on the basis of which the financial instruments, which are the subject of the order, have been issued, are traded on a regulated market;
2. the financial instruments, which are the subject of an order for sale or for exchange, have been blocked at the depositary institution in which they are kept, whether a pledge has been established or a lien has been imposed upon them;
3. the transaction, which is the subject of the order, represents a covert purchase or sale of financial instruments.

Article 29. The Investment Intermediary shall not have the right to execute an order in the following cases:

1. where it has been declared or if it establishes that the financial instruments, which are the subject of the sale order, are not available on the client's account or are blocked in a depositary institution, as well as if a pledge has been established or a lien has been imposed upon them. This prohibition shall not apply in the following cases:

- the acquirer has been notified of the established pledge and has expressly agreed to acquire the pledged financial instruments, there is an explicit consent of the pledged creditor in the cases provided for under the Special Pledges Act;
 - the pledge has been established on an aggregate, within the meaning of the Special Pledges Act.
2. where this would lead to a violation of any of the pieces of legislation currently in effect in the Republic of Bulgaria;
 3. The prohibition under item 1 in respect of orders for sale of financial instruments which are not available on the client's account, shall not be applied in the cases explicitly defined in the legislation currently in effect.

Article 30. The Investment Intermediary shall execute the orders of its clients as soon as possible, unless that would be clearly unfavourable for them.

Article 31. (1). The Investment Intermediary shall execute clients' orders in compliance with the factors for best result under this Policy and under the following conditions:

1. immediate and accurate registration and distribution of execution orders;
2. immediate execution in the order of receipt of identical client orders, except where the characteristics of the order or the prevailing market conditions make this impossible or if the interests of the client require otherwise;

(2) The Investment Intermediary shall inform its non-professional clients about any objective difficulties that have arisen and which are hindering the accurate execution of the orders, immediately upon becoming aware thereof.

(3) The Investment Intermediary shall monitor the settlement of an order executed by it for the account of a client and shall perform the necessary actions to ensure that all client financial instruments or monies received during the settlement are immediately and accurately transferred to accounts of the respective client.

Article 32. The Investment Intermediary shall not have the right to misuse information about any unfulfilled client orders and shall take all the necessary measures to prevent such misuse by any person working for it under a contract.

Article 33. The Investment Intermediary shall refuse to accept any order that does not meet the requirements of MFIA and of Regulation 2017/565, or which has been submitted by a proxy without complying with the requirements of the applicable primary and secondary legislation.

Article 34. Any orders duly submitted may be withdrawn by the client, in case the withdrawal reaches the Investment Intermediary before or at the latest simultaneously with the order or within the processing time before its execution.

Article 35. In case of a limited order submitted by a client, where its subject are stocks admitted to trading on a regulated market, which order is not executed immediately according to the prevailing market conditions, it shall be considered to be publicly available when the Investment Intermediary has submitted the order for execution on a regulated market or a Multilateral Trading Facility, or where the order is published by a data reporting service provider established in a Member State and can be easily executed as soon as the market conditions allow it. Regulated markets or the Multilateral Trading Facility shall be prioritized in accordance with the Investment Intermediary's execution policy so as to ensure execution as soon as the market conditions allow it.

Article 36. Upon acceptance of a sale order from a client, an employee of the Investment Intermediary shall check whether the financial instruments, which are the subject of the order, are on the client's account in the register of the Investment Intermediary at "Central Depository" AD or another depository institution and whether they are blocked. Checks regarding the availability of financial instruments shall not be performed in the following cases:

1. where the electronic trading system used by the Investment Intermediary does not allow transactions involving blocked, seized or pledged financial instruments or with financial instruments which are not available on the respective account at the depository institution;
2. where, by the day of settlement of the transaction, the Investment Intermediary provides, in another statutory manner, the financial instruments which are the subject of the order.

Article 37. The check on whether the financial instruments are available on a client's sub-account and whether they are blocked, whether they are subject to a pledge or a lien at a depository institution, may be initiated both by the Investment Intermediary and by the client. Where a client's financial instruments are kept by a trustee, the Investment Intermediary shall require from the trustee to provide the information under the preceding sentence. Said information provided by the trustee in this regard shall be kept in an archive. The

Investment Intermediary shall require from the client to provide consent with regard to the check on the status of the financial instruments that are with a trustee.

Article 38. **(15.09.2021)** (1) The Investment Intermediary shall accept orders for transactions in financial instruments from clients only through natural persons who work for it under a contract and who are:

1. brokers or investment advisers meeting the requirements of Art. 77, par. 77 (3) of MiFID and Article 67 of Regulation 38;

2. persons offering financial instruments entered in the register referred to in Art. 30, par. 1(2) of the Financial Supervision Commission Act and meeting the requirements of Article 13 of MiFID and Article 66 of Regulation 38.

(2) The II may accept orders for transactions with financial instruments from clients also through the executive members of its management body or procurator.

Article 39. The Investment Intermediary shall execute orders for transactions in financial instruments for its own account in the manner and order as for client orders. In this manner, any conflicts of interest with clients are prevented.

Article 39a **(15.09.2021)** With the exception of orders submitted through an electronic trading system (platform), a person referred to in Article 38 of this Policy may not accept orders for transactions in financial instruments for his own account.

Article 40. On the day of submission of orders for purchase of financial instruments, the clients of the Investment Intermediary must have monies available in a client's bank account or at a cash desk with the Investment Intermediary, unless they can prove beyond any reasonable doubt that they will make the payments by the settlement date of the transaction. If the rules at the execution venue where the transaction will be concluded allow for the conclusion of a transaction where the payment of the financial instruments is not made simultaneously with their transfer, the Investment Intermediary may opt not to require payment from the buyer with the express written consent of the seller. This applies accordingly to other transfer transactions in financial instruments.

CHAPTER SIX ORDER AGGREGATION AND SPLITTING POLICY

Article 41. All client orders, as well as those for the own account of the Investment Intermediary, shall be executed individually. The Investment Intermediary may aggregate orders only under the following conditions:

1. if this will not be to the detriment of any of the clients whose orders are being aggregated.
2. the Investment Intermediary has explained to each of the clients whose orders are aggregated that the aggregation may be unprofitable and nevertheless the client has given his consent in writing.
3. the Investment Intermediary adopts and effectively implements an order splitting policy which envisages correct splitting of aggregated orders and transactions, including the ways in which the volume and the price of the orders determine the division and treatment of partial executions.

Article 42. In the cases where the intermediary has aggregated client orders with an order for the intermediary's own account, and thus the combined order is partially executed, the intermediary shall execute the clients' orders with priority over its own order.

Article 43. If the Investment Intermediary can reasonably prove that without the aggregation it would not be able to execute the client's order under such good conditions for the client or that it would not be able to execute it at all, then the intermediary may distribute the concluded transaction pro rata between itself and the client.

Article 44. In the cases where upon introduction of an aggregated order at the execution venue the counter-offer has been changed and the transaction is executed in several parts and at different prices or is executed partially, then the order submitted earlier shall have priority.

Article 45. The Investment Intermediary shall not distribute the concluded transactions in execution of an aggregated order in a way that is to the detriment of the clients.

CHAPTER SEVEN POLICY EFFECTIVENESS CONTROL

Article 46. (1) The Head of the Financial Markets Department, jointly with the employees of the Regulatory Compliance Department of the Investment Intermediary, shall monitor the observance of this policy.

(2) The brokers and dealers at the Investment Intermediary shall check monthly whether the above-described order execution venues ensure the best execution and shall deliver a reasoned opinion to the respective unit head if any changes in this connection are necessary.

Article 47. The Head of the Financial Markets Department, jointly with the employees of the Regulatory Compliance Department of the Investment Intermediary, shall review and update the current policy once a year and shall submit to the Board of Directors of “Elana Trading” AD change proposals, if any such changes are necessary. The purpose of said review is the compliance of the Policy with any potentially amended legislation and internal company documents, as well as greater efficiency in the execution of clients’ orders.

CHAPTER EIGHT TRANSITIONAL AND FINAL PROVISIONS

§1. This policy is provided and is permanently available to all clients and potential clients on the Internet website of the Investment Intermediary - www.elana.net. Upon request, the Investment Intermediary may provide this policy on a different durable medium. The Investment Intermediary shall notify its clients of any changes in this Policy through a notice published on its Internet website.

§2. In the event that any of the clients or potential clients of the Investment Intermediary disagree with the rules and procedures of this Policy, the Investment Intermediary may not be able to provide its services.

§3. The present Policy has been adopted on the grounds of Article 86, paragraph 1 of the Markets in Financial Instruments Act (“MFIA”), Article 65, paragraph 5 of Commission Delegated Regulation (EU) 2017/565 and approved by a memorandum of the Board of Directors of “Elana Trading” AD dated 31 October 2018 and shall enter into force upon its publication on the company’s website. This Policy supersedes the current Client Order Execution Policy.

§4. This Policy has been amended by the Minutes of the Board of Directors of Elana Trading AD dated 15.09.2021 and shall enter into force upon its publication on the Company's website.