



ORDER EXECUTION POLICY OF

DELTASTOCK

I. GENERAL PROVISIONS

- 1.1. This ORDER EXECUTION POLICY OF DELTASTOCK (“the Policy”) has been adopted in compliance with Art. 30, paragraph 2 of the Markets in Financial Instruments Act (MIFIA) and Regulation No 38 on the Requirements to the Activities of Investment Intermediaries to ensure high quality of the services provided by DELTASTOCK to clients.
- 1.2. This Policy should be read together with the General Terms of Business, which apply to client Agreements. By signing an Agreement with DELTASTOCK and accepting the company’s General Terms of Business, clients **acknowledge they have read and agree** with this Policy. Although MiFID and MIFIA require from DELTASTOCK to implement an order execution policy, this Policy is not part of the Agreement between the client and DELTASTOCK. DELTASTOCK will provide its clients with additional information on this Policy upon request.
- 1.3. This Policy applies to all orders for purchase, sale and exchange of financial instruments submitted to DELTASTOCK by retail and professional clients.
- 1.4. All trades in financial instruments are entered into according to the rules and requirements applicable to the relevant execution venue, as well as in compliance with the governing law for the respective financial instruments.
- 1.5. DELTASTOCK cannot execute orders on behalf of clients without their prior agreement with this Policy.
- 1.6. This Policy is based on the principle that when providing investment services to clients DELTASTOCK acts honestly, fairly and professionally, in accordance with the best interest of its clients and that the company executes client orders promptly, fairly and accurately, following the order of receipt of identical orders.
- 1.7. When client orders are executed Over-The-Counter (OTC) this Policy cannot warrant that the trade execution price will always be the best price for the client as compared to similar prices which are available or have been available on other execution venues.
- 1.8. DELTASTOCK treats its clients equally.
- 1.9. DELTASTOCK executes orders in financial instruments on behalf of clients on terms which are most favourable to the client, by taking all reasonable steps to achieve best execution according to the client order.
- 1.10. In order to comply with its obligation for best execution, DELTASTOCK executes client orders at the first possible opportunity, unless that is apparently unfavourable for the client.
- 1.11. DELTASTOCK always executes client orders in strict compliance with the specific instructions given by the client in the order or otherwise. Where specific instructions are given for certain order DELTASTOCK may not be able to apply this Policy and may enter into trade which does not meet the criteria for best execution stipulated in this Policy.
All specific instructions given by clients derogate the rules of this Policy. When executing an order in accordance with the specific instructions of the client, he/she accepts and agrees irrevocably that DELTASTOCK has complied with its obligation for best execution. DELTASTOCK is not liable when it has executed accurately and in good faith a client order following the parameters specified therein. Any risks and consequences arising out of the execution of such orders are entirely borne by the client.

II. EXECUTION FACTORS

2.1. DELTASTOCK executes client orders in the best interest of its clients and for that purposes it takes all reasonable steps to determine:

- (i) the best price for the client according to the order submitted;
- (ii) the time of submission of the order;
- (iii) the type of order (market, for direct execution, limit, stop, OCO, limit/stop/OCO attached to a position, trailing stop, conditional order, etc. which is to be confirmed, executed and valued manually or automatically)
- (iv) speed and likelihood of execution (orders to be executed in the moment of opening or closing of the relevant market on which the financial instrument subject to the order is traded; execution in case of force majeure, etc.);
- (v) the current liquidity of the relevant markets whereon the financial instrument or underlying asset is traded as well as the available liquidity in the L2 module of the company's electronic trading platform - Delta Trading;
- (vi) the size of the order (in particular when the quantity and/or requested price of the order render its execution partially or completely impossible on the relevant market whereon the financial instrument or underlying asset is traded);
- (vii) the price restrictions (if any) at the relevant market whereon the financial instrument or underlying asset is traded;
- (viii) the amount of costs (if any);
- (ix) any other circumstances related to the execution of the order.

2.2. Criteria for determining the relative importance of the execution factors, applicable to all clients: When executing client orders DELTASTOCK takes into account the relative importance of the execution factors according to the following criteria:

- (i) The characteristics of the client (including classification of the client as retail, professional or eligible counterparty);
- (ii) The characteristics of the client's order;
- (iii) The characteristics of the financial instruments subject to the order;
- (iv) The characteristics of the execution venues to which the order may be directed;
- (v) DELTASTOCK has complied with its obligation for best execution if it has executed the order or a specific parameter thereof in accordance with the specific instructions of the client.

2.3. Additional criteria applicable to orders by retail clients

2.3.1. When executing an order submitted by a retail client, the best execution of the order is determined by the total value of the trade, including the price of the financial instrument, and the expenses related to the execution. The expenses related to the execution include all expenses which are directly related to the execution of the order, including the fees of the execution venue, the clearing and settlement fees, as well as other fees and commissions payable to third parties in relation to the execution of the order.

2.3.2. In order to achieve best execution and when there are two or more competitive execution venues for an order related to financial instruments, as well as for the purposes of evaluating and comparing the possible results for the retail client if the order is executed on each of the eligible execution venues specified in this Policy, the commission of DELTASTOCK and the execution expenses for the order on each of the possible execution venues will be taken into account.

2.4. Other factors influencing the execution of orders

- 2.4.1. Orders executed on the OTC market will be quoted by the electronic trading systems employed by DELTASTOCK. These systems are not multilateral trading facilities (MTF) as defined in the MIFIA. Depending on factors, such as unusual market conditions, size or type of the order, certain financial instruments may be quoted manually - partially or completely - and/or the execution of an order may be delayed, which may reflect on the price at which the order is executed.
- 2.4.2. In order to provide its clients with the most competitive trading technology, DELTASTOCK strives to use procedures which minimize the risks of delays and diminishing liquidity, by providing quotes from Liquidity Providers, other than Deltastock. Regardless of that, in case of force majeure, important news or other events or factors which may influence the respective market, DELTASTOCK and the other Liquidity Providers may not be able to maintain the usual liquidity in the same volumes as well as guarantee the same execution speed, where it is even possible to retrieve all offers available in the L2 module of the electronic trading platform. The possible effects of such factors are unpredictable - they may cause considerable widening of the spreads, delay of the execution and when market, limit, stop or other orders are placed, they may be executed at prices significantly differing from those at which they would have been executed in normal market conditions, including those at fixed spreads..

III. EXECUTION VENUES

DELTASTOCK executes client orders on the following execution venues:

- 3.1. Execution venues for client orders related to trading in financial instruments against full payment of their price
 - 3.1.1. Regulated markets in **Bulgaria** (order execution venues):
 - Bulgarian Stock Exchange – Sofia AD
 - 3.1.2. Stock Exchanges in **North America** (DELTASTOCK executes orders in its own name but for the account of its clients):

<ul style="list-style-type: none"> ➤ Alpha ATS; ➤ American Stock Exchange (AMEX); ➤ Arca (NYSE); ➤ BATS; ➤ Bloomberg Tradebook (BTRADE); ➤ Chicago Stock Exchange (CHX); ➤ Chi-X; ➤ Direct Edge, EDGEA, INET (Island); ➤ ISE Stock Exchange; ➤ Knight Securities; ➤ LAVA; ➤ Liquidnet; 	<ul style="list-style-type: none"> ➤ Montreal Exchange; ➤ NASDAQ; ➤ National Stock Exchange (NSX); ➤ New York Stock Exchange (NYSE); ➤ NYSE Arca Bonds; ➤ OMEGA ECN; ➤ Pink Sheets; ➤ PURE; ➤ Timber Hill Auto-Ex Stocks ➤ Toronto Stock Exchange; ➤ TrackECN;
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 - 3.1.3. Regulated markets and MTF in **Europe** (DELTASTOCK executes orders in its own name but for the account of its clients):

<ul style="list-style-type: none"> ➤ Bolsa de Madrid; ➤ Bucharest Stock Exchange; ➤ CHI-X Europe Ltd Crest (CHIXUK); 	<ul style="list-style-type: none"> ➤ CHI-X Europe Ltd Swiss; ➤ EUREX (SOFFEX); ➤ Intercontinental Exchange (ICE/IPE);
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- LIFFE Commodities;
- LIFFE Options & Futures;
- LIFFE Single Stock Futures;
- London Stock Exchange (LSE);
- NASDAQ OMX Europe (NUROCH);
- Spanish Futures & Options Exchange (MEFF);
- Swiss Exchange (SWX);
- Turquoise CH (TRQXCH);
- VIRT-X (VIRTX);
- XETRA;

3.1.4. Stock Exchanges in **Asia and Australia** (DELTASTOCK executes orders in its own name but for the account of its clients):

- Australian Stock Exchange (ASX);
- Hong Kong Futures Exchange (HKFE);
- Hong Kong Stock Exchange (SEHK);
- Osaka Securities Exchange (OSE.JPN);
- Singapore Exchange (SGX);
- Sydney Futures Exchange (SNFE);
- Tokyo Stock Exchange (TSE.JPN);

3.2. Execution venues for client orders for trading in financial instruments on the OTC market:

3.2.1. With regard to trading in financial instruments on the OTC market, DELTASTOCK executes client orders by acting as a counterparty (principal) to all trades and as the only execution venue for all orders. The types of financial instruments traded by DELTASTOCK are listed below.

3.2.2. In order to offer the best prices to its clients, DELTASTOCK has created a wide variety of orders by which, in accordance with a certain trading strategy, the client may achieve his/her planned results. The clients of DELTASTOCK have the opportunity to trade in certain financial instruments at fixed spreads, as well as on the basis of the price – quantity principle, in the Level 2 module..

(i) **Orders related to Contracts For Differences (CFDs) on securities and exchange-traded funds**

DELTASTOCK has access to the quotes of at least one stock exchange whereon the underlying assets of the respective financial instruments are traded; in addition, DELTASTOCK may enter into trades in CFDs on securities and exchange-traded funds with at least one investment firm or market maker and it is on this basis that the price of the respective CFD is determined.

(ii) **Orders related to CFDs on indices**

DELTASTOCK has access to the quotes of at least one stock exchange whereon the underlying assets of the respective financial instruments are traded; in addition, DELTASTOCK may enter into trades in CFDs on indices with at least one investment firm or market maker and it is on this basis that the price of the respective CFD is determined. The prices of the indices depend on the prices of their underlying futures.

(iii) **Orders related to CFDs on futures**

DELTASTOCK may enter into trades in CFDs on futures with at least one investment firm or market maker and it is on this basis that the price of the respective CFD is determined.

(iii) **Orders related to CFDs on currencies and precious metals**

Concerning the execution of orders for trading currencies and precious metals DELTASTOCK acts as the execution venue for all those orders . The prices used for quoting currencies and precious metals are not based on futures, but have as a source, independent banks, as well as market makers providing liquidity on an unregulated market. The experience gained by Deltastock AD defines the use of sources, which provide reliable services, with the key factors for the price composition being the reliability and frequency of renewals.

- 3.3 DELTASTOCK will not determine and collect its fees in a way that would differentiate unfairly and manifestly the various execution venues.

IV. FINAL PROVISIONS

- 4.1. With respect to financial instruments which do not fall into a certain class of assets DELTASTOCK should receive specific instructions by the client regarding their execution venue.
- 4.2. If at the moment of placement of the order DELTASTOCK is not able to execute it on the execution venue, as stipulated in this Policy, due to an official holiday, commercial events or technical restrictions, the order may be executed on other execution venue, provided that the client interest is protected.
- 4.3. If the alternative execution venues chosen by DELTASTOCK cannot be used, DELTASTOCK should receive additional instructions by the client regarding the execution venue.
- 4.4. If an order is received outside the trading hours of the requested execution venue, the order will be directed only to the requested execution venue but on the following trading day. If the client wishes the order to be directed for execution on the same day, he/she should instruct DELTASTOCK on the specific execution venue. Without additional instructions from the client, DELTASTOCK will not change the execution venue for the order, even if such order is not or cannot be executed on the requested execution venue for a long period of time.
- 4.5. The obligation for best execution does not mean that DELTASTOCK assumes any additional responsibility whatsoever more than its specific statutory obligations.
- 4.6. This Policy is reviewed on a regular basis - at least once per year - as well as in the case of any material change which may affect the ability of DELTASTOCK to secure best execution for its clients. Information on the current effective Policy is available to clients on DELTASTOCK's website (www.deltastock.com), as well as at the company's offices.
- 4.7. This Policy is adopted with Minutes dated 12.05.2010 of the meeting of the Board of Directors of DELTASTOCK, effective from 20.05.2010 and represents an update of the policy effective before the aforesaid date.



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