

**PENSION ASSURANCE COMPANY
DOVERIE AD**

**RULES OF THE OPERATION
OF
THE FUND FOR LIFE-LONG PENSION PAYMENTS
DOVERIE**

Sofia, 2022

**This document represents a translation from the original Bulgarian version and is for information purposes only. In case of divergence the Bulgarian original shall prevail.*

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I. Definition of terms and concepts

In the meaning of these Rules:

1. "**Insured person**" shall mean an individual in the name and in the individual account of whom insurance contributions have been or are being made to the General Pension Fund Doverie for an supplementary life-long old-age pension under the conditions and in the manner specified in the Social Insurance Code, the Rules on the Organisation and Operation of the General Pension Fund Doverie and the insurance contract. Insured persons are also persons for whom insurance contributions have been paid and who receive a lump sum or deferred payment from the General Pension Fund Doverie or the Fund for Deferred Payments Doverie.
2. "**Pensioner**" means an individual who receives a supplementary life-long old-age pension from the Fund for Life-long Pension Payments Doverie.
3. "**Supplementary Old-Age Pension**" means a monthly life-long payment to a Pensioner from the Fund for Life-long Pension Payments Doverie.
4. "**Technical interest rate**" means the interest rate that is applied in calculating the amount of pensions from the Fund for Life-long Pension Payments Doverie.
5. "**Custodian Bank**" means a commercial bank with which the Pension Assurance Company Doverie AD has concluded a contract for custody services and in which, in accordance with the requirements of the Social Insurance Code, are held all assets of the Fund for Life-long Pension Payments Doverie.
6. "**Durable medium**" means an instrument that enables the person concerned to store information addressed to him personally in a manner that is accessible for future reference and for a period of time that meets the purposes of the information and that allows accurate reproduction of the stored information.

II. Abbreviations

SIC – Social Insurance Code

FSC – Financial Supervision Commission

Rules of the GPF Doverie – the Rules on the Organisation and Operation of the General Pension Fund Doverie

GPF Doverie – General Pension Fund Doverie

Regulation No 9 of 19.11.2003 of the FSC - REGULATION No 9 of 19.11.2003 on the manner and procedure for the valuation of the assets and liabilities of the pension insurance company and of the funds managed thereof, on the value of the net assets of the funds, on the calculation and announcement of the value of a pension unit, on the calculation and comparison of investment properties and on the requirements for the maintenance of individual accounts and analytical accounts in a fund for deferred payment

Regulation No 52 of 21.10.2016 of the FSC - REGULATION No 52 of 21.10.2016 on the procedure and manner of charging the fees under article 201, paragraph 1, items 2 and 3 and article 256, paragraph 1, item 3 of the Social Insurance Code, levied by pension insurance companies

Regulation No 69 of 15.06.2021 of the FSC - REGULATION No 69 of 15.06.2021 on the technical interest rates under article 169, paragraph 1, Item 3 and paragraph 8, item 3 of the Social Insurance Code and the formulas for calculating supplementary life-long old-age pensions

Regulation No 70 of 29.06.2021 of the FSC - REGULATION No 70 of 29.06.2021 on the requirements for funds to make payments

III. General provisions

Subject

Art. 1. These Rules shall govern the business of the Pension Assurance Company Doverie AD (PAC Doverie AD/the Company) in the payment of life-long pensions from the Fund for Life-long Pension Payments Doverie, hereinafter referred to as the Fund for Life-long Pension Payments or the Fund.

Name of the Fund for Life-long Pension Payments Doverie

Art. 2. The name of the Fund for Life-long Pension Payments shall be the Fund for Life-long Pension Payments Doverie, and may be written in Cyrillic or Latin characters.

Establishment and registration

Art. 3. (1) The Fund for Life-long Pension Payments is established by a resolution of the Board of Directors of PAC Doverie AD of 20.09.2021.

(2) The Fund for Life-long Pension Payments is entered with the register referred to in article 30, paragraph 1, item 13 of the Financial Supervision Commission Act by Decision No 712 - FIPP of 28.09.2021 of the Financial Supervision Commission and is deemed to have been established upon the issuance of the said decision.

(3) The Fund is registered with the BULSTAT register under unique identification code 177525862.

(4) The Fund for Life-long Pension Payments shall be established for a perpetual term.

Management and representation

Art. 4. The Fund shall represent a separate property, which shall be managed and represented before third parties by PAC Doverie AD only.

Registered office and principal place of business

Art. 5. The registered office of PAC Doverie AD and of the Fund for Life-long Pension Payments shall be in the city of Sofia, Izgrev borough, and the principal place of business shall be in the city of Sofia 1113, 13B, Tintiava Street, entrance A, 7th floor.

IV. Entitlement to a supplementary life-long old-age pension, types of old-age pensions, method of determination thereof and covered risks

Conditions for entitlement to a supplementary life-long old-age pension

Art. 6 (1) A person insured with the **GPF** Doverie shall become entitled to a supplementary life-long old-age pension upon reaching the age referred to in article 68, paragraph 1 of the SIC.

(2) An insured person in the **GPF** Doverie shall also be entitled to a supplementary life-long old-age pension up to one year before he reaches the age referred to in article 68, paragraph 1 of the SIC, provided that the accumulated funds in his individual account with the **GPF** Doverie allow the granting of a pension in an amount not less than the minimum amount of the retirement pension under article 68, paragraph 1 of the SIC.

Types of pensions

Art. 7 (1) The supplementary life-long old-age pension shall represent a monthly payment of a sum provided for in the pension contract, payable to the pensioner from a specified date until his death, the amount of which may not be less than 15 per cent of the minimum amount of the retirement pension provided for in article 68, paragraph 1 of the SIC at the date of its determination.

(2) PAC Doverie AD shall pay the following types of pensions:

1. life-long pension without additional conditions;
2. life-long pension with a guaranteed payment period;
3. life-long pension including deferred payment of part of the funds until the pensioner reaches a chosen age.

(3) The period of guaranteed payment of the pension referred to in paragraph 2, item 2 may be from 2 to 10 years, depending on the choice of the insured person.

(4) The period and amount of the deferred payment and the amount of the life-long pension referred to in paragraph 2, item 3 shall be determined according to the choice of the insured person, subject to the provisions of article 1 and article 8, paragraphs 12 - 14.

(5) An insured person who has acquired the right to a supplementary life-long old-age pension shall have the right to choose the type of pension referred to in paragraph 2 to be granted to him provided that the calculated monthly amount of the chosen pension, at the date of conclusion of the pension contract, is not less than the minimum amount referred to in paragraph 1.

(6) In the cases referred to in paragraph 5, where the calculated monthly amount of only one of the types of pensions referred to in paragraph 2 meets the requirements set out in paragraph 1, the pensioner shall be granted that type of pension.

Determination of the amount of the supplementary life-long old-age pension

Art. 8 (1) The amount of the pensions referred to in article 7, paragraph 2 shall be determined on the basis of:

1. the funds in the individual account of the insured person with the **GPF** Doverie, respectively the supplemented amount of these funds in the cases referred to in article 1 and in accordance with the procedure laid down in article 40 paragraphs 2 - 4 of the Rules of **GPF** Doverie, taking into account the funds transferred under article 172 of the SIC;
2. the mortality and life expectancy table published by the National Statistical Institute;
3. the technical interest rate approved by the FSC.

(2) When calculating the pensions referred to in article 7, paragraph 2:

1. gender shall not be taken into account as an actuarial factor;
2. in the first six months of the year, the statistical information referred to in paragraph 1, item 2, published in the previous year, and in the second six months - the statistical information referred to in paragraph 1, item 2 published in the current year, shall be used.

(3) The pensions referred to in article 7, paragraph 2 shall be granted against the transfer to the Fund for Life-long Pension Payments of the accumulated funds in the individual account of the insured person

with **GPF** Doverie respectively of the supplemented amount of the funds in the cases referred to in article 40, paragraph 1 of the Rules of **GPF** Doverie.

(4) The funds referred to in paragraph 3 shall be transferred:

1. on the day of conclusion of the pension contract and their amount shall be determined by multiplying the number of units available in the individual account in the **GPF** Doverie, respectively the supplemented number under article 40, paragraph 4 of the Rules of the **GPF** Doverie, on the day of conclusion of the pension contract, by the value of one unit valid for the business day preceding the day of transfer, or

2. at the latest on the business day following the date of conclusion of the pension contract, in which case the funds in the insured person's individual account with the **GPF** Doverie, respectively the supplemented amount of the funds in the cases referred to in article 40, paragraph 1 of the Rules of **GPF** Doverie, at the date of the contract, shall be charged as an obligation of **GPF** Doverie to the Fund for Life-long Pension Payments on the day of conclusion of the contract. The amount of funds shall be determined by multiplying the number of units available in the individual account with the **GPF** Doverie, respectively the supplemented number referred to in article 40, paragraph 4 of the Rules of the **GPF** Doverie, on the day of conclusion of the pension contract, by the value per unit valid for the business day preceding the day of conclusion of the contract.

(5) The amount of the pensions initially determined under article 7, paragraph 2, and the updated and recalculated amount of those pensions, respectively, may not be changed, except in the case of an update under article 16 and a recalculation under article 17.

(6) The initial monthly amount of the life-long pension without additional conditions referred to in article 7, paragraph 2, item 1 shall be calculated in accordance with paragraphs 1 and 2 according to the following formula:

$$P = \frac{S}{K_1},$$

Where:

P - amount of the pension;

S - amount of the funds referred to in paragraph 1, item 1;

$$K_1 = 12 * \left(\frac{N_x}{D_x} - \frac{11}{24} \right)$$

x - the person's age, in whole years, at the date of conclusion of the pension contract, rounded up if six months or more have elapsed since the last whole year;

D_x - discounted figures representing the present value of future survivors at age x after application of the technical interest rate in paragraph 1, item 3 at the date of conclusion of the pension contract:

$$D_x = l_x * v^x;$$

$$v = \frac{1}{1+r}$$

r - technical interest rate referred to in paragraph 1, item 3, at the date of conclusion of the pension contract;

l_x - number of survivors at age x, according to the mortality and life expectancy table referred to in paragraph 1, item 2:

$$l_x = l_0 * \prod_{i=0}^{x-1} p_i$$

p_i - survival probabilities, total for males and females, from the mortality and life expectancy table referred to in paragraph 1, item 2;

l_0 - assumed initial number of persons aged 0 in the hypothetical cohort of the mortality and life expectancy table of paragraph 1, item 2;

N_x - commutative numbers representing the sum of the discounted numbers of survivors from age x to the maximum age in the mortality and life expectancy table referred to in paragraph 1, item 2:

$$N_x = \sum_{i=x}^{\max} D_x$$

max - the maximum age in the mortality table.

(7) Where the initial monthly amount of the pension referred to in article 7, paragraph 2, item 1 is guaranteed, in the cases referred to in article 9, paragraph 3, it shall be calculated in accordance with paragraphs 1 and 2 and according to the formula referred to in paragraph 6, and the amount of the funds based on which the pension is calculated (S) shall be determined according to the following formula:

$$S = Z * (1 - R)$$

Z - accumulated funds in the individual account referred to in paragraph 1, item 1, at the date of conclusion of the pension contract;

R - risk coefficient determined and approved in accordance with article 169, paragraphs 5 - 7 of the SIC.

(8) The initial monthly amount of the life-long pension with guaranteed payment period referred to in article 7, paragraph 2, item 2 shall be calculated in accordance with paragraphs 1 and 2 according to the following formula:

$$P = \frac{S}{K_2},$$

Where:

P - pension amount;

$K_2 = 12 * \left(\frac{N_{x+d}}{D_x} - \frac{11}{24} * \frac{D_{x+d}}{D_x} \right) + \frac{1-v^n}{1-\frac{12}{\sqrt{v}}}$, where the technical interest rate referred to in paragraph 1, item 3 (r) exceeds 0;

$K_2 = 12 * \left(\frac{N_{x+d}}{D_x} - \frac{11}{24} * \frac{D_{x+d}}{D_x} \right) + 12n$, where the technical interest rate referred to in paragraph 1, item 3 (r) is 0;

$x+d$ - the age of the person, in whole years, at the date of the first payment after the end of the guaranteed period, rounded up if six or more months have elapsed since the last whole year;

n - guaranteed period (in years);

The indicators r , x , S , N_x , D_x , and v shall be determined in accordance with paragraph 6.

D_{x+d} - discounted numbers representing the present value of future survivors aged $x+d$ after application of the technical interest rate referred to in paragraph 1, item 3, with the formula for D_x applied accordingly;

N_{x+d} - commutative numbers representing the sum of the discounted numbers of survivors aged $x+d$ up to the maximum age referred to in the mortality table and the average life expectancy under paragraph 1, item 2, with the formula for N_x applied accordingly.

(9) Where the initial monthly amount of the pension referred to in article 7, paragraph 2, item 2 is guaranteed, in the cases referred to in article 9, paragraph 3 it shall be calculated in accordance with paragraphs 1 and 2 and according to the formula referred to in paragraph 8, and the amount of the funds based on which the pension is calculated (S) shall be determined according to the following formula:

$$S = Z * (1 - R)$$

Z - accumulated funds in the individual account referred to in paragraph 1, item 1, at the date of conclusion of the pension contract;

R - risk coefficient determined and approved in accordance with article 169, paragraphs 5 - 7 of the SIC.

(10) The initial monthly amount of the life-long pension including deferred payment of part of the funds until the pensioner reaches the age chosen by him under article 7, paragraph 2, item 3 shall be calculated following the provisions of paragraphs 1 and 2 according to the following formula:

$$P = \frac{S - \sum_{i=1}^m T_i}{K_3},$$

Where:

P - pension amount;

T_i - discounted amount of the i-th payment with a discount factor v , where payments due at the date of the pension contract are not discounted:

$$T_i = H_i * v^{(b_i/12)}$$

H_i - amount of the i-th payment;

b_i - number of months from the date of conclusion of the pension contract to the i-th payment;

m - number of deferred payments as agreed with the person;

$$K_3 = 12 * \left(\frac{N_{x+d}}{D_x} - \frac{11}{24} * \frac{D_{x+d}}{D_x} \right)$$

$x+d$ - age of the person, in whole years, at the date of the first life-long payment, rounded up if six or more months have elapsed since the last whole year;

$S, x, v, N_x, N_{x+d}, D_x$ and D_{x+d} indicators shall be determined in accordance with paragraph 6.

(11) Where the initial monthly amount of the pension referred to in article 7, paragraph 2, item 3 is guaranteed, in the cases referred to in article 9, paragraph 2, item 3, it shall be calculated in accordance with paragraphs 1 and 2 and according to the formula under paragraph 10, the amount of the funds from which the pension is calculated (S) being determined by the following formula:

$$S = Z * (1 - R)$$

Z - accumulated funds in the individual account referred to in paragraph 1, point 1, at the date of conclusion of the pension contract;

R - risk coefficient determined and approved in accordance with article 169, paragraphs 5 - 7 of the SIC.

(12) The term of the deferred payment under paragraph 10 may not be longer than the average life expectancy of the person at the date of conclusion of the pension contract.

(13) The period of deferred payment under paragraph 10 may be one, two, three, four or six months and, where the period selected is greater than one month, the maximum and minimum amounts under paragraph 14 shall be increased twofold, threefold, fourfold or sixfold, respectively.

(14) The monthly amount of the deferred payment, at the date of conclusion of the pension contract, may not be greater than the minimum amount of the retirement pension referred to in article 68, paragraph 1 of the SIC on the same date and less than 15 per cent of the amount thereof.

Guaranteed amount of the supplementary life-long old-age pension

Art. 11 (1) The guaranteed amount of the pensions referred to in article 7, paragraph 2 shall be equal to that calculated, on the basis of the gross amount of the insurance contributions paid, in accordance with article 40, paragraphs 2 - 4 of the Rules of the **GPF** Doverie, when the amount of the funds in the individual account of the insured person concerned in the **GPF** Doverie who has acquired the right to a supplementary life-long old-age pension is:

1. less than the sum of the gross amount of the insurance contributions paid by the National Revenue Agency and the National Insurance Institute for that person; or;

2. greater than the sum of the gross amount of the contributions paid by the National Revenue Agency and the National Social Insurance Institute for that person and where the person has chosen in the pension contract that guaranteed amount of the type of pension referred to in article 7, paragraph 2.

(2) In the cases referred to in paragraph 1, the guaranteed amount of the pension shall be calculated in accordance with article 8 paragraphs 1 and 2 and according to the relevant formula under article 8, paragraphs 6, 8 or 10, depending on the type of pension chosen by the person, and the amount from which the pension is calculated (S) in the relevant formula under article 8, paragraphs 6, 8 or 10 shall be equal to that calculated on the basis of the gross amount of the contributions paid, calculated in accordance with article 40, paragraphs 2 - 4 of the Rules of the **GPF** Doverie.

(3) Where the amount of the funds referred to in article 8, paragraph 1, item 1 at the date of conclusion of the pension contract is greater than the sum of the gross amount of the transferred contributions, calculated in accordance with article 40, paragraphs 2 - 4 of the Rules of the **GPF** Doverie, for an insured person who has acquired the right to a supplementary life-long old-age pension and at his/her expressed wish, the guaranteed amount of the supplementary life-long old-age pension shall be equal to the amount of the first pension calculated in accordance with article 8, paragraphs 7, 9 or 11.

(4) The supplementary life-long old-age pension guaranteed under paragraph 3 shall be granted only if that guaranteed amount is higher than the amount calculated under paragraphs 1 and 2.

Risks covered

Art. 10. PAC Doverie AD covers the risk of outliving and the investment risk up to the guaranteed amount of the pension under article 9.

V. Conditions, procedure, method and time limits for payment of pensions

Procedure for granting the pension

Art. 11 (1) In order to be granted a supplementary life-long old-age pension, the insured person shall submit an application to **GPF** Doverie in accordance with the company's template, in which he shall indicate the type of pension he has chosen under article 7, paragraph 2, items 1, 2 or 3 and the way to guarantee its amount under article 9, on the basis of the information received from PAC Doverie AD on the types of pensions to which he is entitled and their estimated amount.

(2) The application under paragraph 1 shall be submitted to the office of the company, personally by the insured person.

(3) Upon submission of the application under paragraph 1, the insured person shall identify himself by producing an identity card or other official identification document.

(4) The application under paragraph 1 shall be accepted by an employee of the Company, who shall assign it an entry number and date and shall register it in its information system.

(5) After the registration under paragraph 4 and on the same date, the company shall issue an order to grant a supplementary life-long old-age pension, which must contain:

1. the name on the identity document, the personal identification number or similar data and the date of birth, for foreign nationals;

2. the date and reference number of the application referred to in paragraph 1;

3. the amount of the funds, the number of units in the insured person's individual account with the **GPF** Doverie, respectively the supplemented amount of the funds in the cases referred to in art. 40, paragraph

1 of the Rules of the **GPF** Doverie and the supplemented number of units referred to in article 40, paragraph 4 of the Rules of the **GPF** Doverie, and the value of one unit on the date of conclusion of the pension contract;

4. the type and initial amount of the pension chosen, in the application referred to in paragraph 1, and its guaranteed amount;

5. the starting date of the pension.

(6) The order referred to in paragraph 5 shall be provided to the insured person who, having read its contents and if in agreement with the type and amount and all other parameters of the pension specified in the order, shall sign and date its receipt.

(7) The order under paragraph 5 shall be signed in two identical copies, one for the insured person and the other for PAC Doverie AD.

Pension contract

Art. 12. (1) A pension contract shall be concluded between the company and a person insured with **GPF** Doverie AD who has acquired the right to a supplementary life-long old-age pension and who has submitted an application under article 11, paragraph 1 and has signed the order under article 11, paragraph 5.

(2) The pension contract shall be concluded in writing on the date of the application referred to in article 11, paragraph 1 and must contain:

1. the number, the date of conclusion and entry into force, and the duration of the contract;

2. the name, registered office, principal place of business, business registration details, number and date of the pension license and the unique identification code of the **GPF** Doverie AD;

3. the name of the pensioner according to the identity document and his personal identification number or similar data and date of birth, for foreign nationals, number, date and place of issue of the identity card or legitimation document of the foreign national (type, series, number, date and place of issue, validity period), permanent and current address;

4. the amount against which the Company undertakes to pay the supplementary life-long old-age pension;

5. the risks covered;

6. the type and initial amount of the pension, its guaranteed amount and the means of updating and recalculating it;

7. the duration of the pension;

8. the procedure and method of payment of the pension;

9. the rights of the pensioner's heirs, depending on the type of pension paid;

10. the procedure for providing information to the pensioner;

11. the costs of pension payment;

12. the conditions, procedure and way of amendment and termination of the contract.

Amendment, supplement and termination of the pension contract

Art. 13 (1) Amendments and supplements to the pension contract shall be made by an additional written agreement signed by the parties thereto.

(2) The parties to the pension contract may not make amendments to it with regard to the type of pension, the method of its calculation, the risks covered, the amount guaranteed and the period of its payment.

(3) Amendments and additions to the terms and conditions of the Rules under article 144a, paragraph 2, items 1, 2, 7, 8, 9, 10, 14, 15 and 16 of the SIC and changes leading to a reduction in the fee levied or to an increase in the pension in any other way shall apply to the pensioner and his heirs without need to enter into a supplementary agreement with him.

(4) Amendments to statutory regulations enacted after the conclusion of the pension contract which create mandatory provisions concerning its content shall become part of the content of the contract without need to sign an additional agreement.

(5) The pension contract shall be terminated upon the death of the pensioner - from the date of death.

Time limits for granting and payment of the pension

Art. 14 (1) The supplementary life-long old-age pension shall be granted from the first day of the month following that in which the pension contract was concluded.

(2) The granted supplementary life-long old-age pensions shall be paid from the 10th to the 15th day of the month to which they relate:

1. to a personal payment account designated by an International Bank Account Number (IBAN), maintained by a payment service provider licensed by the Bulgarian National Bank or by a branch of a payment service provider operating in the territory of the country, or,

2. by postal order.

(3) Where the supplementary life-long old-age pension referred to in article 7, paragraph 2, item 3 includes a deferred payment whose period is greater than one month, it shall be paid from the 10th to the 15th day of the last month of the period thereof.

(4) Where payment of the pension is made abroad, the personal payment account referred to in paragraph 2, item 1 shall be maintained by a licensed provider in accordance with the laws of the foreign country.

(5) The method of payment under paragraph 2, items 1 or 2 of the pension chosen by the pensioner shall be specified in the pension contract.

Cost of payment of the supplementary life-long old-age pension

Art. 15. (1) The expenses for the payment of the life-long pensions pursuant to article 14, paragraph 2, to the extent actually incurred, but not more than one lev per transaction, shall be charged to the Fund for life-long pension payments.

(2) In the event that the expenses actually incurred for the payment of a life-long pension exceed the amount referred to in paragraph 1, the company shall reimburse the Fund for life-long pension payments for the excess of the expenses incurred for the payment in accordance with article 14, paragraph 2.

(3) The cost of life-long pension payment under article 14, paragraph 4 shall be borne by the pensioner.

VI. Terms and conditions and procedure for updating and recalculating supplementary life-long old-age pensions

Update

Art. 16 (1) The supplementary life-long old-age pension granted shall be updated annually, as from the first day of April, and the amount guaranteed under article 9, paragraph 1 or 3 shall not change.

- (2) The pensions shall be updated according to the technical interest rate on the basis of which their amount was calculated and the yield realised on the investment of the fund's resources for the payment of life-long pensions during the period to which the update relates, on an annual basis.
- (3) The update of pensions shall be carried out by not less than 50 per cent of the excess of the realised return on the investment of the fund's resources for the payment of life-long pensions during the period to which it relates and the technical interest rate on the basis of which their amount was calculated, equated on the same basis.
- (4) The specific rate, within the limitation in paragraph 3, by which the update shall be carried out in the relevant year, shall be determined by a resolution of the Management Board of PAC Doverie AD.
- (5) (new - 11.08.2022) Each life-long pension shall be updated by a percentage calculated on the basis of the decision referred to in paragraph 4 and depending on the number of days during which the funds of the pensioner concerned have been managed in the Fund for life-long pension payments in the period of the update.
- (6) (new - 11.08.2022) For the purposes of equating on an equal basis and for the purposes of accounting for the time under paragraph 5 during which the relevant pensioner's funds have been managed in the Fund for life-long pension payments, the interest convention Real of Number of Days under paragraph 5 / Real Number of Days in the Update Period shall be used.
- (7) (former paragraph 5 - 11.08.2022) The pension amount may be reduced as a result of an update only after the funds in the analytical account referred to in article 60, paragraph 11 of the Rules of the **GPF** Doverie have been spent and may not be lower than the guaranteed amount under article 9, paragraphs 1 or 3.

Recalculation

Art. 17. A supplementary life-long old-age pension granted to a person who starts or continues to exercise an occupational activity for which he is subject to insurance in a general pension fund shall be recalculated, not more than once in a calendar year, on the basis of the accumulated amounts of the insurance contributions or part thereof, credited to the individual account of the person in the **GPF** Doverie after:

1. the conclusion of the pension contract;
 2. a previous recalculation of his pension;
 3. a lump sum or deferred payment under art. 48, paragraph 1, item 1 of the Rules of the **GPF** Doverie.
- (2) The recalculation shall be carried out on the basis of an application submitted by the person following a template of the Company.
 - (3) The application shall be submitted and accepted as specified in article 10, paragraphs 1 - 4, provided that where the person wishes the pension received by him to be recalculated on the basis of part of the funds referred to in paragraph 1, the application shall state the specific amount of those funds.
 - (4) The recalculation shall take place from the first day of the month following the month in which the application for recalculation is made.
 - (5) The funds on the basis of which the recalculation is made shall be transferred from the individual account of the person in the **GPF** Doverie to the Fund for life-long pension payments on the date referred to in paragraph 4 and, where it is a day off - on the first working day following that date.
 - (6) The amount of the funds referred to in paragraph 5 shall be determined by multiplying the number of units in the person's individual account with the **GPF** Doverie available on the date referred to in paragraph 5, or part thereof where the recalculation is made with part of the funds in the account, by the value per unit applicable on the day preceding the day on which the funds were transferred to the fund.

(7) On the day the funds are transferred, the company shall issue an order for recalculation of the supplementary life-long old-age pension, which must contain:

1. the name on the identity document, the personal identification number or similar data and the date of birth, for the foreign national;
2. the date and reference number of the application referred to in paragraph 2;
3. the amount of the funds on the basis of which the recalculation is made, the number of units and the value per unit;
4. the recalculated amount of the supplementary life-long old-age pension;
5. the starting date of the recalculation.

(8) Within seven days from the date of the order under paragraph 7, an additional agreement to the pension contract shall be signed with the person referred to therein for the recalculation carried out.

(9) The order and the additional agreement shall be given to the person who shall, after reading their contents and if in agreement with the recalculated amount and all other parameters set out in the order and the additional agreement, sign them and shall date the order on the date of receipt.

(10) The order and the additional agreement shall be signed in duplicate, one copy for the person and one for the Company.

VII. Suspension, reinstatement and termination of the supplementary life-long old-age pension

Suspension and reinstatement of the supplementary life-long old-age pension

Art. (1) The company shall suspend payment of the supplementary life-long old-age pension where:

1. the pension was granted as a result of a manifest error of fact;
2. the pension was granted as a result of a clerical error in the calculation of its amount;
3. an error has been made in its payment.

(2) The company shall rectify a manifest error of fact and clerical error under paragraph 1 within 15 days of their discovery, after which it shall resume the payment of the pension.

(3) In the cases of paragraph 1, where the supplementary life-long old-age pension has been paid at a lower rate, the difference for the past time shall be paid within a period not exceeding 1 year from the date of payment resuming of the supplementary life-long old-age pension.

(4) In the cases of paragraph 1 where the supplementary life-long old-age pension has been paid in a higher amount, the difference shall be reimbursed by the pensioner as follows:

1. by a lump sum payment within 30 days from the date of the written notice; or
2. by deductions from the supplementary life-long old-age pension in an amount not exceeding 20.0 percent of the monthly payment, until the full amount is repaid.

(5) In the cases of a lump sum payment under paragraph 1 to the heirs of a pensioner of a lesser amount, the difference shall be paid within a period of not more than 1 year from the date the error was discovered.

(6) In the case of a lump sum payment under paragraph 1 to the heirs of a pensioner in a larger amount, the difference shall be repaid by the person who received the lump sum payment within 30 days of the date of the written notice. After the expiration of the 30-day period, the company shall seek reimbursement of amounts due by way of court order.

(7) The company shall suspend and reinstate payment of the supplementary life-long old-age pension by an order.

(8) The pensioner or his or her heirs may file with the Company an objection to the order within 15 days from the date of receipt. The PAC Doverie AD shall make a decision within 15 days of the date of receipt of the objection, by repealing or confirming the order.

Termination of the supplementary life-long old-age pension

Art. 19. The supplementary life-long old-age pension shall be terminated as from the 1st day of the month following that in which the pensioner died.

VIII. Objectives, requirements and restrictions in the investment policy of the Fund for life-long pension payments

Measures to prevent conflicts of interest in the investment of the resources of the Fund for life-long pension payments

Art. 20. In order to prevent conflicts of interest in the investment of the fund's resources for the payment of life-long pensions, PAC Doverie AD shall adopt rules for the identification and prevention of conflicts of interest pursuant to article 123e, paragraph 4, item 6, letter (g) of the SIC, as well as rules for personal transactions with financial instruments, pursuant to article 123f, paragraph 4, item 6, letter (f) of the SIC.

Yield targets

Art. 21. The main objective of the investment policy of the Fund for life-long pension payments is to preserve and increase, in nominal terms, the pensions paid and the amounts due to the heirs of deceased pensioners, under the conditions of article 42, in the medium and long term, by achieving investment returns in excess of the fund's expenses and the approved technical interest rate, within a set moderate degree of risk.

Risk objectives

Art. 22. The Fund for life-long pension payments shall achieve its investment objectives by maintaining a conservative investment portfolio, subject to a moderate degree of risk.

Constraints related to the investment horizon

Art. 23. Since the fund's obligations to pay life-long pensions are long-term, the time horizon of the portfolio is relatively long, up to 20 years.

Liquidity constraints

Art. 24 (1) The long-term nature of the accumulated resources in the Fund for life-long pension payments, the early stage in its development and the growing number of new retirees result in significantly higher cash inflows into the Fund for life-long pension payments compared to cash outflows and a low current level of liquidity needs.

(2) Current liquidity needs shall be determined on a monthly basis, by the forthcoming cash outflows and inflows related to the investment activities of the Fund for life-long pension payments, any changes in regulations, and forthcoming payments to pensioners and their heirs, subject to the provisions of article 42.

Tax benefits

Art. 25. The income earned by the Fund for life-long pension payments shall not be subject to corporation tax.

Specific requirements for the characteristics of individual asset classes

Art. 26. The specific characteristics of the individual asset classes in which are invested the resources of the Fund for life-long pension payments are described in Annex 1 to these Rules.

List of eligible investment instruments and quantitative limits for individual asset classes and types

Art. 27. The list of investment instruments and the quantitative limits for the different asset classes and types specified by law in which may be invested the resources of the Fund for life-long pension payments is described in Annex No 2 to these Rules.

Quantitative distribution of investments by geographical region and markets

Art. 28. The allocation of investments, by geographical region and market, is part of the diversification policy of the Fund for life-long pension payments' portfolio aimed at achieving an optimal balance between return and risk. It is implemented in compliance with the regulatory limits laid down in Regulation No 29 on the minimum level of credit ratings of banks and the definition of countries, international financial organisations, markets and indices of these markets pursuant to article 176, paragraph 2 of the SIC. Depending on market conditions and development prospects, investments may be made in any of the permitted geographical regions and markets.

Targeted strategic asset allocation of the Fund for life-long pension payments and minimum and maximum deviation limits

Art. 29. (1) The target strategic asset allocation of the Fund for life-long pension payments shall consider the return and volatility expectations of the different asset classes so as to meet the investment objectives of the fund.

(2) The allocation of investments across asset classes is applied to achieve diversification and an optimal risk/return ratio.

(3) The selection of a particular financial instrument shall be determined by the general market conditions, the unique characteristics of the financial instrument and the expected contribution of the instrument to the structure, return and risk of the investment portfolio.

(4) Deviations from the target strategic allocation, at any point in time, may come as a result of the active management of the portfolio, in light of the market environment and the attractiveness of different classes of financial instruments, of significant price deviations of financial instruments in the

investment portfolio and/or of a change in the amount of cash available to the Fund for life-long pension payments as a result of significant cash inflows or outflows related to its operations.

(5) The target strategic asset allocation of the Fund for life-long pension payments and the minimum and maximum deviation limits are set out in Annex 3 to these Rules.

Diversification of the portfolio by different investment classes

Art. 30. The instruments in which the resources of the Fund for life-long pension payments are invested shall be selected so as to ensure that the investment portfolio is as diversified as possible and protected against adverse price movements in financial markets and against material exposure to an individual market sector, geographical region, economic sector, company or issue.

Specific investment strategies or styles

Art. 31. The investment portfolio of the Fund for life-long pension payments shall be actively managed, with the composition of the portfolio varying according to market conditions and the attractiveness of different classes of financial instruments. Due to the dynamic nature of the market environment, there is no need to apply style restrictions.

A maximum amount of the liquid assets of the Fund for life-long pension payments, defined as a percentage of its assets

Art. 32. (1) PAC Doverie AD shall analyse the liquidity needs of the Fund for life-long pension payments on the basis of historical cash inflows and outflows, actuarial estimates of future cash inflows and outflows relating to pensioners and their heirs, and the monthly forecast of cash flows relating to its operations.

(2) On the basis of the analysis under paragraph 1, PAC Doverie AD shall determine a minimum and maximum threshold of cash and cash equivalents in the portfolio of the Fund for life-long pension payments.

(3) Movement between the minimum and maximum cash thresholds within the limits set out in Annex 3 to these Rules is permissible at any time and may result from active portfolio management, taking into account the market environment and the attractiveness of different classes of financial instruments at that time.

Identification of investment risks

Art. 33. PAC Doverie AD shall identify, measure and monitor all types of investment risks related to the company's operations and the different types of securities in the portfolio of the Fund for life-long pension payments managed thereof.

Portfolio risk profile and risk tolerance

Art. 34. PAC Doverie AD shall maintain a moderate level of risk in respect of the portfolio of the Fund for life-long pension payments, consistent with its investment risk and return objectives, and a conservative risk profile.

Rules and procedures for monitoring, assessing and controlling investment risk

Art. 35. (1) The Risk Management Unit shall identify, measure, monitor and participate in the management of the exposure of the Fund for life-long pension payments to investment risks, individually and at portfolio level, reconciling and reporting such exposure against the limits of the SIC, these Rules, the Internal Rules on the Procedures for monitoring, measuring and managing the risk related to the investments of the Pension Assurance Company Doverie AD and the funds managed thereof, and the market conditions.

(2) The Risk Management Unit prepares analyses and risk assessment reports, proposals for internal limits, restrictions, limit values for different types of risks in the course of risk management and proposes measures to mitigate them.

(3) The Risk Management Unit provides written recommendations to prevent or to limit the occurrence of risks and to remedy the consequences of adverse events and shall analyse the effectiveness of the risk management actions taken and monitor the implementation of the recommendations given.

(4) The organisation of the activities and the levels of responsibility for the management of the risk associated with the investments of the Fund for life-long pension payments are regulated in the Procedures for monitoring, measuring and managing the risk related to the investments of the Pension Assurance Company Doverie AD and the funds managed thereof, as well as in the Rules on the organisation of the activities of the Investment Committee of the Pension Assurance Company Doverie AD, which are intended to ensure the daily monitoring, assessment and management of the risk factors that have an adverse effect on the value of the assets in the portfolio of the Fund for life-long pension payments.

Methods and time intervals of valuation of the assets of the Fund for life-long pension payments

Art. (1) The Fund for life-long pension payments shall be maintained in levs. The valuation of its assets and liabilities shall be carried out as of the end of each calendar month, in accordance with the requirements of article 181 of the SIC and of Regulation No 9 of 19.11.2003 of the FSC, and as set forth in the Rules for valuation of assets and liabilities of the payment funds managed by Pension Assurance Company Doverie AD adopted by the Board of Directors of the company.

(2) The Rules for valuation of assets and liabilities referred to in paragraph 1 shall be provided to the insured person upon his/her expressed wish.

IX. Procedure and method of covering shortfalls in Fund for life-long pension payments

Coverage of shortfalls in the Fund for life-long pension payments

Art. 37. (1) The responsible actuary of the PAC Doverie AD shall:

1. calculate the liabilities to pensioners with pensions granted and to the heirs of deceased pensioners with inheritance rights and the required amount of funds needed to cover them as of 31 December of each year;

2. certify the calculations referred to in point 1 in the annual actuarial report of the Fund for life-long pension payments.

(2) The company shall at all times maintain sufficient resources in the Fund for life-long pension payments, corresponding to its total business, to ensure that the insurance risks assumed are covered.

(3) In the event that, in the calculation under paragraph 1, item 1, the amount of the resources of the Fund for life-long pension payments is lower than the amount of the liabilities to pensioners with granted pensions and the heirs of deceased pensioners with inheritance rights, the company shall supplement the difference with resources from the reserve for guaranteeing the payment of life-long pensions under article 61 of the Rules of the **GPF** Doverie, and in the event of a shortfall of resources in the fund - with its own resources.

(4) The replenishment under paragraph 3 shall be made by 31 March of the year following that for which the shortfall is calculated.

(5) The requirements for the formation and maintenance of the Fund for life-long pension payments, the calculation of the required amount of its resources and the excess under art. 192a, paragraph 15 of the SIC, the replenishment of the fund and the release of resources from it is determined by Regulation No 70 of 29.06.2021 of the FSC.

X. Amount of the fee levied by PAC Doverie AD

Amount of the fee and method of its calculation

Art. 38 (1) For the performance of the operations of supplementary compulsory pension insurance and for the management of the Fund for life-long pension payments, the company shall collect a fee calculated on the value of the net assets of the Fund for life-long pension payments, depending on the period during which the fund has been managed by it, in the amount of 0.5 per cent per annum.

(2) The fee referred to in paragraph 1 shall be calculated and charged in favour of the company as specified in Regulation No 52 dated 21.10.2016 of the FSC.

XI. Rights and obligations of PAC Doverie AD, the pensioners and their heirs with inheritance rights

Rights and obligations of the company

Art. 39. (1) The company shall, in the course of its business, perform the duties and exercise the rights provided for in the SIC, its implementing, its Articles of association, the Rules of **GPF** Doverie Pension Fund and these Rules.

(2) In addition to the rights and obligations set out above in these Rules, the company shall:

1. select and enter into contracts with investment firms, investment advisers and a custodian bank;
2. process the personal data of pensioners and heirs of deceased pensioners with inheritance rights, as a controller, subject to the requirements of the General Data Protection Regulation (Regulation (EU) 2016/679), the Personal Data Protection Act and other applicable national and European laws;
3. may not disclose, to third parties, the information it holds on pensioners and on heirs of deceased pensioners with inheritance rights, except as provided by law;
4. examine the signals and complaints received and reply in writing to the persons who have submitted them within 30 days of their receipt.

(3) Original paper documents and electronic documents, such as applications for pension, pension contracts, orders and other acts of the company for determining the amount of pensions, lump sum and periodic payments, as well as other documents, data and information relevant to the exercise of the

rights of pensioners or of the heirs of deceased pensioners with inheritance rights, shall be kept by the company for a period of not less than 50 years from the termination of the relevant legal relationship.

Rights and obligations of pensioners

Art. 40. (1) Pensioners shall have the relevant rights and obligations provided for in the SIC, its implementing regulations, the Rules of **GPF** Doverie and these Rules.

(2) In addition to the rights and obligations specified above in these Rules, pensioners shall:

1. have the right to:

(a) receive, in accordance with the requirements of the documents referred to in paragraph 1 information in line with the provisions of article 43, paragraph 3 ;

(b) choose the method of obtaining the information referred to in letter "a" - electronically, including by e-mail, on a durable medium or through the company's website, or on paper. Where the pensioner concerned has not made a choice as to the method of provision of the information, it shall be provided to them in paper form;

(c) receive, on request, within 7 days, a copy of an electronic document in their electronic record, either in paper or electronic form;

(d) submit reports and complaints regarding errors, omissions and violations in the work of the company's employees, as well as against the refusal to provide them with a copy of a document under letter "c";

(e) report to the Board of Trustees and the FSC any violations in the company's business.

2. notify the company of any change in their personal data processed by the company in connection with their legal relationship, by submitting the relevant documents, as well as of any change in other circumstances that are relevant for the performance of its obligations.

Pensioners' rights upon reorganization and winding-up of PAC Doverie AD

Art. 41. In the event of reorganization or winding-up of the PAC Doverie AD the company managing the respective fund with which the Fund for life-long pension payments has merged or by which it has been taken over shall notify the pensioners of the transfer within one month from the date of completion thereof.

Rights and obligations of heirs with inheritance rights of deceased pensioners

Art. 42. (1) In the event of death of a pensioner receiving a pension with a guaranteed payment period under article 7, paragraph 2, item 2, before the expiry of the guaranteed payment period, the present value of the payments due to him until the end of the guaranteed payment period shall be paid in a lump sum to his heirs at law, subject to article 1 and articles 5 to 10a of the Succession Act. The funds due to the pensioner's descendants who have died after him shall be paid equally to their descendants, and the closer in degree shall exclude the farther.

(2) On the death of a pensioner receiving a pension involving the deferred payment of part of the funds until the pensioner attains an age selected by the pensioner under article 7, paragraph 2, item 3, during the period of deferred payment, the heirs referred to in paragraph shall be paid a lump sum equal to the present value of the deferred payments due after his death in accordance with the deferred payment plan provided for in the pensioner's contract.

- (3) After the death of a pensioner, in cases under paragraph 1 and 2, the amount not yet received shall be updated in accordance with the procedure for updating the payment to the deceased until the payment due to the heir concerned is made.
- (4) The renunciation of the estate of the deceased shall not divest the heirs of their rights under paragraph 1 и 2.
- (5) The receipt of funds under paragraphs 1 and 2 shall not be deemed to be acceptance of deceased's estate.
- (6) Where there are no heirs under paragraph 1, the funds due under paragraphs 1 and 2 shall be allocated to the Fund for life-long pension payments.
- (7) The lump sum payment under paragraphs 1 and 2 shall be as specified in article 48 of the Rules of the **GPF** Doverie.
- (8) In addition to the provisions referred to in paragraphs 1 - 5, the heirs of the deceased pensioners with inheritance rights shall have the rights referred to in article 40, paragraph 2, item 1 and the obligations referred to in in article 40, paragraph 2, item 2.

XII. Procedure for the provision of information to pensioners and their heirs with inheritance rights and for announcements and notices relating to the fund's operations

Provision of information to pensioners and their heirs with inheritance rights

Art. 43. (1) The PAC Doverie AD shall provide, in accordance with the requirements of the SIC, its implementing regulations, the Rules of the **GPF** Doverie and these Rules, to pensioners and heirs of deceased pensioners with inheritance rights, information which shall:

1. be accurate;
2. be regularly updated;
3. be clearly written in unambiguous, precise and understandable language, avoiding the use of professional jargon and professional terminology if they can be substituted for commonly understood terms;
4. not be misleading and be consistent in expression and content;
5. be presented in a way that is easy to read;
6. be provided in Bulgarian language;
7. be provided free of charge.

(2) PAC Doverie AD shall:

1. provide the information referred to in paragraph 1 by electronic means, including e-mail, on a durable medium or through its website, or on paper, depending on the choice of the persons referred to in paragraph 1. Where the person concerned has not made a choice as to how the information is to be provided, it shall be provided on paper;
2. provide, upon request, within 7 days, the person referred to in paragraph 1, a copy of an electronic document in his or her electronic file, on paper or electronically.

Procedure for announcements and notices relating to the operations of the Fund for life-long pension payments

(1) The Company shall publish these Rules and amendments thereto on its website at www.poc-doverie.bg on the day of their adoption.

(2) Any other information related to the operations of the Fund for life-long pension payments shall be disclosed in an appropriate manner and in accordance with the requirements of Regulation No 61 of the FSC dated 27.09.2018.

XIII. Conditions and procedure for amendments and supplements to the Rules

Amendments and supplements to the Rules

Art. 45. (1) Amendments and supplements to these Rules shall be made by a resolution of the Management Board of PAC Doverie AD.

(2) The Company shall submit to the FSC the decision of its Management Board under paragraph 1, as well as the amended Rules, within three working days of the decision.

Keeping the rights of pensioners, prior to the adoption of the relevant amendment to the Rules, and of their heirs with inheritance rights, and of the obligations assumed towards them

Art. 46. (1) In the event of amendments to these Rules, the rights of pensioners and of heirs deceased pensioners with inheritance rights, and the obligations assumed by PAC Doverie AD towards them, shall be kept, unless otherwise agreed with the person concerned.

(2) Amendments and supplements to the terms and conditions referred to in article 144a, paragraph 2, items 1, 2, 7, 8, 9, 10, 14, 15 and 16 of the SIC and changes otherwise leading to a reduction in the fee levied or an increase in the payments to pensioners and heirs of deceased pensioners with inheritance rights shall apply to them without the conclusion of a additional agreement.

XIV. Transitional and final provisions

§ 1. These Rules are adopted pursuant to article 144a, paragraph 1 of the SIC, by resolution under Minutes No 421 of 20.09.2021 of the Board of Directors of PAC Doverie AD and are amended and supplemented by resolution under Minutes No 433 of 11.08.2022 of the Management Board of PAC Doverie AD.

§ 2. (1) Upon its establishment pursuant to Art. 192a, paragraphs 1 - 5 of the SIC, the Fund for life-long pension payments shall be formed from the funds of the persons insured with the **GPF** Doverie, with whom pension contracts have been concluded by the end of the third business day after the respective entry of the fund in the BULSTAT register.

(2) The resources in the individual accounts of the persons referred to in paragraph 1 after their replenishment, if necessary, in accordance with article 40, paragraphs 2 - 4 of the Rules of the **GPF** Doverie, shall be charged as a liability of the **GPF** Doverie to the Fund for life-long pension payments on the day of conclusion of the pension contract with the person concerned at the value per unit applicable for the business day preceding the conclusion of the contract.

(3) The resources accrued under paragraph 2 shall be transferred to the Fund for life-long pension payments within three business days after the entry in the BULSTAT register.

§ 3. Subject to compliance with the principles of article 175 of the SIC, PAC Doverie AD shall be entitled not to apply the limitations in Annex No 2 and Annex No 3 within 12 months from the establishment of the Fund for life-long pension payments.

Specific characteristics of individual asset classes

1. Government securities - Debt securities issued or guaranteed by a country.
2. Corporate Bonds - Debt securities issued and guaranteed by a legal entity.
3. Municipal Bonds - Debt securities issued and guaranteed by a municipality.
4. Stock - Securities that carry the ownership of the capital stock of a corporation.
5. Stock Rights - Securities that entitle the holder to subscribe for shares of a public company in the event of a resolution to increase the capital of that company.
6. Share warrants - securities that entitle the holder to buy a proportionate amount of shares at a specified price, within a specified time.
7. Collective Investment Schemes - A collective investment scheme is an enterprise organized as an investment company, mutual fund or unit trust that invests in securities and money market instruments and other liquid financial assets by means of cash raised through the offering of units or shares.
8. REIT - A stock company with a special investment purpose to securitize real estate or receivables.
9. Deposits - Funds provided for safekeeping in lending institutions and repayable to the depositor on prearranged terms.

Admissible investment instruments

Instrument	Limits	Comment
1. Debt securities issued and guaranteed by.		
1.1. a member state, the debts being a government debts, or by its central bank	No limits	up to 20% of a single bond issue
1.2. the European Central Bank or the European Investment Bank	No limits	up to 20% of a single bond issue
1.3. third state designated by commission regulation, the debts being a government debt, or by its central bank, which are accepted for trading on a regulated market in a member state or on an official market of a stock exchange or another organized market operating regularly, recognized and publicly accessible	No limits	a) no limits for securities with investment credit rating issued by a single issuer b) up to 5% in securities without investment rating issued by a single issuer c) up to 20% of a single bond issue
1.4. third state other than those specified in item 1.3, the debts being government debts, or by its central bank, which are accepted for trading on a regulated market in a member state	Up to 10%	a) up to 5% in securities of a single issuer b) up to 20% of a single bond issue
1.5. international financial organizations; in this case the securities must be assigned investment credit rating	Up to 10%	a) up to 5% in securities of a single issuer b) up to 20% of a single bond issue
2. Securities traded on regulated markets and Collective investment schemes		
2.1. Corporate bonds	Up to 15%	a) up to 5% in securities (bonds and shares) issued by a single issuer b) up to 20% of a single bond issue
2.2. Shares, privilege shares, options and warrants	Up to 20%	a) up to 5% in securities (bonds and shares) issued by a single issuer b) may not acquire more than 7% of the shares of a single issuer c) up to 7% in Collective investment schemes managed by the same managing company d) up to 15% of the shares/units of a single Collective investment schemes

3. Municipal bonds	Up to 15%	a) up to 5% in securities issued by a single issuer b) assets in bonds which are not traded on a regulated market may not exceed 5% c) up to 20% of a single bond issue
4. Bank deposits	No limits	a) in banks with minimal credit rating; b) total exposure to a single bank up to 5%
5. Infrastructure bonds	up to 20%	a) up to 5% in securities (bonds and shares) issued by a single issuer b) up to 20% of a single bond issue
6. Shares and rights in Collective investment schemes	Up to 5%	a) up to 5% in collective investment schemes managed by the same managing company b) may not acquire more than 7% of the shares of a single issuer c) up to 1% in special purpose investment companies securitizing receivables
7. Assets denominated in currency other than lev of euro	Up to 20%	Except for the assets which have limited exposure to exchange rate risk through concluded hedging transactions
8. Total amount of the investments of the Fund for life-long pension payments in financial instruments issued by companies of the same group and the persons with whom they are in close relationships	Up to 10%	

Target strategic asset allocation, minimal and maximal deviation limits

Fund for life-long pension payments Doverie			
Instruments	Minimum	Target allocation	Maximum
Cash and cash equivalents	3.00%	9.00%	100.00%
Under item 1.1, item 1.2 and item 1.3 of Annex 2	0.00%	60.00%	90.00%
Under item 1.4 of Annex 2	0.00%	0.00%	10.00%
Under item 1.5 of Annex 2	0.00%	0.00%	10.00%
Under item 2.1 of Annex 2	0.00%	10.00%	15.00%
Under item 2.2 of Annex 2	0.00%	18.00%	20.00%
Under item 3 of Annex 2	0.00%	0.00%	15.00%
Under item 4 of Annex 3	0.00%	0.00%	25.00%
Under item 5 of Annex 2	0.00%	0.00%	20.00%
Under item 6 of Annex 2	0.00%	3.00%	5.00%