



Cessation procedure for the BSE Indices

1. Cessation of indices

The Indices Committee may propose a cessation of an index (in its present form) if the index is no more representative for the market it represents as a result of regulatory amendments or changing economic environment. If the index is still applied by market participants but is not viable any more according to the Indices Committee, the Indices Committee may discuss and propose alternatives of the index cessation described under item 5 in this document - Cessation alternatives.

2. Responsibility for the index cessation decision

The decision for the cessation of an index shall be adopted by the Board of Directors of Bulgarian Stock Exchange after review and approval of a justified proposal by the Indices Committee.

3. Steps to be taken before the adoption of an index cessation decision

The Indices Committee has to first inform the clients of market data related to indices and the issuers of products based on the respective index, that the index in question they apply is a possible subject of cessation.

In case a benchmark is classified as significant for the future and subsequently identified as an index liable to cessation, Bulgarian Stock Exchange will organise a public discussion and consultancies regarding the index to find and duly inform all eventual unknown users of this index.

4. Announcement

An index cessation shall be announced on the website of Bulgarian Stock Exchange at least three (3) months before the date on which the index cessation comes into effect.

5. Cessation alternatives

In case an index is still applied by some market participants, but according to the Indices Committee it could not be maintained any more, the Indices Committee may enquire into the following alternatives:

- Index relaunch, leading to a change of its name respectively its ticker symbol and to eventually changing the rules for the selection of index constituents and/or for index calculation;
- Transferring the index calculation to another supplier, who may dispose of more efficient resources for the maintenance of this index;
- Change of the market segment underlying the index calculation or of the index calculation methodology.