

GENERAL CONDITIONS APPLIED TO CONTRACTS WITH CLIENTS OF INVESTMENT INTERMEDIARY "FIRST FINANCIAL BROKERAGE HOUSE" OOD

PREAMBLE

I. GENERAL INFORMATION ABOUT IP "FIRST FINANCIAL BROKERAGE HOUSE" OOD

IP "First Financial Brokerage House" OOD is a limited liability company established in compliance with the Commercial code and registered in Sofia City Court under No.1011/1991, part.No.150, t.2, reg.I.,p.32, with head office and management address Sofia, Triaditza district, 4 Enos Str. (hereinafter referred to as "the company" or "the investment intermediary")

The company is an investment intermediary licensed under a decision № 68-ИП/26.02.1997 of the Securities and Stock Exchange Commission, decision № 66-ИП/10.11.1999 of the Financial Supervision Commission, and decision № 102-ИП/08.02.2006 of the Financial Supervision Commission and filed in the FSC registry under № ПГ-03-0015.

Pursuant to the issued by the FSC license and its scope of activity, the investment intermediary shall provide one or more investment services or shall perform one or more investment activities on the territory of the Republic of Bulgaria or abroad.

The investment services and activities are as follows:

1. reception and transmission of orders in relation to securities, including intermediating for conclusion of transactions in relation to securities;
2. execution of orders to buy or sell securities on the account of clients;
3. dealing in securities on own account;
4. management of an individual portfolio in accordance with a contract concluded with a client on a discretionary, client-by-client basis where such a portfolio includes securities;
5. provision of personal investment advice to a client, either at the initiative of the investment intermediary or upon the client's request, in respect of one or more transactions relating to securities;
6. underwriting of issues of securities and/or offering securities for primary distribution on the basis of an unconditional and irrevocable commitment to subscribe to or acquire the securities on own account;
7. offering of securities for primary distribution without an unconditional and irrevocable commitment to acquire the securities on own account.
8. safekeeping and administration of securities for the account of clients, including custodianship (holding clients' securities and money at a depositary institution) and related services, such as cash/collateral management;
9. granting loans for effecting of transactions in securities, subject to the condition that the person granting the loan is involved in the transaction under terms and according to a procedure established by an ordinance;
10. advice to corporations regarding capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of enterprises;
11. foreign exchange services, insofar as they are connected with the investment services provided;
5. investment research and financial analysis or other forms of general recommendations relating to transactions in securities;
6. services relating to the activities of underwriting of issues of securities and/or offering securities for primary distribution on the basis of an unconditional and irrevocable commitment to subscribe to or acquire the securities on own account and offering of securities for primary distribution without an unconditional and irrevocable commitment to acquire the securities on own account.

The company may also execute transactions with foreign currency for payment, and namely: transactions with foreign currency in cash and in non-cash manner.

Starting from the issuing of a new license of IP "First Financial Brokerage House" OOD in compliance with the regulations of the Law on Markets in Financial Instruments (LMFI) the business activities of the investment intermediary is automatically amended, without necessitating any changes in the current general conditions, as follows:

a) Providing investment services and activities as a regular occupation on the territory of the Republic of Bulgaria and abroad as follows:

- 1. reception and transmission of orders in relation to one or more financial instruments, including intermediating for conclusion of transactions in relation to financial instruments;***
- 2. execution of orders on behalf of clients;***
- 3. dealing in financial instruments on own account;***
- 4. portfolio management;***
- 5. provision of investment advice to clients;***
- 6. underwriting of issues of financial instruments and/or placing of financial instruments on the basis of an unconditional and irrevocable commitment to subscribe/acquire the financial instruments on own account;***
- 7. placing of financial instruments without an unconditional and irrevocable commitment to acquire the financial instruments on own account;***
- 8. operation of a multilateral trading facility.***

b) offering of the following ancillary services in the Republic of Bulgaria and abroad::

- 1. safekeeping and administration of financial instruments for the account of clients, including custodianship (holding clients' financial instruments and cash at a depository institution) and related services, such as cash/collateral management;***
- 2. granting loans for effecting of transactions in one or more financial instruments, subject to the condition that the person granting the loan is involved in the transaction under terms and according to a procedure established in an ordinance;***
- 3. advice to undertaking on capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of enterprises;***
- 4. provision of foreign exchange services, insofar as they are connected with the investment services provided;***
- 5. investment research and financial analysis or other forms of general recommendations relating to transactions in financial instruments;***
- 6. services relating to underwriting of issues of financial instruments;***
- 7. under letter "a" and items 1 - 6 in connection with the underlying asset of derivative financial instruments under Art. 3, item 2 "d", "e", "f" and "i" of MiFIA insofar as they are connected with the provision of services under items 1 - 6 and letter "b".***

c) transactions with foreign currency for payment in cash and non-cash manner under a license issued in compliance with the existing legislation.

All services and activities specified in the scope of activity of the Company may be executed also abroad in compliance with the requirements of the local legislation. The services and activities included in the scope of activity of the Company may be executed within the European Union or European Economic Area by the establishment of a branch or under the freedom to provide services.

The capital of IP "First Financial Brokerage House" OOD is BGN 1 500 000 (one million and five thousand) leva.

Tax number of the investment intermediary is No. 1220026457 and BULSTAT No. 000694724

II. PRINCIPLES ON WHICH THE ACTIVITY OF THE INVESTMENT INTERMEDIARY "FIRST FINANCIAL BROKERAGE HOUSE" OOD IS BASED

When performing its activity as an investment intermediary, IP "First financial Brokerage House" OOD shall observe the following principles in accordance with the provisions of the Market in financial instruments act ("MiFIA") and Ordinance No.38 as of 25.07.2007 on the requirements to the activities on investment intermediaries ("Ordinance 38").

1. IP "First Financial Brokerage House" OOD shall act honestly, fairly and professionally in accordance with the best interest of its clients.
2. IP "First Financial Brokerage House" OOD shall treat its clients equally and also shall inform them of the risks associated with transactions with financial instruments.
3. IP "First Financial Brokerage House" OOD shall execute transactions with financial instruments on client's account on the best possible conditions and where making efforts to achieve the best possible performance according the order submitted by the client.
4. IP "First Financial Brokerage House" OOD shall execute client's orders in accordance with the accepted policy for execution of client's orders and shall duly notify its clients for amendments in this policy.
5. IP "First Financial Brokerage House" OOD shall keep the trade secrets of its clients which have come to its knowledge in connection with the client's orders. IP "First Financial Brokerage House" OOD shall keep client's good trade name and trade prestige.
6. The information which IP "First Financial Brokerage House" OOD shall provide to its clients, as well as to its potential clients, including the information in its advertising materials and public statements of the managers of the investment intermediary and of the persons working under a contract for it shall be understandable, correct, clear and shall not be misleading. The information and public statements of the managers of the investment intermediary and of the persons working under a contract for it and connected with its activity shall correspond also to the other requirements of Ordinance No.38, to relevant provisions of the Law on measures against market abuse with financial instruments ("LMAFI") and to the provisions of the Distance Marketing of Financial Services Act ("DMFSA") – in case that the Company executes distance contracts for the supply of financial services within the sense of Art.6 of the DMFSA.
7. IP "First Financial Brokerage House" OOD shall inform its clients about the existing system for compensation of investors in financial instruments including about its scope and about the guaranteed amount of the client's assets, and on request shall provide data about the conditions and procedure of compensation.
8. IP "First Financial Brokerage House" OOD shall classify its clients as professional client, retail client or eligible counterparty in accordance with the criteria stipulated in the MIFIA.
9. IP "First Financial Brokerage House" OOD shall strictly observe the rules of the correspondent trading venues (regulated market, multilateral trading facility) and the principles of loyal competition.
10. IP "First Financial Brokerage House" OOD shall not unit client's orders or transaction on its own account with other clients' orders, except in the cases provided in law and in accordance with the accepted by the investment intermediary policy for execution of clients' orders in clients' best interest.
11. IP "First Financial Brokerage House" OOD shall enter in a special register all clients' orders pursuant to the order of their receiving, including the identical orders, as well as their withdrawal. IP "First Financial Brokerage House" OOD shall register also the executed transactions with financial instruments pursuant to the order of their execution until the end of each working day in the same register.
12. The managers of IP "First Financial Brokerage House" OOD, its employees and all other persons working for IP "First Financial Brokerage House" OOD, including the cases when these persons are not in the office or their activity was terminated, shall not divulge to anyone, unless authorized for it, and use for the benefit of themselves or of other persons facts and circumstances relating to the balances and operations under the accounts for financial instruments and for cash of investment intermediary's clients, as well as all other facts and circumstances constituting trade secret, which have come to their knowledge in the fulfilment of their official and professional obligations. Beside to the FSC, the deputy chairman in charge of the Investment supervision activity and authorized officials form the FSC's administration, or to a regulated market of which it is a member for the purposes of their control activities and within the order for an inspection, the investment intermediary may give information under the precedent sentence only with the consent of its client or by decision of competent state authority issued in cases provided by the law.
13. IP "First Financial Brokerage House" OOD shall follow efficient policy for avoidance of conflict of interests.
14. In case that IP "First Financial Brokerage House" OOD executes distance contracts for the supply of financial services within the sense of Art.6 of the DMFSA or enters into negotiations for execution of such agreement, then to this agreement the relevant provisions of the DMFSA shall apply, inclusive but not limited to the provisions regarding:
 - 14.1. the obligations of the Company to present information to the client about:
 - ▶ IP "First Financial Brokerage House" OOD;
 - ▶ The financial services that shall be performed for the client pursuant to the distance contracts for the supply of financial services;

- ▶ The distance contracts for the supply of financial services, as well as all other information pursuant to Art.8, Para.1, p.4 of DMFSA;
- 14.2. the obligations of the Company in connection with the activities which the latter should execute before the client to be obligated by an offer or by a distance contract for the supply of financial services;
- 14.3. the requirements to which the commercial announcements used by IP "First Financial Brokerage House" OOD shall correspond;
15. The provisions of DMFSA shall apply in case of eventual dispute in connection with a distance contract for the supply of financial services.
16. The investment advices which IP "First Financial Brokerage House" OOD shall provide to its clients shall be substantiated, shall not rely on exaggerated favorable facts or on not taken into account unfavorable facts and shall not be motivated exclusively with the ambition to receive remuneration. The forecasts in the investment advices shall be grounded, explicitly determined as forecasts, substantiated and also the circumstances on which the forecasts shall be based and which shall have essential effect on the implementation of the forecasts shall be specified.
17. The recommendations related to financial instruments which IP "First Financial Brokerage House" OOD provides shall be fairly presented and shall disclose the interests (conflict of interests) which arise for IP "First Financial Brokerage House" OOD. The Company shall take the due care to ensure that:
- ▶ facts are clearly distinguished from interpretations, estimates, opinions and other types of non-factual information;
 - ▶ the information sources are reliable or, where there is any doubt as to their reliability, this circumstance is clearly indicated;
 - ▶ all projections, forecasts and price targets are clearly indicated as such and that the material assumptions made in producing or using them are stated;
 - ▶ all material sources of information are indicated, including the relevant issuer of financial instruments, to which the recommendation directly or indirectly relates, as well as the circumstance whether the recommendation has been disclosed to that issuer and amended in consequence of this disclosure before its dissemination;
 - ▶ any basis of calculation or methodology used to evaluate financial instruments or an issuer of financial instruments, or for determination of an expected price of financial instruments is summarized in a clear and accessible for the investors way;
 - ▶ the meaning of any recommendation made, for buying, selling or holding of financial instruments, which may also include the term for which the recommendation is valid, is explained in a clear and accessible for the investors way and contains related risk warning, including a sensitivity analysis of the relevant assumptions;
 - ▶ reference is made to the frequency of updates of the recommendation, if such updating is planned, and any major changes in the scope of the already announced policy;
 - ▶ the date at which the recommendation was first released for distribution is indicated clearly and in a prominent place, as well as the relevant date and time for any financial instrument price mentioned;
 - ▶ where a recommendation differs from a previous recommendation concerning the same financial instruments or issuer, issued during the 12-month period immediately preceding the second recommendation's release, this change and the date of the earlier recommendation shall be indicated clearly and in a prominent place;
18. Except the requirements under item 17 above, IP "First Financial Brokerage House" OOD shall observe the provisions of Chapter 3, Division IV of the LMMAFI when IP "First Financial Brokerage House" OOD drafts and distributes recommendations.
19. Any person who possesses inside information by virtue of his/her membership in the Company's management or supervisory bodies, his/her holding in the capital or the votes in the Company's general meeting, the access which he/she has to the information, through the exercise of such person's employment, profession or duties, or its acquisition by criminal activities or in another illegitimate way, shall be prohibited from using that information by acquiring or disposing of, or seeking to acquire or dispose of, on his/her own account or on the account of a third party, either directly or indirectly, financial instruments to which that information relates. Where the person possessing inside information is a legal entity, the prohibition on use of inside information shall also apply to any natural person who takes part in the decisiontaking for the conclusion of a transaction on behalf of the legal entity concerned. The provision of the precedent sentence shall not apply to transactions concluded in the discharge of an executable liabilities for acquisition or disposal of financial instruments, where those liabilities have arisen before the person to possess inside information.
20. The persons possessing inside information may not:

- ▶ disclose inside information to any other person unless such disclosure is made in the normal course of the exercise of their employment, profession or duties;
- ▶ recommend to or inducing another person, on the basis of inside information, to acquire or dispose of financial instruments to which that information relates.

21. The prohibitions under items 19 and 20 shall also apply to any person, other than the persons referred in item 19, who possesses inside information while that person knows, or ought to have known, that it is inside information.

22. The provisions of items 19 - 21 shall also apply to financial instruments, which have not been admitted to trading on a regulated market in the Republic of Bulgaria or some other member-state, but whose value depends on financial instruments, admitted to trading on such markets.

23. The investment intermediary may not manipulate the market of financial instruments.

24. The investment intermediary shall inform forthwith the FSC for transactions with financial instruments which are reasonably assumed by the investment intermediary to constitute insider dealing or financial instruments or market manipulation for each specific case.

III. PRE – CONTRACTUAL RELATIONS. CLIENT'S CLASSIFICATION. EXCHANGE OF INFORMATION BETWEEN THE CLIENT AND THE INVESTMENT INTERMEDIARY (ASSESSMENT OF SERVICE APPROPRIATENESS)

III.1. Pre-contractual relations

1. The investment intermediary shall accept policy for execution of its clients' orders in clients' best interest, and shall constantly update the policy and present the updated version to its clients in appropriate manner.

2. The policy under the precedent sentence includes information of the venues for the clients' orders execution (types of financial instrument), advantages and disadvantages of any execution venue (according the volume, price and execution costs) and venues where the intermediary may achieve best execution. The execution policy shall include at least the venues of execution which allow the investment intermediary to obtain continuously the best possible results for the execution of its clients' orders.

3. The investment intermediary may not execute orders on clients' account unless they have given their preliminary consent for the followed by the intermediary policy.

III.2. Client's classification

In the beginning and in connection with the exchange of information under item τ.III.3. below, the investment intermediary shall mandatorily classify its clients as a client of one of the following groups:

(a) eligible counterparty;

(б) professional client:

1. clients which the law defines as professional except if the latter does not agree something different with the investment intermediary (please see below this provision and Art.5);

2. clients which correspond to the criteria specified in Rules and criteria for client's classification of IP "First Financial Brokerage House" OOD – Attachment to this general conditions and have explicitly requested to be classified as such;

(B) retail client.

The standard of care due by the investment intermediary shall be highest for the retail clients, except if the intermediary and the client have not agreed in writing in the specified in Art.5 below cases also such high standard. Particular client may be determined as professional only with respect to certain products and/or services.

III.3. Exchange of information between the client and the investment intermediary (assessment of service appropriateness)

III.3.1. The investment intermediary shall mandatorily present to its potential clients before execution of agreement with them information pursuant to Attachment No.1 to the general conditions.

III.3.2. The investment intermediary shall mandatorily collect the following information from its clients:

(a) upon the provision of investment advice or carrying out of portfolio management, the investment intermediary shall ask about:

1. the investment purposes of the client;
2. the financial possibilities of the client to undertake the investment risks to which he/she can be exposed taking into account his/her investment purposes;
3. whether the experience and knowledge of the client allows him/her to understand the risks under item 2.

In the cases when the investment intermediary has classified particular client as professional with respect to certain products, transactions and services, then for the same these the intermediary may accept that the client has the financial possibility, experience and knowledge to understand the risks compatible with its investment purposes, even when the client has not provided detailed information or has not provided information as a whole under letter (a), item 2 and 3 above.

Without limitation for the application of the precedent paragraph, the investment intermediary may not provide the services specified in this letter (a) if it has not requested the information described above by its clients.

(6) upon the provision of services different of the ones specified in letter (a), the investment intermediary shall mandatorily collect information analogical to the one described in letter (a), item 3 above whose content may differ depending on the appraisal of the investment intermediary in the separate cases.

The investment intermediary shall inform its clients that giving the information under item III.3 is entirely to their benefit.

IV. CONTENT OF THE DUE CARE ON EXECUTION OF CLIENTS ORDERS

1. In case that the client has given explicit instructions for the order as a whole or for a part of the order, then these instructions has priority with respect to the policy for execution of client's orders and the investment intermediary shall comply with the instructions.
2. In case of lack of explicit instructions by the client for execution of particular order, the investment intermediary shall mandatorily exert efforts to determine the best possible price for the client, amount of the expenses and likelihood of execution, as well as all other circumstances related to the execution of the order.
3. In compliance with its obligation of achieving best result for the client, the investment intermediary shall execute its clients' orders at its earliest convenience, unless this would obviously be to the clients' disadvantage.
4. When executing an order given by a retail client, the best possible execution of such order shall be determined by the total amount of the transaction, including the price of the financial instrument and the expenses related to the execution.

FIRST DIVISION

I. GENERAL PROVISIONS

Art. 1. These general conditions shall apply to the agreements which the investment intermediary enters into with all its clients and has as subject the provision of the following services:

1. reception and transmission of orders in relation to one or more financial instruments, including intermediating for conclusion of transactions in relation to financial instruments;
2. execution of orders for buy and/or sale of financial instruments on behalf of clients;
3. dealing in financial instruments on own account;
4. management of an individual portfolio in accordance with a contract concluded with a client on a discretionary, client-by-client basis where such a portfolio includes financial instruments;
5. provision of personal investment advice to a client, either at the initiative of the investment intermediary or upon the client's request, in respect of one or more transactions relating to financial instruments;

6. underwriting of issues of financial instruments and/or placing of financial instruments on the basis of an unconditional and irrevocable commitment to subscribe/acquire the financial instruments on own account;
7. placing of financial instruments without an unconditional and irrevocable commitment to acquire the financial instruments on own account;
8. safekeeping and administration of financial instruments on the account of clients, including custodianship (holding clients' financial instruments and cash at a depository institution) and related services, such as cash/collateral management;
9. granting loans for effecting of transactions in one or more financial instruments, subject to the condition that the person granting the loan is involved in the transaction under terms and according to a procedure established in an ordinance;
10. advice to undertaking on capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of enterprises;
11. investment research and financial analysis or other forms of general recommendations relating to transactions in financial instruments;
12. services relating to the activities of underwriting of issues of financial instruments and/or offering financial instruments for primary distribution on the basis of an unconditional and irrevocable commitment to subscribe to or acquire the financial instruments on own account
13. services relating to offering of securities for primary distribution without an unconditional and irrevocable commitment to acquire the financial instruments on own account;
14. transactions with investment agreements which are publicly offered;
15. transactions with futures and options.

Art. 2. (1) IP "First Financial Brokerage House" OOD shall provide investment services and ancillary services under Art.1 on client's account on the grounds of written agreement and applying these general conditions. The agreement explicitly refers to the general conditions or the general conditions are confirmed in writing by the client.

(2) In case of contradiction of special provisions of the agreement with particular client and the provisions of the general conditions, the first ones have priority and shall apply to the relations between the parties even when the relevant provisions of these general conditions are not explicitly amended.

(3) The client, or his proxy, shall sign the contract under Para. 1 in the presence of a person under Art. 39, para. 1, item 2 of MiFIA, after the identity of the client or his proxy has been verified.

(4) A person from the internal control department of the investment intermediary shall examine whether the contract under Para. 1 conform to the requirements under the MiFIA, its implementing instruments and the internal acts of the investment intermediary. In such case, the person from the internal control department shall, by the end of the business day, draw up a document verifying the performance of the examination

(5) A copy of the client's identification document, or his proxy, certified by the client and by the person authorized to conclude the contract for the investment intermediary (with the affixing of inscription "true to the original", date and signature of the person, making the certification), shall retain for the records of IP "First Financial Brokerage House" OOD.

(6) In the contract as per para.1 shall be entered the names, unified civil number of the persons who enter into it, the capacity in which the person representing IP "First Financial Brokerage House" OOD acts, date and place of conclusion and the acting at the time of conclusion general conditions and tariffs of IP "First Financial Brokerage House" OOD, the main rights and obligations of the parties and indication of the information which the intermediary must submit to such person.

Art.3 IP "First Financial Brokerage House" OOD shall conclude contracts for delivering investment and/or other services and accept client orders only through natural persons who work under a contract for it and who are:

1. brokers, or
2. persons, who satisfy the requirements under Art. 3, item 1 - 6 of Ordinance № 7 from year 2003 on the requirements, which must be met by natural persons, who directly, under a contract perform transactions in financial instruments and provide investment advise on financial instruments, as well as the procedure for obtaining and withdrawal of the right to pursue such activity and have been entered in the register under Art. 30, para.1, item 2 of the Financial Supervision Commission Act, or
3. managers or procurators of the investment intermediary.

Art.4 (1) The conclusion of the contract for delivering investment or ancillary service through a proxy who acts on behalf of the client shall be admissible only if a power of attorney certified by a notary public is

submitted, which contains the representative power for performing managerial or disposal actions with financial instruments and a declaration by the authorized person that he does not carry out by occupation transactions with financial instruments, as well as that he did not execute such transactions for a one-year period prior to conclusion of the contract.

(2) IP "First Financial Brokerage House" OOD may not conclude contracts for delivering investment or ancillary services if the client or his/her representative has not submitted and has not signed all required documents, has presented documents with clear irregularities, or the data therein are incomplete, have inaccuracies and discrepancies or some other circumstance exists which arouses suspicion for undue identification or representation. The investment intermediary may not conclude such contract also if the counter party is represented by an authorized person, who declares the execution by occupation of transactions with financial instruments.

Art.5 (1) "First Financial Brokerage House" OOD shall notify all its clients in a proper way about the conditions and criteria, according which the investment intermediary determines them as professional or retail clients, as well as about the circumstances under which they may be determined as an eligible counterparty by giving them chance to acquaint with Attachment No.1 herein.

(2) The investment intermediary on its own initiative or upon client's request may:

1. determine as professional client or retail client a client who in other cases would be defined as an eligible counterparty;
2. determine as retail client a client, who is determined as a professional client under item III.2.,letter "b", item 1 above.

(3) Where a person determined as an eligible counterparty requests not to be treated as such and the investment intermediary agrees, that person shall be treated as a professional client, unless the person has explicitly requested to be treated as a retail client.

(4) The professional clients under item III.2, letter "b", item 1 above are notified that they may request a change in the contracts' conditions in order to have higher level of protection. Such change may not lead to a better position of the party who/which has requested it than the position of the retail clients or may not put other clients of the investment intermediary in a less favorable position. The change may happen after a mutual written consent of the parties under the contract where its parameters shall be agreed upon in detail and the change means that the client who/which has requested it shall not be treated as professional client for the purposes of these general conditions and for the purposes of the legislation in force. If as per the general conditions, the tariff or other documents and rules which concern the activity of the investment intermediary the professional clients may be treated under a more favorable or different manner than the retail clients these comforts shall not be in favor of the client which/who has requested such change as of the date of the agreement for the change.

Art.6 (1) In case when IP "First Financial Brokerage House" OOD concludes a transaction on account of a retail client, other than in fulfillment of a contract for management of an individual portfolio, the investment intermediary shall, as soon as possible, but not later than the first business day, following execution of the transaction, send on a durable medium a confirmation for the concluded transaction. If the confirmation is received by the investment intermediary from a third party, the notifying of the client shall be made not later than the first business day, following the day in which the investment intermediary has received the confirmation from the third party.

(2) The confirmation under para.1 shall contain such part of the following information which is relevant to the specific transaction:

1. identification of the investment intermediary which provides the information;
2. name/business name or other form of identification of the client;
3. date and time of the transaction's conclusion;
4. type of the given order;
5. nature of the order (buy, sell or other);
6. venue of the order execution;
7. identification of the financial instruments;
8. indicator buy/sell;
9. number;
10. unit price;

11. total amount of the transaction;
 12. total sum of the commissions and expenses on the client's account, and upon client's request, also individual indication of each expense;
 13. the client's responsibilities in relation to the settlement of the transaction, including the time limit for payment or delivery, as well as the details of the account to which the transfer is to be effected, when these details have not previously been notified to the client;
 14. notification that the a counter party to the transaction with the client is the investment intermediary, another entity from the investment intermediary's group or another client of the investment intermediary, unless the order was executed through a trading system that facilitates anonymous trade.
- (3) Where the order is executed in parts, the investment intermediary may provide, in accordance with para.2 item 9, the client with information about the price of every transaction or an average price. Where an average price is given, the investment intermediary, upon request, shall provide the retail client with information about the price of each transaction separately.
- (4) Where the transaction under para.1 is concluded on account of a professional client, the investment intermediary shall provide him/it, forthwith on a durable medium, with the substantial information on the concluded transaction.
- (5) If the settlement is not carried out on the indicated date or some other change arises out in the information, contained in the confirmation, the investment intermediary shall inform the client by the end of the business day, in which the change have become known to the intermediary.
- (6) The investment intermediary shall provide the client, upon request, with information about the status of the order and its execution.
- (7) Paragraphs 1 and 5 shall not apply to clients' orders with the subject of bonds funding mortgage loan agreements, a party to which are these clients, in which the confirmation for the transaction shall be made at the same time as the terms of the mortgage loan are communicated, but not later than one month after the execution of the order.
- (8) The intermediary is entitled to supply the information under para.2, using standard codes, provided it presents to the client explanations about the codes used.
- (9) In the cases of given orders by a retail client with the subject of units or shares in collective investment undertakings which are executed periodically, the investment intermediary either shall take the actions specified in para. 1, or shall provide the client, at least once in 6 months, with the information under para.2 in relation to these transactions.
- (10) Upon accepting client's order through an electronic system, the confirmation under para.1, respectively the information under para 3-5, shall be provided to the client through the electronic system.

Art.7. (1) For the execution of transactions with financial instruments, the clients of the investment intermediary shall submit orders with the following minimum content:

1. the names (business name) and the unique client number of the client and of his/her representative, and if such numbers have not been assigned – the respective identification data;
2. type, issuer, unique code of the issue, or name of the instrument, respectively characteristics of the derivative financial instrument and number of financial instruments to which the order relates;
3. type of the order;
4. substance of the order (buy, sell, exchange, etc.);
5. unit price and total amount of the order;
6. the order's term of validity;
7. execution venue, on which the order is to be executed, if the client specifies such;
8. quantitative execution of the order (partly, completely);
9. way of payment;
10. date, hour and place of giving the order;
11. other specific instructions by the client.

(2) Inscribed in the order shall be also its unique serial number.

(3) Submitting of the orders under para.1 by an authorized person shall be done only if the latter submits a power of attorney certified by a notary public, which contains representative authority for execution of actions of disposal with financial instruments and a declaration under Art.4, para.1 above prior to giving the order. Art.2, para.5 herein shall apply accordingly.

(4) The investment intermediary may accept orders for transactions with financial instruments, placed by clients over telephone or by another remote means of communication under the manner specified in the Rules for internal regulation and control and in the Best execution policy. In such case the investment intermediary by the end of the business day shall draw up a document, containing the data under para.1 and the data – subject of the declarations under Art.12, para.1, by which it attests the content of the remotely given order.

(5) Paragraph 4 shall not apply to an order, submitted by an authorized person who has not attested before the investment intermediary his/her representative authority, or by an authorized person who failed to abide the requirements under Art.2, para.5 and Art.4, para.1 above.

(6) Paragraph 4 shall not apply with regard to transfer of dematerialized financial instruments from a personal account to a client sub-account to the investment intermediary in the Central Depository.

(7) The Investment intermediary may accept client orders under para.1 through an electronic trading system, which guarantees compliance with the requirements of Ordinance No.38 and ensures an access of the client to specific execution venue. The access to the system under the preceding sentence and the entry of orders by the client shall be realized by an electronic certificate, issued in his/her name.

(8) Upon acceptance of an order, the person accepting it shall check the identity of the client, or of his/her authorized person.

(9) The investment intermediary shall submit to the client a signed copy of the accepted order under para.1, unless it is given according para.4 or para.7.

(10) The investment intermediary shall refuse to accept an order, which does not satisfy the requirements of para.1 or has been submitted by an authorized person, without the requirements of para.3 to be complied with.

Art.8 The investment intermediary shall provide the client and the potential client with a general description of the financial instruments and the associated with them risks with content as per Attachment 1 herein.

Art.9 The investment intermediary shall not have the right in connection with the provision of investment or ancillary services to a client, to pay, respectively provide, and to receive remuneration, commission or non-monetary benefit, apart from:

1. remuneration, commission or non-monetary benefit paid or provided by or to the client or his/her representative;
2. remuneration, commission or non-monetary benefit paid or provided by or to a third person or his representative where the following conditions exist:
 - a) the existence, nature and amount of the remuneration, commission or the non-monetary benefit shall be indicated to the client in a summarized manner clearly, in an accessible way, accurately and understandably prior to providing the relevant investment or ancillary service, and where the amount may not be determined, the method of its calculation shall be indicated. The client may request and to be presented with detailed information under the previous sentence;
 - b) the payment, respectively the provision of the remuneration, commission or non-monetary benefit, shall be with a view to enhancing the quality of the service and does not violate the obligation of the investment intermediary to act in the best interest of the client;
3. relevant fees that provide or are necessary with a view to providing the investment services, such as expenses for trustee services, settlement and currency exchange fees, legal services fees and public fees, and which in their nature do not result in the arising of a conflict with the investment intermediary's obligation to act honestly, fairly and professionally to the best interest of the client.

SECOND DIVISION

II. RULES APPLIED TO THE AGREEMENTS FOR SUBSCRIPTION OF FINANCIAL INSTRUMENTS ISSUES

Art.10 (1) With the agreement for subscription of issue of financial instruments, the investment intermediary is obliged for remuneration to undertake all necessary actions connected to the initial sale of the financial instruments issued by the client at the stock exchange or out of it in respect with the specific client's order.

- (2) The prospectus and the announcements for the initial offering may be published if only FSC has issued written confirmation of the prospectus.
- (3) The drafting and the publishing of the prospectus may be done by the investment intermediary upon reaching a consent for this.
- (4) If in accordance with the agreement the client has entrusted the investment intermediary with the drafting and publishing of the prospectus for public offering of financial instruments he/she is obliged to pay remuneration for this which shall be agreed upon in the specific agreement.
- (5) The relations between the investment intermediary and its client which shall occur from the following conclusion of transactions with financial instruments subject of the issue shall be governed by the rules of Section III herein.

THIRD DIVISION

III. RULES APPLIED TO AGREEMENTS WITH CLIENTS WHICH HAS A SUBJECT CONCLUDING TRANSACTIONS WITH FINANCIAL INSTRUMENTS

Art. 11. The rules of this section are applied o the agreements which has for a subject:

1. reception and delivery of orders in relation to one or more financial instruments including intermediation for entering into transactions with financial instruments;
2. execution of orders on behalf of clients for purchase or sale of financial instruments.

Art.12 (1) The Investment intermediary undertakes an obligation for execution of transactions with financial instruments referred to in the previous article after an execution of a agreement and submitting of an order by the client. The exact conditions and the terms for their execution are specified in the agreement. The orders received are registered in the Register for registration of the investor's orders in the manner of their receiving.

(2) The investment intermediary shall execute transactions with financial instruments including managing an individual portfolio of financial instruments and/or money on a client's account on the basis of a written agreement with the client.

(3) The relations between the investment intermediary and the client shall be governed as per the agreements reached these general conditions and the attachments herein.

(4) The investment intermediary must execute immediately, fairly and accurately the received client orders, including to observe the sequence of receiving of identical orders (5) Upon order acceptance, the investment intermediary shall require from the client, or from his representative, to declare if:

1. he/she possesses inside information about the financial instruments, to which the order relates, and about their issuer, if the financial instruments to which the order relates or on the basis of which the financial instruments – subject of the order are issued, are traded on a regulated market;
2. the financial instruments – subject of sell or exchange order, are blocked at the depository institution, in which they are safeguarded, whether there is a pledge set up on them or distraint levied;
3. the transaction – subject of the order, constitutes a concealed purchase or sale of financial instruments.

(6) The investment intermediary shall check with the depository institution if the financial instruments to which the order for sale relates are available on the client's sub-accounts, if they are blocked and whether there is a pledge set up or distraint levied over them.

(7) In case that the order is submitted as per the electronic trade system, the check under para.6 shall not be made, if the electronic system does not allow the conclusion of transactions with blocked, distrained or pledged financial instruments or with financial instruments which are not available on the relevant account.

(8) The check under para.6 shall be made by the person's own initiative, performing custody services with regard to the financial instruments, subject of the order, on its own initiative or on request of the investment intermediary, through which the transaction will be concluded.

(13) (1) The investment intermediary shall execute the client's orders under the following conditions:

1. immediate and accurate registration and allocation of the orders for execution;
2. immediate execution in the sequence of their receiving of identical client orders, unless the characteristics of the order or the prevailing market conditions make this unrealizable, or the interests of the clients require otherwise;

3. the investment intermediary shall inform the retail client about the objective difficulties arisen out, obstructing the exact execution of the orders, immediately after learning about them.

(2) In the cases where the investment intermediary has committed itself to arrange or monitor for the settlement of executed by it order on client's account, its shall perform the necessary actions to ensure that all client's financial instruments or moneys, obtained in the settlement, are immediately and exactly transferred on accounts of the relevant client

(3) The investment intermediary shall have no right to misuse of information for unexecuted client orders and must take all necessary actions for prevention of such misuse by any person who works under an agreement for the investment intermediary.

Art.14 (1) The investment intermediary may not:

1. perform transactions for client's account in volume or with frequency, at prices or with given counterparty, for which according to the circumstances it may be assumed that they are performed exclusively in the investment intermediary's interest;
2. to buy for its own account financial instruments for which its client gave a purchase order, and to sell them to the client at a price higher than the price at which it had bought them;
3. to perform for its own or for a third party's account activities with client's funds and financial instruments for which it has not been authorized by the client;
4. to sell for its own account or for a third party's account financial instruments which the investment intermediary or its client does not own, unless under the conditions and procedure established by an Ordinance;
5. to participate in the performance, including in the capacity of a registration agent, of concealed purchases or sales of financial instruments;
6. to receive a part or the whole benefit if the investment intermediary has concluded and executed the transaction under terms and conditions that are more favorable than those established by the client;
7. to perform activities otherwise which jeopardizes the interests of the intermediary's clients or the integrity of the market in financial instruments.

(2) The prohibition under para.1, item 1 shall not apply to transactions, for the performance of which the client has given explicit orders on his own initiative.

(3) The prohibition under para.1, item 2 shall also relate to the members of the management and control bodies of the investment intermediary, to the persons who manage its operation, as well as for all persons who work for it under a contract, as well as to related persons.

Art.15 The investment intermediary shall not have the right to use:

1. for its account the cash and financial instruments of its clients;
2. for the account of its client the cash or financial instruments of other clients, unless the client has given preliminarily his express consent;
3. for account of a client its own cash or financial instruments.

Art.16 (1) The investment intermediary shall not have the right to conclude transactions for securities financing with held by it financial instruments of clients or otherwise to use for its own account or for the account of another client such financial instruments, unless the client has given preliminarily his explicit consent for use of its financial instruments on certain conditions and the use of the financial instruments is realized in compliance with those conditions. The consent according the preceding sentence must be given in writing, if the client whose financial instruments are used is a retail one.

(2) The investment intermediary shall not have the right to conclude transactions for securities financing with financial instruments of clients, kept in an omnibus client account with a third person, or otherwise to use for its own account or for another client's account such client financial instruments. The prohibition under sentence one shall not apply if the requirements under para.1 have been complied with, as well as at least one of the following conditions:

1. all clients whose financial instruments are kept together in the omnibus account, have preliminarily given an express consent in consistence with para.1;
2. the investment intermediary has established procedures, guaranteeing the use only of financial instruments of clients, who have beforehand given an explicit consent for that in accordance with para.1, as well as control mechanisms for compliance with that requirement.

(3) In the cases under para.2, in the maintained by the investment intermediary accounting shall be included information on the client on whose order the financial instruments have been used, as well as on the number of the used financial instruments of every client, with a view to the correct allocation of eventual losses.

Art.17 (1) The investment intermediary shall execute the order in compliance with the parameters given to it initially and their amendments given by the client with additional orders.

(2) Additional order is every change of the parameters of already given order and which is in the form of a change in any of the following parameters: type of the order, unit price of the financial instruments, of their number or of the terms for execution.

(3) Additional order in the means of the previous paragraph may be given under the condition that the order in its initial parameters is not executed.

(4) The additional order shall be entered with the Register for investors' orders and shall be executed in the sequence of its receiving.

(5) After receiving of the additional order the relations between the investment intermediary and the client are governed in accordance with it and unchanged conditions of the initial order.

Чл.18.(1) The investment intermediary shall conclude transactions with financial instruments on clients' account on the best possible conditions and where making efforts to achieve the best possible performance according the order submitted by the client. When executing an order given by a retail client, the best possible performance of such order shall be determined by the total amount of the transaction, including the price of the financial instrument and the expenses related to the performance. The expenses related to the performance shall include all expenses that are directly related to the execution of the order, including fees for the execution venue, clearing and settlement fees, as well as other fees and remunerations payable to third parties, bound with the execution of the order.

(2) To achieve best possible performance, in the cases where there is more than one competitive execution venues of an order in relation to financial instruments and in making assessment and comparison of the results that may be achieved for a retail client where executing the order on each of the execution venues, specified under the intermediary's policy for performance of orders which are suitable for its execution, the intermediary's commission fees and the expenses incurred in connection with the execution of the order on each of the possible venues shall be taken into consideration

(3) The investment intermediary shall not have the right to specify and collect commission fees in ways which obviously divide unfairly the different execution venues.

(4) In compliance with its obligation of achieving best result for the client, an investment intermediary shall execute its clients' orders at its earliest convenience, unless this would obviously be to the clients' disadvantage

Art.19. When executing clients' orders the investment intermediary takes into consideration the relative importance of the factors under section IV, item 2 of the preamble and the following criteria:

1. the client's characteristics and whether the client was classified as a retail or as a professional client;
2. the detail of the client's order;
3. the characteristics of the financial instruments – object of the order;
4. the characteristics of the places for execution where the order shall be directed for execution.

(2) The investment intermediary is deemed to have fulfilled its obligation to act in the best interest of its clients if it has executed the order or a specific aspect thereof following special instructions of the client.

Art.20. (1) The investment intermediary shall not be entitled to execute a client's order or a transaction on its own account or to pool these with orders of other clients unless the following conditions have been met:

1. the pooling of orders and transactions is not harmful to any of the clients whose orders are being pooled;
2. the investment intermediary has clarified to each and every client whose orders are being pooled that the pooling might be harmful to the client with respect to the specific order;
3. the investment intermediary has adopted and efficiently applies a separation of orders policy which contains terms that are detailed and clear enough in order to ensure the fair separation of the pooled orders and transactions and instructions on the correlation between volume and price of the orders on one hand and their separation and settlement in the case of partial execution, on the other.

(2) On the occasions when the investment intermediary has pooled a client's order with one or more than one order of other clients and the orders so pooled have been executed only partially the investment

intermediary shall distribute the related transactions resulting from execution of the order in line with its separation of clients' orders.

(3) An investment intermediary who has pooled a transaction executed on its own account with one or more orders of clients shall not be entitled to separate the executed transactions in a manner which could be harmful to the client.

(4) The investment intermediary shall apply a procedure for secondary redistribution of transactions on own account executed together with clients' orders whenever this is harmful to the client. The procedure as per the previous sentence is a part of the separation of clients' orders under par.1, item 3.

(5) In the cases when the investment intermediary united a client's order with a transaction on its own account and the order so united was executed only partially the investment intermediary shall distribute the transactions on clients' account first. If the investment intermediary can substantiate that having failed to do that the client's order could not have been executed under such conditions favorable to the client or could not have been executed at all, it may distribute the transaction on a pro rata basis between itself and the client in accordance with its policy under par. 2.

Art.21. (1) The investment intermediary shall not be entitled to execute a client's order unless the client, or respectively its representative has refused to submit the declaration under art. 12, par. 5 above or has declared that possesses insider information or that the transaction – object of the order constitutes a disguised purchase or sale of financial instruments. The refusal to submit a declaration as per the previous sentence shall be documented and signed by the client.

(2) The investment intermediary is not entitled to execute an order if it is declared or established that the financial instruments – object of the order for sale are not in the client's account or have been blocked in the depository institution or are the object of a pledge or restraint order.

(3) The prohibition under par. 2 with respect to financial instruments which are the object of a pledge shall not apply in the following cases:

1. the acquirer has been duly notified for the pledge and has expressed its personal consent to acquire the financial instruments – object of the pledge and there is an explicit consent of the creditor of the pledge in the occasions under the Special Pledges Act;

2. the pledge has been established for a group of pledged assets as per the Special Pledges Act.

(4) The prohibition under par. 2 with respect to an order for sale of financial instruments which are not yet in the account of the client shall not apply in the occasions listed in an ordinance.

(5) The investment intermediary shall not be entitled to execute a client's order for a transaction in financial instruments if this may lead to a breach of the Market in Financial Instruments Act, the Special Purpose Vehicles Act or other applicable legislation. The client shall be bound to notify the investment intermediary of all circumstances with respect to its order which are known to the client or which the client ought to have known and which are relevant in the light of the requirement as per the previous sentence. It is presumed that the client is well acquainted with all relevant laws. In case the client has failed to notify the investment intermediary of any such circumstance and the latter has executed its order in breach of this provision then the investment intermediary shall be entitled to be reimbursed for all damages incurred, if any, by the client.

Art.22 (1) The investment intermediary shall require from each client who is filing an order for purchase of financial instruments to pay the funds necessary for payment as per the transaction – object of the order to upon filing of the order unless the client proves that they are able to fulfill their obligation before the value date in a manner described in the agreement with the client and in other cases provided in an ordinance.

(2) If the rules at the place of execution where the transaction is taking place allow for the execution of a transaction where the payment for the financial instruments is not effected simultaneously with their transfer the investment intermediary may require payment from the buyer within different time periods subject to the explicit written consent of the seller.

FOURTH DIVISION

IV. RULES APPLICABLE TO THE ASSET MANAGEMENT AGREEMENTS

Art. 23. (1) With the asset management agreement the client shall assign the investment intermediary with the management of an investment portfolio which shall be effected at the discretion of the investment intermediary for each particular client and investment portfolio. The investment portfolio shall include one or more financial instruments.

(2) The agreement as per the previous paragraph shall be in writing. The investment goals and the client's strategy shall be defined therein as well as the types of transactions which the investment intermediary shall be entitled to execute and the financial instruments that shall be acquired on the client's account.

(3) Subject to the lack of a provision to the contrary in the respective agreement the investment intermediary is entitled to execute all transactions which are allowed for by its object of activity and to acquire all financial instruments which are offered at the market.

Art.24. (1) On the occasions when the investment intermediary manages individual client's portfolio the intermediary shall apply an appropriate method for evaluation and comparison as a widely accepted benchmark dependant on the investment goals of the client and the types of financial instruments included in the client's portfolio in a manner so that the client who has chosen this service shall be able to estimate its performance by the investment intermediary.

(2) On the occasions when the investment intermediary offers to a retail client or a potential such client the portfolio management service the intermediary shall furnish to the client along with the information as per annex No.2 to these general terms the following information when applicable:

1. information with respect to the method and regularity of evaluation of the financial instruments in the client's portfolio;
2. information for each delegation of management of all or part of the financial instruments and/or funds in the client's portfolio;
3. characteristics and information for each benchmark with which the results from the portfolio management shall be compared;
4. the types of financial instruments which could be included in the client's portfolio and the types of transactions which could be executed with them and all limitations thereof inclusive;
5. the management goals, the risk levels which the portfolio manager shall be allowed to tolerate and all specific limitations of the manager's estimation.

Чл.25. Инвестиционният консултант, с който инвестиционният посредник има сключен договор, взема решенията по управлението на портфейлите на клиентите, сключили договори по чл.24.

Art.26. The following methods for evaluation of the financial instruments in the client's portfolio shall be used:

(1) The market price method:

1. Market price of the financial instruments:

1.1. The weighted average price of the transactions executed on the stock exchange for the last day of the preceding 30 days period when those financial instruments were traded in a sufficiently large volume;

1.1.1. The market price of the financial instruments shall be defined as follows:

a/ for financial instruments which are traded on the stock exchange – with the bulletin of the stock exchange or other official information dispersed by the stock exchange.

b/ The investment intermediary shall calculate the market price based on official information of the stock exchange.

1.1.2. The last 30 days' period shall mean any period with such length preceding the date of the report executed in accordance with these general terms. If in the said period no transaction in a sufficiently large volume was not executed with the respective financial instruments then the said financial instruments have no market price within the meaning of item 1.1. herein.

1.1.3. "Sufficiently large volume" shall mean the amount of financial instruments traded on the stock exchange if it is not smaller than the amount of the same financial instruments in the client's portfolio.

1.1.4. The "average price" as per item 1.1. shall be calculated by the investment intermediary as follows:

a) the quantity of the financial instruments of a certain issue in the client's portfolio shall be calculated as at the day of execution of the report. This quantity shall be sufficiently large volume for these financial instruments;

b) it shall be established during which days from the 30-days period preceding the day of execution of the report transactions with the financial instruments from this issue were executed on the stock exchange in a sufficiently large volume;

c) the transactions executed during the last day of the days during the period under "b" shall be the object of the calculation;

d) the total amount of the executed transactions with financial instruments of the respective issue during the given day shall be divided with the total amount of traded financial instruments. The resulting

quotient is the market price per financial instrument in the meaning of item 1.1 herein for the respective issue financial instruments valid for the day of calculation.

1.2. If item 1.1. can not be applied – the "ask" price quoted constantly for them on the condition that there is a sufficient amount of certainty for the respective financial instruments to be sold by the investment intermediary at that price.

1.2.1. For financial instruments which are traded over the counter and for which there is no market price as per item 1.1. – market price shall be equal to the weighted average resulting of the quotes (prices) on the over the counter market of financial instruments of the respective issue which price has been quoted at least once a week during the last 30 days period preceding the date of execution of the report hereunder in the electronic trade system or the mass media which shall be documented in writing for the record of the investment intermediary;

1.2.2. The "ask" price (quote) under item 1.2.1. shall be referred to a certain announced amount of financial instruments which is not less than those in the client's portfolio as at the date of calculation of the market price;

1.2.3. If during the 30 – days period under item 1.2.1. no business day has occurred during which trading with financial instruments of the respective issue in volume equal or larger than the volume in the client's portfolio took place it shall be deemed that these financial instruments have no market price in the meaning of item 1.2. herein.

1.2.4. The average price of the "ask" prices meeting the requirements of item 1.2.2. and excluding the occasions under item 1.2.2 shall be of deemed as market price.

(2) Closing prices method

The method is used for financial instruments traded on the stock exchange.

"Closing price" shall be the price at which the last transaction in financial instruments of the respective issue was executed on the stock exchange where the respective issue is traded before the execution of the portfolio management report as per the general terms.

The "closing price" of financial instruments shall be verified as follows:

a) with the bulletin of the stock exchange or other official information issued by the stock exchange.

b) The investment intermediary shall calculate the closing price based on the official information of the stock exchange.

(3) Other methods for evaluation of financial instruments in the client's portfolio may be defined or specified in details in the agreement on management of an individual portfolio of financial instruments in accordance with the special instructions, needs and investment goals of the client.

Art.27. The other sections of these general terms shall be applied to the management of financial instruments portfolio agreements inasmuch as they do not contravene directly or indirectly the provisions of this section.

FIFTH DIVISION

V. RULES APPLICABLE TO THE REGISTRATION AGENCY ACTIVITY

Art.28. (1) The investment intermediary shall carry out activity of a registration agent, where, on the basis of a written agreement with the client, it files with the relevant depository institutions data and documents for registration of:

1. transactions with financial instruments, preliminarily concluded directly between the parties;

2. transfer of dematerialized financial instruments in case of donation and succession;

3. change in data about the owners of dematerialized financial instruments, correction of wrong data, issue of duplicates of certification documents and other actions, provided for in the Rules of the relevant depository institution.

(2) In the cases under Para. 1 the persons, or their proxies, shall sign the required documents in the presence of a person under Art. 3, after their identity is checked.

(3) A person from the internal control department with the investment intermediary shall check whether the contract under Para. 1 complies with the provisions of the MiFIA, its implementing instruments and with the investment intermediary's internal acts. In such case the person from the internal control department shall draw up by the end of the business day a document, whereby he/she shall verify the conducting of the check.

(4) A copy of the ID documents of the persons, or their proxies, certified by them and by the person under Art. 3 of these general conditions, and in the cases under Para. 1, item 1 - a written statement by the parties to the transaction, or their proxies, that they do not execute and have not executed by occupation transactions with financial instruments in one-year period prior to the conclusion of the agreement, and declaration under Art. 12, Para. 5 above, shall remain in the investment intermediary's records.

Art.29. The transferor and the acquirer of financial instruments in the cases may be represented before the investment intermediary, which pursues the business of a registration agent, by persons expressly authorized by a notarially attested power of attorney while complying with the requirements under Art. 4, Para. 1 of these general conditions.

Art.30. The investment intermediary, carrying out the activity of a registration agent, shall refuse to sign an agreement with the client and to accept documents for making registrations, if:

1. not all required data and documents are available, the submitted documents contain apparent irregularities or there are inaccuracies and discrepancies in the data;
2. a party to the transaction has declared that it possesses inside information about the financial instruments – subject of the transaction, if they are traded on a regulated market or about their issuer;
3. a circumstance exists which arouses suspicion of undue identification or representation;
4. a party to the transaction, or its proxy, declares the carrying out by occupation of transactions with financial instruments in the cases under Art. 28, Para. 1, item 1;
5. a party to the transaction, or its proxy, declares that the transaction represents a concealed purchase or sale of financial instruments.

Art.31. On seller's request and with buyer's agreement, in case of sale trade of dematerialized financial instruments in the conditions of registration agency the amount representing the sell price of the transaction shall be deposited with the investment intermediary – registration agent, until the transaction's registration at the Central Depository. The investment intermediary shall inform the parties to the transaction of that possibility.

Art.32. When the investment intermediary acts only as registration agent its obligations to the client finish with the observation of the applicable legal requirements (the provisions of fifth division of the general conditions) and careful verification of the documents in accordance with the described above.

SIXTH DIVISION

VI. RULES FOR TERMINATION OF THE AGREEMENTS

Art. 33. Except in the cases provided in the particular agreement, the latter may be terminated in the presence of some of the following circumstances:

1. upon achieved mutual agreement for that by both parties in written form;
2. by any of the parties in case of opening an insolvency procedure of the other party;
3. in case of death of the natural person if the latter is a party to the agreement;
4. by the non – defaulting party with written notice in case that the other party does not fulfill its obligation under the agreement in 30-days term as of the explicit request for fulfillment;
5. in case of the withdrawal of the license of the investment intermediary for execution of this type of activity.
6. giving one month notice in written to the other party

Art. 34. With respect to the order for termination of the agreements the general provisions of the Obligations and contracts act shall also apply respectively.

SEVENTH DIVISION

VII. IMPOSSIBILITY

Art.35. If the performance of a particular transaction become impossible, the client shall pay to the investment intermediary the expenses made by the latter and remuneration for the performed activity.

EIGHT DIVISION

VIII. RISK AND RESPONSIBILITIES

Art.36. (1) In his/her capacity of a party under the agreement the client takes intentionally and in full amount the risk connected with the execution of the financial instruments delivered by it/him/her.

(2) The Investment intermediary shall notify explicitly the client for the existence of this risk, its potential source and the possibility for the client to suffer loss as a result of this. In pursuance of this obligation of the Investment intermediary and right of information of the client the latter signs a declaration declaring that he/she/it is informed about the existence of such risk.

Art.37. (1) If the Investment intermediary assigns another party with concluding or executing of the assigned transaction with financial instruments without having such right for substitution the Investment intermediary shall be responsible for the actions of the other person as if they are its own.

(2) If the Investment intermediary assigns another party with concluding or executing of the assigned transaction with financial instruments and if it has such right for substitution the Investment intermediary shall be responsible for the damages done in relation with the non-accurate choice of its proxy.

Art.38 The Investment intermediary has the right enter into agreements with its own if the client has agreed with this explicitly.

Art.39. (1) In case of guilty default in performance the defaulting party owns penalty in the amount specified in the respective agreement.

(2) In case of delay the defaulting party owns penalty in the amount specified in the respective agreement.

(3) The penalties specified in the previous two paragraphs do not collide with the opportunity for demanding a compensation for really suffered damages and lost profits which exceed the amount of the penalty.

NINTH DIVISION

IX. AVERTING MONEY LAUNDERING

Art.40. The Investment intermediary shall decline or stop the execution of a transaction including unilaterally terminate the agreement with a client if money laundering is determined (as a fact or doubt for money laundering occurs in the meaning of Art.2 of Measures Against Money Laundering Act) for which the respective bodies shall be informed immediately. In this case the Investment intermediary is not responsible for damages caused by the delay or non-execution of the transaction.

TRANSITIONAL AND FINAL PROVISIONS

§1. "Durable medium" in the meaning of these general conditions and all internal documents or documents submitted by the investment intermediary to clients means instrument for submitting information to a client which enables a client to store this information addressed personally to that client in a way accessible for future reference for a period of time adequate for the purposes of the information provision and which allows the unchanged reproduction of the information stored. A file sent as an attachment by an E-mail to a client shall be deemed to satisfy the requirements of the durable medium under the condition that:

- (a) the client has submitted his E-mail with signing the agreement;
- (b) the files which are submitted allow to be copied;
- (B) the files which are submitted can not be changed.

§2. The amendment of these general conditions shall be done unilaterally by the investment intermediary and shall be in force ex tunc as of the moment of their approving of the The Deputy Chairman in charge of Investment Activity Supervision Division with Financial supervision commission.

§3. The amendment of the general conditions and of the tariff for services offered by the Investment intermediary shall be in force for the counter party after it has been informed about them. If a client has not accepted the amendment the last general conditions accepted by it/him/her shall be applicable with exception of those provisions which contradict with the imperative legal regulations in force.

§4. All disputes between the investment intermediary and its clients regarding the concluding, execution, the validity and the termination of the agreements between them shall be settled through negotiations and friendly agreements. If a common decision is not reached the respective dispute shall be decided by the Arbitration court with the "Bulgarian Stock Exchange – Sofia" AD where the investment intermediary is a member in a session of the court with three members chosen in respect with the Regulations of this court. The place of the arbitration will be the seat of the arbitration court. For all other disputes which are not settled the legislation in force shall be applicable.

§5. Attachment No.1 is not a part of the General conditions and amendment of the specific data and information included therein shall not be considered as a change in the General conditions. The provisions of Attachment no.1 are compulsory for the Investment intermediary and for the client who/which has signed it.

These General conditions are adopted by the General meeting of the shareholders held on November 01, 2007.