

GENERAL CONDITIONS APPLICABLE TO CONTRACTS FOR PROVISION OF INTERMEDIATION SERVICES

in effect as from 21.08.2012

1. GENERAL CONDITIONS

1.1. Scope

Art.1. These General Conditions shall regulate the rights and obligations of investment firm BULBROKERS EAD (hereinafter referred to as the „investment firm“) and the clients thereof in relation to the services and activities under art.5, par.2 and 3 of the Markets in Financial Instruments Act (MFIA) provided by the investment firm and also services and activities in connection with the conclusion of transactions in foreign exchange, pursuant to the license held by the investment firm.

1.2. Data for the Investment Firm

Art.2. (1). The name under which the investment firm shall perform activity is „БУЛБРОКЪРС“ ЕАД, written in English „Bulbrokers“ EAD.

(2). Investment firm BULBROKERS EAD is a single-member joint-stock company, having its seat in the city of Sofia and registered address the region of Sredets, 1504, 7 Sheynovo str., telephone: + 359 2 4893 712 and + 359 2 4893 753, fax: (02) 9423 120, web address www.bulbrokers.com, email: office@bulbrokers.com and sales@bulbrokers.com.

(3). BULBROKERS is registered in the Commercial Register kept by the Registry Agency under number 115152520.

(4). The investment firm has the following subject of activity:

1. Investment Services and Activities:

- acceptance and forwarding of orders in relation to securities, including intermediation for the conclusion of transactions in relation to securities;
- execution of orders for purchase or sale of securities on account of clients;
- securities transactions at the Company's own expense;
- management of individual portfolio including securities, at the Company's own discretion, without special client's orders, in accordance with an agreement made with a client;
- provision of individual investment consultations to a client at the Company's own initiative, or upon a client's request, with regard to one or more transactions related to securities;
- subscription of issues of securities and/or offering for initial sale of securities under the terms of unconditional and irrevocable obligation for subscription/acquisition of the securities on the Company's own account;
- offering for initial sale of securities without unconditional and irrevocable obligation for acquisition of the securities on the Company's own account.

2. Ancillary Services:

- keeping and administration of securities at the clients' expense, including trustees' activity (keeping of clients' securities and cash at a depository institution) and the services related thereto, such as management of the

received cash/granted guarantees;

- granting of loans for the performance of securities transactions, provided that the lender participates in the transaction under conditions and procedure determined by an ordinance;

- provision of consultations to companies with regard to the capital structure, industrial strategy and issues related thereto, as well as consultations and services related to mergers and acquisitions of enterprises;

- provision of services related to foreign payment instruments, as long as they are related to the provided investment services;

- investment surveys and financial analyses or other forms of general recommendations related to securities transactions;

- services related to the activity of subscription of issues of securities and/or offering for initial sale of securities under the conditions of unconditional and irrevocable obligation for subscription/acquisition of the securities on the Company's own account and related to offering for initial sale of securities without an unconditional and irrevocable obligation for acquisition of the securities on the Company's own account;

- under Art. 5 para 2 and item 1 – 6 related to the underlying of the derivative financial instruments under Art. 3 item 2 letter "d", "e", "f", and "i" – where these are connected to the provision of services under item 1 – 6 and under para 2.

3. carrying out transactions with foreign means of payment, based on a valid authorization under the conditions and the procedure of the acting legislation.

(5). The investment firm received a **license N RG-03-009/14.07.2008** of the Financial Supervision Commission for performance of an activity as such on the territory of the European Union and European Economic Area and on the territory of third countries BULBROKERS is registered in the register of investment intermediaries kept by the Financial Supervision Commission under № PF-03-09.

(6). BULBROKERS received a **certificate № BGR00173**, issued by the Bulgarian National Bank, stating that the company is registered as a financial institution in the register under Art. 3, para. 2 of the Law on Credit Institutions.

(7). BULBROKERS received a **certificate № 0022683** issued by the Commission for Personal Data Protection, stating that it is entered in the register of data controllers and registers kept by them.

(8). The supervision over the activity of BULBROKERS, in its capacity of investment firm, shall be carried out by the Financial Supervision Commission (FSC), having its seat and registered address: the city of Sofia, 33 Shar Planina str.

(9). BULBROKERS is a member of Bulgarian Stock Exchange – Sofia AD and member of Central Depository AD.

1.3. Provided services

Art.3. (1). BULBROKERS establishes these General Conditions for the provision of the following services and activities pursuant to art.5, par. 2 and 3 of the Markets on Financial Instruments Act for clients:

1. Investment Services and Activities: (1) acceptance and forwarding of orders in relation to one or more financial instruments, including intermediation for the conclusion of transactions with financial instruments; (2) execution of

orders on account of clients.

2. Ancillary Services: (1) keeping and administration of financial instruments at the clients' expense, including trustees' activity (keeping of clients' financial instruments and cash at a depository institution) and the services related thereto, such as management of the received cash/granted guarantees; (2) granting of loans for the performance of transactions with one or more financial instruments, provided that the lender participates in the transaction under conditions and procedure determined by an ordinance; (3) provision of consultations to companies with regard to the capital structure, industrial strategy and issues related thereto, as well as consultations and services related to mergers and acquisitions of enterprises; (4) investment surveys and financial analyses or other forms of general recommendations related to transactions with financial instruments.

(2). Financial instruments – subject of services under par.1, may be securities and instruments, other than securities as determined in art.3 of the Markets in Financial Instruments Act.

(3). These General Conditions shall be accordingly applied upon provision by BULBROKERS EAD of services under par. 1, related to compensatory instruments within the meaning of the Transactions with Compensatory Instruments Act.

(4). In the performance of the investment services and activities under item 1, suggestion (2) on account of the client, including upon their performance by compensatory instruments pursuant to par.2, BULBROKERS may enter into transactions on its own account as a counterparty of the client or enter into transactions in pursuance of orders or upon portfolio management on account of another client as a client's counterparty.

(5). The right under par.4 shall not apply, if the exercising thereof contradicts to the Markets in Financial Instruments Act, the acts related to its implementation, the rules on the place of execution or would be more disadvantageous for the client compared to other means of execution of the order.

(6). BULBROKERS EAD shall provide investment consultations to a client or manage a portfolio only if there is a concluded contract with an investment consultant.

1.4. Client

Art.4. (1). Client shall be a natural person or legal entity using the services under art.3, provided by BULBROKERS.

(2). The clients of the investment firm shall be determined as non-professional clients, professional clients or eligible counterparties on the grounds of conditions and criteria set forth in the Rules for Clients Categorization.

2. CONTRACT

2.1. Contractual Basis

Art.5. BULBROKERS shall provide services under art.3 on account of the client on the grounds of a written contract, entered into with it (the Contract).

2.2. Representation and Identification

Art.6. (1). The client may enter into the contract under art.5 in person or by

the client's legal representative or proxy.

(2). Upon entry into of the Contract through a legal representative the latter shall present documents certifying the presence of representative authority for performance of management acts or acts of disposal with financial instruments for the client. BULBROKERS shall keep in its records copies of the documents under the previous sentence certified by the representative by "this is a true copy of the original", date and signature.

(3). Entry into of the Contract by a proxy shall only be admissible, if notarized power of attorney is presented containing representative authority for performance of management acts or acts of disposal with financial instruments and a declaration from the proxy that the proxy does not perform by occupation transactions with financial instruments, as well as that it has not performed such transactions for a period of one year prior to the entry of the Contract. The investment firm shall retain in its records the declaration and the original power of attorney under the previous sentence, respectively a notarized copy thereof. If such power of attorney has a repetitive operation, BULBROKERS shall retain a copy thereof certified by the proxy and by a person from the internal control department.

2.3. Authorised Persons and Entering into Contract

Art.7. (1). The investment firm shall enter into the Contract only by natural persons working under a contract for the investment firm and who are: (1) brokers, (2) employees of the department "Client service", (3) executive members of the Board of Directors or procurators of the investment firm.

(2). The Client, respectively the client's representative, shall sign the Contract in the presence of a person under par.1, after the identity of the client or the client's representative is verified, as well as the presence of representative authority for the client upon entry into of the contract by a representative.

(3). BULBROKERS shall enter into contracts under art.5 only on a registered address, in a branch or office registered in the investment firm register kept by the Financial Supervision Commission.

(4). The Contract under Art. 5 may be concluded **by exchange of electronic messages** signed with qualified electronic signature. The Client or his representative shall send to BULBROKERS a copy of his identity card or for the clients - legal entities - a copy of documents for commercial registration containing information on the formation and representation of the company, signed pursuant the previous sentence.

(5). The Contract under Art. 5 may be concluded remotely by exchange of necessary documents which are signed by the parties, if the client holds a bank account opened in the credit institution that meets the requirements of Para 6 below. The Client or his representative shall send to BULBROKERS: the signed contract, an original document issued by the credit institution states that the client holds a bank account, certified copy of his identity or for the clients - legal entities - a certified copy of business registration documents containing information on the formation and representation.

BULBROKERS not conclude contracts with the default proxy.

(6). The bank account under par. 5 shall be opened in a credit institution having its seat in a State - State of the European Union or in a country - party to the European Economic Area Agreement or in the United States or Switzerland. The bank account under par. 5 may be opened in a branch of a credit institution with seat in another state, if that branch is found in any of the

countries mentioned above and the credit institution, respectively the branch where the account is opened, comply with the EU requirements for clients identification.

Remittances made by the client in connection with obtaining and providing investment and ancillary services under a contract concluded remotely shall be made only to and from the bank account referred to in the preceding sentence.

(7). The contract under Art. 5 may be concluded remotely through the exchange of the necessary documents signed by and between the parties, if the client is set his hand before a notary, stating that fact.

The client may provide remotely all the necessary information under the Ordinance 38 and the information needed for assessing appropriate service by signing the documents before a notary.

The Client or his representative shall send to BULBROKERS the signed contract certified by a notary, certified copy of client`s identification card (passport) and for the clients - legal entities - a certified copy of business registration documents containing information on the formation and representation. The certification of the client`s identification card (passport) and documents for the business registration is done by putting the text „True to the original“, dated and client`s signature.

2.4. Applicability of the General Conditions

Art.8. (1). BULBROKERS shall enter into the Contracts with its clients subject to these General Conditions.

(2). The contracts may contain additional clauses or separate clauses deviating from the general conditions, only if they do not conflict with imperative provisions of the law.

(3). Upon inclusion in the Contract of such clauses as specified in par.2, in the relations between BULBROKERS and the client under this contract these clauses shall apply rather than the clauses of the general conditions that are in conflict with them.

2.5. Information in Relation to the Contract

Art.9. (1). Prior to the entry into of a Contract with a client, BULBROKERS shall submit to such client information for the principal rights and obligations of the client and the investment firm, information for the conditions of the Contract that shall be entered into, as well as the other information set forth in the law, through the submission of the following documents: (1) The General Conditions; (2.) Draft of the Contract that shall be entered into; (3) The Client Categorization Rules; (4) information about the Policy for Execution of Orders; (5) information about the Policy for Treatment of a Conflict of Interests; (6) The Tariff of the investment firm.

(2). Upon request on the part of the client, BULBROKERS shall provide the client with additional information and explanations for the documents under the previous paragraph.

2.6. Contents of the Contract

Art.10. (1). In the contract with the client the following data shall be entered,

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phone: +359 2/4893 650
fax: +359 2/4893 697

as a minimum: • identification of the client/ client's representative; • identification of the person representing the investment firm, and the capacity that he/she acts in; • date and place of conclusion; • the investment and additional services provided under the contract and the financial instruments – subject of these services; • the principal rights and obligations of the investment firm and the client.

(2). By the signing of the Contract the client (the client's representative) agrees with the applicability of the general conditions, the tariff and the Policy for Execution of Orders to the contractual relations between the investment firm and the client. The contract shall also determine all other conditions and terms as additional clauses or clauses deviating from the general conditions may be included.

(3). By the signing of the Contract, BULBROKERS informs the client and the client agrees with the following: (1) BULBROKERS shall keep in written and electronic form the client's personal data and shall process them for the purposes of the Contract and the performance thereof upon provision of the services – subject of the contract, preparation and keeping of documentation, accounting and other obligations of the investment firm related to the performance of the contract and established in the contract or in the law; (2) BULBROKERS shall submit the client's personal data only to authorities and persons authorised pursuant to the law, including the Financial Supervision Commission, the Deputy-Chairperson of the Financial Supervision Commission, authorised officials from the Financial Supervision Commission; (3) the client shall be entitled to right of access and of adjustment of the client's personal data collected by BULBROKERS in the manners established by the investment firm.

(4). The Client shall be bound to immediately notify the investment firm of all changes related to the Client's legal status and to the persons having representative authority in respect of the Client, providing the investment firm with all documents related to such change. BULBROKERS shall not be liable for acts undertaken prior to the notice under the previous sentence in pursuance of orders validly placed in accordance with the information presently available to the investment firm.

2.7. Contract for Remote Provision of Financial Services

Art.11. (1). Upon a conclusion of a Contract for remote provision of financial services within the meaning of the Remote Provision of Financial Services Act or upon initiation of negotiations for conclusion of such a contract, the respective provisions of the Remote Provision of Financial Services Act shall apply to it.

(2). A nonresident client who intend to enter into transactions with foreign exchange can sign the contract and send a scan copy within the other supporting documents via email.

2.8. Client Categorization

Art.12. (1). Upon conclusion of the Contract, BULBROKERS shall require from its clients information pursuant to the Rules for Client Categorization of the investment firm, on the grounds of which it shall determine each single client as non-professional, professional or eligible counterparty on the grounds of the criteria established in the Rules for Client Categorization in accordance with the Markets in Financial Instruments Act.

(2). A client determined as a non-professional client pursuant to the information provided by such client under par.1 may request to be re-

categorized as a professional client in general or in relation to certain investment services and transactions or to certain type of transactions or investment product upon observance of the respective conditions and procedure, set forth in the Rules for Client Categorization in compliance with section II of the appendix to the Markets in Financial Instruments Act. In the case under the preceding sentence this client shall not be subject to the rules ensuring higher degree of protection for non-professional clients, only if, on the grounds of the experience, skills and knowledge of the client the investment firm may reasonably judge that having in mind the nature of the transactions and services – subject of the contract that the client intends to enter into or use, the client may adopt self-dependant investment decisions and assess the risk related thereto.

(3). A Client determined as a professional client pursuant to par.2 shall be bound to notify the investment firm of any change in the data that served as a ground for the performance of the client's re-categorization under par.2. In case that the investment firm establishes on the grounds of the notice under the preceding sentence or otherwise upon performance of activity on account of this client that the latter no longer meets the conditions for the determination thereof as a professional client, the investment firm shall start applying to the client the rules ensuring the higher degree of protection for non-professional clients.

(4). A client determined as a professional client pursuant to par.1, may request to be re-categorized as a non-professional client. In the case under the previous sentence BULBROKERS shall apply in respect of specific services, activities, transactions, financial instruments or other financial products explicitly specified in a written agreement with the client the rules ensuring higher degree of protection for non-professional clients.

(5). A client determined as an eligible counterparty pursuant to par.1 may request not be treated as such, if the investment firm agrees. In the case under the previous sentence the client shall be treated as a professional client, unless the client explicitly requests to be treated as a non-professional client. When the client explicitly requests to be treated as a non-professional client, the second sentence of the previous paragraph shall apply to such client.

(6). Any change in the categorization pursuant to par.5 and 6, except upon request of the client, may also be carried out upon initiative of the investment firm.

2.9. Refusal to Enter into a Contract

Art.14. (1). BULBROKERS shall refuse to enter into the CONTRACT, if the client or a client's representative has not presented and has not signed all necessary documents, presented documents with obvious irregularities or the data therein are incomplete, contain inaccuracies or discrepancies, or there is another circumstance giving rise to doubts of improper identification or representation. Nor may the investment firm enter into a contract with a client if the counterparty is represented by a proxy, who declares performance by occupation of transactions with securities.

(2). BULBROKERS shall refuse to enter into the Contract, respectively to provide services under a concluded contract, if it would result in non-fulfillment of other requirements of the Markets in Financial Instruments Act, the Public Offering of Securities Act, the Measures against Money Laundering Act and the Measures against Financing of Terrorism Act and its implementing acts, including upon refusal of the client or client's representative to submit the personal data required pursuant to specified legal acts.

2.10. Amendment and Termination of the Contract

Art.14. (1). All amendments and supplementations to a specific contract entered into between BULBROKERS and its client may only be made by an additional written agreement and shall take effect as from the moment of signing thereof by the parties.

(2). BULBROKERS notifies the client of upcoming changes to these General conditions within a period not less than two weeks from the date on which the changes take effect via announcement to the designated areas in the offices of the investment firm and by posting the changes on the website of BULBROKERS. A hard copie of anticipated changes in the General conditions the client may receive at the offices of the firm upon request.

(3). If the client does not accept the changes in the General conditions, he has the right to terminate his contract immediately. BULBROKERS will assume that the client has accepted the changes in the General conditions, if he didn't notified that he does not accept them.

(4). A party to the contract may transfer such party's rights and obligations under the contract to a third party only with the explicit consent of the other party.

(5). The contractual relations shall be terminated:

1. by expiration of the terms of the specific contract;
2. earlier, by mutual consent of the parties expressed in writing;
3. unilaterally, by either party by a 30-day written prior notice to the other party, unless the contract provides for other term of the prior notice;
4. upon death or putting under judicial disability of a client who is a natural person;
5. upon dissolution of the legal entity of the client or of the investment firm;
6. upon opening of a bankruptcy procedure for a client that is a legal entity;
7. upon revocation of the license of the investment firm;
8. on other grounds provided for in the contract and in the law.

(6). In case of termination of the contract on the grounds of par.5, items 1 and 3 (by BULBROKERS) the client shall be bound within 3 days as from the occurrence of the ground for termination to specify another investment firm and/or depositary institution, where BULBROKERS shall transfer the client's financial instruments and cash kept by it, submitting to it the orders and other documents required for that purpose. After the expiration of the term under the previous sentence, BULBROKERS shall have the right to transfer the client's assets kept by it to a personal account of the latter in a depositary institution, unless the client has determined otherwise.

(7). In case of termination of the contract on the grounds of par.5, τ. 3 (by the client) the client shall be bound to specify another investment firm and/or depositary institution, where BULBROKERS shall transfer the client's financial instruments and cash kept by it, submitting to it the orders and other documents required for that purpose. Otherwise the declaration of intention for termination shall not take effect.

(8). Upon termination of the contract on a ground other than those specified

in par.6 and 7 that occurred in respect of the client, the client, respectively the client's legal successor shall be bound to specify another investment firm and/or depository institution, where BULBROKERS shall transfer the client's financial instruments and cash kept by it, submitting to it the orders and other documents required for that purpose, together with the notice of the occurrence of the ground for termination. Otherwise BULBROKERS shall have the right to transfer the client's assets kept by it to a personal account of the latter in a depository institution. The preceding sentences shall not apply, if BULBROKERS enters into a Contract with the client's legal successor for provision of services the subject-matter whereof is the financial instruments owned by the client.

(9). The non-defaulting party shall have the right to rescind the contract due to non-fulfillment of the obligations of the other party, for which the latter shall bear liability after expiration of a term for fulfillment by the defaulting party, determined by the non-defaulting party by a written prior notice for rescission. Within 3 days from the rescission of the contract the client shall be bound to specify another investment firm and/or depository institution, where BULBROKERS shall transfer the client's financial instruments and cash kept by it, submitting to it the orders and other documents required for that purpose, together with the notice of the occurrence of the ground for termination.

(10). Within the terms and under the conditions under the previous paragraphs the client shall be bound to pay to BULBROKERS all fees, commissions and other expenses accrued by or undertaken by the investment firm until the date of termination of the contract or as a result from the termination.

3. FULFILLMENT OF THE CONTRACTUAL OBLIGATIONS. RIGHTS AND OBLIGATIONS

3.1. General Provisions

3.1.1. Due Diligence

Art.16. (1). In the performance of investment services and the services in conformity with the license issued to it, BULBROKERS shall be bound to act honestly, fairly, in a professional manner in compliance with the best interests of its clients.

(2). BULBROKERS shall treat its clients equally:

(3). BULBROKERS shall be bound to fulfill its obligations under the Contract in compliance with the clauses of the Contract and the additional client's instructions, if they are in compliance with the law, the general conditions and the contract and are clear, accurate and exhaustive.

3.1.2. Authorization, Re-Authorisation and Replacement

Art.16. (1). BULBROKERS shall be bound to fulfill its obligations under the Contract in person.

(2). BULBROKERS may appoint the provision of a certain service to another person, to authorise, re-authorise or be replaced by another person, only in the presence of the following conditions precedent: (1) the other person is a licensed investment firm, with whom BULBROKERS entered into a contract upon observance of the requirements of chapter five of Ordinance № 38; (2) the client authorised BULBROKERS for authorization, re-authorization or replacement with another person.

(3). An exception from the requirement under par.2, item 2 shall only be

allowed in the cases, when it is necessary for protection of the client's interest. BULBROKERS shall immediately notify the client in writing of the performed authorization, re-authorization or replacement, of the reasons for that and of the person that it authorised, re-authorised or with whom it replaced itself.

(4). In case that BULBROKERS authorised a third party in the absence of the prerequisites under par.2 and 3, it shall bear liability for the acts of such person as if these are acts of BULBROKERS. In the other cases BULBROKERS shall bear liability for the damages incurred by the client as a result from the third party's acts on the grounds of the bad choice of BULBROKERS.

3.1.3. Right of Strict Performance

Art.17. (1). The Client shall have the right to request strict performance of the contractual obligations on the part of BULBROKERS.

(2). The client shall have the right to give additional instructions in relation to the performance of the Contract in compliance with the law, these general conditions and the stipulations of the Contract. The instructions given by the client to BULBROKERS about the performance of the contract entered into between them must be clear, accurate and exhaustive.

3.1.4. Assessment for Proper Service

Art.18. (1). In the provision of investment services, BULBROKERS shall be guided by the information received from the client on the grounds of which the investment firm shall judge whether the proposed investment service is appropriate for the client, establishing whether the client possesses the experience and knowledge needed to understand the risks related to this service.

(2). If BULBROKERS considers that the proposed investment service shall not be appropriate, it shall notify the client thereof in writing.

(3). In case that the client fails to submit the information for the client's experience and knowledge in the field of investment activity or the provided information is insufficient for the completion of the judgement, BULBROKERS shall be bound to notify the client in writing that it cannot judge whether the proposed investment service is appropriate for the client.

(4). Upon provision of investment services, BULBROKERS may assume that the professional client possesses the necessary experience and knowledge in order to understand the risks involved in the specific investment service, transaction or product, in respect of which the client is determined as a professional client.

(5). BULBROKERS shall be guided by the information submitted by its clients, unless it knows or should have known that such information is inaccurate, incomplete or out of date.

(6). The provisions of this articles shall not apply upon entry into of transactions with clients determined as eligible counterparties in the provision of investment services under art.5, par.2, items 1-3 of the Markets in Financial Instruments Act, in respect of the specific transactions or additional services directly related thereto.

3.1.5. Restrictions Applicable to the Investment Firm

Art.19. BULBROKERS may not:

1. perform transactions on account of clients in such volume or with such

frequency, at such prices and with such definite counterparty, in respect of which, dependant on the circumstances it may be assumed that they are performed exclusively in the interest of the investment firm. This prohibition shall not apply to transactions for the performance of which the client has given explicit instructions on the client's initiative.

2. buy on its own account financial instruments, for which a client of its has not placed an order to buy, and sell them to the client at a price exceeding the price at which it bought them. This prohibition shall also apply to the members of the Board of Directors of the investment firm, to the persons, who manage its activity, as well as to all persons working under a contract for it and to persons related to them;

3. perform on its own or somebody else's account acts involving client's cash and financial instruments, for which it is not authorised by the client;

4. sell on its own or somebody else's account financial instruments that the investment firm or its client does not possess, except under the conditions and procedure of an ordinance;

5. participate in the performance, including as a registration agent, of hidden purchases or sales of financial instruments;

6. receive a part of or all the benefit, if the investment firm entered into and performed the transaction at conditions that are more beneficial than the conditions established by the client;

7. perform activity in any other way that endangers the interests of its client or the stability of the market of financial instruments.

3.1.6. Restrictions in Relation to Remunerations

Art.20. BULBROKERS shall not have the right in relation to the provision of investment or additional services to a client to pay, respectively to provide and receive remuneration, commission or an in-kind benefit, other than:

1. remuneration, commission or an in-kind benefit, paid or given to the client or a representative thereof;

2. remuneration, commission or an in-kind benefit, paid or given by or to a third party or a representative thereof, if there are conditions set forth in the law;

3. incidental fees that ensure or are necessary in view of the provision of the investment services as expenses for trustee services, settlement and currency exchange fees, legal fees and public fees and which, in their essence do not bring about the occurrence of a conflict with the obligation of the investment firm to act honestly, fairly and as a professional in the best interest of the client.

3.1.7. Requirements Related to the Information Provided by BULBROKERS

Art.21. (1). The information that BULBROKERS provides to its clients must be comprehensible, true and clear and must not be misleading. BULBROKERS may not provide information under the previous sentence without its preliminary approval by a person from the internal control department.

(2). BULBROKERS shall promptly notify the client of any change in the information provided to the client.

3.1.8. Information for the Financial Instruments and the Risks Related to Them

Art.22. (1). BULBROKERS shall provide the client with a general description of the financial instruments, in relation to which it provides investment or additional services on account of the client and the risks related to them.

(2). When the financial instruments are subject of public offering, BULBROKERS shall inform the non-professional client where the prospect is available to the public.

3.1.9. Information for the Expenses and Fees

Art.23. BULBROKERS shall provide to its non-professional clients within an appropriate term prior to the provision of a respective investment or additional service information for the expenses and fees related to the transactions.

3.1.10. Conflict of Interests

Art.24. (1). Upon performance of investment services and activities, BULBROKERS shall undertake all necessary acts for establishment of the potential conflicts of interests between:

1. the investment firm, the members of its board of directors, all other persons, working under a contract with it and the persons related to it by control, on the one hand, and its clients, on the other hand; its separate clients.
2. its separate clients.

(2). In case that conflict of interests is established pursuant to par.1, BULBROKERS shall undertake all necessary acts to avoid it in accordance with the Policy for Treatment of a Conflict of Interests established in the Internal Rules.

(3). In case that, regardless of the application of the measures pursuant to par.2 there still exists a risk for the client's interests, BULBROKERS, prior to the performance of any activity on account of a client, in relation to which there is a conflict of interests that may not be avoided, shall submit to the client on a durable media under the procedure of art.65 information concerning the conflict of interests. The information must be conformed to the characteristics of the client and considering them it must be sufficient for the client to learn the source and the nature of the arisen conflict of interests and the potential consequences from it and based on it to make a decision about the investment or additional service, in relation to which this conflict occurred. BULBROKERS may not perform activity on account of a client, if BULBROKERS has not submitted to the client the information under this paragraph and the client has not decided to use the respective service on the grounds of this information.

3.1.11. Confidentiality

Art.25. (1). In the performance of its activity BULBROKERS shall be bound to keep the trade secret of its clients, as well as their commercial reputation.

(2). The members of the Board of Directors of BULBROKERS and the persons working under a contract for BULBROKERS may not disclose, unless authorised to do so, and use for their own or any other persons' benefit, facts and circumstances affecting the balances and the operations under the accounts for financial instruments and for cash of clients, as well as all other facts and circumstances representing trade secret that they learnt in the performance of

their official and professional obligations.

(3). Apart from the Financial Supervision Commission, the deputy-chairperson and authorised officers of the administration of the Financial Supervision Commission, or of the regulated market, of which it is a member, for the purpose of their control activity and within the order for inspection, BULBROKERS may give information under par.2 only:

1. with the consent of its client;
2. in accordance with a decision of the court issued under the conditions and procedure of art.35, par.6 and 7 of the Markets in Financial Instruments Act;
3. in the cases and under the conditions of art.35, par.8 and 9 of the Markets in Financial Instruments Act.

3.1.12. Additional Requirements

Art.26. Upon execution on account of a client of: acceptance, forwarding and execution of orders in relation to one or more financial instruments, including intermediation for entry into of transactions with financial instruments, as well as portfolio management, apart from the requirements of this section the provisions of the respective section, of this chapter, regulating the relations between BULBROKERS and client shall also apply in accordance with the nature of the service provided under the contract.

3.2. Execution of Orders

3.2.1. Form of and Method for Placement of an Order

Art.27. (1). For performance of transactions with financial instruments on account of a client, which are not in pursuance of a management contract, the clients of BULBROKERS shall place orders on the grounds of the concluded Contract (Orders).

- (2). The contents of the orders shall be set forth in the law.
- (3). BULBROKERS shall assign a unique serial number to each received Order.
- (4). The orders shall be placed in writing, except in the cases under par.5 and 7. In case of a placed written Order, the person accepting it shall write in it the assigned unique serial number. A placed written order shall be signed by the client, respectively by the client's representative. BULBROKERS gives the client a signed copy of the order.
- (5). The investment firm may accept orders for transactions with financial instruments and foreign exchange placed by telephone. In this case BULBROKERS is obliged to record the conversation with the client.
- (6). Paragraph 5 shall not apply to an order placed by a representative, who did not present in advance to BULBROKERS the documents under art.6, par.2-4.
- (7). BULBROKERS may accept clients' orders via an electronic trading systems guaranteeing the compliance with the legal requirements and ensuring access of the client to the determined place of execution. The access to the system under the previous sentence and the entry of orders by a client shall be carried out by an electronic certificate issued in the client's name.
- (8). In the presence of additional legal requirements concerning the procedure and form of clients' orders, other than those under the previous paragraph,

they shall apply upon placement of orders by clients.

3.2.2. Placement of an Order by a Proxy

Art.28. The placement of Orders by a proxy shall only be carried out if such proxy presents a notarized power of attorney conferring representative authority to perform acts of disposal with financial instruments and declaration under art.6, par.3 covering a period of one year prior to the placement of the order. Article 6, par.2-4 shall apply accordingly.

3.2.3. Authorised Persons and Place of Placement of an Order

Art.29. (1). BULBROKERS shall accept Orders filed in his office only via persons authorised for that purpose.

(2). Upon the acceptance of an order the person accepting it shall verify the identity of the client, respectively of the client's representative.

(3). BULBROKERS shall accept orders and related documents only on such registered address and in such branch or office that is registered in the register of investment intermediaries kept by the Financial Supervision Commission.

3.2.4. Refusal to Accept an Order

Art.30. BULBROKERS shall refuse to accept an order that does not meet the requirements set forth in the law.

3.2.5. Declarations and Documents Provided by the Client

Art.31. (1). Upon placement of an order BULBROKERS shall require from the client, respectively for the client's representative to declare whether:

1. the client, respectively for the client's representative possesses internal information for the financial instruments, to which the order refers and for their issuer, if the financial instruments, to which the order refers or on the grounds of which the financial instruments – subject of the order are issued, are traded on a regulated market;

2. the financial instruments – subject of a sell or replace order are blocked in a depository institution where they are kept, whether they are subject of an established pledge or imposed interdict;

3. the transaction – subject of the order represents a hidden purchase or sale of financial instruments;

(2). BULBROKERS shall check in the depository institution whether the financial instruments, to which the sell order refers, are available in the client's sub-account, whether they are blocked and whether they are subject of an established pledge or imposed interdict.

(3). In case that the order is placed via an electronic trading system, the inspection under par.2 shall not be carried out, if this system does not allow the entry into of transactions with blocked, interdicted or pledged financial instruments or with financial instruments that are not available in the respective account.

(4). Upon placement of a sell order, the client shall be bound to present regular title documents in respect of the financial instruments – subject of the sell order.

(5). The Client shall also be bound to submit to BULBROKERS any other documents and data that in the opinion of the investment firm are necessary for the execution of the order.

3.2.6. Refusal to Execute an Order

Art.32. (1). BULBROKERS shall refuse to execute a client's order, if the client, respectively the client's representative refuses to submit the declarations and documents. BULBROKERS shall refuse to execute a client's order, if the client declares that the transaction – subject of the order, constitutes a concealed purchase or sale of financial instruments. The refusal under the preceding sentences shall be certified by a separate document signed by the client.

(2). BULBROKERS shall refuse to execute an order, if it is declared or it is established that the financial instruments – subject of the sell order are not available to the client's account or are blocked in a depository institution, as well as if a pledge is established or a ban is imposed over them.

(3). The prohibition under par.2 in respect of pledged financial instruments shall not apply in the following cases:

1. the transferee is notified of the established pledge and expressed explicit consent to acquire the pledged financial instruments, there is an explicit consent of the pledge creditor in the cases provided for in the Special Pledges Act;

2. the pledge is established over an aggregate within the meaning of the Special Pledges Act.

(4). The prohibition under par.2 in respect of a sell order for financial instruments that are not available to a client's account shall not apply to such cases as determined by an Ordinance.

(5). BULBROKERS shall refuse to execute a client's order for transactions with financial instruments, if it would result in violation of the Markets in Financial Instruments Act, the Measures against Market Abuse of Financial Instruments Act, the Special Purpose Vehicles Act or other effective legal acts.

(6). Apart from the cases under the preceding paragraphs BULBROKERS shall refuse to execute a client's order, if such order is placed in violation of the contractual conditions.

(7). In all cases of refusal of BULBROKERS to execute an order under the preceding paragraphs, the investment firm shall, immediately upon establishment of the ground for refusal, notify the client of such refusal.

(8). BULBROKERS shall notify the Financial Supervision Commission upon the arising of a doubt that transactions performed by the client represent trade with internal information or manipulation of the market of financial instruments.

3.2.7. Additional Orders and Cancellation of an Order

Art.33. (1). The Client may place an additional order or cancel a placed order until entry into of a transaction in pursuance of the formerly placed order, at the latest.

(2). For the procedure and form for placement of additional orders and respectively for cancellation of placed orders the requirements of placements

of order shall apply.

(3). BULBROKERS shall be bound to accept the additional orders, respectively the orders for cancellation of placed orders that meet the requirements under par.1 and 2. BULBROKERS may refuse to accept additional order or cancellation order that complies with the preceding paragraphs, if execution has already started under the previously placed order and the subsequent order is incompliant with such execution.

(4). In case that BULBROKERS has started an execution under the order – subject of cancellation or change, by the moment of receipt of the additional order or the cancellation, except in the case under the second sentence of the previous paragraph, the client shall indemnify the investment firm for the expenses made for the execution and the damages incurred in relation to the execution of the order, the change or cancellation thereof, by paying also to the firm a remuneration corresponding to the undertaken acts of execution.

(5). The acts that BULBROKERS has undertaken on account of the client, in pursuance of the order – subject of cancellation or change, until the moment of receipt of the additional order or cancellation, shall be binding upon the client.

3.2.8. Fulfillment of the Obligation for Payment

Art.34. (1). A CLIENT placing an order for purchase of financial instruments shall be bound to supply to BULBROKERS the cash necessary for payment for the transaction – subject of the order or to certify otherwise that the CLIENT shall fulfill the CLIENT'S obligation to pay, upon placement of the order.

(2). If the rules of the place of execution, where the transaction shall be entered into allow entry into of a transaction, in respect of which the payment for the financial instruments is not carried out simultaneously with their transfer, the requirement for provision of funds under the previous paragraph shall not apply if there is an explicit written consent of the seller. This shall also apply accordingly to other transferring transactions with financial instruments.

(3). The requirements of par.1 shall not apply to other cases provided for in an ordinance, either.

3.2.9. Risk and Liability

Art.35. (1). The Client shall bear liability for the truth, regularity, authenticity and accuracy of the placed orders, the declarations and documents submitted to them, as well as for the existence and validity of the rights in the financial instruments provided by the Client. In case of damages incurred by BULBROKERS in relation to orders, declarations or other documents, for which the client bears liability pursuant to the previous sentence submitted by the client, the client shall be bound to indemnify the investment firm for the incurred damages.

(2). BULBROKERS shall bear liability for the accurate, lawful and good-faith execution of the orders placed by the client. BULBROKERS shall not be liable for the result achieved by the client in pursuance of the client's orders under the terms of observance of the requirements under the previous sentence, as the risk in this case shall be fully born by the client.

3.2.10. Obligations of the Investment Firm in Respect of Execution

Art.36. (1). BULBROKERS shall execute client's orders under the following

conditions:

- 1.** immediate and accurate registration and distribution of the orders for execution;
 - 2.** immediate execution of identical client's orders under the order of their receipt, except when the characteristics of the order or the prevailing market conditions make it impossible or the interests of the client require otherwise.
- (2).** BULBROKERS shall inform a non-professional client for the objective difficulties that have arisen obstructing the accurate execution of the orders immediately after becoming aware of them.
- (3).** In the cases, when BULBROKERS undertook an obligation to organize or see to the settlement of an order executed by it on account of a client, it shall perform the necessary acts in order to ensure that all client's financial instruments or cash received upon the settlement are transferred immediately and accurately to accounts of the respective client.
- (4).** BULBROKERS shall not have the right to abuse any information for outstanding client's orders and shall take all necessary measures for prevention of such abuse by any person working under a contract for the investment firm.

3.2.11. Obligation for Best Execution

Art.37. (1). BULBROKERS shall enter into transactions with financial instruments on account of clients under the best conditions and making efforts to achieve best execution in accordance with the order placed by the client in compliance with the Policy for Execution of Orders.

(2). BULBROKERS shall have fulfilled the obligation to execute the order in the best interest of the client, if BULBROKERS made reasonable efforts to establish the best price for the client in accordance with the conditions of the order, amount of the incomes, possibility of execution, as well as all other circumstances related to the execution of the order as the relative weight of these factors shall be determined in accordance with the following criteria:

- 1.** the client characteristics, including whether the client is determined as a professional or non-professional client;
- 2.** the characteristics of the client's order;
- 3.** the characteristics of the financial instruments, subject of the order;
- 4.** the characteristics of the places of execution, to which the order may be referred for execution.

(3). Upon execution of an order placed by a non-professional client, the best execution of the order shall be determined by the total value of the transaction, including the price of the financial instrument and the expenses related to the execution (all expenses that are directly related to the execution of the order, including fees for the place of execution, the clearing and settlement fees, as well as other fees and remunerations, payable to third parties bound by execution of the order).

(4). For the purpose of achievement of best execution, in the cases, when there is more than one competitive place for execution of an order in relation to financial instruments and upon performance of an evaluation and comparison of the results that may be achieved for the non-professional client upon performance of the order on any of the places for execution specified in the Policy for Execution of Orders that are appropriate for the execution

thereof, the firm's commission and the expenses for execution of the order on each of the possible places for execution shall be taken into account.

(5). BULBROKERS may not execute orders on account of clients, if they have not given their prior consent to the Policy for Execution of Orders observed by the firm.

(6). When the Policy for Execution of Orders enables clients' orders to be executed even outside a regulated market or multilateral trading system, such orders may be executed this way only if the clients have been notified in advance and have given their explicit consent thereto.

(7). BULBROKERS shall be bound to execute the client's orders in compliance with the adopted Policy for Execution of Orders and to promptly notify the client of changes in this policy.

(8). Upon request of a client BULBROKERS shall be bound to prove that it executed the orders in compliance with the announced policy.

(9). Upon specific instructions on the part of the client BULBROKERS must execute the order following these instructions. BULBROKERS shall have fulfilled its obligation to act for the achievement of best result for its clients, if it executed the order or a specific aspect of the order observing special instructions of the client. The Client agrees that all special instructions may obstruct the firm to undertake the necessary acts for achievement of the best result upon execution of the clients' orders in compliance with the Policy for Execution of Orders, in respect of that part of the order, to which such special instructions refer.

(10). The provisions of this article shall not apply upon entry into of transactions with clients, determined as eligible counterparties, upon the provision of investment services under art.5, par.2, item 1-3 of the Markets in Financial Instruments Act, to the specific transactions or the additional services directly related thereto.

3.2.12. Joinder and Division of Orders

Art.38. (1). The investment firm may execute an order of a client or a transaction on its own account by joining them to other client's orders, upon observance of the policy for division of orders, part of the Policy for Execution of Orders of the investment firm, under the following conditions:

1. the joinder of the orders and the transactions shall be without prejudice to any of the clients, whose orders are joined;

2. BULBROKERS has explained to every client, whose order is joined that this joinder may be disadvantageous for the client in relation to the specific order.

(2). In the cases, when BULBROKERS joins a client's order to one or more other client's orders and the order thus resulting from the joinder is partially executed, it shall distribute the related transactions – result from execution of the order in compliance with the policy for division of orders adopted by it.

(3). BULBROKERS, having joined a transaction on its own account with one or more clients' orders, shall not have the right to separate the transactions thus made in a manner, which is prejudicial to the client.

(4). BULBROKERS shall apply a procedure for avoidance of double distribution of transactions on its own account executed jointly with client's orders, when it is prejudicial to the client. The procedure under the first sentence is a part of

the policy for distribution of orders under par.1.

(5). In the case when BULBROKERS joins a client's order to a transaction on its own account and the order thus resulting from the joinder is partially executed, BULBROKERS shall distribute the transactions on account of the client with priority. If BULBROKERS may reasonably prove that without joinder it could not execute the order of the client under such beneficial conditions for the client or that it could not execute it at all, BULBROKERS could distribute the transaction made proportionally to it and the client in compliance with its Policy for Distribution of Orders.

3.2.13. Execution under More Advantageous Conditions

Art.39. If BULBROKERS enters into a transaction under conditions that more advantageous than the ones established by the client, the entire benefit shall belong to the client.

3.2.14. Negotiation with Itself

Art.40. BULBROKERS may enter into and execute a transaction on account of a client, by negotiating with itself (as a counterparty or as a representative of the counterparty) pursuant to art.3, par.4.

3.2.1.5. Applicability of the Rules of the Place of Execution

Art.41. When a transaction is entered into on a regulated market of financial instruments or on a multilateral trading system, to the entry into and execution the rules of the respective regulated market or multilateral trading system shall apply.

3.2.16. Confirmation

Art.42. (1). BULBROKERS shall send on a durable media to a non-professional client, in pursuance of whose order it made a transaction, as soon as practicable, but not later than the first working day following the entry into of the transaction, a confirmation for the concluded transaction with the contents set forth in the law. If the confirmation is accepted by BULBROKERS through a third party, the notification to the client shall be made not later than the first working day following the day, when BULBROKERS received the confirmation from the third party. The information contained in the confirmation may contain standard codes, if they are explained to the client.

(2). Paragraph 1 shall not apply, if the confirmation contains the same information as the confirmation immediately sent to the client by another person.

(3). When the transaction is entered into on account of a professional client, BULBROKERS shall immediately provide to such professional client on a durable media the material information for the concluded transaction.

(4). If no settlement is carried out on the said date or another change takes place in the information contained in the confirmation, BULBROKERS shall appropriately notify the client until the end of the working day, when BULBROKERS learnt about such change.

(5). BULBROKERS shall submit to the CLIENT, upon request, information for the status of the order and for the execution thereof.

(6). Paragraphs 1 and 3 shall not apply to orders of clients whose subject-matter is bonds for financing of mortgage loan agreements, to which such

clients are a party, where the confirmation for the transaction shall be made at the same moment when the conditions of the mortgage loan are announced, but not later than one month as from the execution of the order.

(7). In case of orders placed for a non-professional client whose subject-matter is participatory shares or shares of undertakings for collective investment, which are executed on a regular basis, the investment firm shall undertake the acts under par.1 or submit to the client at least once per 6 months the information that must be contained in the confirmation in relation to these transactions.

(8). In the case of orders placed by an electronic trading system the confirmation under par.1, respectively the information under par.3, shall be submitted to the client by the electronic system.

3.2.17. Objections and Acceptance of the Confirmation

Art.43. (1). The Client may submit a written objection to BULBROKERS in relation to the public confirmation within 3 days as from the receipt thereof. The Client may only object to any inaccurate execution of the placed order.

(2). In case that the client does not object within the term under par.1, the client shall be considered to have accepted the confirmation.

3.2.18. Transfer of the Rights of the Client

Art.44. In case that BULBROKERS acts on behalf of the client, the rights and obligations shall arise in the legal sphere of the client by the entry into of the transaction.

4. CONCLUSION OF TRANSACTIONS WITH FINANCIAL INSTRUMENTS ON FOREIGN MARKETS

Art. 45 (1). BULBROKERS mediate transactions in financial instruments on foreign regulated markets, multilateral trading systems or other markets, the access to which is provided by Interactive Brokers LLC. The activity of Interactive Brokers LLC is regulated by U.S. Securities and Exchange Commission and Commodity Futures Trading Commission.

(2). BULBROKERS shall have the right to transmit information received from the client, and other information in connection with the client and the execution of the concluded contract to Interactive Brokers LLC, where such information is required by the foreign broker in order to fulfill the orders, keeping the accounts for client's assets and / or fulfillment of obligations of Interactive Brokers LLC, including obligations for disclosure of information by the relevant authorities, supervising its activities.

Art. 46 (1). Orders for conclusion of transaction with financial instruments may be submitted via electronic trading platform Bulbrokers Trader Workstation, but as an exception - by phone.

(2). The list of all tradable instruments is dynamic and is available in real time at Bulbrokers Trader Workstation. The mechanism for transactions is based on the functioning of the trading system Bulbrokers Meta Trader 4. Orders submitted by the client shall not result in actual delivery of the purchased or sold currencies or financial instruments.

(3). By the signing of the Contract and accepting these General conditions, the CLIENT consents to all possible amendments to the List. In case that a certain instrument specified in the List is removed from there due to a change in the

conditions of the base asset (suspension from trade, transformation of the issuer or others), BULBROKERS shall close the client's position at the last possible price prior to the occurrence of the event or at such price that most appropriately reflects the fair price of the instrument.

(4). The Client shall place orders for transactions in accordance with the List that is up-to-date by the moment of their placement.

(5). Upon placement of orders by telephone, the CLIENT shall be bound to comply with the rules for placement of orders by telephone.

(6). The CLIENT shall only have the right to place orders that:

1. comply with rules on the markets, where transactions shall be concluded pursuant to the CLIENT'S orders and the other applicable rules and requirements;

2. meet the requirements of and have the contents required by the effective legislation, the General Conditions and this Contract.

(7). Subject to an established minimal admissible amount of an order (minimal amount of units of the respective financial instrument) the CLIENT may place an order in an amount that is not less than the established one.

Art. 47 (1). BULBROKERS shall forward orders accepted for execution to Interactive Brokers LLC.

(2) An order for conclusion of a transaction shall be considered placed after receipt by the CLIENT of a confirmation of its acceptance from BULBROKERS Trader Workstation system or from the employee of BULBROKERS, who accepts the order by telephone and enters it in the system.

(3) BULBROKERS shall have the right to refuse to forward for execution an order, which conflicts with the law, the stipulations of the General Conditions, The Policy for Execution of Orders or of Contract concluded between the parties

Art. 48 (1). The CLIENT shall declare in writing the types of instruments and the markets where the CLIENT intends to place orders.

(2). The list of the Financial Markets accessible for trade and the instruments traded on them may be changed by BULBROKERS from time to time. BULBROKERS shall publish the up-to-date markets on its internet page, as well as in the Bulbrokers Trader Workstation electronic trading platform.

Art. 49 (1). BULBROKERS shall not have obligations to monitor the positions opened by the CLIENT or to give advices in respect of them; to inform the CLIENT for the current value of the CLIENT'S security; to close any position of the CLIENT, unless explicitly agreed between the parties.

(2). BULBROKERS shall not be liable for losses resulting from closed positions, payments of dividends, interests and other cash flows incurred by the client as a result from any inaccuracy or error in the submitted information. A transaction entered into as a result from such an inaccuracy or error shall be binding upon either party.

4.1. Placement of Orders through Bulbrokers Trader Workstation

Art. 50 (1). The client declares that the client is fully acquainted with the up-to-date Operational Rules of the Bulbrokers Trader Workstation system, as

well as with all rules for trade and the other applicable market regulators incl. working hours of the markets and trading sessions, types of orders and conditions for their execution, clearing and settlement policies, regulations, etc.

(2). The client shall have the right to place orders determining the specific execution venue or the using of the "Smart Routing" technology, which is to monitor for the market where the order shall be executed at the best price

4.2. Transactions with Shares and Shares of Funds

Art. 51 (1). When a client bought shares the account of the client shall be credited with the dividends that the issuer of the respective shares allots.

(2). Upon margin purchase of shares, the account of the client shall be debited every month with interests determined on the basis of the market interest levels, +/- a premium, which shall be calculated every day on a 360 day basis. The interests shall be subject to change without a prior notice.

Art. 52 (1). When a client makes a transaction for a short sale, the incomes from the sale shall be received in the account of the client and shall remain blocked.

(2). When the client is in a position, which is a result from a short sale, if the owner of the securities wants them and the clearing house is not able to lend them from anybody else, the clearing house shall cover the position by buying the securities at then current market price. This shall be considered closing of the "short" position of the client and the amount of the profit/loss (if any is made) shall be added to/deducted from the client's account.

(3). Shares shall not be subject to short sales 10 full days prior to the day, when dividends under them are paid. Each existing "short" position in shares must be closed by the client 7 days prior to the day when dividends are paid under the shares. BULBROKERS shall have the right to close any short position in shares of the client, which is not closed 7 days prior to the date of payment of the dividends for the respective shares, as the client consents in advance to the prices of closing of such positions. The respective type of shares shall be available for short sales immediately after the date of payment of dividends.

4.3. Futures Transactions

Art. 53 (1). The client shall enter into futures transactions by taking a position in the respective futures, as follows:

1. Short position – sale on the part of the client of a futures, where the client undertakes to deliver respective quantity of the base asset;

2. Long position – purchased on the part of the client of a futures, where the client undertakes to buy respective quantity of the base asset;

(2). In cases of transactions with futures – subject of this Contract, concluded by the client, BULBROKERS shall not carry out a delivery (for or from the client) of the base asset of the futures.

(3). As a result from futures transactions, the client may only make profit or loss as a result from the exchange rate differences between the price of opening and the price of closing of the position in the respective futures.

(4). The client shall be bound, prior to the deadline, established for the respective futures, to transfer the client's position in futures in the next in

chronological terms contract for the respective base asset or to close its position, in order to avoid delivery of the base asset. For long positions, the standard deadline shall be the end of the fourth working day prior to the "first prior notice day" determined by the respective market. For short positions, the deadline for closing shall be the end of the fourth working day prior to the last day for trade of the respective futures.

(5). The client shall be bound to keep track of the approaching of the "first prior notice day". If the client has not closed the client's position in a futures contract until the "first prior notice day", BULBROKERS shall have the right to close, without a prior notice, the opened position of the client in the expiring futures.

(6). On the maturity date of the futures the client may transfer the client's position by closing the position in the futures whose maturity date comes and opening a new position in the chronologically following futures.

4.4. Option Transactions

Art. 54 (1). The client shall have the right to enter into transactions with the following types of options pursuant to this Contract:

1. put option – right to sell the base asset, for which the option is issued on/to a definite future date and at a definite price;

2. call option – right to buy the base asset, for which the option is issued on/to a definite future date and at a definite price.

(2). For acquisition of the right of purchase or sale of the base asset, the client shall pay a fixed price in the form of a premium. The premium amount shall be determined by the parameters of the option, subject of the transaction. Upon purchase of an option, the client shall pay out of the client's account with BULBROKERS the premium amount in the moment of conclusion of the transaction, as there shall be no any further requirements for maintaining of a guarantee amount under the opened position. Upon sale of a purchase option the account of the client shall be credited with the amount of the received premium. This amount shall be transferred to an account of the client in the day of conclusion of a transaction and shall finally remain in favour of the client.

(3). The client shall have the right to enter into option transaction by taking positions in the respective option, as follows:

1. upon purchase of a call option, the client shall have the right, but not the obligation prior to/on the maturity date to buy the respective financial instruments at the price specified in the option;

2. upon purchase of a put option, the client shall have the right, but not the obligation prior to/on the maturity date to sell the respective financial instruments at the price specified in the option

3. upon sale of a call option, the client undertakes to sell the respective shares or futures at the price specified in the option, if the rights incorporated in the option may be exercised on the part of the buyer prior to/on the maturity date;

4. upon sale of a put option, the client undertakes to buy the respective shares or futures at the price specified in the option, if the rights incorporated in the option are exercised on the part of the buyer prior to/on the maturity date.

(4). In the cases under par.3, items 1 and 2 the client may make profit expressed in the positive exchange rates between the paid premium in the moment of purchase of the option and the premium received in the moment of

its sale.

(5). In the cases under par.3, items 1 and 2 upon provision of right of purchase or sale of the respective financial instruments, when the rights under the option contract are exercised, the client may make profit expressed in the positive exchange rates or loss expressed in the negative exchange rates.

(6). Option, which is "in cash", shall be automatically executed prior to/on the maturity date and the client shall take a position in the respective underlying asset or cash in the amount of the financial result of the execution of the option.

(7). Client's rights and obligations under the specific option transaction depend on the specifications of the instrument defined by the organized market on which they are traded and by the institution providing clearing and settlement of the transaction.

4.5. Obligations Related to Placement of Orders through Bulbrokers Trader Workstation

Art. 55 (1). BULBROKERS shall provide access to the Bulbrokers Trader Workstation platform. The platform supports encrypted communication between the CLIENT and the servers, on which the orders are forwarded.

(2). BULBROKERS shall provide the client with means of electronic identification (password and username) to the Bulbrokers Trader Workstation platform, after provision of the minimal cash required to open an account. The client undertakes not to disclose the CLIENT'S password and identification data to other persons/entities, for which the client shall be fully liable.

(3). BULBROKERS provides access for placement of orders to markets and types of instruments specified explicitly by the client.

(4). BULBROKERS shall provide access to market information (real-time quotations, charts, etc.) for markets and types of instruments specified explicitly by the client.

Art 56. (1). BULBROKERS shall give the client a confirmation for each concluded transaction through the electronic trading platform in the „Executions" module.

(2). BULBROKERS shall maintain accounts for the cash, their movement, the transactions, the deducted fees and commissions of the client, as well as for the continuous revaluation of the open positions through the Bulbrokers Trader Workstation electronic trading platform.

(4). BULBROKERS shall provide the client with access to daily and monthly statements of its account containing accounts of all performed transactions, the opened positions and their revaluation at market prices, cash transactions, commission, etc. through a specialized page on the internet page of the investment firm. Access to the information shall be obtained by the client after correct identification by a username and password.

(5). BULBROKERS shall submit to the client the information under par.3 on the e-mail of the client, in case that the latter explicitly ordered that.

Art. 57 BULBROKERS shall have the right to suspend for a certain period of time or to terminate finally the rights of the CLIENT to Bulbrokers Trader Workstation, if by its acts the CLIENT violates the applicable legal acts, the General Conditions of BULBROKERS, as well as in the cases of lack of sufficient

funds in the account of the CLIENT.

Art. 58 (1). BULBROKERS shall not be liable upon the occurrence of technical breakdowns in the Bulbrokers Trader Workstation electronic system, as well as in the cases of abuse of client's rights by unauthorised persons, who were granted access to the data for activation of the client's terminal due to negligence on the part of the user or for any other reasons beyond the control of BULBROKERS, including: lost control over the username and password.

(2). BULBROKERS shall not be liable for damages incurred by the CLIENT, as well as for future earnings incurred by the latter, as a result from lack of possibility for the CLIENT to establish contact with the servers servicing the Bulbrokers Trader Workstation system and respectively to place an order.

Art. 59. BULBROKERS may also provide the CLIENT with another electronic trading system, other than the Bulbrokers Trader Workstation system, approved pursuant to the effective legislation and the applicable legal acts. The rules for use, the operational instructions and the other requirements and conditions shall be specified in an additional agreement between the parties.

Art. 60 (1). The financial instruments of the client for the execution of transactions with financial instruments on foreign markets shall be kept in an account of the client under the BULBROKERS's account opened under the account of Interactive Brokers LLC, according to the terms and conditions laid down in Ordinance № 38.

(2). The funds of the client supplied by the client or acquired by the client as a result from transactions concluded on the client's account shall be kept in an account of the client under the BULBROKERS's account opened under the account of Interactive Brokers LLC, according to the terms and conditions laid down in Ordinance № 38.

(3). Dependant on the markets, on which the client intends to trade, the client's account may be further divided into a securities account regulated in accordance with the SEC requirements and account for futures trade, pursuant to the requirements of CFTC. Nevertheless, the requirements for securing of the open positions, the accounting and other activities related to the account of the client shall be kept in a consolidated manner for the entire account.

(4). BULBROKERS may transfer client's assets between the financial institutions, where it has opened accounts for financial instruments and cash of clients with the objective of risk management, protection of its client's interests, increase of the efficiency of their service, for which it shall inform its clients.

4.6. Requirements for supplying of cash by the client.

Art. 61 (1). For fulfillment of its obligations in relation to placed orders for transactions in foreign markets, the CLIENT shall supply to BULBROKERS cash, which shall be accounted under an account kept by BULBROKERS.

(2). The account under par.1 may be:

1. cash account – in which the financial instruments, subject of the orders shall be fully paid.

2. guarantee account – in which, for the purpose of the performance of the transactions with the financial instruments, there is a possibility to block a guarantee deposit, in accordance with the regulations of the financial market, where the transactions are performed. BULBROKERS shall not support the said

option for markets and instruments, whose rules do not allow it.

(3). The funds in the account under par.1 shall serve for payment of financial instruments acquired by the client, coverage of the risk of losses under positions opened by the client, payment of the remuneration and the expenses, dividends, interests and other cash flows in relation to transactions concluded by the client and positions opened by the client.

(4). The client agrees that all negative for the client results from revaluation of open positions, from closed positions, payments of dividends, interests and other cash flows, arisen as a result from transactions concluded by the client, shall be directly reflected in the account under par.1. BULBROKERS undertakes that all positive for the client price and interest differences and dividends, arisen as a result from transactions concluded by BULBROKERS shall be directly reflected in the account under par.1.

(5). The client's funds in the account under par.1 shall at any time be at least equal to the sum of the minimal guarantee amounts under all positions opened by the client. The client shall be bound to fulfill the obligations under the transactions concluded on the client's account, whether the amount of these obligations exceeds that amount of the funds in the account under par.1.

(6). For opening of a new position the client must have at its disposal free cash in the account under par.1. The amount of the free cash must not be lower than the amount for acquisition of financial instruments, or the minimal guarantee amounts under the position, which the CLIENT wants to open.

(7). The minimal guarantee amount for each position shall be calculated separately dependant on the type of the instrument and shall be determined on the grounds of the rules of the execution markets, where the transaction – subject of the client's order is concluded.

(8). BULBROKERS shall all the time keep the client informed for the positions opened by it and the value of the guarantee amount necessary for their maintenance in the "Account" module in the Bulbrokers Trader Workstation electronic trading platform.

(9). The liability for the observance of the requirements for minimal guarantee amount for the open positions on a margin basis shall be fully born by the client. BULBROKERS shall not assume any obligation to monitor the account of the client and to inform the client in the cases of occurrence of a deficit therein (Margin Call).

(10). Through the terminal, in the "Account" module, the Clien has instant access to information about his trading account, including assets, free cash, information about minimum margin requirement on open positions and also receive signals in case of violation of the minimum margin requirements for the diferents financial instruments, including margin call.

Margin violation signals are considered notice of shortage of funds in the account and impending closure of the position.

Upon client`s request the notice of shortage of funds in the account and impending closure of the position may be provided by other appropriate means specified in the contract.

In case of violation of the minimum margin requirements the clien has the opportunity to fund the account to meet these requirements within reach of

the threshold for the particular financial instrument. The requirements are determined by the Interactive Brokers in accordance with U.S. Securities and Exchange Commission regulations and is given by the trading system.

When the available funds in the account become equal to, or less than, the necessary guarantee amount for all open positions, BULBROKERS/ the investment firm (broker) to whom BULBROKERS delivered the client's order for execution shall have the right to close without another notice partially or fully the open positions of the client in order to achieve the necessary value of the guarantee amount for the open positions.

In case of closing of positions in accordance with previous sentence the client shall not be entitled to objections in relation to the closing of positions, including to the prices, at which the positions are closed.

(11). Regardless of the acts of position closing undertaken by BULBROKERS, if as a result the account balance under the client's account is negative, the client must supply to BULBROKERS an amount equal to the shortage under the account.

Art. 62 (1). BULBROKERS shall provide investment services at the conclusion of transactions in financial instruments in foreign markets fully on account and risk of the client.

(2). BULBROKERS shall only be liable for the prompt and proper forwarding of the orders of the client to Interactive Brokers LLC.

(3). BULBROKERS shall not be liable for the result achieved by the client in the course of execution of the client's orders, as the risk shall be fully born by the client.

(4). BULBROKERS shall not be liable for damages incurred by the client as a result from an order that is in good faith accepted and forwarded by BULBROKERS and that is placed by any person, other than the client, who properly identified him-/her-/itself in compliance with the requirements of this General conditions. In the relations between the parties the order under the previous sentence shall be considered placed by the client.

(5). BULBROKERS shall not be liable for damages incurred by the client, as well as for future earnings incurred by the latter as a result from inability of the client to establish a contact with BULBROKERS and respectively to place an order.

(6). BULBROKERS shall not be liable for damages incurred by the client, as well as for future earnings incurred by the latter as a result from inability of BULBROKERS to establish a contact with Interactive Brokers LLC, which may not be attributed to the INVESTMENT FIRM.

5. CONCLUSION OF TRANSACTIONS WITH CONTRACT FOR FOREIGN EXCHANGE AND CONTRACTS FOR DIFFERENCE (CFD)

Art. 63 (1). BULBROKERS conclude on behalf of clients:

1. foreign exchange margin transactions against provision of a guarantee amount;
2. transactions with contracts for difference.

(2). The list of all tradable instruments is dynamic and is available in real time at Bulbrokers Meta Trader 4. The mechanism for transactions is based on the functioning of the trading system Bulbrokers Meta Trader 4. Orders submitted by the client shall not result in actual delivery of the purchased or sold

currencies or financial instruments.

(3). By the signing of the Contract and accepting these General conditions, the CLIENT consents to all possible amendments to the List. In case that a certain instrument specified in the List is removed from there due to a change in the conditions of the base asset (suspension from trade, transformation of the issuer or others), BULBROKERS shall close the client's position at the last possible price prior to the occurrence of the event or at such price that most appropriately reflects the fair price of the instrument.

(4). The Client shall place orders for transactions in accordance with the List that is up-to-date by the moment of their placement.

Atr. 64 (1). Orders for conclusion of transaction with foreign exchange and CFD may be submitted via electronic trading platform Meta Trader, through web-based platform for remote placement of orders BONO but as an exception - by phone.

(2). Upon placement of orders by telephone, the client shall be bound to comply with the rules for placement of orders by telephone.

(3). BULBROKERS provides access to the platform Meta Trader and BONO. The platforms support encrypted communication between clients and servers, which are transmitted orders.

(4). The client declares that he is fully familiar with current rules for system Meta Trader, respectively, accepted the Terms Of Use of BONO.

(5). BULBROKERS shall provide the client with means of electronic identification (password and username), after provision of the minimal cash required to open an account. The client undertakes not to disclose the client's password and identification data to other persons/entities, for which the client shall be fully liable.

Art. 65 (1). BULBROKERS shall provide the client with bilateral quotations (buy/sell) for all currency pairs and contracts for difference specified in the List of foreign exchange traded by BULBROKERS available in the trading system. A quotation shall be provided after identification of the client by a username and password.

(2). The quotation submitted by BULBROKERS may be changed in the period of the technological time between the submission of the order and the performance thereof. Such change may be either advantageous or disadvantageous for the client.

(3). In the cases of technical errors or wrong data for the market prices, BULBROKERS shall have the right to synchronize its database with another market-maker or informational system for the purpose of provision of true and accurate information for the movement of the financial instruments and protections of the client's interests.

(4). All transactions entered into as a result from technical errors or wrong data shall be subject to invalidation.

Art. 66 (1). The client shall have the right to place market orders, limit orders, stop orders and other possible at the time of their submission through the trading system.

(2). The order is valid until express its cancellation by the client or its execution.

(3). The execution at the level specified by the client shall not be guaranteed for the buy/ sell stop orders.

(4). Any order followed by conclusion of a transaction shall be binding upon the client, whether the client violates the restrictions or other requirements to the client, established in General conditions or not.

(5). Transactions with CFD shall be entered into in accordance with the sessions of the respective markets where the base assets of the contracts for difference are traded and their trading hours.

(6). Transactions entered into by the client shall not result in actual delivery of the purchased or sold currencies or financial instruments. Only the carried out positive or negative rates of exchange shall be accrued to the client's account, as well as the differences as a result from swapping of the open positions, payments of interests, dividends and other financial flows, when it is required.

(7). BULBROKERS shall transfer for a following working day all positions in currency or contracts for difference, reflecting the rates of interest for the respective financial instruments.

Art. 67 (1). BULBROKERS shall provide the client through the platform with a confirmation for each accepted order and for each concluded transaction.

(2). BULBROKERS shall maintain accounts for the cash, their movement, the transactions, the deducted fees and commissions of the client, as well as for the continuous revaluation of the open positions through the electronic trading platform.

(3). BULBROKERS shall provide the client with access to daily and monthly statements of its account containing accounts of all performed transactions, the opened positions and their revaluation at market prices, cash transactions, commission, etc. through the electronic trading platform.

(4). BULBROKERS shall submit to the client the information under par.3 on the e-mail of the client, in case that the latter explicitly ordered that.

Art. 68. BULBROKERS shall have the right to suspend for a certain period of time or to terminate finally the rights of the client to Meta Trader or BONO, if by its acts the client violates the applicable legal acts, the General Conditions of BULBROKERS, as well as in the cases of lack of sufficient funds in the account of the client.

Art. 69 (1). BULBROKERS shall not be liable upon the occurrence of technical breakdowns in the platforms, as well as in the cases of abuse of client's rights by unauthorised persons, who were granted access to the data for activation of the client's terminal due to negligence on the part of the user or for any other reasons beyond the control of BULBROKERS, including: lost control over the username and password.

(2). BULBROKERS shall not be liable for damages incurred by the client, as well as for future earnings incurred by the latter, as a result from lack of possibility for the client to establish contact with the servers servicing the platforms and respectively to place an order.

Art. 70 BULBROKERS may also provide the client with another electronic trading system, approved pursuant to the effective legislation and the applicable legal acts. The rules for use, the operational instructions and the other requirements and conditions shall be specified in an additional

agreement between the parties.

Art. 71 (1). For fulfillment of its obligations in relation to placed orders, the client shall supply to BULBROKERS cash, which shall be accounted under an account kept by the firm – guarantee account.

(2). The balance in the guarantee account shall be equal to the cash deposited by the client, adjusted by the results from the transactions entered into by the client, the positive and negative exchange rate differences, interests, commission and other payment as a result from the concluded transactions.

(3). The cash in the account under the previous paragraph shall serve for covering of the risk from losses under positions opened by the client, payment of the remuneration and the expenses in pursuance of the provided services, interests in relation to transactions entered into by the client and positions opened by the client and other payments ensuing from the performance of the Contract concluded between the parties.

(4). The client agrees that all negative for the client results from revaluation of open positions, from closed positions, payments of interests and other cash flows, arisen as a result from transactions entered into by the client, shall be directly reflected in the account under par.1.

(5). BULBROKERS undertakes that all positive for the client price and interest differences, arisen as a result from transactions concluded by BULBROKERS shall be directly reflected in the account.

5.1. Margin call

Art. 72 (1). A guarantee amount, for conclusion of transactions with foreign currency and margin contracts for difference shall serve for covering of the risk from losses upon adverse movement of the prices of the traded instruments.

(2). The minimal guarantee amount for each position shall be calculated separately, dependant on the type of the instrument. The guarantee amount related requirements are described in details in a List of the Financial Instruments their Specific Conditions for Trade.

(3). The Client shall be bound to fulfill the obligations under the transactions concluded on the client's account, whether the amount of these obligations exceeds that amount of the funds in the guarantee account or not.

(4). BULBROKERS shall have the right in case of high market volatility caused by decisions of the central banks, key economic and political news and other circumstances resulting in its opinion to increase of the risk from trade with financial instruments to change its minimal guarantee amount requirements.

(5). The liability for the observance of the requirements for minimal guarantee amount for the open positions shall be fully born by the client.

(6). For opening of a new position the client must dispose of funds in the guarantee account in an amount that is not smaller than the sum of the minimal guarantee amounts under the positions opened until the moment and the minimal guarantee amount under the position that the client wants to open.

(7). When the funds reach an amount equal to or smaller than the necessary guarantee amount, the client shall not be able to open new positions. In such case the client shall be bound, within 24 hours to cover the client's cash

deficiency.

(8). If the free cash fall below 100% of the required guarantee amount, the Client receives margin call signal.

With receiving margin call, the Client is obligated immediately to cover the shortfall and to close his open positions.

If the Client do not take any action and when the available cash in the account become equal to, or less than 20% (twenty per cent) the necessary guarantee amount for all open positions, BULBROKERS shall have the right to close without other notice partially or fully the opened positions of the client in order to achieve the necessary value of the guarantee amount for the open positions. In case of insufficient funds to cover minimum margin requirements positions with highest unrealised negative value will be closed with highest priority to release sufficient funds available in the account. BULBROKERS shall also have the right, in case of application of the provisions of art.77 to change the value of the percentage for ex officio closing of the open positions specified in the previous sentence.

(9). In case of closing of positions pursuant to the previous article, the client consents unconditionally and irrevocably to the prices, at which the positions are closed.

(10). Regardless of the acts of position closing undertaken by BULBROKERS, if as a result the balance under the client's account is negative, the client must supply to BULBROKERS an amount equal to the shortage under the account.

6. CLIENTS CASH ACCOUNT

Art. 73 (1). The client's account shall be kept in base currency US Dollar (USD), Euro (EUR) or Bulgarian leva (BGN).

(2). Upon depositing and withdrawal of funds in a currency other than the account currency, the account shall be certified by an amount in the base currency calculated:

1. for amounts of up to 1000 currency units – at the BNB exchange rate for the date;
2. for amounts exceeding 1000 currency units – by negotiation.

(3). Upon transactions with financial instruments, quoted in a currency other than the guarantee account currency, all results from the concluded transactions, the positive and negative differences in exchange rates arising from the revaluation of the open positions, interests, fees, commissions, results from transfer of open positions and other financial flows, shall be converted in the account in its base currency.

(4). Upon depositing of amounts in the account it shall be certified by the deposited amount:

1. upon depositing of amounts of up to 10 000 USD, EUR or BGN – on the same working day;
2. upon depositing of amounts exceeding 10 000 USD, EUR or BGN – up to the third working day after the depositing by the client.

(5). The client may withdraw amounts from the client's account up to an amount that shall not bring about violation of the requirements for minimal guarantee amount. Upon submission of an application under the previous sentence, the respective amount shall be blocked in the account of the client

and shall not be taken into account in relation to the observance of the requirements for minimal guarantee amount.

(6). The client may withdraw sums from the client's guarantee account with a prior notice dependant on the amount of such sum:

- 1.** for amounts of up to 1 000 USD, EUR or BGN – without a prior notice;
- 2.** for amounts from 1 000 USD, EUR or BGN to 10 000 USD, EUR or BGN – by 1 (one) working day prior notice;
- 3.** for amounts exceeding 10 000 USD, EUR or BGN – by a prior notice of 4 (four) working days.

7. KEEPING OF CLIENT'S ASSETS

Art. 74 (1). BULBROKERS shall keep the client's financial instruments, cash and other assets provided, respectively acquired in pursuance of the contract under art.5.

(2). BULBROKERS shall keep its financial instruments and cash apart from these of its clients.

(3). BULBROKERS shall not be liable before its creditors with the financial instruments and cash of its clients.

Art. 75 (1). BULBROKERS shall keep its clients' the financial instruments in a depositary institution in a client's accounts to the account of the investment firm or in accounts open to the third party's account.

(2). BULBROKERS shall open for the client a sub-account in a depositary institution on the grounds of the Contract and in compliance with the conditions provided for therein.

(3). When BULBROKERS opens an account for financial instruments of its client with a third party BULBROKERS must exert the due diligence for the interests of the client upon determination of such person and upon the appointment to the same to keep the financial instruments of the client, as well as BULBROKERS must review regularly, but at least once annually, exerting the same degree of care, the appointment of such person and the conditions under which such person keeps the financial instruments of the client.

(4). In case that BULBROKERS intends to keep financial instruments of a client with a third party in a country, whose legislation provides for a special regulation and supervision in respect of the keeping of financial instruments on account of another person, BULBROKERS may not submit for keeping the client's financial instruments to such person from this country, which is not subject to the regulation and supervision provided for by the local legislation. BULBROKERS shall not have the right to keep financial instruments of a client with a third party in a third country, whose legislation does not regulate the keeping of financial instruments on account of a third party. The restriction under the previous sentence shall not apply if any of the following conditions is present:

- 1.** the nature of the financial instruments or of the investment services provided in relation to these instruments requires their keeping with such a third party in such a country;
- 2.** a professional client requests in writing that such client's instruments are kept with such a third party in a third country.

(5). BULBROKERS shall undertake the necessary acts in order to ensure that

the keeping of financial instruments of its clients with a third party is carried out in a manner that guarantees identification of the client's financial instruments separately from the financial instruments of the investment firm and of the third party, by the keeping of separate accounts by such third party or by the application of other measures ensuring the same level of protection. If the legislation applicable to the third party's activity does not allow the observance of the requirements under the previous sentence, the investment firm shall undertake appropriate measures to guarantee the rights of the client in relation to the financial instruments kept with the third party, including by opening accounts separate from its account for the clients' financial instruments, which shall be kept by the third party in the name of the investment firm but on somebody else's account.

Art.76. If in pursuance of the Contract the client provides to BULBROKERS book-entry state securities issued by the Ministry of Finance, they shall be kept in the registers of the Bulgarian National Bank, respectively of a primary dealer of state securities, in the name of the client or of the investment firm in accordance with the stipulations in the contract and upon observance of the requirements of the legal acts regulating the state debt.

Art.77. (1) BULBROKERS shall deposit the cash provided by clients or received as a result from investment services performed on their account, in a central bank, credit institution, bank licensed in a third country or collective investment scheme under art.34, par.3, item 4 of the Markets in Financial Instruments Act by the end of the next working day. The investment firm may deposit the funds of its clients in such related person only if the client has agreed in writing to do so.

(2). When BULBROKERS deposits the cash of its client in a person under par.1 other than a central bank, BULBROKERS must exert the due diligence for the interests of the client upon determination of such person and depositing of the client's cash in it, as well as regularly, but at least once annually, BULBROKERS must review exerting the same degree of care the appointment of such institution or collective investment scheme and the conditions under which it keeps the client's cash.

(3). BULBROKERS shall not have the right to invest the client's cash in a collective investment scheme, if the client objects to such keeping of the cash provided by the client.

(4). BULBROKERS shall undertake the acts necessary to ensure that the client's cash deposited pursuant to par.1 are kept in individual accounts or account of the clients, separate from the cash of the investment firm. If the legislation applicable to the activity of the person with which the cash is deposited does not allow the observance of the requirements under the previous sentence, the investment firm shall undertake appropriate measures to guarantee the rights of the client in relation to the deposited funds, including by opening of a common account for clients' cash, which shall be kept by this person in the name of the investment firm but on somebody else's account.

Art.78. (1). Apart from the cases determined by an ordinance, BULBROKERS shall not have the right to use:

1. on its account the cash and the financial instruments of its clients;
2. on account of its client cash or financial instruments of other clients;
3. on account of a client its cash or financial instruments.

(2). BULBROKERS shall not have the right to enter into transactions for

financing of securities with clients' financial instruments held by it or to use otherwise on its own account or on account of another client such financial instruments, unless the client has given in advance the client's explicit consent to the use of such client's financial instruments under certain conditions and the use of the financial instruments is carried out upon observance of these conditions. The consent under the previous sentence must be given in writing, if the client, whose financial instruments are used, is a non-professional client.

(3). BULBROKERS shall not have the right to enter into transactions for financing of securities with clients' financial instruments held in a common client account with a third party, or to use otherwise on its own account or on account of another client such financial client's instruments. The restriction under the previous sentence shall not apply if the requirements under par.2 and at least one of the following conditions are satisfied:

- 1.** all clients, whose financial instruments are kept together in the common account have given in advance explicit consent in accordance with par.2;
- 2.** the investment firm has established procedures guaranteeing that only financial instruments of clients that preliminarily gave their explicit consent to that in compliance with par.2 are used, as well as control mechanisms in respect of the observance of this requirement.

(4). In the cases under par.3 the accounts kept by BULBROKERS shall include information for the client, on the grounds of whose order the financial instruments were used, as well as for the number of the used financial instruments of each client, in view of the correct distribution of potential losses.

Art.79. (1). BULBROKERS, holding financial instruments and cash of clients, shall maintain accounting documents and keep accounts for the client's assets held in a manner that enables it at any time to immediately distinguish the assets held for one client from the assets of the rest of the clients of the investment firm and from its own assets.

(2). The accounting documents and the accounts under par.1 shall be kept in a manner ensuring their accuracy and their compatibility with the financial instruments and cash held for the clients.

(3). BULBROKERS shall regularly coordinate the accounting documents and the accounts under par.1 kept by it, with those kept by third parties, with which client's assets are kept.

Art.80. (1). BULBROKERS shall inform its non-professional clients by which third party and where the cash and/or financial instruments provided to the firm may be kept. The notice under the first sentence shall also include a reference to the liability of the investment firm under the national legislation for any act or omission of the person holding the clients' cash and/or financial instruments and the consequences for the client from bankruptcy of such person.

(2). BULBROKERS shall inform its non-professional clients for the possibility of their financial instruments being kept in a common account with a third party, when the national legislation allows that. The investment firm shall inform its non-professional clients for the cases, when the national legislation does not allow separation of the financial instruments of the client held by the third party from the financial instruments of such third party or of the investment firm. The notices must also contain an explicit reference to the risks for the client originating from the circumstances under the preceding sentences.

(3). BULBROKERS shall explicitly inform the client, when the accounts containing client's cash and financial instruments, are or shall be subject to the law of a country, which is not a member-state. The notice must specify that the rights of the client related to the financial instruments or the cash may vary due to the applicability of the law of a third country.

(4). BULBROKERS shall explicitly inform the client for:

1. the presence of a security right or lien over the client's cash or financial instruments in favour of the investment firm and for the conditions under which such right arises or may arise;

2. the presence of a set-off right over the client's cash or financial instruments in favour of the investment firm and for the conditions under which such right arises or may arise;

3. the existence and the conditions under which the investment firm has or may have a set-off right in respect of the client's financial instruments or cash;

4. the possibility of a depositary institution having a security right, lien or set-off right in respect of the client's financial instruments or cash, when applicable.

(5). Prior to entering into a transaction for financing of securities the subject-matter whereof is financial instruments held on account of a non-professional client, or prior to using in any other way these financial instruments on its own account or on account of other client, the investment firm shall provide to the non-professional client on a durable media under the procedure of art.65, par.1 and within a reasonable term prior to the use of the financial instruments clear, complete and accurate information for the obligations and liabilities of the firm in relation to the use of the financial instruments, including the conditions for their return and the risks related thereto.

(6). The investment firm shall also provide within an appropriate term prior to the performance of a respective investment or additional service for a non-professional client the information under this articles, and for a professional client – the information under par.3 и 4. The information shall be provided under the procedure of art.65.

Art.81. (1). When BULBROKERS owes cash or financial instruments to a client it shall submit to the client on a durable media at least once annually a report with the contents set forth in the law, unless the contents of such report are reflected in another periodical account to the client.

(2). BULBROKERS shall inform its client on a durable media, when an obligation under art.145 of the Public Offering of Securities Act arises for the client, not later than by the end of the first working day following the day when in respect of such client's financial instruments held by the investment firm a circumstance under art.145, par.1 of the same act occurred as a result from transactions with financial instruments on account of the client performed by the investment firm.

Art.82. (1). The clients' assets held, administered or managed by BULBROKERS on account of clients shall be guaranteed by the Investor Compensation Fund for any inability of the investment firm to return the assets for reasons directly related to its financial condition, in the following cases:

1. a bankruptcy procedure is opened against the investment firm;

2. the Financial Supervision Commission has cancelled the license of the investment firm on the grounds of permanently worsened financial condition and inability of the investment firm to fulfill its obligations.

(2). The client shall be entitled to a compensation in the amount of 90 per cent of the value of the receivable determined by the date of occurrence of the circumstance under par.1, but no more than 40 000 leva. For the categories of clients determined in art.77g, par.2 of the Public Offering of Securities Act, including professional clients, compensation shall not be paid. Compensation shall not be paid either for receivables arisen out of and/or related to transactions and acts constituting "money laundering", for which the offender has been convicted by an effective sentence.

(3). Upon entry into of the contract under art.5 the investment firm shall inform the client for the existing system for investor compensation in financial instruments, including for its scope and for the guaranteed amount of the client's assets, providing also to the client data for the conditions and procedure for compensation for the client's assets from the Investor Compensation Fund.

(4). The investment firm shall also provide additional information with the scope under par.3 upon request of the client.

8. REGISTRATION AGENT ACTIVITY

Art.83. (1). BULBROKERS shall perform a registration agent activity on the grounds of a written agreement with the client, who shall submit to the respective depository institutions data and documents for registration of:

- 1.** transactions with financial instruments, entered into in advance directly between the parties;
- 2.** transfer of book-entry financial instruments upon donation and succession;
- 3.** change in data for the holders of book-entry financial instruments, correction of mistaken data, issue of duplicates of certifying documents and other acts provided for in the rules of the respective depository institution.

(2). In the cases under par.1 the persons, respectively their representatives shall sign the necessary documents in the presence of a person person authorised by BULBROKERS, after their identity has been verified.

(3). A copy of the identity document of the persons, respectively of their representatives, and in the cases under par.1, item 1 – a declaration of the parties to the transaction, respectively of their proxies that they do not perform and have not performed by occupation transactions with financial instruments within a period of one year prior to the entry into of the contract and other supporting documents and declarations remain in the archives of BULBROKERS.

(4). The transferor and the transferee of the financial instruments may be represented before BULBROKERS by persons explicitly authorised by a notarized power of attorney.

(5). BULBROKERS shall refuse to enter into a contract under par.1 on the grounds of art.58 of Ordinance № 38.

(6). Upon request of the seller and upon consent of the buyer upon purchase-and-sale of book-entry financial instruments under par.1, item 1, the amount

representing the sale price under the transaction shall be deposited with the investment firm – registration agent, until the registration of the transactions with the Central Depository.

9. REMUNERATION. EXPENSES FOR THE CLIENT BEYOND THE REMUNERATION

Art.84. (1). BULBROKERS shall announce in a Tariff its standard commission remuneration under contracts with clients, as well as the type and amount of the expenses for the clients, if they are not included in the remuneration;

(2). BULBROKERS shall not have right to determine or collect commissions in a manner, which obviously distinguishes unfairly the different places for execution.

(3). BULBROKERS notify the client of changes in the Tariff via an announcement to the designated areas in the offices of the investment firm and by posting the changes on the website of BULBROKERS. If the client does not accept the changes in the Tariff, he has the right to terminate his contract immediately. BULBROKERS will assume that the client has accepted the changes in the General conditions, if he didn't notified that he does not accept them.

(4). The Client shall be bound to pay to the investment firm remuneration for every single service provided by the latter pursuant to the Tariff under par.1 and under such procedure and such conditions as are agreed in the specific contract between the parties, respectively upon placement of an order on the grounds thereof.

(5). When BULBROKERS undertakes to be personally liable for the fulfillment of the obligations of a third party under a transaction entered into on account of the client, it shall also be entitled to additional remuneration, which shall be agreed in writing between the parties.

(6). BULBROKERS shall be entitled to additional remuneration, which shall be agreed upon in writing, for the client's amounts collected by it.

(7). In case of intermediation, the investment firm shall have the right to receive remuneration from both parties to the transaction.

(8). The expenses for the client that are not included in the remuneration of the investment firm pursuant to the Tariff under par.1 shall be determined by the specific contract, respectively upon placement of an order on the grounds thereof.

(9). The remuneration due and the additional expenses paid by BULBROKERS in relation to the performance of the concluded contract shall be paid by the client to the investment firm within up to 3 (three) days as from the entry into of the transaction, respectively from the provision of another service – subject of the contract under art.5, unless the parties have agreed otherwise.

(10). Non-cash payment shall be considered made by the moment, when the bank account of BULBROKERS is certified.

(11). If it is objectively impossible to execute a separate order, respectively another service – subject of the contract, the client shall owe the expenses made by the investment firm and remuneration corresponding to the performed work.

(12). BULBROKERS shall have the right to set-off the amounts due by the

client against the cash kept on account of the latter.

10. USE OF FINANCIAL SERVICES AVAILABLE THROUGH AN ELECTRONIC CHANNEL

Art. 85 (1). The electronic channel through which the client may use financial services is an Internet platform MY BULBROKERS (PROFILE), hereinafter only MY BULBROKERS.

(2). The services that may be used through MY BULBROKERS are: placement of orders for entering into transactions with financial instruments, records of completed transactions, opening of accounts (real and demo), updating the client's profile, transference of funds between accounts of the client, supply accounts and others.

(3). To use the services offered through MY BULBROKERS, the client shall register through the website of BULBROKERS.

(4). The client gets access to services provided through MY BULBROKERS after successful registration and activation of username and password for access to MY BULBROKERS that the client use to identify himself by use of electronic channels.

(5). The using of username and password has the effect of legally valid signature under Art. 13 of the Electronic Document and Electronic Signature Act and Art. 8 of the Accountancy Act.

Art. 86 (1). BULBROKERS execute orders for transactions with financial instruments based on electronic order (Order) fill in by the client. The client is responsible for the consequences of improper fill in.

(2). The order for transactions with financial instruments shall be deemed received by BULBROKERS immediately after its fill in and verification of the contents of the client.

(3). Placed electronic orders shall not be executed in all the above mentioned cases, in which orders placed otherwise shall also not be executed.

(4). To place an electronic order for transactions with financial instruments or foreign exchange, the client should place at least once an order on paper in the office of BULBROKERS.

Art. 87. (1). By using the services through MY BULBROKERS, client owes fees, according to the BULBROKERS's tariff.

(2). BULBROKERS collect ex officio the due fees from the client's account open at BULBROKERS.

Art. 88. (1). The client is obliged to keep secret the means of electronic identification provided by BULBROKERS and not communicate them to anyone and take all necessary measures so third parties doesn't come to know them.

(2). Upon the arising of a reasonable doubt that the means of electronic identification has become known to a third party, the client must notify the BULBROKERS by telephone and then in writing, to block his access to the services provided through MY BULBROKERS.

Art. 89 (1). BULBROKERS may suspend temporarily or permanently the access to some or all services provided through MY BULBROKERS:

1. of a client that with his actions violate the requirements of applicable regulations, these General conditions, jeopardize the security and proper functioning of MY BULBROKERS;
2. for obvious reasons attended with the security of access or where there are doubts that the services available to the client benefit from a third party;
3. when the electronic channels is used fraudulent;
4. with significantly increased risk that the client shall not longer be able to meet payment obligations when such has occurred in connection with use of services through electronic channels.

(2). In the cases under para. 1, when possible before withdrawing the access or at the latest immediately thereafter, BULBROKERS inform the client about the withdrawal of access and the reasons which justify, unless giving such information is not allowed for security reasons or with a view to comply with regulations requirements, which preclude BULBROKERS from informing the client.

(3). BULBROKERS restored automatically the revoked access under par. 1 after the reasons for the withdrawal of access are died out.

Art. 90. The client may order temporary suspension of his access to some or all services provided through MY BULBROKERS by written order.

Art. 91. (1). BULBROKERS shall not be liable for any consequences arised from incorrect or imprecisely placed orders.

(2). Orders received by BULBROKERS through MY BULBROKERS shall always be considered as valid signed written statements of the client, and BULBROKERS shall not be liable for damages and lost of benefits.

(3). The clien represents and is bound by all actions performed on behalf of his name after gaining access to services provided through MY BULBROKERS.

(4). The client shall be liable for all obligations arising from the use of MY BULBROKERS and for all damages originating from improper use of MY BULBROKERS.

(5). In case of failure to fulfill the his obligations to BULBROKERS in accordance with the use of MY BULBROKERS, the client shall not have the right to make objections based on relations with third parties.

11. EXCHANGE OF INFORMATION BETWEEN THE PARTIES

Art. 92 (1). In its relations with clients BULBROKERS establishes the Bulgarian language as the language for conduction of correspondence, submission of documents, making notices, as well as any other type of exchange of information. In its relations with nonresident clients BULBROKERS establishes the English language as the language for conduction of correspondence, submission of documents, making notices, as well as any other type of exchange of information. In the specific contracts one or more other languages may established, which may be used for exchange of information between the parties.

(2). In the absence of special requirements in a legal act, these general conditions or the contract entered into between the parties, the parties may exchange information in written or oral form. The communication shall be carried out in person (in the offices of the investment firm), by phone, fax,

letters including e-mails into the correspondence addresses established between the parties, by electronic documents signed by an e-signature, or using another means of communication between the parties as established in the contract. BULBROKERS shall keep the information received and sent in writing, as well as records of the telephone conversation held with the client and the electronic correspondence between the parties in relation to the performance of the Contract.

(3). When for the performance of definite statements a written form is required, unless otherwise established pursuant to the Markets in Financial Instruments Act and its implementing acts, this form shall be considered satisfied in respect of statements sent and received by fax, if their accurate reproduction is ensured, as well as in respect of the statements in the form of electronic document, signed by an e-signature, upon observance of the requirements of the Electronic Document and Electronic Signature Act, if the observance of the other requirements established in the Markets in Financial Instruments Act and its implementing acts is ensured.

Art.93. (1). Upon fulfillment of an obligation of BULBROKERS specified in these general conditions to provide information on a durable media it shall be submitted on a hard copy, or in any other way in respect of which the following requirements are met:

1. the submission of the information in this way is appropriate in view of the existing or forthcoming relations with the client;
2. the client explicitly preferred this method for submission after its being submitted on a hard copy.

(2). When the information is submitted to clients via the internet page of the firm and is not addressed to a particular client, it must meet the following conditions:

1. the submission of the information in this way is appropriate in view of the existing or forthcoming relations with the client;
2. the client explicitly consented to this method for submission of the information;
3. the client is notified by electronic means for the address of the firm's internet page and where exactly on the page this information is.
4. the information is up-to-date;
5. the information is accessible at all times on the firm's internet page for the period that is normally needed by the client to acquaint with it.

(3). The provision of information by electronic means of communication shall be considered appropriate in view of the existing or forthcoming relations with the client, if there is data that the client has regular access to Internet. The client shall be considered to have regular access to Internet, if the client provides an email for the needs of the relations established with the investment firm.

12. LIABILITY

Art.94. (1). The parties' liability for failure to fulfill their contractual relations shall be determined by the specific contract.

(2). Unless otherwise agreed in the contract, upon delay or partial fulfillment

of a cash obligation the guilty party shall owe default interest in the amount of 0,1% daily on the outstanding amount of the obligation until the fulfillment thereof, respectively until termination (rescission) of the contract.

(3). Unless otherwise agreed in the contract, upon improper fulfillment of an obligation for provision of financial instruments the default interest shall be equal to the adverse change for the non-defaulting contractual party in the value of the securities by the last day of the period of improper fulfillment, but no less than 0,1% daily on the outstanding value of the obligation until the fulfillment thereof, respectively until termination (rescission) of the contract.

(4). The non-defaulting party shall be entitled to indemnification for damages that are not covered by default interest pursuant to the law. The investment firm shall not have the right to propose clauses in the contract with the client that result in equality in terms of provided indemnifications and default interests in case of failure to fulfill the contractual obligations.

13. DISPUTE SETTLEMENT

Art. 95. (1) Disputes arisen between the parties in relation to the interpretation and performance of the present General Conditions and the specific contract shall be settled by mutual consent and in case that such consent may not be reached, the dispute shall be referred for resolution to the competent court or an arbitration tribunal selected by the parties.

(2). An appeal filed by the client shall be considered by the investment firm in accordance with the Internal Organization Rules of BULBROKERS, as within 10 working days as from the filing of the appeal, and when it is heard on a session of the Board of Directors, of which circumstance the client shall be notified – within 3 working days counted from the session of the Board of Directors, the investment firm shall send to the client a written reply.

14. UNSETTLED ISSUES

Art.96. (1). Other conditions and term not specified in these general conditions, as well as the remuneration of the investment firm and the expenses for the client, not included in the remuneration when not determined pursuant to the tariff, shall be determined by the contract.

(2). As concerns all issues not settled in the present general conditions and the specific contract with the client the effective Bulgarian legislation shall apply.

15. SUPPLEMENTARY AND FINAL PROVISIONS

§ 1. The words, expressions and terms used herein shall have the meaning ascribed to them by the Markets in Financial Instruments Act, Ordinance № 38 and Regulation 1287/2006 of the European Commission.

§ 2. The General Conditions are composed in compliance with the requirements of the Markets in Financial Instruments Act and Ordinance № 38 on the Requirements to the Activity of Investment Intermediaries.

§ 3. The General Conditions were adopted at a session of the Board of Directors of BULBROKERS EAD on 25.07.2012.

Executive Director