



GENERAL TERMS

APPLICABLE TO CONTRACTS WITH CLIENTS FOR PROVISION OF INVESTMENT AND/OR ANCILLARY SERVICES, RELATED TO FINANCIAL INSTRUMENTS

These General Terms have been adopted by United Bulgarian Bank AD, having its registered office and head office address at 5 Sveta Sofia Street, Vazrazhdane region, city of Sofia, with initial registration in Sofia City Court under company file 31848, re-registered in the Commercial Register with the Registry Agency under Company Identity Number 000694959.

These General Terms shall apply respectively and shall represent an integral part of contracts for provision of investment and ancillary services and activities, related to financial instruments, which United Bulgarian Bank AD signs with its clients.

These General Terms comply with the requirements of the Markets in Financial Instruments Act (MFIA) and Ordinance № 38 dated July 25, 2007 of the Financial Supervision Commission (Ordinance №38), with consideration to Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (MiFID) and Directive 2006/73/EC of the Commission on the application of Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment intermediaries and provision of definitions for the purposes of the stated Directive.

All cases, not provided for in these General Terms, shall be governed by the provisions of the effective and applicable legislation, whereby each individual contract between United Bulgarian Bank AD and a client may include specific clauses, insomuch as they are not in contradiction with the effective legislation.

These General Terms shall be displayed at a prominent place in the premises of United Bulgarian Bank AD for client services and shall be published on the Internet page of the Bank at www.ubb.bg. Every client shall have the right and the obligation to inform himself/herself of those, by receiving them in person at a branch of the Bank or by printing them from the Internet page.

Sofia, 2016

TABLE OF CONTENTS:

Used Abbreviations:.....	3
Chapter One Data about the Bank and investment services and activities, rendered by it	4
Chapter Two General Terms and Tariff of the Bank	6
Chapter Three Relations with clients	7
Section I Information, requested from clients	7
Section II Information, provided to clients.....	8
Section III Communication between UBB and clients.....	8
Section IV Client Categorization.....	10
Section V Policy of UBB for execution of client orders	10
Section VI Financial instruments and risks, associated with those.....	10
Section VII Conflict of interests.....	10
Chapter Four Requirements to the Bank's operations and restrictions according to MFIA, POSA and the ordinances on their application, concerning the relations with clients	11
Chapter Five Provision of investment services and activities for a client's account. Contractual relations of UBB with clients and signing of contracts for the provision of investment and/or ancillary services and activities. Execution of client orders for transactions in financial instruments	12
Section I General provisions. Clients' assets.....	12
Section II Procedure for signing of contracts and execution of client orders	13
Signing of contract for the provision of investment and/or ancillary services.....	13
Chapter Six Special rules for execution of transactions for purchase or sale of financial instruments through an electronic system, approved by the regulated market	19
Chapter Seven Special rules, applicable in case of a public company's capital increase	20
Chapter Eight Special rules for other services	20
Chapter Nine Special rules in case of enforcement by third parties on financial instruments of a client	20
Chapter Ten Liability for non-performance of contractual obligations:	21
Section I General provisions.....	21
Section II Other liabilities	21
Chapter Eleven Outsourcing to a third party. Performing investment or ancillary services for the account of a third party under the order of another investment intermediary	22
Chapter Twelve Obligations of UBB in accordance with the Measures Against Money Laundering Act and Measures Against Financing of Terrorism Act	22
Chapter Thirteen Obligations of UBB with regard to detection of insider trading and manipulation of the market in financial instruments.....	23
Chapter Fourteen Confidentiality	23
Chapter Fifteen Applicable law	24
Chapter Sixteen Settlement of disputes.....	24
Chapter Seventeen Storage of information. Record keeping	25
Chapter Eighteen Representations and consents.....	26
Chapter Nineteen Amendment and termination of contracts	26
Chapter Twenty Enforcement, application and amendment of these General Terms	27

Used Abbreviations:

MFIA	Markets in Financial Instruments Act
POSA	Public Offering of Securities Act
MAMAFIA	Measures Against Market Abuse of Financial Instruments Act
MAMLA	Measures Against Money Laundering Act
MAFTA	Measures Against Financing of Terrorism Act
Ordinance № 38	Ordinance № 38 dated 25.07.2007 of the Financial Supervision Commission on the requirements to the activity of investment intermediaries
Regulation	REGULATION (EC) № 1287/2006 of the Commission dated 10 August 2006 on the implementation of Directive 2004/39/EC of the European Parliament and the Council as regards the record-keeping obligations of investment intermediaries, transaction reporting, market transparency, admission of financial instruments to trading, as well as the defined terms for the purposes of this Directive
1287/2006/EC	
FSC	Financial Supervision Commission
GT	General Terms
UBB, The Bank	United Bulgarian Bank AD
ICF	Investors Compensation Fund

Chapter One

Data about the Bank and investment services and activities, rendered by it

Art. 1. Information about United Bulgarian Bank AD (in acc. with Art. 9 of Ordinance № 38)

(1) Name and address of the Bank, telephone and/or other contact information of the Bank

United Bulgarian Bank AD (UBB or the Bank) is a joint-stock company, registered in the Commercial Register with the Registry Agency under Company Identity Number 000694959, with initial registration in Sofia City Court under company file № 31848/1992. The Bank has been reregistered and entered in the Commercial Register with the Registry Agency under Company Identity Number 000694959.

UBB has its registered office and head office address at: 5 Sveta Sofia Street, Vazrazhdane region, city of Sofia.

Address: 5 Sveta Sofia Street, Vazrazhdane region, city of Sofia, postal code 1040.

Tel. number: + 359 2 811 3753; +359 2 811 3751

Fax number: +359 2 811 3759

E-mail: dimitrova_k@ubb.bg; mladjeva_v@ubb.bg

(2) Languages in which the client shall communicate and keep correspondence with the Bank and receive documents and other information by the Bank

1. Clients may communicate and keep correspondence with the Bank, as well as receive documents and other information from UBB in Bulgarian and English languages.

2. The Bank and its clients shall communicate with each other while using any of the methods, listed in Chapter IV, Section III *Communication between UBB and the client*, as well as via the electronic trading system.

(3) Information about the scope of activities of the Bank, its license and the authorities exercising control on its operations as an investment intermediary

1. **UBB** is a bank with the following scope of activity: public raising of deposits or other repayable funds and granting loans or other funding for its own account and risk; rendering money transfer services, rendering payment services under the Payment Services and Payment Instruments Act; issue and administration of other means of payment, such as payment cards, travelers' checks and letters of credit; acceptance of valuables on deposit; activity as a depository or custodian institution; financial leasing; guarantee transactions; trading for own account or for account of clients in money market instruments - cheques, bills of exchange, certificates of deposit and others, foreign currency and precious metals, futures, options, instruments linked to exchange rates and interest rates, and other derivative instruments, trading for own account or for account of clients in transferable securities, participation in issues of securities, as well as other services and activities under Art. 5, Para. 2 and 3 of the Markets in Financial Instruments Act; cash brokerage; rendering consultations to companies regarding their capital structure, sectoral strategy and related matters, as well as advice and services on the reorganization of companies and acquisition of businesses; acquisition of receivables under loans and other form of financing (factoring, forfeiting), issuing of electronic money; acquisition and management of stake participations; lease out of safe-deposit boxes against rental; collection, providing of information and references on the creditworthiness of clients; other similar activities, as defined in an ordinance of the Bulgarian National Bank (BNB).

2. **UBB** is licensed by the Bulgarian National Bank with resolution of the Governing Council of the BNB № 340/19.11.1992. The banking license of UBB has been updated in compliance with the Credit Institutions' Act, upon Order РД 22-1558/20.07.2007 of BNB's Governor.

3. **UBB** is a member of the Bulgarian Stock Exchange – Sofia AD.

4. **UBB** has been registered as investment intermediary in the register of investment intermediaries with the Financial Supervision Commission, upon resolution № ПГ-03-81, Minutes № 31 dated May 28, 1997.

5. **The state supervision** under the MFIA, POSA and the enactments for their application, including on UBB activities under these General Terms, is exercised by the Financial Supervision Commission.

(4) Services rendered and activities performed by the Bank:

1. In compliance with Art. 39, in relation to Art. 24 of Ordinance № 38, UBB provides investment and ancillary services, by signing written contracts for provision of investment and ancillary services for clients' account and accepts client orders only through individuals who work under a contract for UBB and are: brokers or persons, who

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

meet the requirements of Art. 3, Item 1-6 of Ordinance № 7 dated November 05, 2003 on the requirements, which shall be met by the persons who - under a contract - directly execute transactions in securities and provide investment advice with regard to securities, as well as the procedure for obtaining and forfeiting their right to exercise such activity. UBB may sign contracts for provision of investment and ancillary services also through managers, executive members of UBB Board of Directors.

2. In accordance with the issued license for banking operations UBB is entitled to provide the following investment services and activities under Art. 5, Para. 2 of MFIA, as follows ¹:

- a. acceptance and transmission of orders in relation to one or more financial instruments, including intermediation for entering into transactions with financial instruments;
- b. execution of orders on behalf of clients;
- c. proprietary dealing in financial instruments;
- d. portfolio management;
- e. providing investment advice to a client;
- f. underwriting of issues of financial instruments and/or initial offering of financial instruments under the conditions of unconditional and irrevocable commitment for subscription/ acquisition of the financial instruments for own account;
- g. initial offering of financial instruments without unconditional and irrevocable commitment to acquire the financial instruments for own account;

3. UBB is entitled to provide also the following ancillary services, according to Art. 5, Para. 3 of MFIA:

- a. safekeeping and administration of financial instruments for clients' account, including custodianship (keeping financial instruments and funds of clients in a depository institution) and related services, such as management of received funds / provided collateral;
- b. granting loans for carrying out of transactions in one or more financial instruments, provided that the person/entity, granting the loan, is involved in the transaction under conditions and procedure, laid down in an ordinance;
- c. advice to companies on capital structure, industrial strategy and related matters, as well as consultations and services, relating to mergers and purchase of companies;
- d. provision of services, related to foreign means of payment, insofar as these are connected with the rendered investment services;
- e. investment research and financial analyses or other forms of general recommendation, relating to transactions in financial instruments;
- f. services and activities, related to underwriting of issues of financial instruments;
- g. services and activities, as provided for in Art. 5, Para. 3, Item 7 of MFIA.

(5) Type, periodicity and deadline for submitting the reports and the confirmations to a client in connection with the rendered investment services and performed activities

These General Terms shall apply with regard to the type, periodicity and deadline for submitting the reports and the confirmations to clients, in connection with the rendered investment services and performed activities.

(6) Measures, taken by the Bank to guarantee the financial instruments or funds of clients, systems for compensation of investors or deposit guarantees

1. In line with its obligations under Art. 77a, Para. 3 of POSA, UBB makes monetary contributions to the Investors Compensation Fund.

2. The Fund ensures payment of compensation to UBB clients in cases when the Bank is unable to fulfill its obligations to its clients, for reasons directly relating to its financial performance, as well as in the cases under Art. 77b of POSA - in case of initiated bankruptcy proceedings or revoking of the license, or the respective permit for performing activity as an investment intermediary.

3. The compensation, paid by the Investors Compensation Fund to every client, amounts to 90 percent of the receivable, but not more than BGN 40 000, whereas a compensation shall not be paid to clients under the assumptions, explicitly described in Art. 77d, Para. 2 of POSA.

4. UBB has taken the following measures to guarantee the financial instruments or funds of clients:

- a. Checking the identity of the client, respectively the representative/ agent, upon each order;

¹ As of the time of adoption of these General Terms, UBB does not intend to organize a Multilateral Trading Facility.

- b. Requesting, and the client shall be obliged to present information about every person, entitled to give instructions and other information to UBB on the client's behalf, in connection with the respective contract and/or order;
- c. Exercising control through a separate and independent internal control unit of UBB;
- d. Opening a sub-account of the client in the relevant depositary institution;
- e. When opening a financial instruments account for a client with a third party, UBB shall act with due diligence for the interests of the client in choosing that third party, while taking into account the professional skills and market reputation of such party, as well as the regulatory requirements, related to the holding of funds in order to ensure the client's rights;
- f. Taking the necessary actions to ensure that the safekeeping of financial instruments of its clients by the third party is being performed in such a way, so as to ensure the holding of the client's financial instruments separately from the financial instruments of UBB and the third party, by keeping separate accounts by this third party, or applying other measures, providing the same level of protection;
- g. Monitoring the compliance with the restrictions under Art. 13 of Ordinance № 38.

(7) Conflicts of interest policy

UBB applies effective procedures and measures for treatment of conflicts of interest, as provided for in Chapter Three, Section VII of these General Terms, applicable to contracts with clients for the provision of investment and/or ancillary services, related to financial instruments, as well as in specifically adopted policy and internal rules of UBB.

Chapter Two General Terms and Tariff of the Bank

Art. 2. Relations between UBB in its capacity as an investment intermediary (II) and the respective client of the Bank with regard to an executed transaction and/or a particular financial service shall be settled with a written contract, in accordance with the effective General Terms, applied accordingly after their written acceptance by the client.

Art. 3. The Bank shall announce in a tariff its standard commission for the different types of contracts with clients, as well as the type and amount of expenses for the clients, if they are not included in the commission. Commission and other costs can be stipulated in the particular contract, with grounds and in amount different from the standard ones, with a view to the specifics of the service or the difference from the standard criteria for determining the commission.

Art. 4. Limitations

(1) UBB shall not be entitled, in connection with the provision of investment or ancillary services to a client, to pay, respectively provide and receive remuneration, commission or non-monetary benefit, **apart from:**

1. Consideration, commission or non-monetary benefit, paid or provided by or to the client or his/her representative;
2. Consideration, commission or non-monetary benefit, paid or provided by or to a third person/party or his/her representative upon availability of the following conditions:
 - a. the existence, nature and amount of the consideration, commission or the non-monetary benefit shall be indicated to the client clearly, simply, accurately and understandably prior to providing the relevant investment or ancillary service, and where the amount cannot be determined, the method of its calculation shall be indicated. The information shall be provided honestly, fairly and in the client's interest and shall present the significant conditions of the contract about the consideration, commission or the non-monetary benefit in a summarized form. Upon the client's request, the Bank shall provide detailed information about the consideration, commission or the non-monetary benefit;
 - b. the payment, respectively the provision of the consideration, commission or non-monetary benefit, shall be with a view to enhancing the quality of the service and shall not violate the obligation of the investment intermediary to act in the client's best interest;
3. relevant fees that provide or are necessary with a view to the provision of the investment services, such as expenses for trustee services, settlement and currency exchange fees, legal services fees and public fees, which in their nature do not entail origination of a conflict with the Bank's obligation to act honestly, fairly and professionally in the client's best interest.

(2) The General Terms and the Tariff shall be displayed at a prominent place in the premises of United Bulgarian Bank AD for client servicing and shall be published on its Internet page. The Bank shall give opportunity to its clients

in an appropriate manner, to get familiar with the content of the General Terms and the Tariff and shall sign contracts with clients on the basis thereof.

(3) UBB shall notify the client also about the possibility of incurring other expenses, related to services and activities performed for the client, which are not imposed by UBB and are not paid through the Bank, and the latter shall not undertake the obligation of determining their grounds and amount. The investment intermediary shall not be obliged to notify about taxes and stamp duties owed by the client, inasmuch as those are determined individually for each taxable person, based on a multitude of factors, as determined in the tax legislation.

(4) In case of changes in the Fees and Commissions' Tariff, UBB shall inform its clients about such new fees and commissions, while posting the new Tariff at a prominent and accessible place in its premises for client servicing and by publishing it on the Internet page of the Bank. The change in the Fees and Commissions' Tariff shall be performed as per the requirements of Chapter Twenty *Enforcement, application and amendment of these General Terms*.

Chapter Three Relations with clients

Section I Information, requested from clients

Art. 5. In the cases as required by the effective legal framework and prior to the provision of investment and/or ancillary services, UBB shall make an appropriateness test, within the meaning of Art. 19 of Ordinance № 38. To this end UBB shall request from the client or potential client information as per Art. 28 of MFIA, including such as regards the client's experience and knowledge in the field of investment activities. For the purpose of providing the necessary information, UBB may demand from the client additional information, including also the completion of inquiry forms, questionnaires, etc. based on an approved model.

Art. 6. When providing an investment service under the preceding paragraph to a professional client, the Bank may assume that the client has the necessary experience and knowledge, in order to understand the risks connected with the transaction or the management of the client's portfolio and that this client has the financial capacity to undertake all related investment risks that are compatible with his/her/its investment objectives.

Art. 7. The information about the financial performance of the client or the potential client shall include, where applicable, information on the sources and the amount of his/her/its regular income, assets, including liquid assets, investments and real estates, as well as his/her/its recurring financial liabilities, and where applicable - information on the time period in which the client would like to hold the investment, his/her/its preferences with regard to the risk undertaken, his/her/its risk profile and investment objectives.

Art. 8. When UBB assesses whether an investment service, other than investment advice and portfolio management, is appropriate for a client, it has to find out whether the client has the necessary experience and knowledge, in order to understand the risks, related to the product or the investment service which is being offered or demanded.

Art. 9. (1) UBB shall require such part of the information as may be appropriate with a view to establishing significant facts about the client, including client's categorization, the nature and range of services that will be provided, and the types of products or transactions which are anticipated, including their complexity and the associated risks.

(2) The information concerns:

- client's investment objectives;
- client's financial capacity to undertake all related investment risks, that are compatible with his/her/its investment objectives;
- client's experience and knowledge required in order for him/her/it to understand the risks associated with the transaction or with the management of his/her/its portfolio and shall contain:

- the types of services, transactions and financial instruments, with which the client is acquainted;

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

- the nature, volume and frequency of the transactions in financial instruments for the client's account, as well as the period within which they will be concluded;
- the education degree awarded, profession or relevant previous profession of the client or the potential client.

Art. 10. During the provision of investment and/or ancillary services, UBB shall be guided by the information, provided by its clients, or potential clients, unless it knows or should have known that the information is incorrect, incomplete or outdated.

Art. 11. UBB shall not encourage the client or potential clients for non-presenting the information required for the purposes of Art. 28, MFIA.

Art. 12. Based on the information so obtained, UBB shall make an appropriateness test in accordance with Chapter Three of Ordinance № 38, and shall inform the client about the conclusion thereof.

Art. 13. With regard to the information required under Art. 9 of these General Terms, UBB shall not be entitled to render the services under Art. 5, Para. 2, items 4 and 5 of MFIA for a client, who has failed to provide the information, meeting the criteria and content, as specified above or other relevant information.

Section II Information, provided to clients

Art. 14. (1) In compliance with the requirements of MFIA and Ordinance № 38, the information that UBB provides to its clients, as well as to potential clients, including in its advertising materials and public statements, shall be understandable, accurate, clear and non-misleading.

(2) The type and volume of information shall take into account the characteristics of the client (according to Section IV, *Client Categorization*).

(3) The information shall be provided through these General Terms, the references therein, on a durable storage medium or in another appropriate manner of communication, as specified below, which would help the client understand the nature and risks of the investment service and the proposed particular financial instrument, ensuring subsequently the making of a justified and informed investment decision.

(4) In the cases when the applicable and effective legislation requires the provision of information to the client on a durable storage medium, UBB shall provide information on a hard copy or another medium, namely: CD, CD-ROM, CD-RW, DVD, USB flash drive (depending on the technical capacity of the Bank), and on other commonly used optical and magnetic storage media, as well as through notices sent by e-mail in the cases provided for in these General Terms.

(5) Information shall be provided to UBB clients also via the Internet page of the Bank, when the provision of information in this manner is appropriate with a view to the existing or future relations with the client, when the client has explicitly accepted this manner of provision of information and has been informed electronically or in another manner about the Internet address of UBB page, where this information is displayed.

Section III Communication between UBB and clients

Art. 15. The communication between UBB and clients shall be made in writing, in one of the following manners:

- by surface mail with return receipt, to the addresses specified by the parties in the specific contract;
- by fax - to the numbers, specified by the parties in the specific contract;
- through electronic communications, via e-mail, to an electronic address, stated in the specific contract;
- through an employee of UBB at a branch/office of the Bank.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

Art. 16. The communication from UBB to the client shall be also made via Internet and in compliance with the requirements of Art. 15, Para. 2 of Ordinance № 38.

Art. 17. The communication may also be made by telephone, if this communication method is agreed in the specific contract. The verbal communication performed in this way shall be confirmed in writing as soon as possible, in compliance with the requirements of Ordinance № 38.

Art. 18. The written communication **from a client to UBB** shall be made through submission of documents at the contact addresses of UBB, as well as through submission of documents to a broker or another person, meeting the requirements of Art. 3 items 1-6 of Ordinance № 7, who works under a contract with UBB.

Art. 19. (1) For the execution of transactions in financial instruments, UBB clients shall submit orders with minimum content, as established by Art. 34, Para. 1 of Ordinance № 38. Orders shall be made personally by the client or through a proxy with a power of attorney, attested by a notary, which contains the representative authority for execution of disposal actions with financial instruments.

(2) Upon the order acceptance, the person accepting it shall check the identity of the client, or of his/her representative and/or proxy, and in case of changes shall record these in the client's file and request from the client/proxy to sign the order, the relevant declarations, as well as other documents and information, in accordance with Ordinance № 38 and shall make the necessary checks.

(3) In case an order is given for the conclusion of a transaction in financial instruments, representing a disposal of money or financial instruments belonging to a child, an unmarried minor, a person under full or partial judicial disability, the requirements of the Family Code shall be observed, by presenting the original of a ruling of the relevant regional court.

(4) In case an order is given as per the preceding paragraph, including in cases when trustee assistance is provided, the representative (a parent, guardian or trustee) shall verify his/her identity also in his/her capacity as representative.

Art. 20. (1) With the acceptance of these General Terms, the client declares that he/she/it has provided to UBB complete, true, accurate and non-misleading information, as well as that he/she/it will provide such information upon request, with regard to the conclusion and execution of each specific contract.

(2) Upon each subsequent provision of information, the client shall declare in writing the stated circumstances about the provided information. The client shall be obliged to inform immediately UBB about any change in the provided information.

Art. 21. The communication by telephone or via another remote method shall be made at the telephones, specified by UBB or other remote communication methods, provided the requirements of Ordinance № 38 and MFIA have been met.

Art. 22. (1) The communication **from UBB to a client** shall be made in accordance with the address, telephone or another remote communication method, as provided by the client. The particular method of communication (specification of surface mail address, electronic address, telephone, etc.) shall be notified in writing to UBB upon signing of a contract.

(2) Upon change of any of the circumstances under the preceding paragraph, the client shall be obliged to inform UBB and provide up-to-date data within 5 business days from the change occurrence. If the client fails to inform in writing UBB about the change in the agreed methods of communication, it shall be considered that the Bank has fulfilled its obligation to inform the client, if the information and/or documents have been sent by the Bank in accordance with the recent methods of communication, as specified in writing by the client.

Art. 23. UBB and its clients may use for communication purposes the electronic trading system, established and maintained by the investment intermediary, provided that its use guarantees the compliance with the requirements of Ordinance № 38 and ensures the client's access to a specific execution venue.

Art. 24. If the client provides an e-mail address for the purposes of its relations with the Bank, pursuant to Art. 15, Para. 3, second sentence of Ordinance № 38, UBB shall assume that the client has regular access to Internet and that the provision of information to the client via e-mail is appropriate with a view to the latter's relations with the Bank. Upon a client's provision of an e-mail address, the Bank shall consider that the former has declared his/her/its consent for receipt of information in this manner.

Art. 25. Communications and notices between UBB and the client may be made in any other manner, as permitted by the effective regulations and appropriate with a view to the preceding texts, the arrangements in the specific contract and the particular circumstances. The client may give orders for acquisition and disposal of financial instruments only in the manners, as provided for in the contract and in accordance with the provisions in these General Terms.

Section IV Client Categorization

Art. 26. (1) UBB shall categorize its clients in accordance with its internal rules, policies and procedures for client categorization, under the terms and criteria, established by MFIA.

(2) A client of the Bank is an investor (a natural person or a legal entity), using or interested in using the services, rendered by the Bank.

(3) The client may be categorized as professional, retail or eligible counterparty.

Art. 27. UBB shall notify all its clients of the conditions and criteria, according to which it categorizes them as either professional or retail, as well as of the circumstances, under which they may be defined as an eligible counterparty. UBB shall inform its clients about their right to request a different way of categorization, as well as of the restrictions imposed on their protection in the case of different categorization.

Art. 28. UBB shall provide the information, due to be notified under the preceding article, via a notification letter or on another durable storage medium, in accordance with the provisions of Ordinance № 38.

Art. 29. Clients may be provided with the Client Categorization Policy or may examine it on the Internet page of UBB.

Section V Policy of UBB for execution of client orders

Art. 30. UBB shall execute client orders in compliance with *Orders Processing Policy* and *Best Execution Policy*. Clients may obtain a brief description of these policies in accordance with Art. 65 of these General Terms, get familiar with them on the Internet page of UBB and obtain them in writing.

Section VI Financial instruments and risks, associated with those

Art. 31. Depending on client categorization and in compliance with the requirements of Art. 10 of Ordinance № 38, UBB shall provide a general description of the financial instruments, subject to investment activities and services under Art. 1, Para. 4 of these General Terms. The general description of the financial instruments and risks, related thereto, are accessible on the Internet page of UBB. UBB shall provide the information under the preceding sentence on a hard copy upon a client's request.

Art. 32. The specified information shall be provided to clients for the purpose of their making an informed investment decision. The general description of the financial instruments and risks, related thereto may be supplemented by a subsequent complementary specific description with regard to particular orders by clients under a specific transaction.

Section VII Conflict of interests

Art. 33. Conflict of interests is a situation, which arises in relation to providing investment and/or ancillary services by

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

UBB, and may damage the interest of a client.

Art. 34. The Bank has adopted rules for internal arrangements, part of which is the *Conflict of Interest Policy*. The policy contains, with regard to particular services and activities, performed by or for the account of the Bank, the circumstances representing conflicts of interest, giving rise to a risk of damaging the interests of a client or clients of UBB, including such circumstances, which are or should have been known by the Bank and that may give rise to conflicts of interest as result of the structure of the group, whose member UBB is and the activities of the other members of that group, as well as the procedures and measures for handling such conflicts.

Art. 35. Upon rendering the services and activities under Chapter One of these General Terms, UBB shall undertake all actions, needed to establish potential conflicts of interest between:

1. UBB in its capacity as an investment intermediary, including the persons/entities as per Art. 11, Para. 1 and 5 of MFIA, all other persons who work under a contract for it, as well as the persons related to it through controlling functions, on one hand, and its clients, on the other hand;

2. its individual clients.

Art. 36. If, despite the application of the rules of *the Conflict of Interest Policy*, there is still a risk for the client's interests, the investment intermediary shall not pursue the activity for a client's account, if it has not informed him/her/it about the general nature and/or sources of potential conflicts of interests.

Art. 37. When despite the application of the rules regarding handling of conflicts of interest such conflicts do occur, the rules shall ensure the fair treatment of clients, disclosure of information and prevention of damage to clients' interests.

Art. 38. UBB shall also provide additional detailed information about *Conflict of Interest Policy*. Upon client's request the information shall be provided on a durable storage medium.

Chapter Four

Requirements to the Bank's operations and restrictions according to MFIA, POSA and the ordinances on their application, concerning the relations with clients

Art. 39. Requirements to the Bank's operations in its capacity as an investment intermediary:

1. Upon the performance of services and activities under Art. 5, Para. 2 and 3 of MFIA, the Bank shall be obliged to act honestly, fairly, as a professional, in accordance with the best interests of its clients, with due diligence for the interests of its clients and with preference for their interest to its own, as well as notify them of the risks of transactions in financial instruments.

2. The Bank shall be obliged to inform its clients of the risks, associated with transactions in financial instruments, the existing mechanism for compensation of investors in financial instruments, including about its scope and about the guaranteed amount of the client's assets, and upon request shall provide data about the conditions and procedure of compensation.

3. The Bank shall treat equally its clients.

4. The Bank shall conclude transactions in financial instruments for clients' account at best terms and while making efforts to achieve the best execution, in accordance with the order given by the client, following the adopted *Orders Processing Policy* and *Best Execution Policy*. The Bank would have fulfilled its obligations to act for the achievement of the best result, if it has executed the order or a specific aspect of the order, while following the special instructions of the client.

Art. 40. Restrictions to the Bank's operations in its capacity as an investment intermediary:

(1) The Bank shall not:

1. execute transactions for clients' account in volume or frequency, at prices or with a specific counterparty, which, under the circumstances, may reasonably be considered as executed exclusively in the investment intermediary's interest, with the exception of transactions for which execution the client has given explicit instructions on his/her/its own initiative;

2. purchase for its own account financial instruments, for which its client has given an order for purchase, and sell them to the client at a price, higher than the price at which they have been bought. This prohibition shall be applicable also to the members of the investment intermediary's management and controlling bodies, to the persons managing its operations, as well as to all persons working for it under a contract and their related parties;

3. perform actions for its own or another person's account with the client's money and financial instruments, for which it has not been authorized by the latter;
4. sell for its own or others' account financial instruments, which the Bank or a client of its does not possess, except in cases when the Bank may ensure in another way that the financial instruments, subject to the sale, will be delivered at the day of settlement of the transaction, as well as in other cases, as stipulated in an ordinance or another enactment;
5. participate in the performance, including in the capacity as a registration agent, of concealed purchases or sales of financial instruments;
6. receive part or all of the benefit, in case the Bank has concluded and executed the transaction under terms, more favorable than those, set by the client;
7. perform activity in another manner that jeopardizes the interests of the client or violates the stability of the financial instruments' market.

(2) UBB shall not be entitled to conclude transactions for funding of financial instruments with financial instruments, held by it for clients, or use in another way for its own account or for the account of another client such financial instruments, unless the client has given his/her/its prior express consent for the use of his/her/its financial instruments under certain conditions and the use of the financial instruments is being made while meeting these conditions. For retail clients this consent shall be in writing.

(3) UBB, except in cases permitted by the legal regulations, shall neither be entitled to use for its own account the money and financial instruments of its clients, nor use for the account of a client of its money and financial instruments of other clients, nor use for the account of a client its own funds or financial instruments.

(4) UBB shall execute orders of its clients also outside a regulated market or a multilateral trading facility, whereas orders so made shall be executed in the specified manner only in compliance with the provisions of Ordinance № 38 and the effective legislation, if the Bank's clients have been informed in advance and have given explicit consent thereof.

(5) UBB shall not be entitled to perform the business in another manner whereby it would jeopardize the interests of its clients or the integrity of the financial instruments market.

Chapter Five

Provision of investment services and activities for a client's account. Contractual relations of UBB with clients and signing of contracts for the provision of investment and/or ancillary services and activities. Execution of client orders for transactions in financial instruments

Section I

General provisions. Clients' assets

Art. 41.(1) UBB shall provide investment and ancillary services for clients' account on the basis of a written contract with the respective client.

(2) During the effect of the contract with the client UBB may request from the client additional information and documents, relating to the Bank's rules for client categorization and the compliance with the regulatory requirements, whereas the client shall provide and update the necessary information.

Art. 42. In compliance with the provisions of the specific contract, UBB shall open a sub-account in a depository institution for the client's financial instruments, based on the contract and in compliance with the terms therein, as well as an account with UBB for the safekeeping of the client's funds.

Art. 43. In the cases when UBB opens a financial instruments' account for a client with a third party, it shall act with due diligence for the client's interests in choosing that third party and in assigning the safekeeping of the client's financial instruments to that third party.

Section II

Procedure for signing of contracts and execution of client orders

Signing of a contract for provision of investment and/or ancillary services

Art. 44. (1) UBB shall perform the services and activities under Art. 5, Para. 2 and 3 of MFIA for the account of a client, based on a written contract with the client in compliance with the effective General Terms. Client of UBB shall be deemed an investor (a natural person or a legal entity), using or interested in using the services, rendered by the Bank in its capacity as an investment intermediary.

(2) Prior to signing of a contract, UBB shall provide an opportunity to its clients to inform themselves of the effective General Terms and policies of the Bank. UBB shall check the identity of the client, respectively his/her/its representative, and shall require the provision of information, needed for the client categorization.

(3) Prior to signing of a contract, UBB shall also demand from the client information regarding the assessment, which UBB has to make in accordance with MFIA and Ordinance № 38, with a view to the protection it must provide to the client in line with the client's category, in compliance with the provided information and UBB rules for client categorization.

(4) Following the identity check, the client, respectively its representative, shall sign the contract under Para. 1 in the presence of a broker or a person under Art. 39, Para. 1, Item 2 of Ordinance № 38. The broker or the person under Art. 39, Para. 1, item 2 of Ordinance № 38 shall declare whether the requirements of the preceding sentence have been fulfilled.

(5) An employee from the internal control unit of UBB shall check if the contract under Para. 1 and the declaration under the preceding paragraph meet the requirements of MFIA, the enactments for its application and the internal rules of the Bank. In such case the official from the internal control unit shall, by the end of the business day, sign the contract under Para. 1, thus verifying the execution of the check.

(6) For the execution of the contract under Para. 1 and in compliance with the accounting legislation, UBB shall open accounts for financial instruments and for the client's funds.

(7) A copy of the client's identity document, respectively its representative and/or proxy, certified by the client and by a broker or a person under Art. 39, Para. 1, Item 2 of Ordinance № 38, shall remain in the archives of the Bank. The certification shall be performed in accordance with the procedure under Art. 24, Para. 5 of Ordinance № 38, through affixing of "true to the original" inscription, date and a signature of the person, making the certification.

(8) The contract under Para. 1 shall contain individualizing data of the persons signing it, the capacity of the person representing UBB, date and place of signing and the General Terms in effect at the time of conclusion, main rights and obligations of the parties and references to the information which the Bank is obliged to provide.

(9) Signing of the contract under Para. 1 through a proxy shall be admissible, only if a power of attorney with attestation by a notary has been presented, containing the representative power for execution of administration or disposal activities with financial instruments and a declaration by the proxy that he/she/it does not perform transactions in financial instruments by way of business and has not been engaged in such transactions for a period of one year prior to concluding the contract.

(10) UBB shall keep for its records the declaration and the original power of attorney under the preceding item, respectively a certified copy thereof with attestation by a notary. If the power of attorney is for multiple use, the Bank shall keep a copy of it, certified by the proxy and by an official from the internal control unit.

(11) When the contract under Para. 1 has been concluded through an exchange of electronic statements, signed with a qualified electronic signature (QES) in accordance with Art.26a, Para 1 of Ordinance No38, the client, respectively his/her/its representative, shall submit to the Bank a copy of his/her ID document, signed in accordance with the present para, while for clients-legal entities – also a copy of their commercial registration documents, containing data about the incorporation and representation. The provisions of Paras. 4 and 7 shall not apply.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(12) Upon signing of the contract in the manner specified in the previous para, the person/entity pursuant to Art. 39 Para 1 of Ordinance No38 shall check the identity of the client, respectively of his/her/its representative through verifying the data, available in the electronic signature. The persons under Art.39 Para1 shall print out the contract, signed with a qualified electronic signature, declare whether the requirements of the previous sentence have been met and indicate the print date.

(13) When during the check under the preceding paragraph a discrepancy is found between the identity of the person specified in the electronic statement under Para 11 and the holder of the qualified electronic signature, or a discrepancy between the holder of the qualified electronic signature and the person, entitled to represent a legal entity, from which the electronic statement originates, the contract shall be treated as non-concluded. UBB shall immediately notify the holder of the electronic signature and the author of the electronic statement about the circumstance in the preceding sentence, through the respective provider of certification services.

(14) The providing of the entire necessary information by the client in accordance with the requirements of Ordinance № 38, as well as the providing of information by the client, needed for performing an appropriateness test, may be made through an electronic statement, signed by the client with a qualified electronic signature.

(15) The contract under Para. 1 may be concluded in absentia and also through exchange of the necessary documents, signed by the parties, as the client shall lay his/her signature in the presence of a notary public, who will certify this circumstance. In case the contract is signed with attestation of the client's signature by a notary public, the provisions of Para. 4 and 7 shall not apply. The providing on the part of the client of the entire necessary information in accordance with the requirements of Ordinance № 38, as well as the providing of information by the client, needed for performing an appropriateness test, may be made by the client remotely through signing the required documents before a notary public.

(16) In the cases under the previous para, the client, respectively his/her/its representative, shall send to the investment intermediary the contract, signed with attestation of the signature by a notary public, a certified copy of his/her identity document, while for clients – legal entities – also a certified copy of trade registration documents, containing data about the company's establishment and representation. The certification of the identity document and the trade registration documents shall be made through affixing a "True to the original" inscription, a date and laying a signature by the client."

(17) UBB shall sign the contract under Para. 1 and accept the documents, required in accordance with the effective legislation, from a client only at a principal place of business, branch or office, entered into the register under Art. 30, Para. 1, item 2 of the Financial Supervision Commission's Act, except for the cases when the contract is signed pursuant to Para 11 and Para 15. At the entrance of all its branches and offices under the preceding paragraph, the Bank shall display information about its name and registered offices, working hours, first name and last name of the official, responsible for the relevant branch or office.

(18) UBB shall not sign the contract under Para. 1, if:

1. The client or his/her/its proxy has failed to present and sign all necessary documents, as described above;
2. The client or his/her/its proxy has presented documents with obvious irregularities or the data therein is incomplete, has inaccuracies or inconsistencies, or there is another circumstance, which generates suspicion as to improper ascertainment of identity or representation.

(19) UBB shall not sign the contract under Para. 1 if the counterparty is represented by a proxy, who declares performance of transactions in financial instruments by way of business, unless the contract is signed by a managing entity, a credit institution, an investment intermediary or another person/entity, entitled to perform activity in financial investments.

(20) UBB shall keep for its records the originals of the certification documents under Para. 18 (depository receipts, interim certificates, etc.).

(21) UBB shall open a sub-account of the client to its account for dematerialized securities with the Central Depository AD, on the grounds of the contract under Para. 1.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

Placement of orders for transactions in financial instruments

Art. 45. (1) The client shall submit orders for conclusion of transactions in financial instruments, as well as additional orders for changes in parameters of already given orders, in writing and based on a sample form, provided by UBB, in compliance with the effective legislation. Together with placing of orders the client shall also submit the declarations, information and other documents, required by the regulatory enactments.

(2) Placement of orders through a proxy shall be admissible, only if an explicit notarized power of attorney has been provided, containing the representative power for execution of disposal acts with financial instruments and a declaration by the proxy that he/she/it has not been engaged in transactions in financial instruments by way of business for a period of one year before placing the order. Paragraph 10 of the preceding article shall apply accordingly.

(3) Upon acceptance of the order, UBB shall request from the client, respectively from its representative or proxy, to declare the circumstances under Art. 35, Para. 1 of Ordinance № 38, as follows:

1. whether he/she possesses insider information about the financial instruments, covered by the order, and their issuer, if the financial instruments to which the order relates or on the basis of which the financial instruments, subject to the order, have been issued, are traded on a regulated market;

2. whether the financial instruments subject to an order for sale or exchange, are blocked in the depository institution, in which they are being kept and whether a pledge or lien has been imposed thereon;

3. whether the transaction, subject to the order, constitutes a concealed purchase or sale of financial instruments.

(4) UBB may accept orders for transactions in financial instruments given via the telephone or via another remote communication method as in similar cases a recording shall be made of the conversation with the client, and in case when orders are submitted through another remote method, the investment intermediary shall store electronically the data, provided by the client in relation to the orders. When the order has been placed by a retail client, by the end of the business day the Bank shall draft a document, containing data of the order, declarations and other necessary documents, thus certifying the content of the remotely placed order. The document shall be sent to the client on a durable storage medium, in a manner, as negotiated in the contract.

(5) UBB may accept orders of clients through the electronic trading system, which provides the client with an access to a specific execution venue, when the electronic system guarantees the compliance with these General Terms and the requirements of Ordinance № 38. The access to the system as per the preceding sentence and the input of orders by the client shall be made through the use of an electronic certificate, issued in the client's name.

(6) UBB shall check with the depository institution, whether the financial instruments, covered by the order for sale, are available in the client's sub-account, whether they are blocked and whether a pledge or lien has been imposed thereon.

(7) In case the order has been placed in accordance with Art. 34, Para. 8 of Ordinance № 38, the check under the preceding paragraph shall not be made, if the electronic system does not allow for the execution of transactions with blocked, distrained or pledged financial instruments or financial instruments that are not available in the respective account.

(8) The provisions of Para. 4 shall not apply to an order given by a representative, who has failed to certify before UBB his/her representative power or by a proxy, who has failed to present in advance to the Bank the documents under Art. 25 of Ordinance № 38.

(9) In the cases under Para. 4, a retail client or its proxy, respectively, shall be obliged to provide the Bank with the order and declarations in accordance with Ordinance № 38, within a period not longer than 20 business days, in writing or in another form, having equivalent evidential value according to the law. Clients, categorized as professional clients or as eligible counterparty, shall confirm orders and declarations placed via telephone, through fax or e-mail by the end of the same day.

(10) The provisions of Para. 4 shall not apply with regard to the transfer of dematerialized securities from a personal account of the client into the client's sub-account to the Bank's account with the Central Depository AD.

(11) Upon the order acceptance, the official accepting it shall verify the identity of the client, or of his/her representative or proxy, and in case of changes shall record these in the client's file.

(12) UBB shall provide the client with a signed counterpart of the accepted order as per Para. 1, unless the order has been accepted under the procedure of Para. 4 or Para. 5 (electronic trading system).

(13) UBB shall refuse acceptance for an order, which does not meet the legal requirements or which has been placed by a proxy while failing to comply with the requirements of Para. 2. In this case the Bank shall draft a document for the rejection, and present it to the client against a signature.

(14) The Bank shall refuse or postpone the execution of a client order for a transaction in financial instruments, if this execution would breach provisions of legal regulations, including of MFIA, MAMAFIA, the Special Purpose Vehicle Act (SPVA) or other effective and applicable by-laws.

(15) Pursuant to Art. 38, Para. 2 of Ordinance № 38 UBB shall refuse or postpone the execution of a client order for transaction in financial instruments, if it has been declared or established that the financial instruments, subject to an order for sale, are not available in the client's account, or have been blocked in a depository institution, as well as if a pledge has been constituted or a distraintment has been imposed on those. The rejection/ postponement may be dropped out only under the conditions of Art. 38, Para. 3 and Para. 4 of Ordinance № 38.

(16) The client shall be entitled to withdraw the order at his/her/its discretion at any time before the execution of the transaction, whereas the client shall pay to the Bank the consideration and the expenses, incurred by the latter.

(17) The withdrawal of an order by the client shall be confirmed or rejected by a UBB official, after verifying the order execution.

(18) If the order has been executed, the client shall be held liable for all transactions that the Bank has executed for his/her/its account. The form, procedure and other terms and conditions for withdrawal of orders, shall be governed by the order placement rules.

(19) The client shall not give orders for execution of transactions in financial instruments with validity longer than the period, specified in Art. 9, Para. 3, Item 1 of Section Two, Part IV of the Rules and Regulations of the Bulgarian Stock Exchange - Sofia AD.

Execution of client orders for transactions in financial instruments

Art. 46. (1) UBB shall fulfill client orders by executing transactions in financial instruments for a client's account at best terms and while making efforts to achieve the best execution, in accordance with the order, given by the client, in observance of the *Orders Processing Policy* of the Bank and in compliance with the following requirements:

1. immediate and accurate registration and distribution of orders for execution;
2. immediate execution in the sequence of their receipt of identical client orders, except when the characteristics of the order or the prevailing market conditions make this unfeasible or the client's interests call for something else;

(2) UBB shall inform retail clients about occurred objective difficulties that may hinder the accurate execution of the orders, immediately after becoming aware of such.

(3) With a view to its obligation to achieve the best result for the client, UBB shall execute client orders at its earliest convenience, except when this would obviously be unprofitable for the client.

(4) UBB shall execute client orders in accordance with the provisions of the Rules and Regulations of the Bulgarian Stock Exchange - Sofia AD – Part IV Trading Rules.

(5) In case the client has given special instructions in his/her/its order to UBB and if the Bank has fulfilled the order or a specific aspect of its, while following the special instructions of the client, then it shall be deemed that the Bank has performed on its obligation to achieve the best result for the client.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(6) UBB shall not be entitled to execute an order or a transaction of a client for its own account, by combining these with other client orders, except if:

1. the consolidation of orders and transactions would not infringe any of the clients, whose orders are being consolidated;
2. UBB has explained to each of the clients, whose orders are being consolidated that this consolidation, as regards the particular order, may be unprofitable for the client.

(7) The Bank shall not request from the Central Depository AD the transfer of dematerialized securities from a personal account to a client's sub-account with the Bank, if the client or his/her/its agent has failed to provide the original of a certification document (depository receipt, interim certificate, etc.) for the securities, or there is another circumstance, which gives rise to suspicion for improper ascertainment of identity or representation.

(8) In the cases under the above Para. 6 UBB shall apply the rules for consolidation and division of orders, part of the *Orders Processing Policy*, which complies with the requirements of Art. 37 of Ordinance № 38.

(9) The Bank shall not be entitled to abuse information on outstanding client orders and shall take all necessary measures to prevent such abuse by any person, working under a contract for the Bank.

(10) If, on the grounds of a particular contract, the Bank has undertaken the obligation to organize or monitor the settlement of an order it had executed for a client's account, the former shall perform all necessary acts to ensure that all client financial instruments or funds, received in the settlement of the transaction, have been immediately and accurately transferred to the accounts of the respective client.

(11) UBB shall be obliged to initiate actions for the execution of a given order only after having fulfilled all prerequisites, stipulated in the regulatory provisions, the rules of execution venue, the contract for provision of investment and/or ancillary services and the effective General Terms.

Refusal to execute client orders for transactions in financial instruments

Art. 47. (1) Apart from the cases, specified in these General Terms, UBB shall refuse to execute a client order if the client, respectively his/her/its representative and/or proxy, refuses to submit the declarations, required in accordance with Art. 35 of Ordinance № 38. This refusal shall be certified with a separate document, drafted by UBB and submitted for signing to the client.

(2) UBB shall refuse to execute an order, if it has been declared or ascertained that the financial instruments, subject to an order for sale, are not available in the client's account, or have been blocked in a depository institution, as well as if a pledge has been instituted or a distraintment has been imposed on those.

(3) The above shall not be deemed ground for refusal with regard to an order for sale of financial instruments, which are not available in a client's account, if the Bank may ensure in another way the financial instruments subject to sale and if they are delivered on the day of settlement of the transaction, as well as in other cases, stipulated in an ordinance or another enactment, treating this subject.

(4) UBB shall refuse to execute a client's order for transactions in financial instruments, if, as judged by the Bank, this would lead to violation of the Markets in Financial Instruments Act, Measures Against Market Abuse of Financial Instruments Act, Special Purpose Vehicles Act, Ordinance № 38 or other effective enactments.

Payments under a transaction in financial instruments

Art. 48. (1) UBB shall require from a client, placing an order for purchase of a financial instrument, upon the order placement and as agreed in the particular contract, to provide the funds needed for the payment under the transaction subject to the order, as well as for the payment of the due amounts for fees and commissions, except if the client certifies that he/she/it will fulfill his/her/its obligation for payment under the transaction or in other cases, provided for in an enactment.

(2) UBB shall require from a client, placing an order for sale of financial instruments, upon submitting the order and in accordance with the stipulations in the particular contract, to ensure in his/her/its client account with the Bank the

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

financial instruments, necessary for the execution of the transaction, subject to the order, as well as ensure the due amounts for fees and commissions on the transaction.

(3) If the rules of the execution venue where the transaction will be executed allow the execution of a transaction, in which the payment of financial instruments is not made simultaneously with their transfer, UBB may decide not to require payment from the buyer of the securities upon availability of the seller's express written consent. This provision shall apply respectively to other transactions for transfer of financial instruments.

(4) UBB shall effect payments under transactions in financial instruments only electronically, by debiting/crediting the account (specified in the particular order) of the financial instruments' buyer/seller.

Confirmation of an executed transaction in financial instruments

Art. 49. (1) In cases when UBB has concluded a transaction for the account of a retail client, which does not relate to fulfillment of a contract for individual portfolio management, UBB shall, at its earliest convenience, but not later than the first business day, following the conclusion of the transaction, send a confirmation for the executed transaction on a durable storage medium. The confirmation shall contain the information, related to the specific transaction with regard to the relevant application of Regulation 1287/2006/EC and Art. 45 of Ordinance № 38.

(2) In cases when UBB has concluded a transaction for the account of a professional client or an eligible counterparty, immediately after the end of the trading session the Bank shall provide to the client on a durable storage medium the essential information on the concluded transaction.

(3) The client shall agree to accept the confirmation of the concluded transaction during the business hours for client servicing of UBB in the branch/office where the order has been placed, after the date of the transaction's conclusion. The Bank may send the written confirmation under this paragraph also in another manner, when such has been explicitly agreed in the contract, has been provided for in these General Terms or in another manner, verifying the receipt and meeting the requirement of presenting the information on a durable storage medium.

(4) If the settlement is not carried out on the date, indicated in the confirmation, or some other change occurs in the information, contained in the confirmation, the Bank shall inform the client under the conditions agreed in these General Terms by the end of the business day, in which the change has become known to the Bank.

(5) If the order is executed in portions, UBB may provide the client with information about the average price or the price of each transaction. When providing information about the average price and upon request by a retail client, the Bank shall provide information about the price of each transaction.

(6) Upon a request in writing UBB shall provide information about the status of the order and its execution.

(7) UBB shall be entitled to provide information in the confirmation of an executed transaction, while using standard codes, approved by the relevant regulated market, provided that it presents to the client explanation about the codes used.

(8) When UBB has accepted a client's order through an electronic trading system, the conformation for a concluded transaction, respectively the information in this confirmation shall be provided to the client accordingly via the electronic system.

Statements and notices

Art. 50. (1) When UBB holds financial instruments and/or funds of a client, including if acting merely as a trustee, the Bank shall send once a year on a durable storage medium at the address, specified by the client or provide him/her/it in another agreed manner, with a written statement of balances and transactions on the accounts of the client, concerning the financial instruments and funds, possessed by the latter as of 31 December of the preceding year.

(2) Upon execution of a client order and in case the information systems at the relevant venue of execution, respectively depository institution, allow that, according to the provisions of Chapter Three, Section III *Communication between UBB and the client* of these General Terms, UBB shall inform the client when a liability originates for the latter under Art. 145 of POSA as a result of executed transaction with financial instruments on his/her/its account, including upon fulfillment of obligations under a contract for individual portfolio management.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(3) The confirmations and statements shall be based on sample forms, drafted by the Bank and complying with the effective legislation.

Rights and obligations of the client in relation to order placement

Art. 51. (1) The client shall be obliged to:

1. Give clear, accurate and comprehensive instructions, related to the fulfillment of contractual obligations, in writing and following the order placement procedure. The client shall be obliged to submit orders for execution of transactions in financial instruments and his other instructions, in accordance with standardized forms, determined by the Bank;

2. Submit and sign declarations and other documents, related to the transactions in financial instruments, which the Bank provides to him/her/it in compliance with the requirements of the effective legislation;

3. upon placing an order for sale or exchange of financial instruments, to provide in the appropriate manner to the Bank the entire agreed quantity of financial instruments, which shall be in a state, allowing lawful execution of the order;

4. Replace the financial instruments with regular ones, if the former fail to comply with the requirements of the law and these General Terms, within a deadline, as determined by the Bank, or otherwise withdraw his/her/its order. In the second case the relations between the parties shall be settled as in a case of culpable non-performance on contractual obligations. On the occasion that an order for sale or exchange of financial instruments has been executed, while not complying with the legal requirements and these General Terms, the client shall be held liable for the material damages, incurred by the Bank upon and with regard to the execution of that order;

5. Fulfill in good faith its contractual obligations. The client shall be liable for the authenticity and regularity of the financial instruments, provided by him/her/it for sale or as collateral, as well as about the authenticity of the documents he/she/it has submitted with the Bank, which have to be in the required format. In case of established irregularities, inaccuracies and errors therein, they shall be replaced with new ones, within a deadline, specified by the Bank. In case of the client's failure to do so within the set deadline and therefore the transaction's execution is rendered impossible, the Bank shall not be held liable towards the client.

(2) The client shall be entitled to make written objections, following the order placement procedure, within 3 days from receipt with regard to confirmations and within 7 days from receipt with regard to statements. The confirmations and statements shall be considered accepted by the client if he/she/it fails to object within the deadlines in the preceding sentence.

(3) Payment of money to the client shall be made to an account of the client with the Bank, unless an enactment has provided otherwise. The available financial instruments and other property rights shall be transferred, following the procedure, stipulated in the law.

(4) The client shall be obliged to accept the results of the executed transaction.

Chapter Six

Special rules for execution of transactions for purchase or sale of financial instruments through an electronic system, approved by the regulated market

Art. 52. (1) Upon the conclusion of transactions for purchase or sale of financial instruments through an electronic system, approved by the regulated market, the Bank – being a subscriber of the electronic system, approved by the regulated market for placing orders by clients for purchase or sale of financial instruments - may sign contracts with its clients for placement of orders via that same electronic system.

(2) The access to the system and input of orders by clients of the Bank shall be made through an electronic certificate, issued in a client's name and in compliance with the requirements, laid down in the internal rules of the regulated market, for operation of the respective electronic system. In case the client plans to place the specific orders through a proxy, then the certificate shall be issued in the proxy's name. The certificate shall contain the information that the latter acts in his/her capacity as proxy and for the account of the respective client. The order,

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

placed through the electronic system, shall be considered placed on the client's initiative. Such order shall have the legally established content, including the necessary declarations.

(3) UBB shall check if the financial instruments, subject of the order, have been blocked, pledged or distrained. The check under the preceding paragraph shall not be made, if the electronic system provides at any moment up-to-date information and does not allow the execution of transactions with blocked, distrained or pledged financial instruments.

(4) Confirmation for a concluded transaction shall be made via the electronic system. The payment with regard to a transaction, concluded in fulfillment of an order, placed via an electronic system, shall be made only electronically. Confirmation for settlement of a transaction, executed in fulfillment of an order, submitted via the electronic system, shall be made via the latter, provided that it has such option.

Chapter Seven

Special rules, applicable in the case of a public company's capital increase

Art. 53. (1) In the cases of a public company's capital increase, upon placement of an order /request/ to the Bank by a client of its, concerning subscription of shares against rights, the Bank shall immediately submit an order on behalf of the client to the depository institution for subscription of the shares, in accordance with the depository institution's procedures and rules and shall inform the investment intermediary, servicing the capital increase, about the received order /request/.

(2) The notice under the preceding paragraph shall be made by telephone or through another remote communication method, whereas, by the end of the business day the performed notification shall be documented, as the document shall be certified by both a broker/person as per Art. 39, Para. 1, Item 2 of Ordinance № 38, as well as by an official from the internal control unit of the Bank.

Chapter Eight

Special rules for other services

Art. 54. (1) When accepting and delivering for execution to other parties, including to related parties, of orders related to financial instruments, UBB shall act in the client's best interest.

(2) In the cases when UBB holds client's funds or financial instruments, it shall provide a statement to the client on a durable storage medium at least once per annum, which statement shall contain the information, as provided for in Ordinance № 38, unless the content of that statement report has been already reflected in another periodical statement to the client.

(3) UBB shall provide investment advice to a client or manage a portfolio through an investment advisor, with which the Bank has signed a contract.

Chapter Nine

Special rules in case of enforcement by third parties on financial instruments of a client

Art. 55. (1) In case of a special pledge of securities, when the client's sub-account for dematerialized securities of the pledgor has been opened with UBB, the Bank shall perform the request of the creditor for their sale in accordance with the provisions of the contract between the pledgor and pledgee and in compliance with the legal requirements. The proceeds from the sale shall be transferred to the bank account of the Depository as per Art. 38 of the Special Pledges' Act.

(2) In case of enforcement proceedings or bankruptcy proceedings, UBB shall perform the written request of the enforcement agent, the trustee in bankruptcy respectively, for sale of the debtor client's securities, while applying respectively the requirements of Ordinance № 38 and the legislation in force.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

Chapter Ten
Liability for non-performance of contractual obligations:

Section I
General provisions

Art. 56. (1) The liability for non-performance of a contractual obligation shall be applied in accordance with the provisions of these General Terms, unless it has been excluded by a clause in the respective contract with the client. The right party shall be entitled to a remedy for actually suffered damages and lost profits, which are not covered by the agreed indemnity, provided for by the law. The Bank shall not be entitled to offer clauses in the contract with the client, entailing unequal treatment, as regards the stipulated indemnities and penalties for non-performance of contractual obligations.

(2) In case of delay or partial fulfillment of a monetary obligation, the party in default shall owe a penalty of amount, as stipulated in the specific contract.

(3) UBB shall be entitled to retain the financial instruments and cash funds, acquired as a result of executed orders of a client, if the latter has fallen into arrears with regard to amounts due for expenses and/or consideration, and shall remedy itself, including also by selling the financial instruments. UBB shall be obliged to immediately inform the client about the sale and surrender the remainder of the received cash amount.

(4) Whenever UBB is awarded right to lien of client's assets in its favor or a right to security, or possibility to off-set counter obligations, by virtue of a statutory act or of expressly stipulated clause in the contract, UBB shall explicitly inform the client under the conditions of Art. 32, Para. 4 of Ordinance № 38.

(5) The liability for non-performance of contractual obligations, which has not been settled under these General Terms, shall be defined in the contract.

(6) Other terms and conditions for execution of orders and other obligations, as well as the expenses for the client, when non-included in the consideration, shall be determined in the contract, while taking into account the specific features of the individual financial instrument types, the contract specifics, the rules of the execution venue, the rules and regulations of the depository institution, as well as other rules, determined by the institutions on the capital market, as well as the trading customs.

Section II
Other liabilities

Art. 57. (1) UBB shall be liable towards the client for actions of its employees and other persons, acting for and on behalf of and for the account of UBB, in terms of damages, incurred to the client, only if the reason is malice or gross negligence.

(2) In the cases when UBB performs investment or ancillary services for the account of a third party under the order of another investment intermediary (a client of UBB with regard to that order), the Bank shall be entitled to receive information about the third party. In such cases, the Bank shall not be liable for the truthfulness, completeness and accuracy of the provided information or the good faith of the recommendations, provided to the third party by the other investment intermediary.

(3) The client shall be fully liable for the truthfulness of the information and the accuracy of data he/she/it has submitted, as well as for the documents he/she has signed.

(4) The client shall be fully liable for errors, omissions, inaccuracies in the orders, submitted by him/her/it.

(5) If the Bank outsources to another investment intermediary the execution of an order of a client, the Bank shall be liable towards the client for the appropriate choice of this intermediary. When this investment intermediary is from a third country outside the European Economic Area (EEA) or the order may be executed only at a place of execution

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

outside the EEA, UBB shall only be liable for the appropriate choice of an investment intermediary of a good reputation, provided that the Bank has informed the client that UBB cannot bear full responsibility for the order's execution.

(6) UBB shall not be liable for failure or delay in the execution of a particular order or another instruction of a client, due to reasons beyond the UBB's control, such as delay by the counterparty under the deal to close the settlement, or such of third parties (a depository institution, market operator, etc.), as well as due to reasons, related to the activity on a regulated market of financial instruments, multilateral trading facility or clearing and settlement institutions. In these cases the risk shall be borne by the client and he/she/it shall owe payment to UBB of the consideration, agreed in the contract and the reasonable costs, incurred by the Bank.

(7) UBB shall not be held liable for non-performance of its obligations under contracts, concluded in accordance with these General Terms, which non-performance has occurred due to:

1. extraordinary technical reasons, such as information systems' failure, communication lines' disruption, electricity outage, etc.;
2. extraordinary circumstances, such as natural disasters, general strikes, etc.

(8) The client shall be liable towards the Bank for all penalties, fines and other contractual, legal or administrative penalties, paid by the Bank to third parties (including regulated markets for financial instruments, operators of multilateral trading facilities, counterparties to transactions, institutions for clearing and settlement, regulatory authorities, etc.), where such penalties have been incurred by the Bank during or in connection with the execution of a client order and have been triggered by the client's failure to fulfill his/her/its obligations with regard to such order. Non-performance of an obligation by a client under the preceding sentence shall include, but shall not be limited to the cases when the client has not provided the necessary funds or financial instruments, which have entailed delayed settlement of a concluded transaction and penalties imposed on UBB in the latter's capacity as a member of the relevant venue of execution, or claims for damages by the counterparty under the transaction.

(9) In the cases provided for in this article the client shall be also liable towards UBB for all other direct and immediate damages and lost profits, caused by the client's non-performance, including, but not limited to compromised reputation, adverse effects of non-cash regulatory sanctions, etc.

Chapter Eleven

Outsourcing to a third party. Performing investment or ancillary services for the account of a third party under the order of another investment intermediary

Art. 58. (1) UBB may outsource the implementation of important operational functions or of investment services and activities to a third party, in compliance with the requirements, imposed by the regulatory enactments. This outsourcing shall be made on the basis of a written contract between the Bank and the third party, which shall state exhaustively the rights and the obligations of the parties. Upon signing, execution and termination of such contract, the Bank shall act with due diligence.

(2) The outsourcing of important operational functions, as well as of investment services and activities, shall be made in a way that does not exonerate the Bank, in its capacity as an investment intermediary, from its obligations under MFIA and the enactments on its application. Also, the outsourcing shall not lead to transfer of liabilities of members of the Bank's managing body or of third parties, managing the Bank's operations, or to a change in the legal relations of the Bank with its clients or of its obligations to those, in accordance with MFIA and the enactments on its implementation.

(3) With regard to liabilities that may originate for UBB in relation to the execution of cases, provided for in Chapter Twelve, the provisions of these General Terms shall apply.

Chapter Twelve

Obligations of UBB in accordance with the Measures Against Money Laundering Act and the Measures Against Financing of Terrorism Act

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

Art. 59. (1) UBB is a liable party within the meaning of Art. 3, Para. 2 of the Measures Against Money Laundering Act (MAMLA) and Art. 9 of Measures Against Financing of Terrorism Act (MAFTA) and shall observe all provisions of the effective legislation.

(2) With regard to the above paragraph, UBB shall be obliged to:

- a. Identify its clients and verify their identification;
- b. Identify the actual owner of a client - legal entity, and initiate relevant actions to verify his/her/its identity;
- c. Collect information from the client regarding the aim and nature of the relation, which is established or is about to be established with the client;
- d. Monitor on an ongoing basis the established trading or professional relations and check the deals and transactions, performed within the framework of such relations, insofar as they correspond to the information available for that client, his/her/its trading activities and risk profile, including clarification of the origin of funds in the cases, provided for by the law;
- e. Disclose to the competent authorities the relevant information in cases stipulated in the MAMLA, MAFTA and the enactments on their implementation, with regard to operations, transactions and clients.
- f. Refuse to perform an operation, transaction or establish trading or professional relations, including opening of an account, when it is unable to identify a client or in case of a non-submission of a declaration on the origin of funds, when such is required by MAMLA, MAFTA or the enactments on their implementation.

(3) Disclosure of information before the competent authorities in the cases, defined in MAMLA, MAFTA or the enactments on their implementation, shall not give rise to a liability of the Bank or its employees, concerning the Bank's breaching of other laws or a contract, including when compliance with law of the operations or transactions has been ascertained.

(4) Delay or non-execution of operations or transactions, when such is due to fulfillment of obligations under MAMLA, MAFTA or the enactments on their implementation, or of orders by competent authorities, shall not give rise to any liability of the Bank or its employees for damages.

Chapter Thirteen

Obligations of UBB with regard to detection of insider trading and manipulation of the market in financial instruments

Art. 60. (1) The Bank, pursuant to Art. 27 of the Measures Against Market Abuse of Financial Instruments Act (MAMAFIA) shall be obliged, based on its assessment of each particular case, to inform immediately the Financial Supervision Commission (FSC) about transactions in financial instruments, when there is a reasonable suspicion that these comprise trade with insider information or manipulation of the market in financial instruments.

(2) Persons, working under dependent or independent employment contracts with UBB, shall not inform the persons/entities, for whose/which account the transaction has been executed, their related parties or other parties, about the performed notification, except in cases, explicitly specified in the law. The fulfillment of the obligation in the preceding sentence shall not be deemed grounds for seeking liability, provided the person, making the notification, has acted in good faith.

(3) Good faith disclosure of information before FSC with regard to the fulfillment of the Bank's obligations under this Chapter, shall not be considered a breach of the restrictions for disclosure of information, provided by law, subordinate legislation or a contract, nor shall it be deemed grounds to seek liability.

Chapter Fourteen Confidentiality

Art. 61. (1) In the course of its business, the Bank shall be obliged to keep the trade secrets of its clients, as well as their market reputation.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(2) Members of the management and controlling bodies of UBB and persons, working under contracts for the Bank, shall not disclose, unless they have been authorized for that, or use in their favor or in favor of other person, facts and circumstances concerning the balances and the transactions in the accounts for financial instruments and/or funds of UBB clients, or any other facts and circumstances representing a trade secret, which have become known to them in the course of the performance of their employment and professional obligations. This provision shall apply also in cases, when the mentioned persons are not in office or their operations have been suspended.

(3) Besides to the FSC, the deputy chairman of FSC, the head of Investment Supervision Division and authorized officials from the administration of FSC, as well as on the regulated market where it is a member – for the purpose of their controlling activity and by virtue of an order for performance of an audit, the Bank may disclose information under Para .2 only:

a. upon the express written consent of its client, or

b. when such disclosure has been required and imposed by the law, in compliance with the respective legal provisions and requirements.

(4) The Bank and the client shall undertake to treat as confidential the information, received from the other party, with regard to each particular contract, or by virtue of these General Terms and not disclose it, except under the assumptions of Para. 3, indents „a” and „b”.

Chapter Fifteen Applicable law

Art. 62. (1) In case it has been established that any of the provisions of these General Terms or any other specific condition under a contract, signed between the Bank and a client, contradicts imperative provisions of a law or by-law, the imperative provisions of the law or by-law shall have mandatory effect.

(2) All cases, not provided for in these General Terms or in a contract with the client, shall be governed by the provisions of the effective and applicable Bulgarian legislation.

Chapter Sixteen Settlement of disputes

UBB shall apply effective and open procedures for reasonable, fair and timely review of complaints, received from retail clients and potential retail clients.

Art. 63. (1) Clients shall be entitled to lodge claims before UBB regarding deficiencies in the execution of their orders, the resulting damages, as well as in other cases related to the performance of a specific contract.

(2) In compliance with Ordinance № 38 UBB shall keep a register of client complaints, related to the provision of investment and/or ancillary services, where it shall record the information pursuant to Art. 72 of Ordinance № 38.

(3) UBB shall review the complaint of a client in accordance with its internal rules for resolving client disputes, whereas in the settlement of the dispute the aim shall be speed and objectivity of the decisions made and response preparation, prevention of litigation, protecting the good reputation of the Bank in its capacity as an investment intermediary, as well as analysis and elimination of the causes for the complaint.

(4) If the opinion on the complaint is not satisfactory to the client, the dispute between UBB and the former shall be resolved through negotiations and mutual compromises. Upon failure to reach agreement within a reasonable period, any of the parties may refer the dispute for settlement by the competent court in Sofia.

(5) This text shall be considered as a covenant for choice of jurisdiction, pursuant to Art. 91 of the Civil Procedures Code (in force through 29.02.2008), respectively Art. 117, Para. 2 of the Civil Procedures Code (in force since 01.03.2008).

Chapter Seventeen

Storage of information. Record keeping

Art. 64. (1) UBB shall keep records and keep safe the information and documents in accordance with the requirements of Markets in Financial Instruments Act (MFIA), Ordinance № 38 and Regulation 1287/2006/EC.

(2) The Bank shall store the entire documentation and information, related to its activities, on a magnetic (electronic) storage medium and/or hard copy, including the information, listed in Art. 74, Para. 1 of Ordinance № 38.

(3) When documents are submitted on a hard copy, these shall be certified by the persons submitting them and by the official at the Bank, accepting these documents, pursuant to Art. 24, Para. 5 of Ordinance № 38.

(4) The Bank shall store for a period of 5 years the documents and the information under Para. 2 in a manner, ensuring their preservation on a second storage medium, or their recovery in case of loss due to technical reasons.

(5) As regards every order, accepted from a client and any investment decision, made with regard to portfolio management, UBB shall enter in the register under Art. 33, Para. 1 of MFIA, the data under Art. 7 of Regulation 1287/2006/EC, as a minimum.

(6) As regards the execution of client orders and the transmission of orders for execution by a third party, immediately after the execution or the receipt of confirmation that the order has been executed, UBB shall enter into a special register the data under Art. 8, item 1 of Regulation 1287/2006/EC.

(7) When transmitting orders for execution by a third party, the Bank shall enter into the relevant register and immediately after their transmission, the data under Art. 8, item 2 of Regulation 1287/2006/EC.

(8) When subscribing financial instruments of new issues on behalf of its clients, based on their orders, the Bank shall keep a register, where it shall enter the data under Art. 63 of Ordinance № 38, as well as the name of the issue's underwriter, if any.

(9) The requirements under Art. 63 and 64 of Ordinance № 38 shall also apply respectively to transactions, performed by the Bank upon portfolio management, as well as to proprietary ones.

(10) At the end of each business day the Bank (branches/ offices, in which it accepts orders from clients) shall print-out the data, entered during the day, by specifying the date and hour of printing, which shall then be certified by the official, who has entered the data, and a person from the internal control unit, by affixing the date and signatures of the persons. The persons /entities as per Art. 39 Para.1 Item. 1 of Ordinance 38 shall not make a print out in accordance with Para 3 of Art.61 of Ordinance 38, provided that the following requirements have been observed: at the end of each business day they shall store the data pursuant to Art. 63, 64, 65, 67 and 68 of Ordinance 38 on an electronic (magnetic) storage medium, signed with an electronic signature by the person, who has inputted the data, while observing the requirements of Art. 74, Para. 6 of Ordinance 38; they shall store a back-up copy of the documentation and the information in electronic format on a separate server in detached premises, meeting the special requirements of Ordinance 38 and at the end of each business day they shall update the back-up electronic copy of the documentation, by adding the current day data.

(11) When the Bank assigns unique numbers to its clients, it shall keep a register with these, containing at least such numbers, as well as the following data: full name, Personal Identity Number, place of residence and address, respectively business name, identification code Company Identity Number/BULSTAT, registered office and head office address of the client, telephone, e-mail address, and if the client is a foreign entity - the corresponding identification data. The register under the preceding paragraph shall include also the relevant identification data of a client's representative or proxy, number and date of the power of attorney, whereas the investment intermediary may assign a unique number also to the representative, or to the proxy.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(12) UBB shall keep a register of the executed personal transactions by members of the managing and controlling bodies and by persons working under contracts for the Bank in its capacity as an investment intermediary, of which the Bank has been informed or has otherwise found, as well as information about permissions given or bans imposed with regard to such transactions. The requirement under Para. 1 shall not apply to personal transactions, meeting the requirements of a statutory act.

(13) In case UBB represents holders of financial instruments before their issuer and representation at general meetings of holders of financial instruments, the Bank shall keep records, containing as a minimum the following:

1. financial instruments' issuer and type;
2. unique number of the authorizers;
3. date of the general meeting of holders of financial instruments or of the actions, taken before the issuer on behalf of and for the account of the represented holders;
4. name of the person, making the entry.

Chapter Eighteen Representations and consents

Art. 65. (1) With the acceptance of these General Terms and having informed himself/herself of those and their respective appendices, the client shall agree with the following documents, as adopted and applied by UBB, namely:

- a. Conflicts of interest policy
- b. Policy for work with benefits, provided to or from a client;
- c. Policy for protection of assets of clients and for selection of a custodian;
- d. Best execution policy;
- e. Orders processing policy;
- f. UBB policy on handling clients' complaints
- g. Client categorization policy.
- h. Suitability and appropriateness test policy
- i. Policy for reporting before regulatory authorities and clients

(2) The policies described in the foregoing paragraph, have been integrated within these General Terms as an excerpt, containing the information, required under Ordinance No. 38. The full texts of policies are posted on UBB's Internet page. Upon a client's request, UBB shall also deliver hard copies of the full texts of the policies under the above paragraph.

(3) By accepting these General Terms, the client:

- a. agrees that when the *Orders Processing Policy* provides an opportunity for client orders to be executed also outside a regulated market or a multilateral trading facility, the orders may be executed in this manner, whereas the client shall be informed about the possibility for such execution;
- b. agrees that UBB may, if necessary, deposit client funds with an entity, which is a related party of the Bank;
- c. agrees that UBB may forward orders, placed by the client, for execution by a third party, which is a related party of the Bank, provided that UBB complies with the rules, provided in the *Conflicts of Interest Policy*, whereas the Bank shall inform the client about the possibility for such execution;
- d. certifies that he/she/it has received a copy of these General Terms, as well as all relevant appendices to those.

(4) By accepting these General Terms, the client warrants that he/she/it has received the information, which the Bank, in its capacity as an investment intermediary, is obliged to provide to the former in accordance with MFIA, POSA and the enactments on their application, as well as acknowledges his/her/its understanding and acceptance of the risks, related to investments in financial instruments and his/her/its awareness of the Bank's Tariff, concerning transactions in financial instruments, as well as of these General Terms and his/her/its acceptance of those.

Chapter Nineteen Amendment and termination of contracts

Art. 66. (1) Each amendment of a contract between the Bank and a client of its shall be made upon the explicit written consent of the parties in the form of an annex, concluded in the manner in which the contract has been concluded,

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(through personal presence at a branch/office of the Bank – pursuant to Art.44, Para.4 or remotely – pursuant to Art. 44, Paras 11 and 15) and shall enter into force since the moment of its signing by both parties.

(2) In case any party fails to perform on its contractual obligations, the contract shall be prematurely terminated upon a 5-day notice in writing by the right party to the party in default. The party in default shall owe relevant indemnity.

(3) The contract between the client and the Bank, signed with reference to these General Terms, shall also be terminated, as follows:

1. upon mutual consent, expressed in writing;
2. upon one-month prior notice in writing by the client;
3. without prior notice by the client, unless otherwise provided in a specific contract;
4. with the expiration of the contract's effectiveness period;
5. in case of death, placement under judicial disability or dissolution of a client;
6. upon revoking by the Financial Supervision Commission of the Bank's license, received in its capacity as an investment intermediary;
7. under the provisions of Article 68, Para.3;
8. on other grounds, as provided for in the law and/or the contract.

(4) Upon termination of contractual relations with a client, the Bank shall transfer the financial instruments of the client in accordance with the rules and regulations of the depository institution, to a sub-account of another person/entity, specified by the client, or to a personal account of the latter, including also through opening of a new account. The transfer costs shall be borne by the client.

(5) The obligations under the preceding paragraph shall have to be settled within 30 days from the contract's termination.

Chapter Twenty **Enforcement, application and amendment of these General Terms**

Art. 67. (1) These General Terms shall come into force one month after their adoption and shall revoke the existing so far General Terms, applicable to contracts with clients for the performance of investment services and activities, related to securities, as adopted by the Executive Directors of United Bulgarian Bank AD and approved by the Deputy Chairman of the FSC, head of Investment Supervision Division by the virtue of Decision № 1141 - ИП dated 29.11.2006.

(2) The Bank's clients shall be notified about the adoption of these General Terms via their publication on the Internet page of the Bank and/or by their display at a prominent place in the branches of United Bulgarian Bank AD, where client orders are accepted.

Art. 68. (1) Amendments and supplements to these General Terms shall be made by the Bank in accordance with the procedure, described further below in the present provision.

(2) The Bank shall inform its clients about amendments and supplements to these General Terms, by publishing those on the Internet page of the Bank and/or displaying them at a prominent place in the branches/offices, where client orders are accepted, as early as one month prior to their enforcement.

(3) Upon disagreement with the amendments and supplements to the General Terms and/or the Tariff the client shall be entitled to terminate the investment intermediation contract without prior notice via a unilateral written statement, before the date of enforcement of the General Terms and/or the Tariff and without bearing any liability for penalties and costs, except for those, relating to the client's assets. The client shall have the rights, provided to him/her/it under the preceding sentence, as regards each subsequent amendment of the General Terms and the Bank's Tariff.

(4) In the cases of terminating the contract pursuant to the preceding para, the parties shall settle their relations within a 7-day period of receiving a statement for its termination.

(5) Upon expiry of the period under Para. 2 above and in case of a failure to receive a notification in writing for terminating the contract pursuant to Para. 3, the client shall be deemed duly informed of all amendments and supplements to the General Terms and/or the Tariff as these shall be deemed applicable to the former.

Stilian Vatev
Chief Executive Officer

Radka Toncheva
Executive Director

(6) In case the Client refuses to accept the amendments and supplements to the General Terms, the Bank shall be entitled refuse acceptance of this client's orders, demand the termination of the contract with him/her/it and suspend the execution of submitted, but non-fulfilled orders of the latter.

Final Provisions

§1. These General Terms were approved by the Executive Directors of United Bulgarian Bank AD on 30.12.2009 and were amended on 14.02.2012, 30.01.2014 and 05.05.2016, respectively, as the amendments' effectiveness will commence on 13.06.2016.