



## **GENERAL TERMS**

### **APPLICABLE TO AGREEMENTS 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, registered in the Commercial Register with the Registry Agency under Company ID Number 000694959, registered as Administrator of personal data under № 0006399 with the Commission for Personal Data Protection, having registered and head office address in Sofia city, Triaditsa Administrative District, 89B Bulgaria Blvd.**

**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 the subordinate legislation on its application, Commission Delegated Regulation (EU) 2017/565 dated 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Regulation (EU) № 2017/565) (OB L 87/1 dated 31.03.2017).**

**All cases, not provided for in these General Terms, shall be governed by the provisions of the effective and applicable legislation, whereby each individual agreement 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](http://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, 2019

## CONTENTS

Used abbreviations and notions:.....	3
Chapter One Data about the Bank and the rendered by it investment services and activities .....	5
Chapter Two Information about expenses and fees, as well as restrictions on receiving and granting incentives	7
Chapter Three Relations with Clients.....	8
Section I Information, requested from clients. Suitability and appropriateness test.	8
Section II Information, provided to clients and information in relation to the investment advice provided by UBB	9
Section III Communication between UBB and clients	10
Section IV Client Categorization	11
Section V UBB Policy on execution of client orders	11
Section VI Financial instruments and risks, associated with those	12
Section VII Conflict of interests	12
Chapter Five Contractual relations of UBB with clients and signing of agreements for the provision of investment and/or ancillary services and activities. Execution of client orders for effecting transactions in financial instruments .....	12
Section I General Provisions. Clients' assets	12
Section II Procedure for conclusion of agreements for rendering investment and/or ancillary services and execution of client orders	14
Chapter Six Special rules for execution of transactions for purchase or sale of financial instruments through an electronic system .....	19
Chapter Seven Special rules in case of enforcement by third parties on financial instruments of a client .....	20
Chapter Eight Liability for non-performance of contractual obligations: .....	20
Section I General Provisions	20
Section II Other responsibilities	21
Chapter Nine 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 Ten Obligations of UBB in accordance with the Measures Against Money Laundering Act and the Measures Against Financing of Terrorism Act .....	22
Chapter Eleven Obligations of UBB with regard to detection of insider trading and manipulation of the market in financial instruments .....	23
Chapter Twelve Confidentiality .....	23
Chapter Thirteen Applicable Law .....	23
Chapter Fourteen Settlement of disputes and handling of complaints.....	23
Chapter Fifteen Record keeping.....	24
Chapter Sixteen Representations and consents.....	25
Chapter Seventeen Amendment and termination of agreements . Agreements' Cancellation .....	25
Chapter Eighteen Enforcement, application and amendment of these General Terms.....	26

**Used abbreviations and notions:**

MFIA	Markets in Financial Instruments Act
POSA	Public Offering of Securities Act
MAMAFIA	Measures Against Market Abuse of Financial Instruments Act
Ordinance No 58 of the Financial Supervision Commission	Ordinance № 58 dated 28.02.2018 on the requirements to the protection of financial instruments and cash funds of clients, on the management of products and on the provision or receipt of remuneration, commissions, other financial and no-financial benefits
Regulation (EU) № 596/2014	Commission Delegated Regulation (EU) № 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse (Market Abuse Regulation)
MAMLA	Measures Against Money Laundering Act
MAFTA	Measures Against Financing of Terrorism Act
Regulation (EU) № 2017/565	<b>Commission Delegated Regulation (EU) 2017/565 dated 25 April 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OB L 87/1 dated 31.03.2017)</b>
FSC	Financial Supervision Commission
GT	General Terms
UBB, The Bank	United Bulgarian Bank AD
ICF	Investors Compensation Fund
„transferable securities”	„transferable securities” shall mean classes of securities, registered in accounts with a central depository of securities, which may be traded on the capital market, with the exception of payment instruments, such as: a) shares in companies and other securities, equivalent to shares in companies and other legal entities, as well as depository receipts for shares; b) bonds and other forms of securitized debt, including depository receipts for such securities; c) other securities, entitling to acquisition or sale of such transferable securities, or such leading to financial settlement, as determined based on transferable securities, currencies, interest rates or profitability, commodities or other indices or indicators;
Deals, financing securities	„a deal, financing securities” shall mean: a) repo deal; b) provision as a loan of securities or commodities and obtaining as a loan securities or commodities; c) deal for purchase with a condition for a subsequent sale or a sale deal with a condition for a subsequent repurchase; d) margin loan deal, upon which a counterparty provides a loan in line with the purchase, sale, holding or trading of securities, however it does not include other loans, for which collateral has been provided under the form of securities;
„Repo Deal”	„repo deal” shall mean a deal by virtue of an agreement, upon which a counterparty transfers securities, commodities or guaranteed rights, related to the right of ownership of securities or commodities, in the cases when such guarantee has been issued by a recognized commodity exchange, holding the rights of the securities or commodities, and the agreement does not allow for the counterparty to transfer or pledge a particular security or commodity to more than one counterparty at a time, by obliging itself to repurchase those, or exchange securities or commodities of the same description at a particular price on a future date, which has been determined or should be determined by

	the assignor, such as a repurchase agreement for the counterparty, selling the securities or the commodities, and reverse repo agreement for the counterparty that is buying those;
„client“	Any natural person or legal entity, to whom/which an investment intermediary provides investment or ancillary services;
„Professional Client“	A client having experience, knowledge and skills to independently make investment decisions and to correctly assess the risks, related to investing, who/which also complies with the legally determined criteria.
„Retail Client“	A client that has not been determined as either a Professional Client or an Eligible Counterparty
„Eligible Counterparty“	An investment intermediary, a credit institution, an insurance company, a Collective Investment Scheme, a management company, a pension assurance company, a pension fund, other financial institutions, having license or such regulated by the legislation of the European Union and the member states, the national governments, state bodies, administering sovereign debts, central banks and international institutions, as well as such entities from third countries, to which the applied requirements are equivalent to those of the EU legislation. Eligible counterparties may also be deemed other persons/entities, meeting the requirements, defined in Art. 71 of Commission Delegated Regulation (EU) 2017/565, including also persons/entities from third countries.
„Investment Advice“	Provision of personal recommendations to a client, upon the latter’s request or by initiative of the investment intermediary, with regard to one or more deals, related to financial instruments;
„Limit Order“	„Limit Order“ shall mean an order for purchase or sale of a financial instrument upon a certain limited or better price and within a certain volume;
„Multilateral System“	Multilateral system shall mean a system or mechanism, in which various interests of third parties, concerning purchase and sale of financial instruments may meet through the system.
MTF	Multilateral Trading Facility – is a multilateral system, organized by an investment intermediary or a market operator, which integrates multiple interests of third parties, concerning purchase and sale of financial instruments – within the system itself and in compliance with its non-discretionary rules – in a manner, entailing conclusion of an agreement.
OTF	Organized Trading Facility – is a multilateral system, <b>which is neither a regulated market nor a MTF</b> , within which multiple interests of third parties, concerning purchase and sale of bonds, structured financial products, emission quotas or derivatives may interact within the system in a manner, entailing conclusion of an agreement.
„Trading Venue“	A regulated market, MTF or OTF
„Money Market Instruments“	„Money Market Instruments“ are instruments, usually traded on the money market, such as short-term government securities (treasury bills), certificates of deposit and commercial papers, which with the exception of payment instruments have the following features: have value, which may be determined at any time, they are not derivatives and upon their issuance have term to maturity 397 days or less.
„Durable Medium“	„Durable Medium“ shall mean any tool, complying with the terms and conditions of Art. 3 of Regulation (EU) № 2017/565 and enabling the client to store information, personally addressed to him/her/it, in a manner, accessible for future use and over a period of time, corresponding to the objectives, for which the information has been provided, as well as allows for the unaltered reproduction of the stored information;
APA Operator	Approved Publication Arrangement Operator – an entity, licensed by the respective competent authority to provide the service of publishing trading reports on the investment intermediary’s behalf, as per Art. 20 and 21 of Regulation (EU) 600/2014

## Chapter One

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

#### Art. 1. Data about United Bulgarian Bank AD

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

United Bulgarian Bank AD, registered in the Commercial Register with the Registry Agency under Company Identity Number 000694959, registered as Administrator of personal data under № 0006399 with the Commission for Personal Data Protection, having registered and head office address in Sofia city, Triaditsa Administrative District, 89B Bulgaria Blvd.

UBB has its seat and registered office in: city of Sofia, Triaditsa Administrative District, 89B Bulgaria Blvd.

Address: city of Sofia 1463, Triaditsa Administrative District, 89B Bulgaria Blvd.

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

Fax number: +359 2 811 3759

E-mail Address: [info@ubb.bg](mailto:info@ubb.bg);

LEI number: 5299000PCY1EP8QJFV48

##### **(2) Languages in which the client may communicate and keep correspondence with the Bank, as well as receive documents and other information from 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 III, Section III *Communication between UBB and the client*, as well as via the electronic trading systems.

##### **(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; issuance 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. 6, Para. 2 and 3 of the Markets in Financial Instruments Act; financial 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, etc.), 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 has been 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 ПД 22-2250/16.11.2009 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, the Commission Delegated Regulations of the EU and the enactments on their application, including on UBB activities under these General Terms, is being exercised by the Financial Supervision Commission: [www.fsc.bg](http://www.fsc.bg), №16 Budapeshta Str., Sofia, postal code 1000.

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

1. In compliance with the requirements of MFIA UBB provides investment and ancillary services, by signing written agreements for provision of investment and ancillary services for clients' account and accepts client orders only through individuals who work under an agreement for UBB and are brokers of financial instruments, as per Art. 77 Para 2 of MFIA or through other persons, authorized to accept orders and conclude written agreements on behalf of and for the account of the Bank by virtue of the applicable regulatory framework. UBB may conclude agreements for provision of investment and ancillary services and also through the Bank's representatives or persons, authorized by them.

2. UBB renders the following **investment services and activities**:

a) Acceptance and transfer of orders, related to one or more financial instruments, including intermediation for conclusion of transactions in financial instruments;

- b) Execution of orders on the account of clients;
  - c) Operations with financial instruments on one's own account;
  - d) Offering financial instruments for initial sale without unconditional and irrevocable obligation for acquiring the financial instruments for its own account;
  - e) Investment advice on non-independent basis in relation to financial instruments, developed by the Bank and as regards units in mutual funds/collective investment undertakings, established by managing companies within the KBC Group.
3. UBB is entitled to provide also the following **ancillary services**, as per Art. 6, Para. 3 of MFIA:
- a) Storage and administration of financial instruments for the account of clients, custodian activity included (holding of clients' financial instruments and money with a depository institution) and the services, related to it such as management of the received cash funds and of the provided collaterals, except for the centralized maintenance of accounts for securities;
  - b) Advice to companies on capital structure, industrial strategy and related matters, as well as consultations and services, relating to mergers and purchase of enterprises;
  - c) Provision of services, related to foreign means of payment, insofar as these are connected with the rendered investment services;
  - d) Investment research and financial analyses or other forms of general recommendation, relating to transactions in financial instruments;
  - e) Services and activities, related to underwriting of issues of financial instruments.

**(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 its capacity as an investment intermediary with regard to deals in financial instruments, falling into the scope of the Markets in Financial Instruments Act, UBB AD participates in the Fund for compensating investors – retail clients. In line with its obligations under Art. 77a, Para.3 of POSA UBB makes monetary contributions to the Investors Compensation Fund.

1.1 In accordance with the envisaged in Art. 77a of the Public Offering of Securities Act (POSA) the Fund ensures payment of compensation to an investment intermediary's clients and those of its branches in the accepting countries through the funds raised from investment intermediaries' contributions to the fund in the cases when the investment intermediary is incapable to fulfill its obligations to clients for reasons, directly related to its financial performance.

1.2 The Fund shall pay compensations to an investment intermediary's clients in the cases when:

- ✓ With a ruling of the respective district court bankruptcy proceedings have been initiated for the investment intermediary, including the cases when the bankruptcy proceedings have been terminated on grounds of Art. 632 of the Code on Commerce;
- ✓ The licence, respectively the permit for performing activity as an investment intermediary has been revoked, with a decision of the competent authority.
- ✓ under the terms and conditions of Art. 77 indent b, Para 1, Item 3 of the Public Offering of Securities Act.

1.3 More information about the Investors Compensation Fund is available in the fund's webpage: <http://www.sfund-bg.com>.

2. 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 compensation shall not be paid to professional clients, as well as under the other assumptions, described explicitly in Art. 77 indent d, Para 2 of POSA.

3. UBB has taken the following measures to guarantee clients' financial instruments or funds:

- a) Checking the identity of the client, respectively the representative/ agent, upon each order;
- b) Requiring, 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 agreement and/or order;
- c) Exercising control through a separate and independent compliance unit.
- d) Opening a sub-account of the client with the relevant depository 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 with 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) Observing the restriction on use of client assets as per Art. 92, Para 5 of the MFIA, as, except for the cases envisaged in the applicable legislation, execution of the following activities shall not be permitted: offsetting, acceptance as collateral, as well as performing of other activities with regard to the Client's financial instruments, as a result of which a third party acquires the right to dispose of the client's financial instruments, with the aim to remedy an amount receivable, which is not related to an obligation of the client or with the services, rendered to the client by the investment intermediary.

## **Chapter Two**

### **Information about expenses and fees, as well as restrictions on receiving and granting incentives**

**Art. 2. (1)** 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 agreement, 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.

**(2)** UBB may charge the Client with fees, commissions, surcharges, discounts and/or other fees, including any refundable expenses, incurred upon rendering the services, indicated herein and UBB may share such fees and expenses with a Partner or a third party. These different types of expenses may vary with the various clients and are not standardized.

**(3)** UBB shall provide the Client within a reasonable deadline with appropriate information as regards all expenses and related costs, pursuant to the applicable law. Such information shall have to include info, pertaining to investment and ancillary services, including the expenses relating to the financial instrument, recommended or sold to the Client, as to how the Client may pay for it, as well as any payments by third parties. The information on all expenses and costs shall have to be provided in aggregated format, as breakdown shall be provided upon request. UBB shall provide the Client with illustrations of the effect of expenses on the investment, made by the client on both ex ante and ex post basis.

**(4)** Without prejudice to those obligations **professional clients** shall agree with the restricted application of the requirements for detailed information as regards expenses and related costs to the extent, permitted by law, namely provision of an illustration, indicating the cumulative effect of expenses on the return, as well as instruction on the used currency and the applicable exchange rates and costs, in the cases when one or another part of the common expenses and fees has been expressed in foreign currency. The restricted provision of information under the previous sentence shall not relate to cases, in which the rendered investment services relate to financial instruments, involving a derivative.

**(5)** In the cases when upon provision of preliminary information to the Client as regards the expenses and related costs, UBB is not in the capacity to provide actual figures, then UBB may indicate the approximate value of expenses and related costs and such approximate value could differ from the actual expenses and costs, charged to the Client.

### **Art. 3. Restrictions upon providing and receiving of consideration, commissions and non-monetary benefits from third parties:**

**(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 consideration, 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, except for the cases of provision of investment advices or portfolio management and also 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. Upon impossibility to provide the information under the previous sentence in advance, then such information shall be provided additionally at the earliest convenience thereof. The information shall be provided honestly, fairly and in the client's interest and shall present the significant conditions of the agreements, referring to the consideration, commission or the non-monetary benefit in a summarized form.
- 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. Inherent 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.

**Art. 4. (1)** These 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.

**(2)** 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 bank shall not be obliged to notify about taxes and stamp duties owed by the client, insomuch as those are determined individually for each taxable person, based on a multitude of factors, as determined in the tax legislation.

**(3)** 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. Suitability and appropriateness test.**

**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 a suitability and appropriateness test, within the meaning of MFIA and Regulation No565.

**Art.6.(1)** The appropriateness test shall be made upon provision of investment services, relating to a complex instrument and based on the information, provided by the client and concerning his/her knowledge, experience and ability to understand the risks, relating to financial instruments. UBB may demand from the client additional information, including also the completion of inquiry forms, questionnaires, etc. based on an approved model.

**(2)** Upon provision of an investment service to a professional client the Bank shall not make an appropriateness test, while assuming that the former has the needed experience and knowledge to understand the transaction-related risks.

**Art. 7.(1)** A suitability test shall be made upon provision of an investment advice as for the purpose, apart from the information as per Art. 6 above what shall also be required is information about the financial performance of the client or the potential client which 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.



(2) Upon a suitability test on a professional client the Bank assumes that the former has the needed experience and knowledge, in order to understand the transaction-related risks and that this particular client has the financial capacity to undertake all related investment risks that are compatible with his/her/its investment objectives.

**Art.8. (1)** 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.

(2) In the cases when the Bank has judged that such services are inappropriate for the Client, it shall have to warn the latter thereof in writing.

(3) Upon a client's failure to provide information to the Bank about his/her knowledge, experience and ability to understand the risks, relating to financial instruments, or such information proves incomplete, the Bank shall inform the client of its inability to assess the appropriateness of the service for former.

(4) Upon provision of either investment and/ or ancillary activities and services, UBB shall be governed by the information, provided by the client or by a potential client, unless the latter is aware or should be aware that the information is inaccurate, incomplete or not up-to-date.

**Art. 9.** 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 risks, associated with those.

**Art. 10.** The Bank shall not demand from the client information, in order to assess as to whether the requested investment service is appropriate for him/her, in the cases when: The requested service relates only to execution of orders or acceptance and delivery of orders for the account of clients; when the order's subject is shares, admitted for trade on a regulated market, bonds, instruments on the money market, units in collective investment schemes and other **non-complex** financial instruments, as determined in the applicable legislation and the service is being rendered through the client's initiative; the Bank shall abide by the rules on conflicts of interest.

**Art. 11.** UBB shall not encourage the client or potential clients for non-presenting the required information.

**Art. 12. (1)** Based on the information so obtained, UBB shall make a suitability and appropriateness test in accordance with MFIA and Regulation No565, and shall inform the client about the conclusion thereof.

(2) The Client shall agree to promptly inform the Bank in writing about any information that could be relevant to his/her/its risk profile, and in particular any material changes in the circumstances, financial performance, his/her dependents, the financial objectives or any other information, which may be deemed relevant and may allow the Bank to perform an adequate suitability test.

**Art.13** With regard to the information required under the present section, UBB shall not be entitled to render investment advice and portfolio management services to 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 and information about investment advice**

**Art. 14. (1)** 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.

(6) UBB provides investment advice on non-independent basis (within the meaning of the MFIA) as their scope is limited to financial instruments, either issued or developed by the Bank and by entities, related to the Bank. UBB provides such investment advice only on financial instruments, developed by UBB AD and with regard to units in mutual funds /collective investment undertakings, issued by the Managing Companies within the KBC Group, involving but not limited to UBB Asset Management AD, KBC Asset Management (KBC Asset Management NV).

The investment advice, provided by UBB **shall not be independent within the meaning of MFIA.**

(7) UBB shall not be obliged to perform a recurring suitability test, nor shall it be bound to make any recommendations whatsoever after a purchase, made by the client of any assets whatsoever, unless this has been explicitly stipulated in the agreement. In this case, the following elements shall be explicitly disclosed in the contract: (a) the frequency and extent of the periodic appropriateness test and, where applicable, the conditions triggering such assessment; (b) the extent to which the previously collected information will be subject to reassessment; and (c) the manner in which the updated recommendation will be communicated to the client.

### **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, as the particular manner shall be negotiated upon conclusion of a particular agreement, namely:

- a) by surface mail with return receipt, to the addresses specified by the parties in the specific agreement;
- b) by fax - to the numbers, specified by the parties in the specific agreement;
- c) through electronic communications, via e-mail, to an electronic address, stated in the specific agreement;

**Art. 16.** The communication from UBB to the client shall also be effected through Internet and shall be made while observing the terms and conditions of the currently effective legislation and in the cases when this is appropriate, considering the relations between UBB and the particular client.

**Art. 17** The communication may also be made by telephone, if this communication method is agreed in the specific agreement.

**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 authorized person/entity, for conclusion of deals in financial instruments, who/which works under an agreement with UBB.

**Art.19. (1)** For the execution of transactions in financial instruments, UBB clients shall submit orders with minimum content, as established by in the currently effective regulatory framework. Orders shall be submitted by the client in person or by a proxy, holding a notarized power of attorney, detailing the representative powers for performing 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 the currently effective regulatory framework and shall make the necessary checks.

(3) ) In case an order has been submitted for conclusion of a transaction in financial instruments, representing a disposal of money or financial instruments belonging to a minor, 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 has been submitted as per the preceding paragraph, including in cases when trustee assistance is being 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 agreement.

(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 the currently effective regulatory framework are being observed.

**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 an agreement.

(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 the currently effective regulatory framework 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, UBB shall assume that the client has regular access to Internet and that the provision of information to the client via e-mail and/or the Bank's webpage is appropriate with a view to the client'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 agreement 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 agreement 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 for client categorization, under the terms and criteria, established by MFIA.

(2) A 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 of their right to request a different categorization and the restrictions on their protection in such cases.

**Art. 28.** UBB shall provide the information, due to be notified under the preceding article, via a Notification for Categorization on a durable storage medium, in accordance with the provisions of the effective regulatory framework.

**Art. 29.** Clients can be additionally informed of the terms and criteria for client categorization, established by MFIA on UBB's webpage.

#### **Section V UBB Policy on execution of client orders**

**Art. 30 (1)** UBB shall execute client orders in compliance with its *Orders Processing Policy* and *Best Execution Policy*.

(2) Clients shall receive brief description of the policies, as well as recent data about the quality of execution at the order execution venues, used by the Bank. Clients shall become aware of the policies and the documents as per Para 1 on UBB's webpage as by acceptance of the present General Terms they acknowledge their awareness of the documents on UBB's internet page and consent to those, as well as accept to be informed of those documents through UBB's webpage. In case the Client has no access to internet or upon request by clients those documents shall be provided by the BANK on a hard copy.

## **Section VI**

### **Financial instruments and risks, associated with those**

**Art. 31. (1)** Depending on clients' categorization 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, as well as the risks, related to those. The general description of the financial instruments and the risks, relating to those, are available on UBB's webpage. UBB shall provide the information under the preceding sentence on a hard copy upon a client's request.

**(2)** Upon acceptance of these General Terms the Client consents to receiving information and becoming aware of the risks, involved in each particular transaction type on the Bank's webpage, as well as shall undertake prior to conclusion of any transaction type to inform himself/herself of the inherent risks. In case the Client has no internet access or upon request by clients the Bank shall provide on a hard copy information about the risks involved in each particular transaction type prior to their conclusion.

**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 UBB, and may damage the interest of a client.

**Art. 34. (1)** The Bank has adopted *Rules on Conflict of Interest*. These Rules 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.

**(2)** UBB shall provide a summary of the *Rules on conflict of interest*. Upon a client's request UBB shall also provide to the client these Rules on a durable storage medium.

## **Chapter Four**

### **Contractual relations of UBB with clients and signing of agreements for the provision of investment and/or ancillary services and activities. Execution of client orders for effecting transactions in financial instruments**

#### **Section I**

##### **General Provisions. Clients' assets**

**Art.35.(1)** UBB shall provide investment and ancillary services for clients' account on the basis of a written agreement with the respective client.

**(2)** During the effect of the agreement 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. 36.** In compliance with the provisions of the specific agreement, UBB shall open a sub-account in a depository institution for the client's financial instruments, based on the agreement and in compliance with the terms therein, as well as an account with UBB for safekeeping the client's funds.

**Art. 37.** 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.

**Art. 38.** UBB shall not be entitled to conclude deals for funding securities with held by it financial instruments of the client or in another manner use such financial instruments for its own account or for the account of another client, unless the said client has explicitly granted his/her/its consent in advance in written form for having his/her/its financial instruments used under particular terms and conditions and the utilization of those financial instruments is being made in observance of all these conditions.

### *Safekeeping of client assets*

**Art. 39.** The Bank shall confirm through the present General Terms that it separates its own financial instruments and cash funds from those of its clients. Pursuant to the provisions of the applicable law the Bank shall neither be held liable before its creditors with the financial instruments and cash funds of its clients, nor shall enforcement for liabilities of the Bank be permitted on the cash funds and financial instruments of its clients.

### *Safekeeping of clients' cash funds*

**Art. 40.** The cash funds of clients are being deposited in their respective bank accounts, opened with the bank and in observance of all other requirements to deposits within the meaning of the Credit Institutions Act. All cash funds, received in line with execution of transactions shall be held in the bank's capacity as a credit institution, and not as a custodian.

### *Safekeeping of clients' financial instruments*

**Art. 41.** The Bank shall store the financial instruments of its clients with a depository institution in client sub-accounts to the account of the Bank or in accounts, opened to the account of a third party, while observing all other requirements in line with the terms and conditions and the procedure for safekeeping of cash funds of clients, as determined with an Ordinance №58 of the FSC.

**(2)** The Bank shall inform its clients on a regular basis about the available balances and operations in the accounts for safekeeping of cash funds, as well as about the financial instruments, stored by it and also about the terms and conditions of the contracts, treating their safekeeping with periodicity in accordance with the applicable legislation.

**Art. 42 (1)** Where the Bank deposits financial instruments with a third party sub-custodian, the Bank carries out due diligence in the selection, appointment and periodic review of the third party and of the arrangements for the holding and safekeeping of those financial instruments. In particular, UBB takes into account the expertise and market reputation of the third party as well as any legal requirements related to the holding of financial instruments that could adversely affect clients' rights. However, the acts, omissions, default or insolvency of a sub-custodian may result in the loss of your financial instruments and other losses.

**(2)** Clients' financial instruments could be pooled with segregated financial instruments belonging to our other clients and held in an omnibus account. Accordingly, the clients will not necessarily have the right to any specific financial instruments but will instead be entitled subject to any applicable laws, rules and regulations and to the Custody Agreement, to the transfer or delivery of an amount of financial instruments of the same description and of the same amount. As a result of certain of UBB other clients also beneficially owning financial instruments held in the omnibus account, client may be exposed to settlement risks arising from the transactions of such other clients in that financial instrument.

**Art. 43. (1)** Prior to conclusion of transactions for funding with securities, pertaining to financial instruments, held by the Bank on behalf of a client, as well as prior to otherwise utilizing such financial instruments for its own account or for the account of another client, UBB shall promptly provide, prior to utilization of those instruments, clear, comprehensive and accurate information on a durable storage medium as regards its obligations and responsibilities, pertaining to the utilization of those financial instruments, including the terms and conditions for their return and the accompanying risks.

**(2)** UBB shall inform the client about the possibility for occurrence of encumbrances, collaterals or liens, which UBB has or might have with regard to the financial instruments or the client's funds, as well as the right to offset, held by UBB in line with those instruments or funds.

### *Restrictions upon establishment of financial collateral*

**Art. 44 (1)** The Bank shall not conclude with retail clients agreements for financial collaterals with transfer of the collateral ownership, in view of securing present, future, definite, conditional or anticipated liabilities of the client.

(2) The Bank may conclude agreements for financial collateral, involving transfer of ownership on the collateral with a professional client in the cases when the client has liabilities to the Bank, when the subject of collateral are the client's assets. Prior to conclusion of an agreement for financial collateral with transfer of ownership on the collateral, being assets of professional clients, the bank shall prepare an analysis in writing as regards the appropriateness of such an agreement's conclusion.

(3) The establishment of financial collateral shall be made while also observing all other requirements, as determined with an Ordinance №58 of the FSC.

## **Section II**

### **Procedure for conclusion of agreements for rendering investment and/or ancillary services and execution of client orders**

**Art.45. (1)** The relations, having occurred between UBB, in its capacity as an investment intermediary (IP) and the respective client of the bank in line with a transaction that is being executed and/ or a particular financial service, shall be regulated in a written agreement, while applying the currently effective General Terms, which shall be respectively applied following their acceptance in writing by the client.

UBB shall execute orders for a client's account, including through proprietary deals' conclusion. Client of UBB shall be deemed an investor (a natural person or a legal entity), to whom/which the Bank renders investment or ancillary services.

(2) Prior to agreement conclusion, UBB shall provide an opportunity to its clients to inform themselves of the effective General Terms and the policies/ rules 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's categorization.

(3) Prior to agreement conclusion, UBB shall also demand from the client information in line with the assessments, which UBB has to make in accordance with the effective regulatory framework, 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 on client categorization.

(4) Following the identity check, the client, respectively his/her/its representative, shall sign the agreement under Para. 1 in the presence of a broker or an employee of the bank, authorized for the purpose. The broker or the employee, authorized for the purpose shall state whether the requirements under the previous sentence have been complied with.

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

(6) A copy of the client's identity document, respectively that of its representative and/or proxy, certified by the client and by a broker or an employee, authorized for the purpose, shall remain in the archives of the Bank. The certification shall be performed through affixing of "true to the original" inscription, date and a signature of the person, making the certification.

(7) The agreement 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.

(8) Conclusion of the agreement under Para. 1 through a proxy shall be admissible, only if a power of attorney with attestation by a notary public has been presented, containing the representative power for execution of administration or disposal activities with financial instruments and a declaration by the proxy in accordance with the regulatory requirements.

(9) UBB shall keep for its records the declaration and the original power of attorney under the preceding para, respectively a certified copy thereof with attestation by a notary public. 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 compliance unit.

(10) When the agreement under Para. 1 has been concluded through an exchange of electronic statements, signed with a qualified electronic signature pursuant to the Electronic Document and Electronic Signature Act, 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 6 shall not apply. In the cases when the agreement under Para 1 has been concluded through exchange of statements in electronic form, signed with a Qualified Electronic Signature (QES) pursuant to the procedure of the Electronic Document and Electronic Signature Act, documents in evidence of the client's identity shall not be presented. It shall not be admissible for agreements under Para 1, made through exchange of statements in electronic form, to be concluded by a proxy.

(11) Upon signing of the agreement in the manner specified in the previous para, the broker or the authorized employee shall check the identity of the client, respectively of his/her/its representative through verifying the data, available in the electronic signature. The broker or the authorized employee shall print out the agreement, signed with an electronic signature, declare whether the requirements of the previous sentence have been met and shall indicate the print date.

(12) 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 10 and the holder of the electronic signature, or a discrepancy between the holder of the electronic signature and the person, entitled to represent a legal entity, from which the electronic statement originates, the agreement 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.

(13) The provision 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 an electronic signature pursuant to the Electronic Document and Electronic Signature Act.

(14) The agreement 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 agreement is signed with attestation of the client's signature by a notary public, the provisions of Para. 4 and 6 shall not apply. The provision of the entire necessary information by the client in accordance with the requirements of the effective regulatory framework, as well as the provision of information by the client, needed for making an appropriateness test, may be done by the client remotely, through signing of the needed documents before a notary public

(15) In the cases under the previous para, the client, respectively his/her/its representative, shall send to the investment intermediary the agreement, 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."

(16) UBB shall sign the agreement under Para. 1 and shall 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 FSC, except for the cases when the agreement is being concluded pursuant to Para 10 and Para 14.. At the entrance of all its branches and offices under the preceding paragraph, the Bank shall display information about its name and registered office, working hours, first name and last name of the official, responsible for the relevant branch or office.

(17) UBB shall not sign the agreement 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.

(18) UBB shall not sign the agreement under Para. 1 if the counterparty is being represented by a proxy, who declares performance of transactions in financial instruments by way of business, or who declares performance of such transactions within a one-year period prior to the agreement's conclusion, unless the agreement is signed by a managing entity, a credit institution, an investment intermediary or another person/entity, entitled to perform activity in financial investments.

(19) UBB shall keep for its records the originals of the certification documents, provided by the client (certificate for ownership of financial instruments /depository receipts, interim certificates, etc.).

#### **Transactions at an agreed price upon a received request by a client for a price quote**

**Art. 46 (1)** If after a submitted request for a price quote by the client the Bank and the client come to a mutual agreement, the transaction shall be deemed concluded, while the parameters shall be confirmed pursuant to Art. 54. In this case the Bank shall debit the amount stated in the confirmation, plus interest, which such has been accrued for interest-bearing bonds.

(2) Transactions at an agreed price are being executed outside a regulated market, MTF or OTF.

### **Acceptance of orders for transactions in financial instruments**

**Art. 47.** Clients shall submit orders for conclusion of deals in financial instruments on commission basis, as well as additional orders for change in parameters of already submitted orders, in written form and according to a sample, provided by UBB, in accordance with the effective legislation. Upon submitting orders the client shall also submit the acts, declaration statements, information and other documents, needed as per the regulatory framework.

**Art. 48. (1)** Clients shall submit orders for conclusion of deals in financial instruments on commission basis, as well as additional orders for change in parameters of already submitted orders, in written form and according to a sample, provided by UBB, in accordance 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 has not been engaged in transactions in financial instruments by way of business for a period of one year before placing the order.

**(3)** Upon acceptance of the order, UBB shall require from the client, respectively from its representative or proxy, to declare:

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, have been 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 as in similar cases a recording shall be made of the conversation with the client, unless provided for otherwise in a particular agreement. Clients shall confirm orders, placed via phone and declarations, submitted by fax or email by the end of that same day.

**(5)** UBB may accept client orders through electronic trade platforms of the Bank, while observing these General Terms and the Bank's rules on e-banking, relevant thereto.

**(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 have been blocked and whether a pledge or lien has been imposed thereon.

**(7)** In case the order has been placed via the bank's electronic system, 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 with 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 a notarized power of attorney and the declaration statement that he/she neither effects deals in financial instruments by way of business, nor has he/she executed such deals within a one-year term prior to the agreement's conclusion.

**(9)** 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.

**(10)** UBB shall provide the client with a signed original of the accepted order, except for the cases when it has been accepted through an electronic trade system or when the order has been placed over the phone or through another remote correspondence method, non-allowing its signing.

**(11)** 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.

**(12)** The withdrawal of an order by the client shall be either confirmed or rejected by a UBB official, after verifying the order for execution purposes.

**(13)** 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.

**(14)** The client shall not give orders for execution of transactions on the Bulgarian Stock Exchange, which validity is longer than that stated in the Regulations on the Activity of the Bulgarian Stock Exchange - Sofia AD. As regards OTC deals, orders shall not be placed for a period, extending beyond the date, determined in the agreement.



## **Execution of client orders for transactions in financial instruments**

**Art.49. (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 require 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 apparently be unprofitable for the client.

**(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. In case specific instructions have been given by the client, concerning only a particular aspect of the order, as regards the execution of the remaining part of the order, for which there are no specific instructions, given by the client, the Bank shall follow its Best Execution Policy.

**(5)** 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 client, whose orders are being consolidated that this consolidation, as regards the particular order, may be unprofitable for the client.

**(6)** 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 (certificate of ownership of financial documents, 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.

**(7)** 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 the effective regulatory framework.

**(8)** 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 an agreement for the Bank.

**(9)** Unless UBB has been notified in writing to the contrary, the Client shall instruct UBB not to give immediate publicity to any limit order of a client (as defined in the MiFID) regarding shares, admitted for trading on a regulated market, or traded via an MTF or OTF, when the order is not being executed immediately under the prevailing market conditions.

**(10)** If, on the grounds of a particular agreement, 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 agreement for provision of investment and/or ancillary services and the effective General Terms.

**(12)** Upon acceptance and delivery for execution to other parties, related ones included, of orders in line with financial instruments, UBB acts in accordance with the client's best interest.

## **Refusal to execute client orders for transactions in financial instruments**

**Art. 50. (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 the currently effective regulatory framework. 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 with a depository

institution, as well as if a pledge has been instituted or a lien has been imposed on those.

(3) The above stated shall not be deemed grounds 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 have been 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, Commission Delegated Regulations of the EU or other effective enactments.

#### **Payments under a transaction in financial instruments**

**Art. 51. (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 agreement, 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 in cases when the client has certified that he/she/it will fulfill his/her/its obligation for payment under the transaction or in other cases, provided for in a regulatory 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 agreement, to ensure in his/her/its client account with the Bank the 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 for the execution of a transaction, in which the payment for financial instruments is not being made simultaneously with their transfer, UBB may decide not to demand 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. 52. (1)** In cases when UBB has concluded a transaction for the account of a retail client, which does not relate to fulfillment of an agreement 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, relevant to the specific transaction in accordance with the effective regulatory framework.

(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. The particular agreement may stipulate another manner to mutually confirm the concluded deals.

(3) The client shall agree to accept the confirmation of the concluded transaction on the address/e-mail address stated in the agreement or otherwise.

(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 confirmation for a concluded transaction, respectively the information in this confirmation shall be provided to the client accordingly via the electronic system.

#### **Statements and notifications**

**Art.53. (1)** When UBB holds financial instruments and/or funds of a client, including if acting merely as a depositary, the Bank shall send once per quarter 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 the end of each

quarter.

(2) In the cases when UBB periodically executes orders for investments in securities or units in collective investment schemes, UBB shall provide a notification for the executed deals on a durable storage medium at least on a 6-month basis.

Notifications shall be provided through the manners, indicated in Chapter III, Section III.

(3) 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 to disclose share participation under Art. 145 of POSA as a result of executed transaction with financial instruments for his/her/its own account, including upon fulfillment of obligations under an agreement for individual portfolio management.

(4) 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.54. (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/her/its 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. 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**

**Art. 55. (1)** Upon the conclusion of transactions for purchase or sale of financial instruments through an electronic system of the bank for placement of orders by clients for purchase or sale of financial instruments, the Bank may sign contracts with its clients for placement of orders via that same electronic system in case the latter allows.

(2) The access to the system and input of orders by clients of the Bank shall be made in accordance with requirements of the electronic banking system. The order, 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.

*Methods for acceptance of client orders. Recordings of telephone calls and electronic communication, as well as documentation storage*

**Art. 56. (1)** The acceptance and initiation by the Bank of telephone calls and messages or of conversations and notifications through electronic communication means, relating to transactions in line with conclusion of deals for one's own account or with the acceptance, delivery and execution of client orders, shall be made through technical means and equipment, determined for the purpose by the Bank and made available to particular employees, responsible for the conclusion and execution of deals.

(2) Acceptance and initiation of telephone conversations and electronic communication as per Para 1 with technical means and equipment, other than those, determined in Para 1, shall not be allowed.

(3) By virtue of the present General Terms it is deemed that the Bank shall notify its clients that the telephone conversations and the electronic communication with those as per Para. 1 will be recorded.

(4) Client orders may be placed also through methods, other than those, indicated in Para. 1, on condition that these have been submitted on a durable storage medium (letters by ordinary mail, faxes, e-mails) or these have been documented on a durable storage medium, when submitted in the client's presence.

**Art. 57. (1)** The Bank shall prepare and store recordings of all telephone calls and messages or of conversations and notifications through electronic communication means, which relate to transactions in line with conclusion of proprietary deals or with the acceptance, delivery and execution of client orders, notwithstanding whether the deal has been concluded or not.

(2) The documents and recordings represent evidence and are property of the Bank. The documents and recordings shall be provided to the relevant client upon request and shall be stored by the Bank for a period of no less than 5 years since their origination, however no longer than 7 years since their origination only in case this has been demanded by the Financial Supervision Commission.

(3) The Bank shall store the entire documentation, as well as the information, relating to its activity, on a magnetic (electronic) storage medium and/ or on a hard copy, in compliance with Section VIII of Regulation (EU) 565/2017 in a manner, ensuring their backup storage or their recovery in case of loss due to technical reasons. The documentation, stored in this way is made available by the competent authority for a period of 5 years.

## **Chapter Seven**

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

**Art. 58. (1)** In case of a special pledge of securities/ financial collateral, 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 or another instruction for their transfer (in case the securities have been provided as financial collateral) in accordance with the envisaged in the agreement with the pledgor and the pledgee and the observance of the regulatory requirements. In case of a special pledge the sale proceeds shall be transferred to the bank account of the depository as per Art. 38 of the Special Pledges Act.

(2) In case of enforcement or bankruptcy proceedings, UBB shall fulfill the written demand of the enforcement agent, the trustee in bankruptcy respectively, for sale of the debtor client's securities, while applying respectively the requirements of the effective legislation.

## **Chapter Eight**

### **Liability for non-performance of contractual obligations:**

#### **Section I**

#### **General Provisions**

**Art. 59. (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 agreement with the client. The right party shall be entitled to 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 agreement

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 agreement.

**(3)** The Client (or, where applicable, any principal or principals, on whose behalf the client acts ) shall hereby irrevocably authorize the Bank that at any moment following the occurrence of an Event of Default, in case any amount or another liability, due by the Client to the Bank and/or to any Partner(s) (or, where applicable, on the part of your principal or principals) by virtue of these Terms has not been paid or fulfilled when due, to sell, divest from or realize any single investment, traded product or other property, held by the Bank, or which it is entitled to receive on behalf of the Client (or the Client's principal, where applicable).

**(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 agreement, UBB shall explicitly inform the client under the terms and conditions of the effective regulatory framework.

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

**(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 agreement, while taking into account the specific features of the individual financial instrument types, the agreement 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 responsibilities**

**Art. 60. (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 held 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 an execution venue outside the EEA, UBB shall only be liable for the appropriate choice of an investment intermediary of a good reputation, as by virtue of these General Terms it shall inform the client that UBB cannot bear full responsibility for the order's execution. The Bank's choice of another investment intermediary, to which the execution of a client's order will be assigned, shall be deemed adequate only and solely if the Bank has complied with the requirements of the applicable legislation as to the choice of another investment intermediary, which abides by criteria for execution of client orders at least equivalent to those, followed by the Bank as per the latter's Best Execution Policy.

**(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 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 agreement 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 execution venue, 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 Nine**

### **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. 61. (1)** UBB may outsource the performance of important operational functions or of investment services and activities to a third party, as well as assign the provision of the services as per Art. 33, Para. 2 of MFIA of a bound agent, while observing the requirements, imposed by the regulatory enactments. This outsourcing under the previous sentence shall be made on the basis of a written agreement between the Bank and the third party, which shall state exhaustively the rights and the obligations of the parties. Upon conclusion, execution and termination of such agreement, 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 responsibilities 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 the obligations that may originate for UBB in relation to the execution of cases, provided for in Chapter Ten, the provisions of these General Terms shall apply.

## **Chapter Ten**

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

**Art. 62. (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 identity;
- 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 an agreement, 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 Eleven**

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

**Art. 63. (1)** The Bank, pursuant to Regulation 596 on market abuse and 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 to disclosure of information, provided by law, subordinate legislation or an agreement, nor shall it be deemed grounds to seek liability.

## **Chapter Twelve Confidentiality**

**Art. 64. (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.

**(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 agreement, or by virtue of these General Terms and not to disclose it, except under the assumptions of Para. 3, indents „a” and „b”.

## **Chapter Thirteen Applicable Law**

**Art. 65. (1)** In case it has been established that any of the provisions of these General Terms or any other specific condition under an agreement, signed between the Bank and a client, contradicts imperative provisions of a law or by-law, then the imperative provisions of that law or by-law shall have mandatory effect .

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

## **Chapter Fourteen Settlement of disputes and handling of complaints**

**Art. 66. (1)** UBB shall apply effective and open procedures for reasonable, fair and timely consideration of complaints, received from clients or potential clients.

**(2)** Clients shall be entitled to submit free-of-charge claims before UBB regarding deficiencies in the execution of their orders, the resulting damages, as well as in other cases related to the performance under a specific agreement.

**(3)** A client may submit a complaint in one of the following manners:

1. At the business unit, which actions he/she is dissatisfied with;
2. At any UBB branch;
3. At the document registration desk in the Bank's Head Office;
4. Through the Bank's website;

5. Through the Customer Service Center or through other units at the Bank

**(4)** UBB shall enter client complaints in line with the rendering of investment and/ or ancillary services into a centralized Register of Complaints of the Bank, in accordance with UBB AD Rules on Handling Complaints.

**(5)** 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

**(6)** 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 city. The proviso under the previous sentence shall be deemed agreement for choosing governing jurisdiction as per Art. 117, Para. 2 of the Civil Procedure Code. Prior to referring the dispute to the competent court in Sofia, consumers within the meaning of the Consumer Protection Act (CPA) may refer the dispute to an Authority for Alternative Resolving of Consumer Disputes (ARD Authority), included in the list as per Art. 181p of the CPA, approved by the Ministry of the Economy.

**(7)** Summary of UBB AD Rules on Resolving Complaints, treating the manner of acceptance and consideration of complaints and the deadlines for providing a reply, shall be published in the Bank's webpage [www.ubb.bg](http://www.ubb.bg), as well as shall be prominently displayed in its branches.

## **Chapter Fifteen Record keeping**

**Art. 67. (1)** In the cases when UBB effects transactions with regard to (i) shares, depository receipts, exchange-traded funds, certificates and other similar financial instruments, traded at a trading venue; and/or (ii) bonds, structured financial products, quotas for emissions and derivatives, traded at a Trading Venue, however which transactions are being concluded outside a Trading Venue for one's own account or on behalf of clients, UBB shall give publicity to information, relevant to those transaction (including volume, price and time of a transaction's conclusion), as required pursuant to the Applicable law, through a third party APA Operator or a Trading Venue.

**(2)** In case UBB's counterparty is an investment intermediary or a credit institution, the transaction shall have to be announced in public, pursuant to the applicable law, through (i) the selling party under the transaction; or (ii) the buying party under the transaction in case this is the only party, acting as a Systematic Participant, in which case the party in question shall have to inform the other of the initiated act.

**(3)** Clients shall give their consent to the Bank for disclosing before third parties - APA Operators and Trading Venues - as well as for giving publicity to respective details of quotes, provided to clients and the transactions, executed in accordance with the applicable law, as such consent shall involve (i) consent to the disclosure before APA Operators, respectively before a supervisory body or a Trading Venue of clients' personal data, insofar as the publishing, respectively reporting of transactions to the supervisory authorities require it, as well as (ii) consent to the disclosure of commercial information, which could pose a trade or an investment secret, insofar as the publishing, respectively the reporting of the transaction require it and to the extent that such consents are needed pursuant to the applicable legislation.

### Transactions' Reporting

**Art. 68 (1)** UBB shall abide by its obligations for reporting of transactions in accordance with the applicable law with regard to the deals, concluded with the client (or, where applicable, with the latter's principal or principals). With the aim to enable UBB's compliance with its obligations as per the applicable law, the Client shall agree to promptly provide us with data about the transactions, as well as with any other information, which UBB may require from time to time, with the aim to ensure the completion and submission of reports on the transactions to the respective competent authority, as the said reports shall have to include a notification for each and every transaction, representing a short sale.



(2) Clients shall give their consent to UBB for provision of the necessary information and the effected transactions with and for a particular client to third parties - stock exchanges - as well as to the competent authorities, in the course of submission of transaction reports in accordance with the applicable law.

## **Chapter Sixteen Representations and consents**

**Art. 69 (1)** By accepting these General Terms, the client:

- a. Consents to and accepts UBB's Orders Processing Policy and Best Execution Policy.
- b. 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;
- c. agrees that UBB may, if necessary, deposit client funds with an entity, which is a related party of the Bank;
- d. 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, stipulated in the *Conflicts of Interest Policy*, whereas the Bank shall inform the client about the possibility for such execution;
- e. certifies that he/she/it has received a copy of these General Terms, as well as all relevant appendices to those.

(2) 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 the effective regulatory framework, 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 Seventeen Amendment and termination of agreements. Agreements' Cancellation**

**Art. 70. (1)** Any amendment to an agreement 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 agreement has been concluded, (through personal presence at a branch/office of the Bank or remotely) and shall enter into force since the moment of its signing by both parties.

(2) In case any party hereto fails to perform on its contractual obligations, the agreement shall be prematurely cancelled upon a 5-day notice in writing by the right party to the party in default.

(3) The agreement 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 a 14-day prior notice in writing by the client;
3. with the expiration of the agreement's effectiveness period;
4. in case of death, placement under judicial disability or dissolution of a client;
5. upon revoking the Bank's license, received in its capacity as an investment intermediary, by the Financial Supervision Commission;
6. under the provisions of Art.72, Para. 3;
7. on other grounds, as provided for in the law and/or the agreement.

(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 7 days from the agreement's termination on condition that all needed instructions for the transfer have been given by the client.

(6) In case of the Client's failure to give the needed transfer instructions within the period as per the previous Para 5, the Bank may transfer the instruments in an account of the Client with a depository institution or in a sub-account with an investment intermediary, selected by the Bank, for which by acceptance of these General Terms the Client authorizes and gives his/her/its consent to the Bank.

## **Chapter Eighteen**

### **Enforcement, application and amendment of these General Terms**

**Art. 71. (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 being accepted.

**Art. 72. (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 Bank's webpage and/or displaying them at a prominent place in the branches/offices, where client orders are being accepted, as early as one month prior to their enforcement.

**(3)** Upon disagreement with the amendments and supplements to these General Terms and/or the Tariff the client shall be entitled to terminate the investment intermediation agreement without prior notice via a unilateral written statement, made before the date of enforcement of these General Terms, respectively 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 these General Terms and the Bank's Tariff.

**(4)** In the cases of this agreement's termination by virtue of the previous para, the parties shall settle their relations within a seven-day period of receipt of a statement of termination, as the client shall not be held liable for default penalties and expenses, pertaining to this agreement's termination by virtue of the previous para, however the latter shall continue being liable for expenses or obligations for payment of default penalties, which have been incurred prior to the date of the unilateral written statement by the client for this agreement's 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 agreement 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.

**(6)** In case the Client refuses to accept the amendments and supplements to these General Terms, the Bank shall be entitled to refuse acceptance of this client's orders, demand the termination of the agreement 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, with the amendments' effectiveness commencing on 13.06.2016, as well as were amended with decision of the Management Board of UBB minutes №27/ 4.06.2018, with the amendments' effectiveness commencing on 12.07.2018., as well as were amended with decision of the Management Board of UBB minutes № 7/11.02.2019, with the amendments' effectiveness commencing on 15.03.2019,