

GENERAL TERMS AND CONDITIONS APPLICABLE TO CLIENT CONTRACTS

I. WHAT SHOULD THE CLIENTS KNOW ABOUT EURO-FINANCE AD

1. EURO-FINANCE AD is a public limited company by shares registered with Sofia City Court under company case No. 636/1994, entered in the Company Register volume 183, reg. I, No. № 13919, page 84, Statistical Number (BULSTAT) 831136740. The authorized capital of EURO-FINANCE AD is BGN 14,100,000.
2. The registered office and place of business of EURO-FINANCE AD is Sofia, Triaditza Municipality, 84 Patriarh Evtimij Blvd. The employees of EURO-FINANCE AD are available every business day from 09:00 a.m. to 05:00 p.m. at telephone number (+359 2) 980 56 57, fax number (+359 2) 981 14 96, or via e-mail at address: contact@euro-fin.com. EURO-FINANCE AD is granted a license to provide investment services and conduct investment business within the territory of the Republic of Bulgaria and abroad, in accordance with Resolution No. 81-ИП/01.02.2006 of the Financial Supervision Commission /FSC/. The FSC is located in Sofia, 33 Shar Planina Street, tel. 0900 32 300 for the whole country. Calls are charged at 0.18 BGN/min. VAT incl.
3. EURO-FINANCE AD is an authorised foreign exchange institution, in accordance with License No. 0001/06.02.2000 of the Bulgarian National Bank /BNB/.
4. EURO-FINANCE AD participates in the Electronic Government Securities Trading Registration and Servicing System (ESROT) and in SWIFT.
5. EURO-FINANCE AD is an authorized broker and shareholder of the Bulgarian Stock Exchange – Sofia AD.
6. EURO-FINANCE AD is member of the Central Depository AD.
7. EURO-FINANCE AD is founder of the Bulgarian Association of Licensed Investment Intermediaries and of the National Committee at the International Chamber of Commerce in Paris.
8. The clients may communicate and keep up a correspondence with EURO-FINANCE AD in Bulgarian, English, French, German, Hungarian or Russian. EURO-FINANCE AD prepares the documents pertaining to the relations with the clients in Bulgarian and/or English only.
9. The business of EURO-FINANCE AD is directly regulated by the Markets in Financial Instruments Act (MFIA) and ordinance No. 38 of the FSC on the requirements to the activities of investment intermediaries (the Ordinance).

II. SCOPE OF ACTIVITY

As at the date of these General Terms and Conditions, the registered scope of activity of EURO-FINANCE AD includes: providing and rendering of investment services and conduct of investment businesses in the country and abroad, specified in details in paragraphs two and three of the revoked Art. 54 of the Law on Public Offering of Securities. Upon the implementation of the Markets in Financial Instruments Act on 01.1.2007, EURO-FINANCE AD provides investment services and conducts investment business within the territory of the Republic of Bulgaria and abroad as follows:

A. Main investment services and activities

1. acceptance and transfer of orders related to one or more financial instruments, including brokerage services for entering into transactions related to financial instruments;
2. execution of order for account of customers;
3. financial instruments' transactions for company's own account;
4. portfolio management;
5. providing of investment advice to customer;
6. underwriting issues of financial instruments and/or initial offering of financial instruments under unconditional and irrevocable commitment to subscribe/acquire the financial instruments for company's own account;
7. initial offering of financial instruments without unconditional and irrevocable obligation to acquire the financial instruments for company's own account;
8. organization of multilateral trading system.

B. Additional services

1. safekeeping and administration of financial instruments for customer's account, including custody activity (keeping customers' financial instruments and money with depository institution) and the services related to it, such as management of the money received/the collateral

provided;

2. granting of loans for execution of transactions in one or more financial instruments, provided that the person who grants the loan participates in the transaction under terms and procedures specified by an ordinance;
3. advising companies with regards to capital structure, industrial strategy and related matters, as well as consultations and services related to mergers and acquisitions;
4. rendering of services related to foreign exchange, as far as they are related to the provided investment services;
5. investment research and financial analyses or other forms of general recommendations related to transactions in financial instruments;
6. services related to underwriting of issues of financial instruments;
7. under letter A and items 1 – 6 above, services related to the underlying asset of derivative financial instruments under Art. 3, Item 2, letters “d”, “e”, “f” and “i” of the MFIA, as far as they are related to the providing of services under items 1 – 6 and under letter A.

C. Foreign exchange transactions

III. LEGAL RESTRICTIONS AND REQUIREMENTS TO THE ACTIVITY OF EURO-FINANCE AD

1. EURO-FINANCE AD shall act fairly, with due care and as a professional in the best interests of its clients.
2. EURO-FINANCE AD shall effect transactions at the most favorable terms for the customers and shall advise them of the risks related to the transactions in financial instruments.
3. EURO-FINANCE AD shall furnish its clients and possible customers with its Policy for execution of customer orders for transactions in financial instruments. EURO-FINANCE AD shall not enter into contractual relations with a customer (if applicable) who has not accepted this Policy.
4. EURO-FINANCE AD shall identify its clients in compliance with the current legal requirements;
- 4.1. Client shall immediately notify EURO-FINANCE AD of any change in the facts under which he was first identified as client;
- 4.2. EURO-FINANCE AD shall not be liable for any damages and/or loss of profit suffered or incurred by the customer as a result of customer’s failure to perform its obligations under the above paragraph.
5. EURO-FINANCE AD shall classify the persons to whom investment services are being rendered as non-professional clients, professional clients or eligible counterparty respectively. The circle of clients who can be classified as professional clients is specified in details in section I of the Schedule to Art. 36 Para 1 of the MFIA. Any client who is classified as a professional client may request that EURO-FINANCE AD treat him as a non-professional client for a specific or all services and activities provided to him. EURO-FINANCE AD may treat as professional clients persons not included in section I of the Appendix to Art. 36 Para 1 of the MFIA upon their request and provided that the prerequisites specified in section II of the said Appendix exist. EURO-FINANCE AD shall notify its clients of the manner of their treatment before starting to provide the relevant investment service or activity.
6. EURO-FINANCE AD shall assess whether the offered investment service is appropriate except when it is not obligatory required by the MFIA, provided that the client has been given an express notification to this effect. EURO-FINANCE AD shall notify the client of its assessment. EURO-FINANCE AD shall not be entitled to provide investment advice or manage the portfolio of a client who refuses to provide the information deemed necessary by EURO-FINANCE AD for its decision to provide an appropriate service.
7. EURO-FINANCE AD shall keep the commercial secrets and the prestige of its clients. EURO-FINANCE AD may disclose facts and information representing commercial secret only to officials specified expressly in the MFIA, provided that the prerequisites specified in this Act exist, or with the written consent of the customer.
8. EURO-FINANCE AD shall not offer any advice to non-professional clients unless requested to do so, neither shall give consultations on any issues unless it was explicitly asked by the clients.
9. EURO-FINANCE AD shall execute its customers’ orders in accordance with the Policy for execution of customers’ orders for transactions in financial instruments.
10. EURO-FINANCE AD shall segregate its clients’ financial instruments and money from its own portfolio.
11. EURO-FINANCE AD shall not be liable to its creditors with the financial instruments, the money and other assets of its clients.
12. Except as otherwise provided by an ordinance, EURO-FINANCE AD may not use its clients’ money and financial instruments in the course of its own business or use its own money and financial instruments for the account of a client or use any client’s money and financial instruments for the account of another client.
13. The clients shall be regularly notified of the money and financial instruments managed or held by EURO-FINANCE AD for their account, in the manner specified in the contract under section 4.
14. EURO-FINANCE AD shall notify its client, in the manner and under the procedure specified in the contract, where an obligation under Art. 145 of the LPOS arises for him as a result of transactions in shares executed for customer’s account, including under fiduciary

management of an individual portfolio of financial instruments and/or money.

15. EURO-FINANCE AD may not:
 - 15.1. conduct business for the account of a customer if the customer has not been informed about potential conflicts of interests and conflict of interests with another customer, provided that this information shall not violate an existing obligation to keep confidentiality and shall not threaten the interests of the other customer.
 - 15.2. provide information that is not true, including information about:
 - a) the price or value of a financial instrument;
 - b) the issuer;
 - c) the proprietary obligations arising from transactions in financial instruments;
 - 15.3. deviate from the terms of submitted order, unless the deviation is evidently in client's interest;
 - 15.4. execute transactions for account of customer in such volume and with such frequency, at prices or with a particular counterparty, where it can be assumed, according to the relevant circumstances, that the transactions are effected exclusively in the interest of EURO-FINANCE AD, unless the client has given express instructions to this effect, at its own initiative;
 - 15.5. buy on its own account financial instruments, for which buy order has been submitted by its client, and sell them to the client at a price higher than the purchase price. This prohibition also applies to all persons who are employed with EURO-FINANCE AD under a contract and the persons related to them;
 - 15.6. undertake any operation with client's money and financial instruments on its own account or for the account of another party unless the client gives an authorization to this effect;
 - 15.7. sell for its own account or for the account of another party financial instruments which EURO-FINANCE AD or its client does not possess, except under the terms and procedures provided for in an ordinance;
 - 15.8. participate in the execution of concealed purchases or sales of financial instruments, including as a transfer agent;
 - 15.9. receive the benefit in part or in full if the investment intermediary has entered into and executed the transaction under conditions which are more favorable than those specified by the client;
 - 15.10. conduct activity in any way whatsoever that threatens the interests of its customers or the stability of the financial instruments' market.
 - 15.11. enter into transactions for financing of securities with clients' financial instruments held by EURO-FINANCE AD or use such financial instruments in any other way whatsoever for its own account or for the account of another client, unless the client has given its prior express consent for use of its financial instruments under specific conditions and these financial instruments have been used in accordance with those conditions. The consent under the above sentence should be given in writing if the client whose financial instruments are being used is a non-professional client. EURO-FINANCE AD may not enter into transactions for financing of securities with clients' financial instruments held in a mutual client account with a third party or use such clients' financial instruments in any way whatsoever, unless the respective requirements of the Ordinance have been met;
 - 15.12. pay, grant and receive respectively, remuneration, commission or non-cash benefit, except for:
 - 15.12.1. remuneration, commission or non-monetary benefit paid or granted by or to the client or its representative;
 - 15.12.2. remuneration, commission or non-cash benefit paid or granted by or to a third person or its representative if the following conditions exist:
 - a) the existence, nature and amount of the remuneration, commission or non-cash benefit have been clearly indicated to the client, in a simple way, precisely and intelligibly, before providing the relevant investment or additional service and where the amount can not be determined, the manner of its calculation has been given;
 - b) the payment, granting respectively, of the remuneration, commission or non-monetary benefit is aimed at improving the quality of the service and does not violate the obligation of the investment intermediary to act in the best interest of the client;
 - 15.12.3. incremental fees that provide or are necessary for the rendering of the investment services, such as expenses on custodian services, settlement fees and foreign exchange fees, attorney's fees and public fees, as well as fees, whose nature does not cause any conflict with the obligation of the investment intermediary to act fairly, with due care and as a professional to the best interest of the client.
 - 15.13. EURO-FINANCE AD shall have fulfilled its obligation under item 15.12.2, letter "a" if it has presented the essential terms and conditions of the contracts related to the remuneration, commission or non-cash benefit in a summarized form, has provided detailed information about the remuneration, commission or non-cash benefit on the request of the client and the information has been provided fairly, with due care and in the interest of the client;
 - 15.14. conduct activity in any way whatsoever that threatens the interests of its clients or the stability of the securities' market.

IV. COMPENSATION OF INVESTORS

1. If EURO-FINANCE AD is not able to settle the claims of its non-professional clients arising as a result of impossibility to refund clients' assets (money, including interests, dividends and other similar payments, financial instruments and other assets held, administered or managed by the investment intermediary), and upon initiating insolvency proceedings and/or withdrawal of a license to conduct business as an investment intermediary, the clients shall be compensated from the Investors' Compensation Fund.
2. The amount of the compensation shall be fixed at 90% of the amount of claims but not to exceed BGN 30,000 or BGN 40,000, till 31.12.2009 and after this date respectively, per each non-professional client. The amount of claims per client shall be determined as of the date of initiating the insolvency proceedings, withdrawal of the license respectively.
3. EURO-FINANCE AD shall make yearly contribution to the Fund in an amount determined by the Managing Board of the Fund.
4. Non-payment of the contributions due on the part of the investment intermediary shall not deprive eligible clients of compensation.
5. Clients who have been treated by EURO-FINANCE AD as professional clients or as an eligible counterparty shall not be entitled to compensations from the Fund.
6. No compensation shall be paid to customers who have contributed to or have taken advantage of the worsened financial position of the investment intermediary, or whose receivables have arisen out of or are related to actions being "money laundering".
7. Upon request, EURO-FINANCE AD will provide a copy of the current regulations with respect to the compensation of investors.

V. POLICY ON TREATMENT OF CONFLICTS OF INTERESTS

1. Conflict of interests is a situation that has occurred in the process of providing specific investment services to a client and conducting investment business, whereupon prerequisites exist to favor the investment intermediary and/or its employees or another customer for whom EURO-FINANCE AD is working, and it may affect negatively the first customer. Conflicts may arise between:
 - the interests of EURO-FINANCE AD and the interests of a client or a group of clients;
 - the interests of a client or a group of clients and the interests of another client or group of clients; and
 - the interests of EURO-FINANCE AD and/or its clients and the interests of an employee or a group of employees.
2. EURO-FINANCE AD has identified the following sources of possible conflicts of interests that result from the role which is played by EURO-FINANCE AD or its clients respectively, to-wit:
 - Where EURO-FINANCE AD acts as a dealer and/or investor, and/or underwriter, and/or consultant, and/or lender, and/or executor of transactions in financial instruments for account of customer on the basis of intermediation or matching of two corresponding orders opposite in direction, and/or author of independent research and studies, and/or when it aims at providing a satisfactory result of transactions to which EURO-FINANCE AD is a consultant, as well as when it aims at providing new clients and maintaining its relations with the existing clients.
 - Where the CLIENT is in its capacity of an investor, and/or dealer, and/or borrower and/or user of services rendered by the investment intermediary, and/or a party to a transaction, and/or addressee of advice, consultancy services, research and studies, as an object of such research and studies respectively.
3. To prevent and treat properly the unavoidably arising conflicts of interests, EURO-FINANCE AD shall apply the following measures:
 - Strict rules to personal transactions of the persons who are employed with EURO-FINANCE AD under a contract;
 - Horizontal and vertical segregation of functions;
 - The "four-eyes" principle and follow-up control of all transactions in financial instruments;
 - Independent policy, according to which any division and its staff should act independently with respect to the interests of their relevant clients;
 - A possibility of refusing to act in cases when EURO-FINANCE AD has already been working for a client and it may prove inappropriate to accept business with another client if the respective manager finds at its own discretion that EURO-FINANCE AD will not be able to manage the conflict of interests reasonably, or if statutory or regulatory considerations prevent it from doing so.
 - Notifying the client of the occurrence of a conflict of interests and disclosing its nature as far as it does not contradict the law. In any such case, EURO-FINANCE AD shall keep providing the respective service only after the client has given its express consent.
4. The Internal Control Department monitors constantly the situations which may give rise to conflicts of interests and the efficiency of the policy on their treatment, and offers suggestions for its timely update.
5. Any person employed with EURO-FINANCE AD under a contract shall immediately notify the Internal Control Division if he/she detects a situation that might lead to a conflict of interests. In any such case, the manager of the Internal Control Department shall give mandatory instructions for the fair settlement of the property interests of the persons whose interests are in conflict and for overcoming the situation.

VI. CONTRACTUAL RELATIONS, RIGHTS AND OBLIGATIONS

1. Mutual respect and financial benefit are the basis for development of relations between EURO-FINANCE AD and its clients.
2. All aspects of the relations between EURO-FINANCE AD and its customer with respect to concrete investment service are subject to a written agreement between the parties. The agreement shall specify the full name, the ID number of the persons who sign it, the capacity in which the person representing EURO-FINANCE AD acts, the date and place of signature and the general terms and tariff of EURO-FINANCE AD in force at the time of its signature. The agreement shall only be entered into at the registered office, affiliate or office entered in the register of the FSC.
 - 2.1. The agreement shall specify each party's rights, obligations and liabilities for non-fulfillment of contractual obligations;
 - 2.2. The agreement and all matters not provided for thereto are governed by and shall be construed in accordance with these General Terms and Conditions and the current Bulgarian law, the laws in the Member-State where EURO-FINANCE AD provides the particular investment services and conducts investment business respectively;
 - 2.3. The agreement shall explicitly stipulate that the customer is familiar with the General Terms, the Tariff of EURO-FINANCE AD, that the customer has been given the information as required by the LPOS and the ordinances on its implementation, and that the customer is aware of the risks related to investment in financial instruments.
 - 2.4. A copy of the client's identification document certified by it and by a person under Art. 39 Para 1 of the Ordinance shall be retained in the records of EURO-FINANCE AD.
3. Signing a contract by proxy shall be deemed acceptable only if a notarized power of attorney has been presented. The power of attorney shall provide authorization in favor of the proxy to manage and/or buy and/or dispose of financial instruments and a declaration by the proxy that it does not execute securities' transactions by occupation shall be presented.
 - 3.1. EURO-FINANCE AD shall keep for its records the declaration and the original power or attorney, a notarized copy of it respectively. Where the power of attorney has multiple application, EURO-FINANCE AD shall keep a copy of it certified by the proxy and by a person from the internal control department.
 - 3.2. A copy of the proxy's identification document certified by it and by a person under Art. 39 Para 1 of the Ordinance shall be retained in the records of EURO-FINANCE AD.
4. EURO-FINANCE AD shall refuse to sign a contract with the client if the legal requirements and these General Terms and Conditions are not met or if the validity of the presented documents and/or the identification of the customer arises suspicion.
5. The client shall have the right to require from EURO-FINANCE AD precise fulfillment of its obligations under any particular contract and shall cooperate in relation thereto to a maximum degree.
6. Any dispute arising between EURO-FINANCE AD and a client in connection with the fulfillment of contractual obligations shall be settled in good will. If the parties cannot reach an agreement, the dispute shall be referred for settlement by the court of competent jurisdiction sitting in the headquarters of EURO-FINANCE AD.
7. Any amendment to a contract shall only be made upon the express written consent of both parties, except with respect to the current General Terms and Tariff specified therein and which are directly applicable as of the time of their effective date, provided that the provisions of item 3 of section XVII below have been complied with.
8. Except as otherwise provided for by the particular contract with the client, the contractual relations shall terminate upon the expiration of the contract or prior to the expiry date, by mutual agreement of the parties.
9. Upon termination of contractual relations:
 - 9.1. EURO-FINANCE AD shall have the right, at its sole discretion, to complete a transaction which is being executed in favor of a client and has already been started prior to the termination;
 - 9.2. EURO-FINANCE AD shall require the customer to pay all fees, commissions and other expenses incurred by the time of termination, as well as any additional expenses and direct losses suffered by EURO-FINANCE AD as a result of the termination.
 - 9.3. Provided that all amounts due by the client are paid, EURO-FINANCE AD shall transfer the financial instruments and money to accounts as per client's instructions.

VII. ORDERS

1. Client shall submit accurate, clear and comprehensive orders in respect to any contractual relations.
2. Client shall submit its orders to EURO-FINANCE AD in writing and, if the current legislation allows so, by phone, fax, e-mail, or via the electronic trading system of EURO-FINANCE AD - EFOCS.
 - 2.1. Submission of orders by proxy shall only be acceptable if the proxy produces a notarized power of attorney that authorizes the proxy to dispose of financial instruments and a declaration that the proxy does not execute financial instruments' transactions by occupation. The provisions of section VI, item 3.1. and item 3.2. shall apply respectively.

- 2.2. Where orders for financial instruments' transactions are submitted by customers by phone, fax or e-mail, the employee who accepted the order shall, by the end of the business day, draw up a document containing details of the order submitted and the data subject of declarations under item 11. herein contained, whereby the content of the order submitted is certified. The document under the above sentence shall be attested by a person from the internal control department.
- 2.3. The provision under the above item shall not apply to an order submitted by proxy who has not furnished EURO-FINANCE AD with the documents under the above item 2.1. in advance.
- 2.4. The provision of item 2.2. shall not apply to transfer of dematerialized securities in the Central Depository from a personal account to client's sub-account with EURO-FINANCE AD.
- 2.5. EURO-FINANCE AD shall only accept the documents related to submitted orders at a registered office, affiliate or office entered in the register of the FSC.
- 2.6. EURO-FINANCE AD shall draw up and present to the client, in company's offices, a signed copy of any submitted order.
3. Customers' orders on transactions in financial instruments that have been received in the office of EURO-FINANCE AD in the form and with the content according to the current regulations, these General Terms and Conditions and the internal rules of EURO-FINANCE AD, and within the declared business hours, shall be registered in a journal of orders in order of their acceptance and shall be put into progress in compliance with the provisions of the particular contract, the Policy on execution of clients' orders for financial instruments' transactions, these General Terms and Conditions and the trading rules of the respective market.
4. EURO-FINANCE AD shall refuse to accept any order which is not submitted in the form and under the procedure stipulated in the particular contract or the General Terms and Conditions or if the order is in breach of the current legislation. In any such case, EURO-FINANCE AD shall draw up a document for its refusal and shall deliver it to the client against signature.
5. Client may not submit orders:
 - 5.1. related to financial instruments for which it possesses inside information;
 - 5.2. related to financial instruments which are blocked;
 - 5.3. related to transactions being concealed purchase or sale.
6. Withdrawal or change of a submitted order is possible provided that EURO-FINANCE AD has not taken actions for its execution, except in the cases when such actions lead to a partial execution of the order.
7. Any submitted order may be changed or withdrawn only by the client himself or by a person expressly authorized for this purpose. The authorization must be in writing and certified by a notary public.
8. Amendment of a submitted order shall be effected by cancellation of the active order and submission of a new order in the manner specified herein.
9. EURO-FINANCE AD may deviate from the terms of an order only if such steps are considered necessary for protection of customer's interests or it was not possible to take the customer's consent within reasonable time, or EURO-FINANCE AD was not able to request new instructions from its client in advance, or the customer has not answered to their inquiry. In any such case, EURO-FINANCE AD should notify the client of the reasons for its actions. All consequences related to the deviation shall be at the expense of the client.
10. EURO-FINANCE AD may refuse to act upon any customer's order if the order is not submitted in the form and under the procedure stipulated in the particular contract or the General Terms and Conditions or if the order is in breach of the provisions of the current legislation, or if it is practically impossible to act upon such order. In any such case, EURO-FINANCE AD should promptly notify the client.
11. EURO-FINANCE AD shall require from the client or its proxy respectively, to declare whether:
 - 11.1 it possesses inside information on the financial instruments subject of the order, and on their issuer if the financial instruments are traded on a regulated market;
 - 11.2. the financial instruments which are subject of the order for sale or exchange are blocked in a depository institution or pledge has been established over them, or a notice of levy has been served.
 - 11.3. the transaction subject of the order represents concealed purchase or sale of financial instruments.
12. EURO-FINANCE AD shall not execute customer's order if the customer refuses to provide the declarations under item 11. or if:
 - 12.1. the customer declares that it possesses inside information on the financial instruments, to which the order relates, or on their issuer if the financial instruments are traded on a regulated market;
 - 12.2. the customer declares that the transaction subject of the order represents concealed purchase or sale of financial instruments;
 - 12.3. it has been declared or EURO-FINANCE AD finds out that the financial instruments subject of the order for sale are blocked in a depository institution, or pledge has been established over them, or a notice of levy has been served.
13. EURO-FINANCE AD shall stop any order of its client, including shall terminate a contract with a client unilaterally, provided that facts or reasonable doubt for "money laundering" arise thereto. EURO-FINANCE AD shall immediately notify the competent authorities in accordance with the current laws. In any such case, EURO-FINANCE AD shall not owe any indemnity or penalty.

14. EURO-FINANCE AD shall not be liable for any damages and/or loss of profit suffered by the client as a result of delay or impossibility to execute its order due to intentional or unintentional action on the part of the client or any third party.
15. If EURO-FINANCE AD executes an order at more favorable terms than those specified by the client, the full amount of the benefit belongs to the client.
16. EURO-FINANCE AD shall require from a client, who submits an order for purchase of financial instruments, to furnish the funds necessary for the payment under the transaction subject of the order, upon submission of the order, to place the said funds on its cash account with EURO-FINANCE AD, unless the client certifies that it will meet its obligation for payment as well as in any other cases specified in an ordinance.
- 16.1. If the client possesses financial assets to its accounts with EURO-FINANCE AD and those assets are not blocked and/or its accounts are not attached, and/or no pledge has been established over them, and/or client's right to dispose freely of them is not restricted in any way whatsoever, EURO-FINANCE AD may accept that the client has certified that it will meet its payment obligation provided that the cash equivalent of these assets determined by EURO-FINANCE AD in the manner specified in Schedule No. 1 hereto is not less than 40% of the aggregate value of all purchase orders submitted by the particular client and which are in progress at any time. It will be deemed that the client's order is in progress till the client effects the payments under all transactions concluded in pursuance of the particular order.
- 16.2. Upon a change in the prices of the client's financial assets that leads to breach of the ratio under the above item, EURO-FINANCE AD shall be entitled to stop the execution of already submitted orders and to refuse to accept new orders till the ratio is restored to the agreed amount, and may take the actions specified in item 17 below.
- 16.3. EURO-FINANCE AD may also accept another way of certifying that the client will fulfill its payment obligation and such an arrangement is expressly specified in the agreement with the client. Where EURO-FINANCE AD determines that the client is an eligible counterparty or a professional client, EURO-FINANCE AD shall apply item 17, wherefore the client gives its unconditional and irrevocable consent by accepting these general terms and conditions.
17. Where under the conditions contained in the above item 16.1., the client has not provided, upon submission of the order, the funds necessary for payment under the transaction subject of the order, or the client has provided part of the funds, the client shall be required to place on its cash account with EURO-FINANCE AD the difference to make up the full value of the financial instruments purchased by its order, together with the fees and commissions due according to the Tariff of EURO-FINANCE AD not later than the next business day after the notification for the effected transaction but in any case within the period of settlement.
- 17.1. After the expiration of the period of time under the above item, the client shall owe a penalty for delayed payment in the amount of 0.1% for each day in arrears, on the outstanding portion of the transaction value.
- 17.2. If after the expiration of three business days from the day of notification of the effected transaction, the client has not fulfilled its payment obligation thereto, EURO-FINANCE AD shall be entitled to sell the financial instruments acquired by the client at current market price. Where the financial instruments are traded regularly on a regulated market (including on multilateral trading system), EURO-FINANCE AD shall effect the sale by submitting to the regulated market's system a market offer for account of the client, at the beginning of the respective session of the first business day following the expiration of the period of time under the above sentence, wherefore the clients gives its unconditional and irrevocable consent by accepting these general terms and conditions. If the relevant financial instruments are not traded regularly on a regulated market or are not admitted to trading on a regulated market, EURO-FINANCE AD shall effect the sale by applying the general principles and procedures specified in the Policy on execution of clients' orders, wherefore the client gives its unconditional and irrevocable consent by accepting these general terms and conditions..
- 17.3. The amount received from the sale under the above item shall be used by EURO-FINANCE AD to cover the client's obligations under the particular transaction. Any possible surplus shall be credited in favor of the client to its account with EURO-FINANCE AD. If the amount received is not enough to cover the client's obligations, EURO-FINANCE AD shall sell for account of client and in the manner specified in the above item, at its own discretion, such part of the remaining financial instruments of the client which is sufficient to cover client's obligations under the particular transaction.
- 17.4. Where the amounts received by EURO-FINANCE AD with respect to the sales under the above items 17.2 and 17.3. are in foreign currency, EURO-FINANCE AD shall apply its "buy" exchange rate for the day the transaction is effected upon repayment of client's obligations resulting from the relevant order.
18. Where subject of the purchase order is financial instruments that are first allowed to trading on a regulated market and the first session for trading in such financial instruments is after the date of acquisition of the financial instruments by the client, EURO-FINANCE AD, in the hypothesis under item 17, shall effect the sale under the conditions of item 17.2. at the first session of the regulated market, at which the financial instruments will be traded for the first time. Item 17.3. and 17.4. shall apply respectively.
19. If the regulations of the place of execution where the transaction will be concluded allow execution of transaction where payment and transfer of financial instruments are not effected at one and the same time, and where the seller has explicitly agreed so, EURO-FINANCE AD may not require payment from the buyer. That shall also apply to other transfer transactions in financial instruments.
20. Client represents and warrants that any financial instruments and documents provided by it are authentic and valid.
21. If any irregularities are found, the respective document should be replaced with a new one within the time stipulated by EURO-FINANCE AD. If the client fails to fulfill its obligation within the stipulated period of time, EURO-FINANCE AD shall be entitled to refuse to act upon the respective order.

22. If EURO-FINANCE AD is not reasonably supposed to know of any discrepancies in the documents provided by the client and as a result of this an initiated transaction cannot be finalized, the relations between the parties shall be settled as voluntary non-performance of client's obligations thereof.
23. Where EURO-FINANCE AD acts upon customer's order, EURO-FINANCE AD may effect the transaction on its behalf and for account of the customer if the practice at the respective place of execution allows so.
24. At first written request of the customer, and provided that the customer has paid all of its obligations resulting from the execution of the order for purchase of the respective financial instrument, EURO-FINANCE AD shall immediately transfer to the client the rights to the acquired financial instrument as follows:
 - For money – in cash or to a bank account specified by the client;
 - For securities – in the manner as provided by the law /to client's securities account with the respective depository institution – for dematerialized securities; by endorsement – for materialized securities/.
25. Unless a restriction is explicitly specified in the contract by the client, EURO-FINANCE AD may deal with itself, notwithstanding whether as counterparty to the transaction EURO-FINANCE AD acts for its own account or for account of another person.

VIII. MONEY, SECURITIES AND OTHER FINANCIAL INSTRUMENTS SAFE-KEEPING AND SETTLEMENT

1. EURO-FINANCE AD shall keep with due care and in accordance with the requirements of the MFIA and the Ordinance the financial instruments and money deposited by the client in connection with a submitted order, portfolio management agreement or for other reasons, or acquired by customer as a result of execution of its order.
2. EURO-FINANCE AD shall deposit the cash, which is provided by clients or received as a result of investment services rendered for their account, with persons under Art. 34 Para 3 of the MFIA not later than the end of the next business day. EURO-FINANCE AD has appointed the credit institution, UNICREDIT BULBANK AD, and the collective investment scheme, CF SENTINEL-RAPID, to be such persons. EURO-FINANCE AD is a related party to the company that manages CF SENTINEL-RAPID. The cash with UNICREDIT BULBANK AD shall be kept in clients' mutual bank account specially opened for this purpose, separately from the cash of the investment intermediary. EURO-FINANCE AD may invest clients' money in CF SENTINEL-RAPID as well, the respective units being kept in clients' mutual account with Central Depository AD, separately from the assets of EURO-FINANCE AD. EURO-FINANCE AD shall decide on the specific manner and the place of safe-keeping respectively, depending on the amount of cash and the usual period of time during which the money is free, depending on the pattern of transactions followed by the client.
3. Prior to entering into the respective agreement of investment services, the Client may oppose to the manner of safe-keeping of its money through investment in shares of CF SENTINEL RAPID, whereupon the respective agreement shall not become effective.
4. EURO-FINANCE AD shall open and keep individual accounts for the money of its clients, in the respective currency and in a manner that allows tracking of all entries in these accounts at any time. Upon request, EURO-FINANCE AD shall provide a statement of account, which shall show the opening and closing balances and the related entries.
5. EURO-FINANCE AD shall not be liable to pay interest on client's money deposited in connection with transactions in financial instruments, except as otherwise provided by the contract and unless EURO-FINANCE AD has placed deposit with a credit institution and that deposit is being accounted for to a special client account opened with EURO-FINANCE AD. Where the cash is invested in units of SENTINEL RAPID, EURO-FINANCE AD shall pay to the client the full amount of the earned income. The income shall be calculated as the difference between the redemption price and the acquisition cost for the respective number of units. EURO-FINANCE AD shall not collect any fees and commissions for the transactions related to investment of clients' money in shares of CF SENTINEL RAPID.
6. EURO-FINANCE AD shall ensure the prompt liquidity of clients' cash invested in units of a collective investment scheme. EURO-FINANCE AD shall perform its obligation by redeeming the respective units at the posted redemption price, on the day when the respective client should effect payment under a transaction in financial instruments or has submitted an order for transfer to its personal bank account.
7. EURO-FINANCE AD shall keep its clients' securities with a depository institution by opening personalized accounts in the name of each client and keeping records of the entries thereto. With customer's consent, and where the clearing and settlement procedures and the market practice require so, client's securities may also be kept in clients' mutual account opened in the name of EURO-FINANCE AD with a depository institution but for account of another person.
8. EURO-FINANCE AD shall safe-keep clients' securities as follows:
 - 8.1. Dematerialized securities issued in the manner specified by Ordinance No. 5 of the BNB and MF, as well as dematerialized target savings government bonds intended only for private individuals – to clients' individual accounts with Unicredit Bulbank AD
 - 8.2. Dematerialized shares and bonds of local issuers and units of local collective investment schemes, as well as other dematerialized securities registered in Central Depository AD – to clients' individual accounts with Central Depository AD;
 - 8.3. Dematerialized shares, bonds and other dematerialized securities issued by foreign issuers – to clients' mutual account with Unicredit Bulbank AD or with HypoVereinsbank AG, Munchen.
 - 8.4. Materialized securities or certificates of materialized securities - with Unicredit Bulbank AD.

9. When determining the depository institutions under item 2 and item 8 contained in this section, EURO-FINANCE AD has taken due care of clients' interests. EURO-FINANCE will take the same care when reviewing periodically, but at least once in the year, the selection of these institutions and the conditions under which clients' money and securities have been kept with them. EURO-FINANCE AD has determined the depository institutions under item 2 and item 8 contained in this section on the basis of their professionalism and experience, and its long business relations with them. These depository institutions are licensed and regulated by the supervisory bodies of the respective country. EURO-FINANCE AD shall be liable for the actions and the consequences of these actions taken by the depository institutions provided that they have fulfilled precisely the instructions given by EURO-FINANCE AD. EURO-FINANCE AD shall not be held liable for other actions or omissions on the part of these persons. Upon insolvency, these persons shall not be liable to their creditors with the securities of the clients.
10. EURO-FINANCE AD shall expressly notify the client or the potential client if the accounts, in which their money and financial instruments are held, are governed or will be governed by the law of a country that is not Member-State and if, for any reason whatsoever, the securities are being kept with an institution other than the institutions specified in item 8 above.
11. EURO-FINANCE AD shall safe-keep its clients' property interests resulting from or related to financial instruments which are not securities and/or do not exist in materialized or dematerialized form (for example, contracts of differences), to clients' individual accounts opened with EURO-FINANCE AD.
12. EURO-FINANCE AD may refuse to open financial instruments' and/or cash account if the client fails to provide all necessary documents or the data contained therein is incomplete, incorrect or contradictory, or if there are obvious discrepancies in the documents.
13. EURO-FINANCE AD shall carry out securities' and money settlement in the manner and within the terms in compliance with the current legislation and the usual market practice.

IX. REMUNERATION, FEES AND COMMISSIONS

1. Client shall pay to EURO-FINANCE AD remuneration for any investment service and business rendered to or conducted for account of client. The type, amount, manner of calculation, period and terms of payment of the respective remuneration on the part of the client shall be specified in the contract in accordance with the current Tariff of the fees and commissions collected by EURO-FINANCE AD under operations with clients. Except as otherwise agreed, commission and remuneration shall be paid at the time of:
 - acceptance of the order – for order fee, check up fees, transfer fees, etc.;
 - settlement of financial instruments, under transaction in pursuance of client's order; providing consultancy services
 - expiration of the term of portfolio management contract.
2. EURO-FINANCE AD shall require that the client pay all expenses – fees, commissions and other expenses incurred upon or in connection with the execution of the relevant client's order. The amount due to cover the expenses and remuneration of EURO-FINANCE AD shall be deducted from the client's cash account with EURO-FINANCE AD.
3. EURO-FINANCE AD shall provide its non-professional clients and potential non-professional clients with information about the expenses and fees related to the transactions as far as it is applicable. This information shall include:

the total price which will be paid by the client in connection with the financial instrument or the investment or additional service provided, including any remuneration, commissions, fees and expenses, as well as all taxes payable through the investment intermediary; if the exact price can not be determined, it should specify the basis for its calculation in a manner, in which the client can verify and confirm it; investment intermediary's commissions shall be specified separately in any particular case;

 - notification of the possibility of incurring other expenses, including taxes related to the transactions in financial instruments or investment services provided, which are not paid through EURO-FINANCE AD and are not levied by them;
 - the rules and terms of payment or other execution.
4. Where any portion of the total price under item 3 should be paid in foreign currency or in the equivalent of this currency, EURO-FINANCE AD shall apply the relevant "buy" or "sell" rate fixed at the time of payment. There are no other expenses related to the exchange.

X. INFORMATION

1. The information which EURO-FINANCE AD gives to its clients, including in its advertising materials and public statements of the members of the intermediary's Board of Directors and of the persons employed with it under a contract, must be comprehensible, accurate, clear and not misleading. Depending on the nature of the information provided, EURO-FINANCE AD shall apply the requirements contained in Art. 7 of the Ordinance.
2. EURO-FINANCE AD shall furnish the client, in its offices or via its website, with the available market information that might be considered essential for making an investment decision on the part of the client. EURO-FINANCE AD shall collect and provide information from sources which are reasonably believed to be reliable and EURO-FINANCE AD shall specify these sources. EURO-FINANCE AD shall not be responsible if the information provided by these sources is not accurate and comprehensive.

3. Besides the information contained in these general Terms and Conditions, EURO-FINANCE AD shall furnish the client and the potential client with a general description of the financial instruments and the related risks in the form of a separate document. Where the risks related to a financial instrument which, in turn, consists of two or more financial instruments or services are likely to be higher than the risks related to any of its components, EURO-FINANCE AD shall provide an adequate description of the components of the financial instrument and of the manner, in which their interaction increases the risks. Where the financial instruments include a guarantee by a third person, EURO-FINANCE AD shall provide sufficient data on the guarantor and the nature of the guarantee, which will enable the client to make impartial assessment.
4. Prior to entering into the respective agreement, EURO-FINANCE AD shall notify the client, if applicable, of the fact that the client may assume financial and other additional obligations as a result of transactions in financial instruments, including unforeseen obligations in addition to the expenses for acquisition of the instruments, as well as of any margin requirements or similar obligations applicable to the respective instruments.
5. Where a financial instrument is subject of public offering, normally the clients can get acquainted with the full text of the prospectus on the website of the regulated market where the instrument is admitted for trading or on the website of the body that has approved the prospectus. Most issuers maintain on their websites a special column intended for the investors. The prospectuses of financial instruments which are traded at the Bulgarian Stock Exchange – Sofia are available at www.bse-sofia.bg.
6. EURO-FINANCE AD shall collect specific information from its clients or from the potential clients, in connection with the investment services provided and the investment business conducted. Such information includes both personal data and information about the client's financial means, experience and knowledge, and investment objectives. EURO-FINANCE AD shall treat this information as confidential and shall not allow its use for purposes other than those specified in the MFIA and the Ordinance. EURO-FINANCE AD is a personal data administrator within the meaning of the Law on Protection of Personal Data.
7. Client shall be fully responsible for the accuracy of the information provided by it and if a change occurs in the facts and circumstances, the client shall notify EURO-FINANCE AD.
8. EURO-FINANCE AD shall be entitled to require from customer additional information if EURO-FINANCE reasonably considers that such information is necessary or desirable for the fulfillment of its contractual obligations.
9. EURO-FINANCE AD shall provide its clients and potential clients with general information on paper and/or on its website. The specific information which refers to a particular client, including notifications, confirmations, etc., shall be given on paper or as an electronic message, at the e-mail address of the client if the client has given such an address, and/or through the EFOCS system if the client uses this system. If the circumstances require so, EURO-FINANCE AD may also provide information by phone and in any such case, the call shall be recorded while the employee who has answered the call shall draw up a document certifying the contents of the provided information. The document shall be attested by an official of the internal control department.

XI. CURRENT AND PERIODICAL NOTIFICATION OF CLIENTS

1. Upon effecting a transaction for account of client and such transaction is not in pursuance of individual portfolio management agreement, EURO-FINANCE AD shall deliver to the client, in the manner specified in item 9 of the above section, an acknowledgement of the effected transaction, which shall contain the information attributable to the particular transaction with application of table 1 of Schedule 1 to Regulation 1287/2006 EC. The acknowledgement shall be delivered as soon as possible but in any case not later than the first business day following the transaction.
2. If the settlement is not effected on the date specified in the acknowledgement or another change is made in the information contained in the acknowledgement, EURO-FINANCE AD shall notify the client in an appropriate manner by the end of the business day on which EURO-FINANCE AD became aware of the change.
3. Upon request, EURO-FINANCE AD shall provide the client with information about the status of client's order and its execution.
4. The manner, regularity and contents of the notifications and reports on the provided service related to portfolio management shall be specified in the contract.
5. Once in the year, EURO-FINANCE AD shall furnish the clients, on whose account EURO-FINANCE AD holds money or financial instruments not under a portfolio management agreement, with data on these financial instruments and money as of the end of the reporting period, as well as any other information specified in Art. 49 of the Ordinance, if applicable.
6. If there are transactions whose settlement has not been completed as of the end of the reporting period, EURO-FINANCE AD shall provide information as of the day the transactions were effected.
7. Where EURO-FINANCE AD is required to provide specific information or notification and the client has not given an e-mail address for this purpose, or the information or notification must be delivered on paper, the client shall pay the expenses according to the Tariff of EURO-FINANCE AD.
8. If the client has any objections to the reports delivered to him, the client should state them in writing, within 3 business days after the date of notification.

XII. ADVICE, RECOMMENDATIONS AND CONSULTATIONS

1. EURO-FINANCE AD shall give advice, recommendations and consultations only upon request on the part of the client. When formulating advice, recommendation or consultation, EURO-FINANCE AD shall apply the requirements contained in Art. 7 of the Ordinance.
2. EURO-FINANCE AD shall not be responsible for the financial effect of an investment solution based on advice, recommendation or consultation given to the client.

XIII. REPRESENTATION AND SUBSTITUTION

1. EURO-FINANCE AD shall represent its clients, on whose account EURO-FINANCE AD holds and/or deposits financial instruments with a depository institution, before any third persons with respect to the property rights resulting from these instruments and shall be authorized to receive on their account, on its behalf or on behalf of the clients, principals, interests and other payments under bonds and other debentures, including under government securities issued according to the provisions of Ordinance No. 5 of the BNB and MF, dividends and other payments related to shares, free shares and equity rights, etc., as well as any other payments whatsoever related to or resulting from the clients' financial instruments, wherefore EURO-FINANCE AD shall be considered to be duly authorized by the client by accepting these General Terms and Conditions, without further issuance and presentation of an express power of attorney.
2. Where EURO-FINANCE AD hold financial instruments and/or money of its clients on the basis of a portfolio management agreement, EURO-FINANCE AD shall act on behalf of the clients in exercising their rights resulting from the financial instruments, including but not limited to any procedure for capital increase, substitution of securities and other actions, wherefore EURO-FINANCE AD shall be considered to be duly authorized by the client by accepting these General Terms and Conditions, without further issuance and presentation of an express power of attorney.
3. EURO-FINANCE AD may assign the exercise of important operative functions or the rendering of investment services and conduct of investment activities to third parties on the basis of a written contract entered into between EURO-FINANCE AD and such parties in accordance with the provisions contained in Art. 59-55 of the Ordinance.

XIV. SPECIAL PLEDGE OF SHARES

1. In the event of a special pledge of securities kept on the client's sub-account for pledgor's dematerialized securities, EURO-FINANCE AD shall satisfy the creditor's petition for their sale according to the provisions of the contract entered into between EURO-FINANCE AD, the pledgor and the creditor on pledge. EURO-FINANCE AD shall transfer the proceeds from the sale of the securities to the bank account of the depository under Art. 38 of the Special Pledges Act.
2. Notwithstanding the case under item 1 and subject to the terms and conditions under Art. 35 of the Special Pledges Act, upon written request of the receiver, EURO-FINANCE AD shall file the necessary data with the Central Depository for transfer of the pledgor's securities from its personal account or its client sub-account with the investment intermediary to a client sub-account of the creditor on pledge.
3. In the events of executory process and insolvency proceedings, EURO-FINANCE AD shall satisfy the written petition of the receiver, the trustee respectively, for sale of the debtor's securities with application of the requirements related to clients' orders.

XV. ACTIVITY AS TRANSFER AGENT

1. EURO-FINANCE AD shall conduct business as transfer agent when on the basis of a written contract entered into between EURO-FINANCE AD and the client, EURO-FINANCE AD files with the respective depository institutions information and documents for registration of:
 - 1.1. transactions in financial instruments under contracts entered into directly between the parties in advance;
 - 1.2. transfer of dematerialized financial instruments in the event of grant and inheritance;
 - 1.3. change in the facts for the holders of dematerialized financial instruments, correction of wrong data, issuance of copies of certificates and other actions specified in the regulations of the respective depository institution.
2. In the cases under item 1.1. contained in this section, the persons or their representatives respectively shall sign the necessary documents in the presence of an official under Art. 39 Para 1 of the Ordinance, after their identity has been verified.
3. EURO-FINANCE AD shall retain in its records a copy of the identification document of the persons or their representatives respectively, certified by them and by the official under Art. 39 Para 1 of the Ordinance, who signs the contract on behalf of EURO-FINANCE AD, and in the cases under the above item 1.1. – a declaration by the parties to the transaction or by their proxies respectively that they do not effect and has not effected financial instruments' transactions by occupation within one year prior to the signature of the contract, and a declaration under item 11 of section VII of these General Terms and Conditions.
4. The transferor and the transferee of the financial instruments in the cases under the above item 1 may be represented before EURO-FINANCE AD by persons expressly authorized by a notarized power of attorney which authorizes the proxy to manage or dispose of the financial instruments.

5. EURO-FINANCE AD shall not be entitled to sign a contract with the client and accept documents for the registrations under the above item 1 if:
 - some of the necessary facts and documents are not available, there are obvious irregularities in the presented documents or the information is incorrect and contradictory;
 - a party to the transaction declares that it possesses inside information about the financial instruments subject of the transaction, if they are traded on a regulated market, or if the said party possesses information about their issuer;
 - there are facts that raises doubt about improper legitimacy or authorization;
 - the party to the transaction or its proxy respectively declares that it effects financial instruments' transactions by occupation in the cases under the above item 1.1.;
 - the party to the transaction or its proxy respectively declares that the transaction represents concealed purchase or sale of financial instruments.
6. Upon seller's request and with the buyer's consent, upon the purchase and sale of dematerialized financial instruments under the above item 1.1., the amount being the sale price under the transaction shall be deposited with EURO-FINANCE AD till the registration of the transaction in the Central Depository.
7. The provisions of sections III, V, VII, X, XI, and XII herein contained shall not apply to persons who use the services of EURO-FINANCE AD only as a transfer agent.

XVI. RISK AND RESPONSIBILITIES

1. Customer acknowledges and accepts in full the risk related to any transaction in financial instruments effected by EURO-FINANCE AD in pursuance of client's order or while managing client's portfolio.
2. EURO-FINANCE AD shall only be responsible for the accurate fulfillment of its contractual obligations and shall not be responsible for the net financial result achieved by the client.
3. EURO-FINANCE AD shall not be liable for any losses suffered by the client, unless and to the extent that such losses are caused as a result of wrongful acts or gross negligence on the part of its employees.

XVII. FINAL PROVISIONS

1. If any of the provisions of these general Terms and Conditions proves to be inconsistent with any applicable law or bylaw, the relevant provisions of the applicable law or bylaw shall prevail.
2. Any variance in the General Terms and Conditions should be specified in the contract entered into between EURO-FINANCE AD and the client.
3. Any amendment to these General Terms and the Tariff of fees and commissions collected by EURO-FINANCE AD under operations with clients shall only be binding upon the client if the client has been duly notified in relation thereto and has declared that it accepts the changes or if the client has not notified EURO-FINANCE AD of its objections within reasonable period of time.
4. These General Terms and Conditions shall be put in clearly visible places in the offices of EURO-FINANCE AD. They are published on the Internet at www.euro-fin.com, and are delivered to the clients on paper.
5. These General Terms and Conditions are available in English too. The English version corresponds fully and truly to the contents and the meaning of the Bulgarian original. If necessary, the meaning, construing and interpretation of the Bulgarian text shall prevail.
6. EURO-FINANCE AD shall give free consultations about the General Terms and Conditions and upon request, it shall provide its potential clients with a copy of them.
7. These General Terms and Conditions applicable to client contracts have been approved at a meeting of the Board of Directors of EURO-FINANCE AD, Minutes No. 169 of 03.12.2007, effective as of 01.02.2008, and supersede all previous versions.



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