



I. WHAT SHOULD OUR CUSTOMERS KNOW ABOUT DE NOVO EAD

1. DE NOVO EAD, here within also referred to as the Company or the Investment Intermediary, is a sole owner joint-stock company, entered into the Commercial Register at the Registry Agency with uniform identification code /UIC/ 201850473. The registered and paid-in capital of DE NOVO EAD is BGN 1 584 500.
2. The headquarters of DE NOVO EAD are in Sofia, Sredetz district, with business address at 28, Hristo Belchev Str., 1000 Sofia. The team of DE NOVO EAD is available every working day from 9 a.m. till 5 p.m. on phone: ++359 2 9505 194, fax: ++359 2 9506 123 or by email at contact@denovo.bg. The Internet site of the Company is www.denovo.bg. Under Resolution No.794-II/29.12.2011 of the Financial Supervision Commission /FSC/, DE NOVO EAD is granted License No. ПГ-03-0238/03.01.2012 to provide investment services and activities as regular business within the European Union and the European Economic Area. FSC is located in Sofia at 33, Shar planina Str.
3. Our customers may communicate and enter into correspondence with DE NOVO EAD in Bulgarian, English, French, German, Hungarian or Russian language. DE NOVO EAD prepares documents referring to its relations with customers only in Bulgarian and/or English language.
4. The activity of DE NOVO EAD is directly regulated by the Market in Financial Instruments Act /MFIA/ and Ordinance No.38 of FSC on the requirements to the activity of investment intermediates /the Ordinance/.



II. SCOPE OF BUSINESS

5. Acting in compliance with the granted license, DE NOVO EAD provides, respectively performs the following services and activities:
 - 5.1. Basic investment services and activities
 - 5.1.1. reception and delivery of orders in relation to one or more financial instruments, including intermediation for entering into transactions with financial instruments;
 - 5.1.2. execution of orders on behalf of customers;
 - 5.1.3. proprietary transactions with financial instruments;
 - 5.1.4. portfolio management;
 - 5.1.5. delivery of investment consultancy services to customers;
 - 5.1.6. underwriting of issues of financial instruments and/or offering for initial sale of financial instruments under unconditional and irrevocable commitment for subscription/acquisition of the financial instruments for its own account;
 - 5.1.7. offering for initial sale of financial instruments without unconditional and irrevocable commitment for acquisition of the financial instruments for its own account;

5.2. Supplementary services

- 5.2.1.** safekeeping and administration of financial instruments for customers' account, including custody services (keeping of customers' money and financial instruments in depository institution) and related services such as management of deposited money/pledged collateral;
- 5.2.2.** granting loans for transactions in one or more financial instruments, provided that the entity granting the loan is involved in the transaction, under conditions and procedure, stipulated in ordinance;
- 5.2.3.** advice to enterprises on their capital structure, industrial strategy and related matters, as well as consulting services related to mergers and acquisitions;
- 5.2.4.** supply of services related to foreign exchange transactions where those forex transactions are related to the provided investment services;
- 5.2.5.** investment research and financial analysis, or other forms of general recommendations related to transactions in financial instruments;
- 5.2.6.** services related to underwriting of issues of financial instruments.



**III. LEGAL RESTRICTIONS AND REQUIREMENTS
TO THE ACTIVITY OF DE NOVO EAD**

- 6.** DE NOVO EAD shall act frankly, fairly and with due professional care in favor of its customers' best interests.
- 7.** DE NOVO EAD shall effect the transactions at most favorable terms for the customers and shall also advise them about the risks related to transactions in financial instruments.
- 8.** DE NOVO EAD shall present to its customers and also to potential customers its Policy for Execution of Customers Orders for Transactions in Financial Instruments. DE NOVO EAD shall not enter into contractual relations with a customer (when it is applicable), who has not accepted that policy.
- 9.** DE NOVO EAD shall identify its customers in compliance with the current legal requirements;
- 9.1.** Customer shall immediately advise DE NOVO EAD about any change in the facts at which he has been initially identified as customer;
- 9.2.** DE NOVO EAD shall not be liable for any losses or missed profits incurred by customer as a result of customer's failing to perform its obligations under p.9.1.
- 10.** DE NOVO EAD shall classify the persons to which it provides investment services or performs activities as nonprofessional customer, professional customer or acceptable counterparty. The range of customers that might be classified as professional is explicitly stipulated in chapter I of the Appendix to art.36, p.1 of MFIA. Every customer which is classified as professional may require to be treated as nonprofessional with respect to some or all services and activities provided to him by DE NOVO EAD. Upon request by a customer and under the condition that the provisions of chapter II of the Appendix to art.36, p.1 of MFIA may apply, DE NOVO EAD may treat as professional customer a person that falls outside the range as stipulated in chapter I of the same Appendix. Prior to the provision of relevant investment services or activities, DE NOVO EAD shall notify its customers for the customers status applied to them.
- 11.** DE NOVO EAD shall assess whether the offered investment service is appropriate, except when it is not obligatory required by the MFIA and the customer has been given an explicit notification to that effect. DE NOVO EAD shall notify the customer of its assessment. DE NOVO EAD shall not be entitled to provide investment advice or manage portfolio of a customer who refuses to provide the information deemed necessary by DE NOVO EAD for its decision to provide appropriate service.

12. DE NOVO EAD shall keep the commercial secrets and the prestige of its customers. DE NOVO EAD may disclose facts and information, representing commercial secret of customer, only to officials explicitly stipulated in the MFIA and under the circumstances provided for in MFIA, or after the written consent of the customer.
13. DE NOVO EAD does not provide advice to non-professional customers, which have not requested such advice, or consultations on issues that have not been placed by the customers.
14. DE NOVO EAD shall execute its customers' orders strictly following its Policy for Execution of Customers Orders for Transactions in Financial Instruments.
15. DE NOVO EAD shall segregate customers' money and securities from its own portfolio.
16. DE NOVO EAD is not liable to its creditors with the financial instruments, money and other assets of its customers.
17. Except as otherwise expressly provided by an Ordinance, DE NOVO EAD may not use customers' money and securities in the course of its own business or use its own money and securities for transactions executed for account of a customer or use customer's money and securities for transaction executed for account of another customer.
18. The customer shall be regularly notified about the money and securities managed or held by DE NOVO EAD for him. The way, in which notification is effected, shall be specified in the contract under chapter VI.
19. DE NOVO EAD shall notify customer, in the way specified in the contract, whether obligation under art.145 of POSA arises for him as a result of transactions in shares executed for customer's account. When such transactions are executed under management of individual portfolio contract and the contract provides so, DE NOVO EAD may disclose the change in stake instead of the customer.
20. DE NOVO EAD may not:
 - 20.1. conduct business for account of customer, if the customer has not been informed about potential conflicts of interests and conflicts of interests with another customer, provided the above information shall not violate DE NOVO EAD obligation to keep confidentiality and shall not threaten the interests of the other customer;
 - 20.2. provide information that is not true, including information about:
 - 20.2.1. the price or value of financial instrument;
 - 20.2.2. the issuer;
 - 20.2.3. the proprietary obligations, arising from transactions in financial instruments;
 - 20.3. deviate from the terms of submitted order, unless the deviation is in customer's obvious interest;
 - 20.4. execute transactions for account of customer in such volume and frequency, at prices or with definite counterparty, where it can be assumed, according to the relevant circumstances, that the transactions are executed exclusively in the interest of DE NOVO EAD, unless the customer has submitted explicit instructions for that, at his own initiative;
 - 20.5. buy for its own account financial instruments, for which buy order had been submitted by customer, and sell the financial instruments to the customer at higher price. That restriction is also valid for every person who works for DE NOVO EAD under a contract and also for persons related to them;
 - 20.6. undertake any operation with customer's money and financial instruments for the account of DE NOVO EAD or for the account of another party unless the customer had given an authorization in that respect;
 - 20.7. sell for its own account or for the account of another party financial instruments which DE NOVO EAD or its customer does not possess, except under the terms and procedures provided for in an ordinance;
 - 20.8. participate in the execution of covered purchases or sales of financial instruments, including as a transfer agent;

- 20.9.** receive the full benefit or part of it in cases where the investment intermediary has entered into and executed transaction under conditions which are more favorable than those specified by the customer;
- 20.10.** conduct activity in any way whatsoever that threatens the interests of its customers or the stability of the market in financial instruments;
- 20.11.** enter into transactions for financing of securities with customers' financial instruments held by DE NOVO EAD or use such financial instruments in any other way whatsoever for its own account or for the account of another customer, unless the customer 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 customer whose financial instruments are being used is a non-professional customer. DE NOVO EAD may not enter into transactions for financing of securities with customers' financial instruments held in a mutual customer account with a third party or use such customers' financial instruments in any way whatsoever, unless the respective requirements of the Ordinance have been met;
- 20.12.** pay, respectively grant and receive, remuneration, commission or non-cash benefit, except for:
 - 20.12.1.** remuneration, commission or non-monetary benefit paid or granted by or to the customer or its representative;
 - 20.12.2.** remuneration, commission or non-monetary benefit paid or granted by or to a third party or its representative, if the following conditions exist:
 - 20.12.2.1.** the existence, nature and amount of the remuneration, commission or non-monetary benefit have been clearly indicated to the customer, 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;
 - 20.12.2.2.** the payment, respectively granting 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 customer;
 - 20.12.3.** 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 frankly, fairly and with due professional care in favor of its customers' best interests
- 20.13.** DE NOVO EAD shall be deemed as fulfilled its obligation under item 20.12.2.1., if it has presented the essential terms and conditions of the contracts related to the remuneration, commission or non-monetary benefit in a summarized form, has provided detailed information about the remuneration, commission or non-monetary benefit on the request of the customer and the information has been provided fairly, with due care and in the interest of the customer;



IV. COMPENSATION OF INVESTORS

21. If DE NOVO EAD is not able to settle the claims of its non-professional customers arising as a result of impossibility to refund customers' 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 customers shall be compensated from the Investors' Compensation Fund (The Fund).
22. The amount of the compensation shall be fixed at 90% of the amount of claims but shall not exceed BGN 40,000 per each non-professional customer. The amount of claims per customer shall be determined as of the date of initiating the insolvency proceedings, withdrawal of the license respectively.
23. DE NOVO EAD shall make yearly contribution to the Fund in an amount determined by the Managing Board of the Fund.
24. Non-payment of the contributions due on the part of the investment intermediary shall not deprive eligible customers of compensation.
25. Customers who have been treated by DE NOVO EAD as professional customers or as acceptable counterparty shall not be entitled to compensations from the Fund.
26. 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 classified as "money laundering".
27. Upon request, DE NOVO EAD shall provide a copy of the current legal regulations related to the system of investors' compensation.



V. TREATMENT OF CONFLICTS OF INTEREST

28. Conflict of interests is a situation that has occurred in the process of conducting investment business and providing specific investment services to a customer, wherefrom prerequisites arise to favor one or more amongst the investment intermediary, including the members of the Board of Directors, all other persons that may, acting alone or jointly, conclude transactions for the account of the investment intermediary, and the persons related to investment intermediary by control and/or its employees or another customer for whom DE NOVO EAD works, and it may affect negatively the first customer. Conflicts may arise between:
 - the interests of DE NOVO EAD, including the members of the Board of Directors, all other persons that may, acting alone or jointly, conclude transactions for the account of the investment intermediary,

- and the persons related to investment intermediary by control, on one hand and the interests of a customer or a group of customers, on the other hand;
- the interests of a customer or group of customers and the interests of another customer or group of customers; and
 - the interests of DE NOVO EAD and/or its customers and the interests of an employee or a group of employees.
- 29.** DE NOVO EAD has identified the following sources of possible conflicts of interests that result from the role which is played by DE NOVO EAD or its customers respectively, to-wit:
- Where DE NOVO EAD 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 DE NOVO EAD is a consultant, as well as when it aims at providing new customers and maintaining its relations with the existing customers.
 - Where the customer 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.
- 30.** To prevent and treat properly the unavoidably arising conflicts of interests, DE NOVO EAD shall apply the following measures:
- Strict rules to personal transactions of the persons who are employed with DE NOVO EAD 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 customers;
 - A possibility of refusing to act in cases when DE NOVO EAD has already been working for a customer and it may prove inappropriate to accept business with another customer if the respective manager finds at its own discretion that DE NOVO EAD will not be able to manage the conflict of interests reasonably, or if statutory or regulatory considerations prevent it from doing so.
 - Notifying the customer of the occurrence of a conflict of interests and disclosing its nature as far as it does not contradict with law. In any such case, DE NOVO EAD shall keep providing the respective service only after the customer has given its express consent.
- 31.** 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.
- 32.** Any person employed with DE NOVO EAD under a contract shall immediately notify the Internal Control Department 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

- 33.** Mutual respect and financial benefit are the basis for development of relations between DE NOVO EAD and its customers.
- 34.** All aspects of the relations between DE NOVO EAD and its customers, with respect to definite financial service, are subject to a written contract between the parties;
 - 34.1.** The contract shall include the individualizing data for the persons that enter into the contract, the position of the official representing DE NOVO EAD, date and place as well as versions of the General Terms and the Tariff valid as at the date the contract is signed;
 - 34.2.** The contract shall specify each party's rights, obligations and liabilities for non-fulfillment of contractual obligations. The contract shall explicitly stipulate that the customer is familiar with the General Terms and the Tariff of DE NOVO EAD, that the customer has been presented the information as required by MFIA and the Ordinances thereto, and that the customer is aware of the risks related to investment in financial instruments;
 - 34.3.** The contract and all matters that are not provided for thereto, are governed by and shall be construed in accordance with the provisions of the present General Terms and Bulgarian law, or the respective legislation of the member-state, where DE NOVO EAD provides the respective investment services and activities;
 - 34.4.** The contract shall be entered into in the presence of both parties - at its headquarters, branch or office registered with FSC, as well as in absentio, in compliance with the procedure as provided for in the Ordinance.
- 35.** In cases as stipulated in the Ordinance, signing a contract by proxy shall be deemed acceptable, only after notary certified power of attorney has been presented. The power of attorney shall provide authorization in favor of the proxy to manage or dispose of financial instruments. Declaration, that the proxy does not effect and has not effected financial instruments' transactions by regular occupation within one year prior to signing of the contract, shall be presented.
 - 35.1.** DE NOVO EAD keeps for its records the declaration and original or notary certified copy of the power of attorney under p.3 above. Where power of attorney has multiple application, and authorizer is person, who places only small not regular orders, DE NOVO EAD keeps for its records copy of the power of attorney, certified by the proxy and by officer from the Internal Control Department;
 - 35.2.** 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 DE NOVO EAD.
- 36.** DE NOVO EAD shall refuse to sign contract with customer if the legal requirements and the present General Terms are not met or if the validity of the presented documents and/or the identification of the customer arises suspicion.
- 37.** The customer shall have the right to require from DE NOVO EAD precise fulfillment of its obligations under any particular contract and shall cooperate in relation thereto to a maximum degree.
- 38.** Any dispute arising between DE NOVO EAD and customer in relation to 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 competent court at DE NOVO EAD headquarters jurisdiction.
- 39.** Any amendment to a contract shall be made only 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 p.119 below have been complied with.

40. Except as otherwise provided for by the particular contract with the customer, the contractual relations shall terminate upon the expiration of the contract, or prior to the expiry date - by mutual agreement of both parties. In case where the customer has not submitted orders under a contract between the parties for more than a year, DE NOVO EAD may terminate the specific contract unilaterally, and by accepting the present General Terms the customer shall be deemed notified about the termination.
41. Upon termination of contractual relations:
 - 41.1. DE NOVO EAD shall require the customer to pay all fees, commissions and other expenses incurred by the date of termination;
 - 41.2. Only after all amounts due by the customer are paid, DE NOVO EAD shall transfer the financial instruments and money to accounts as per customer's instructions, if such are made. The transfer of financial instruments may be directed towards accounts of the customer kept with another investment intermediary/intermediaries or towards personal accounts of the customer, by opening new personal accounts if needed and if the corresponding depository institution offers such possibility.
 - 41.3. In case where the customer does not give instructions for transfer of its financial instruments towards another investment intermediary, as well as in the circumstances under p.40, second sentence, DE NOVO EAD shall transfer the assets towards personal accounts of the customer, acting in compliance with the provisions of p.41.2 above.



VII. ORDERS

42. Customer shall submit clear, accurate and comprehensive orders in respect to any contractual relations.
43. Customer shall submit its orders to DE NOVO EAD in writing and, if the current legislation allows so, by phone, fax, e-mail, or via the electronic trading system of the company.
- 43.1. Submission of orders by proxy shall only be acceptable if the proxy provides a notary certified power of attorney that authorizes the proxy to dispose of financial instruments and a declaration that the proxy does not effect and has not effected financial instruments' transactions by regular occupation within one year prior to submission of the order. The provisions of chapter VI, p.35.1 and p.35.2 shall apply respectively.
- 43.2. Where orders for transactions in financial instruments are submitted 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 submitted order and the data subject to declarations under p.52 below. The document under the above sentence certifies the content of the submitted order and shall be attested by a person from the Internal Control Department.
- 43.3. The employees of DE NOVO EAD shall refuse to accept orders for transactions in financial instruments by phone, fax or e-mail when they are submitted by proxy who has not supplied to DE NOVO EAD, in advance, the documents under p.43.1 above.
- 43.4. Orders for transfer of dematerialized securities from personal account to customer's sub-account with DE NOVO EAD in the Central Depository are accepted only at site, in the offices of the company.
- 43.5. DE NOVO EAD shall accept orders and related documents - at its headquarters, branch or office entered into the register of FSC, as well as in absentio, by remote mode of communication in compliance with the procedure as provided for in the Ordinance;
44. Customers' orders for transactions in financial instruments that have been accepted in the office of DE NOVO EAD within the announced business hours, in form and with content complying with the current regulations, the present General Terms and the internal rules of DE NOVO EAD, shall be registered in

an order book, by the order of their acceptance and shall be put into progress in compliance with the provisions of the particular contract, the Policy on Execution of Customers' orders for transactions in financial instruments, the present General Terms and the trading rules of the respective market.

45. DE NOVO EAD 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 or if the order is in breach of the current legislation. In any such case, DE NOVO EAD shall draw up a document for its refusal and shall deliver it to the customer against signature.
46. Customer may not submit orders:
 - 46.1. related to financial instruments for which it possesses inside information;
 - 46.2. related to financial instruments which are blocked;
 - 46.3. related to transactions being concealed purchase or sale.
47. Withdrawal or amendment of submitted order is possible provided that DE NOVO EAD has not taken actions for its execution, except in the cases when such actions lead to partial execution of the order.
48. Any submitted order may be amended or withdrawn only by the customer himself or by a person expressly authorized for that purpose. The authorization must be in writing and certified by a notary public.
49. Amendment of submitted order shall be effected by cancellation of the active order and submission of new order in compliance with the provisions of the present chapter.
50. DE NOVO EAD 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 DE NOVO EAD was not able to request new instructions from its customer in advance, or the customer has not answered to their inquiry. In any such case, DE NOVO EAD should notify the customer of the reasons for its actions. All consequences related to the deviation shall be for the account of the customer.
51. DE NOVO EAD 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 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, DE NOVO EAD should promptly notify the customer.
52. DE NOVO EAD shall require from the customer or its proxy respectively, to declare whether:
 - 52.1. it possesses inside information about the financial instruments and their issuer, subject of the order, if the financial instruments are traded on regulated market;
 - 52.2. 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;
 - 52.3. the transaction subject of the order represents concealed purchase or sale of financial instruments.
53. DE NOVO EAD shall not execute customer's order if the customer refuses to provide the declarations under p.52. or if:
 - 53.1. the customer declares that it possesses inside information about the financial instruments and their issuer, subject of the order, if the financial instruments are traded on regulated market;
 - 53.2. the customer declares that the transaction subject of the order represents concealed purchase or sale of financial instruments;
 - 53.3. it has been declared by the customer or DE NOVO EAD 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;
54. DE NOVO EAD shall stop the execution of customer's order, and also shall terminate contract with a customer unilaterally, provided that facts or reasonable doubt for "money laundering" arise thereto. DE NOVO EAD shall immediately notify the competent authorities in accordance with the current legislation. In any such case, DE NOVO EAD shall not owe any indemnity or penalty.
55. DE NOVO EAD shall not be liable for any losses, expenses or other costs suffered or incurred by customer upon refused or deferred execution of his orders as a result of his own or third party's negligence or willful default.

- 56.** If customer's order is executed at more favorable terms than those specified in the order, the full amount of extra profit belongs to the customer.
- 57.** Upon submission of order for purchase of financial instruments, DE NOVO EAD shall require from the customer to provide the funds necessary for the payment under the transaction subject of the order, or the necessary funds shall be available at customers' cash account with DE NOVO EAD respectively, unless the customer certifies that it will meet its payment obligation, as well as in any other cases specified in an ordinance.
- 57.1.** If customer possesses financial assets available at its accounts with DE NOVO EAD and those assets are not blocked and/or its accounts are not attached, and/or no pledge has been established over them, and/or customer's right to dispose freely of them is not restricted in any way whatsoever, DE NOVO EAD may accept that the customer has certified that it will meet its payment obligation. At any moment, the cash equivalent of those assets, as evaluated by DE NOVO EAD in compliance with the terms of Appendix No.1 hereto, shall be not less than 40% of the aggregate value of all purchase orders submitted by the customer that are in progress. It will be deemed that customer's order is in progress till the customer effects the payments under all transactions concluded as a result of the particular order;
- 57.2.** Following changes in the prices of the customer's financial assets that lead to breach of the value of the ratio as specified in the previous p.57.1, DE NOVO EAD shall be entitled to stop the execution of already submitted orders and to refuse to accept new orders till the ratio restores its agreed value, and may also undertake the actions specified in p.58 below;
- 57.3.** DE NOVO EAD may also accept another way of certifying that the customer will fulfill its payment obligation as such an arrangement shall be expressly specified in the contract with the customer. Where DE NOVO EAD classifies a customer as acceptable counterparty or professional customer, DE NOVO EAD accepts that such a customer has certified it will meet its payment obligations, and in the case of non-payment DE NOVO EAD shall apply p.58, wherefore, by accepting the present General Terms the customer gives its unconditional and irrevocable consent.
- 58.** Where under the conditions of p.57.1 above, upon submission of the order the customer has not provided the funds necessary for payment under the transaction subject of the order, or the customer has provided part of the funds, the customer shall be required to supply to its cash account with DE NOVO EAD the difference to make up the full value of the financial instruments purchased under its order, together with the fees and commissions due according to the Tariff of DE NOVO EAD, not later than the next business day after the notification for the effected transaction but in any case within the period of settlement.
- 58.1.** After expiration of the period under the above p.58, the customer 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;
- 58.2.** If after expiration of three business days from the day of notification of the effected transaction, the customer has not fulfilled its payment obligation thereto, DE NOVO EAD shall be entitled to sell the financial instruments acquired by the customer at current market price. Where the financial instruments are traded regularly on regulated market (including on multilateral trading system), DE NOVO EAD shall effect the sale by submitting to the regulated market's system a market offer for account of the customer, at the beginning of the respective trading session, on the first business day following expiration of the period under the above sentence, wherefore, by accepting the present General Terms, the customer gives its unconditional and irrevocable consent. If the relevant financial instruments are not traded regularly on regulated market or are not admitted to trading on regulated market, DE NOVO EAD shall effect the sale by applying the general principles and procedures specified in the Policy on execution of customers' orders, wherefore, by accepting the present General Terms, the customer gives its unconditional and irrevocable consent;
- 58.3.** The amount received from the sale under the above item shall be used by DE NOVO EAD to cover the customer's obligations under the particular transaction. Any possible surplus shall be credited in favor of the customer to its account with DE NOVO EAD. If the amount received is not enough to cover the customer's obligations, DE NOVO EAD shall sell, at its own discretion and in the manner specified in the above p.58.2, such part of the remaining financial instruments of the customer which is sufficient to cover customer's obligations under the particular transaction.
- 58.4.** Where the amounts received by DE NOVO EAD with respect to the sales under the above p.58.2 and p.58.3 are in foreign currency, upon repayment of the customer's obligations resulting from the

relevant order DE NOVO EAD shall apply its “buy” exchange rate for the day the transaction is effected.

59. Where subject of the purchase order is financial instrument that is first allowed to trading on a regulated market and the first trading session in such financial instrument is after the date of acquisition of the financial instrument by the customer, DE NOVO EAD, in the hypothesis under p. 58, shall effect the sale under the provisions of p.58.2 at the first session of the regulated market, at which the financial instrument will be traded for the first time. P.58.3 and p.58.4 shall apply respectively.
60. Where 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 the same time, and if the seller has explicitly agreed thereto, DE NOVO EAD may not require payment from the buyer. That shall also apply to other transfer transactions in financial instruments.
61. The Customer bears the responsibility that all financial instruments and documents provided by it are authentic and valid.
62. If any discrepancies in the documents provided by the customer are found, the respective document should be replaced with a new one within time term determined by DE NOVO EAD. If the customer fails to fulfill its obligation within the specified time term, DE NOVO EAD shall be entitled to refuse to act upon the respective order.
63. If DE NOVO EAD is not reasonably supposed to know of any discrepancies in the documents provided by the customer, and as a result an initiated transaction cannot be finalized, the relations between the parties shall be settled as voluntary non-performance of customer’s obligations thereof.
64. Where DE NOVO EAD acts upon customer’s order and the practice at the respective place of execution allows so, DE NOVO EAD may effect the transaction on behalf of DE NOVO EAD and for account of the customer.
65. 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, DE NOVO EAD shall immediately transfer to the customer the rights under the acquired financial instrument, as follows:
 - For money – in cash or to a bank account specified by the customer;
 - For securities – in manner as provided by law /to customer’s securities account with the respective depository institution – for dematerialized securities; by endorsement – for materialized securities/.
66. Unless a restriction is explicitly specified by the customer in the contract, DE NOVO EAD may deal with itself, notwithstanding whether as counterparty to the transaction DE NOVO EAD acts for its own account or for account of another person.



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

67. DE NOVO EAD shall keep with due care and in accordance with the requirements of MFIA and the Ordinance financial instruments and money deposited by customer in relation to a submitted order, portfolio management agreement or for other reasons, or acquired by customer as a result of execution of its order.
68. DE NOVO EAD shall deposit the money supplied by customers or received as a result of investment services delivered for their account, with entities under art.34 par.3 of MFIA not later than the end of the next business day. DE NOVO EAD has appointed as such entities the credit institutions Allianz Bank Bulgaria AD and CACEIS Bank Deutschland GmbH. Money in the banks shall be kept in customers' mutual bank account specially opened for this purpose, segregated from the money of the investment intermediary.
69. DE NOVO EAD shall open and keep individual accounts for the money of its customers, in the respective currency and in a manner that allows tracking of all entries in these accounts at any time. Upon request, DE NOVO EAD shall provide a statement of account, which shall show the opening and closing balances and the related entries.
70. Except where the contract provides otherwise and when DE NOVO EAD has placed deposit with a credit institution and that deposit is being accounted for to a special customer account opened with DE NOVO EAD, DE NOVO EAD shall not be liable to pay interest on customer's money deposited in relation to financial instruments' transactions.
71. DE NOVO EAD shall keep its customers' securities with depository institution by opening personal accounts in the name of each customer and keeping records of the entries thereto. With customer's consent, and where the clearing and settlement procedures and the market practice require so, customer's securities may also be kept in customers' mutual account opened in the name of DE NOVO EAD with depository institution but for account of another person.
72. DE NOVO EAD shall safe-keep customers' securities, as follows:
 - 72.1. Dematerialized sovereign securities issued under Ordinance No.5 of the BNB and MF – at customers' individual accounts with Allianz Bank Bulgaria AD;
 - 72.2. 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 customers' individual accounts with Central Depository AD;
 - 72.3. Dematerialized shares, bonds and other dematerialized securities issued by foreign issuers – to customers' mutual account with Allianz Bank Bulgaria AD or CACEIS Bank Deutschland GmbH;
 - 72.4. Materialized securities or certificates of materialized securities - with Allianz Bank Bulgaria AD;
73. When determining the depository institutions under p.68 and p.72, DE NOVO EAD has taken due care of customers' interests. DE NOVO EAD will take the same care when reviewing periodically, but at least once in the year, the selection of those institutions and the conditions under which customers' money and securities have been kept with them. DE NOVO EAD determines the depository institutions on the basis of their professionalism and experience, and its long business relations with them. Those depository institutions are licensed and regulated by the supervisory bodies of the respective country. DE NOVO EAD shall be liable for the actions of the depository institutions and for the consequences of those actions, provided that they have fulfilled precisely the instructions given by DE NOVO EAD. DE NOVO EAD shall not be liable for other actions or omissions on the part of those entities. Upon insolvency, those entities shall not be liable to their creditors with the securities of the customers.

74. DE NOVO EAD shall explicitly notify the customer or the potential customer if the accounts, where customer's 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 institution other than the institutions specified in p.72 above.
75. DE NOVO EAD shall safe-keep its customers' 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 for differences), to customers' individual accounts opened with DE NOVO EAD.
76. DE NOVO EAD may refuse to open financial instruments' and/or cash account if the customer 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.
77. DE NOVO EAD 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

78. Customer shall pay to DE NOVO EAD remuneration for every investment service and business activity rendered to or conducted for account of customer. The type, amount, manner of calculation, period and terms of payment of the respective remuneration on the part of the customer shall be specified in the contract in accordance with the current Tariff of the fees and commissions collected by DE NOVO EAD under operations with customers.
79. DE NOVO EAD shall require from the customer to pay all expenses – fees, commissions and other expenses incurred upon or in connection with the execution of the relevant customer's order. The total amount due, to cover the expenses and the remuneration of DE NOVO EAD, shall be deducted from the customer's cash account with DE NOVO EAD.
80. DE NOVO EAD shall provide to its non-professional customers and potential non-professional customers information about the expenses and fees related to the transactions as far as it is applicable. That information shall include:
 - 80.1. the total price which will be paid by the customer in relation to the financial instrument or the investment or supplementary service provided, including all remunerations, commissions, fees and expenses, as well as all taxes payable through the investment intermediary; if the exact price cannot be determined, it should specify the basis for its calculation in a manner, in which the customer can verify and confirm it; investment intermediary's commissions shall be specified separately in each particular case;
 - 80.2. notification that other expenses may occur, including taxes related to the transactions in financial instruments or investment services provided, which are not paid through DE NOVO EAD and are not levied by DE NOVO EAD;
 - 80.3. rules and terms of payment or other execution.
81. Where part of the total price under p.80 should be paid in foreign currency or the equivalent of that currency, DE NOVO EAD shall apply the relevant "buy" or "sell" rate announced at the time of payment. There are no other expenses related to the foreign exchange transaction.



X. INFORMATION

82. The information which DE NOVO EAD gives to its customers, including the information in its advertising materials and public statements of the members of the intermediary's Board of Directors and of the persons employed with DE NOVO EAD under a contract, shall be comprehensive, accurate, clear and not misleading. Depending on the nature of the information provided, DE NOVO EAD shall apply the requirements under art.7 of the Ordinance.
83. DE NOVO EAD shall provide to the customer, in its offices or via its website, the available market information that might be considered essential for taking an investment decision on the part of the customer. DE NOVO EAD shall collect and provide information from sources which are reasonably believed to be reliable and DE NOVO EAD shall explicitly specify those sources. DE NOVO EAD shall not be responsible if the information provided by those sources is not accurate and comprehensive.
84. Besides the information contained in the present General Terms, DE NOVO EAD shall provide to the customer and the potential customer 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, DE NOVO EAD 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 third party, DE NOVO EAD shall provide sufficient data on the guarantor and the nature of the guarantee, which will enable the customer to make reasonable assessment.
85. Prior to entering into the respective contract, DE NOVO EAD shall notify the customer, if applicable, of the fact that the customer 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.
86. Where financial instrument is subject of public offering, usually customers can get acquainted to 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 institution that has approved the prospectus. Most issuers maintain on their websites special section 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.
87. DE NOVO EAD shall collect specific information from its customers or from potential customers, in connection with the investment services provided and the investment business conducted. Such information includes both personal data and information about the customer's financial means, experience and knowledge, and investment objectives. DE NOVO EAD shall treat that information as confidential and shall not allow it to be used for purposes other than those specified in the MFIA and the Ordinance. DE NOVO EAD is personal data administrator under the meaning of the Law on Protection of Personal Data.
88. The customer is fully responsible for the accuracy of the information provided, and if a change occurs in the facts and circumstances, the customer shall notify DE NOVO EAD.
89. DE NOVO EAD shall be entitled to require from customer additional information if DE NOVO EAD reasonably considers that such information is necessary or desirable for the fulfillment of its contractual obligations.
90. DE NOVO EAD shall provide to its customers and potential customers general information on paper and/or on its website. The specific information which refers to particular customer, including

notifications, confirmations, etc., shall be given on paper or as an electronic message, at the e-mail address of the customer if the customer has given such address, and/or through the electronic trading system of the Company if the customer uses that system. Where circumstances require so, DE NOVO EAD may also provide information by phone, and in any such case, the phone-call shall be recorded and 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 official of the Internal Control Department.



XI. CURRENT AND PERIODICAL NOTIFICATION OF CUSTOMERS

- 91.** Upon effecting a transaction for account of customer, and when such transaction is not executed under individual portfolio management agreement, DE NOVO EAD shall deliver to the customer, in the manner specified in p.90 above, confirmation which shall contain the information related to the particular transaction in compliance with the provisions of the Ordinance. The confirmation shall be delivered as soon as possible but in any case not later than the first business day following the transaction.
- 92.** If the settlement is not effected on the date specified in the confirmation or another change is made in the information contained in the confirmation, DE NOVO EAD shall notify the customer in appropriate manner by the end of the business day on which DE NOVO EAD got aware of the change.
- 93.** Upon request, DE NOVO EAD shall provide to the customer information about the status of the customer's order and its execution.
- 94.** The manner, regularity and contents of the notifications and reports on the provided service related to portfolio management shall be specified in the respective contract.
- 95.** Once a year, DE NOVO EAD shall provide to the customers, for which DE NOVO EAD holds money or financial instruments not under portfolio management contract, data on those financial instruments and money as at the end of the reporting period, as well as any other information specified in art.49 of the Ordinance, if applicable.
- 96.** If as at the end of the reporting period there were transactions whose settlement has not been completed, DE NOVO EAD shall provide information as at the day the transactions were finalized.
- 97.** Where DE NOVO EAD is required to deliver specific information or notification and the customer has not provided e-mail address, phone or fax for that purpose, or those provided are not valid, the information or notification shall be delivered in any of the offices of DE NOVO EAD, at request by the customer.
- 98.** If the customer has any objections to the reports delivered to him, the customer should state them in writing, within 3 business days after the date of notification.



XII. ADVICES, RECOMMENDATIONS AND CONSULTATIONS

99. DE NOVO EAD shall deliver advices, recommendations and consultations only upon request by the customer. When formulating advice, recommendation or consultation, DE NOVO EAD shall apply the requirements of art.7 of the Ordinance.
100. DE NOVO EAD shall not be responsible for the financial effect of investment solution based on advice, recommendation or consultation delivered to the customer.



XIII. REPRESENTATION AND SUBSTITUTION

101. DE NOVO EAD shall stand for customer, for whose accounts DE NOVO EAD holds and/or deposits financial instruments with depository institution, as proxy to third parties with respect to the property rights resulting from those instruments and shall be authorized to receive for customer's account, on behalf of DE NOVO EAD or on behalf of the customer, principals, interests and other payments under bonds and other debentures, including under sovereign securities issued in compliance with the provisions of Ordinance No.5 of 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 customers' financial instruments. Upon accepting the present General Terms by the customer, DE NOVO EAD shall be considered to be duly authorized by the customer without further issuance and presentation of explicit power of attorney to be considered necessary.
102. Where DE NOVO EAD hold financial instruments and/or money of its customers on the basis of a portfolio management agreement, DE NOVO EAD shall act on behalf of the customers 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. Upon accepting the present General Terms by the customer, DE NOVO EAD shall be considered to be duly authorized by the customer without further issuance and presentation of explicit power of attorney to be considered necessary.
103. DE NOVO EAD may assign the fulfillment of important operative functions or the delivery of investment services and conduct of investment activities to third parties on the basis of a written contract entered into between DE NOVO EAD and such parties in compliance with the provisions of art.50-55 of the Ordinance.



XIV. SPECIAL PLEDGE OF SECURITIES

- 104.** In case of special pledge of securities kept at sub-account for dematerialized securities of the debtor with DE NOVO EAD, DE NOVO EAD shall satisfy the creditor's petition for their sale according to the provisions of the contract signed by DE NOVO EAD, the debtor and the creditor. DE NOVO EAD 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.
- 105.** Outside the case under p.104 and subject to the terms under art.35 of the Special Pledges Act, upon written request of the bailiff, DE NOVO EAD shall file with the Central Depository the necessary data for transfer of the pledged securities from the personal account of the debtor or his customer sub-account with the investment intermediary to customer sub-account of the creditor on pledge.
- 106.** In cases of execution proceedings and insolvency proceedings, DE NOVO EAD shall satisfy the written petition of the bailiff, respectively the trustee, for sale of the debtor's securities as the requirements related to customers' orders shall apply.



XV. ACTIVITY AS TRANSFER AGENT

- 107.** DE NOVO EAD shall conduct business as transfer agent when on the basis of written contract entered into between DE NOVO EAD and the customer, DE NOVO EAD files with the respective depository institutions information and documents for registration of:
 - 107.1.** transactions in financial instruments concluded in advance, directly between the parties;
 - 107.2.** transfer of dematerialized financial instruments in case of grant and inheritance;
 - 107.3.** change in the data for holders of dematerialized financial instruments, correction of wrong data, issuance of copies of certificates and other actions specified in the rules of the respective depository institution.
- 108.** In cases under p.107 of this chapter, the persons, or their representatives respectively, shall sign the necessary documents in the presence of an official under art.39, par.1 of the Ordinance, after their identity has been verified.
- 109.** DE NOVO EAD shall retain in its files a copy of the identification document of the persons, or their representatives respectively, certified by them and by the official under art.39, par.1 of the Ordinance who signs the contract on behalf of DE NOVO EAD, and in the cases under the p.107.1 above – a declaration by the parties to the transaction, or by their proxies respectively, that they do not effect and have not effected financial instruments' transactions by regular occupation within one year prior to signing of the contract, and also the declarations under p.52 of the present General Terms.

- 110.** In cases under p.107 above, the transferor and the transferee of the financial instruments may be represented to DE NOVO EAD by persons explicitly authorized by notary certified power of attorney for transactions related to management or disposition of the financial instruments.
- 111.** DE NOVO EAD shall not sign a contract with the customer and accept documents for registrations under the p.107 if:
- not all of the necessary data and documents are available, there are obvious irregularities in the presented documents or the information contained therein is incorrect and contradictory;
 - a party to the transaction declares that it possesses inside information about the financial instruments subject to the transaction or about their issuer, if the financial instruments are traded on regulated market;
 - there are facts that raise doubts about improper identification or authorization;
 - a party to the transaction, or its proxy respectively, declares that it effects financial instruments' transactions by occupation in the cases under p.107.1 above;
 - a party to the transaction, or its proxy respectively, declares that the transaction represents concealed purchase or sale of financial instruments.
- 112.** At request by the seller and with the consent of the buyer, upon purchase-sale transaction with dematerialized financial instruments under the p.107.1 above, the amount being the sale price under the transaction shall be deposited with DE NOVO EAD till the registration of the transaction in the Central Depository.
- 113.** The provisions of chapters III, V, VII, X, XI, and XII of the present General Terms shall not apply to persons that use the services of DE NOVO EAD only as transfer agent.



XVI. RISK AND RESPONSIBILITIES

- 114.** The customer acknowledges and accepts in full the risk related to any transaction in financial instruments executed by DE NOVO EAD in fulfillment of customer's order or in the process of managing customer's portfolio.
- 115.** DE NOVO EAD 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 customer.
- 116.** DE NOVO EAD shall not be liable for any losses suffered by the customer, unless and to the extent that such losses are suffered as a result of wrongful acts or gross negligence on the part of DE NOVO EAD employees.



XVII. FINAL PROVISIONS

- 117.** In case that the provisions of the present General Terms prove to be inconsistent with any applicable law or bylaw, the relevant provisions of the applicable law or bylaw shall prevail.
- 118.** Any deviation from the present General Terms shall be specified in the contract entered into between DE NOVO EAD and the customer.
- 119.** Amendments to the present General Terms and the Tariff of fees and commissions collected by DE NOVO EAD under operations with customers shall be binding upon the customer only if the customer has been duly notified in relation thereto and has declared that it accepts the changes, or if the customer has not notified DE NOVO EAD of its objections within reasonable period of time.
- 120.** The present General Terms shall be available at clearly visible place in the offices of DE NOVO EAD. They shall be published on the Internet site of the Company, and shall be delivered to the customers on paper
- 121.** The present General Terms are also available in English. The English version corresponds fully and truly to the contents and the meaning of the Bulgarian original. If necessary, the meaning and the interpretation of the Bulgarian text shall prevail.
- 122.** DE NOVO EAD shall deliver free consultations about the present General Terms and shall also provide to its potential customers a copy of them, at their request.
- 123.** The present General Terms applied to contracts between DE NOVO EAD and its customers have been approved at a Meeting of the Board of Directors of DE NOVO EAD, Minutes No.2/26.08.2011, and are amended under Minutes No.3/21.11.2011, Minutes No.4/21.21.2011, Minutes No.7/27.01.2012. and Minutes No.15/20.03.2013.

Appendix №1

to p.57.1

1. For the purpose of the evaluation under p.57.1, the cash equivalent of shares is calculated as percentage of their market value, at the market with highest volume, as follows:
 - 1.1. For shares included in DAX, CAC40, FTSE100, DOW, NASDAQ and S&P500 – 20% of their market value;
 - 1.2. For shares included in the index SOFIX – 10% of their market value;
 - 1.3. For shares included in the index BG40 – 5% of their market value.
2. The cash equivalent of units in mutual funds is calculated at 5% of their last announced repurchase price.
3. The cash equivalent of debt securities, with maturity longer than 3 months, is calculated at 50% of their market value.
4. The cash equivalent of debt securities, with maturity shorter than 3 months, is calculated at 60% of their market value.
5. The market value of debt securities is determined as the closing price for the last working day, published by Reuters, Bloomberg or another similar source of information.
6. The cash equivalent of money in BGN and EUR is calculated at 100% of their value. The cash equivalent of money in other currencies is calculated at 90% of their value.
7. Financial instruments outside those specified above are not accepted as collateral under p.57.1 of the present General Terms.