

**GENERAL TERMS AND CONDITIONS UNDER  
ARTICLE 82, PARAGRAPH 3 OF THE MARKETS IN  
FINANCIAL INSTRUMENTS ACT, APPLICABLE TO  
CONTRACTS WITH CLIENTS OF II " UP TREND "  
OOD**

**28 February 2021**

## General Terms and Conditions of Investment Intermediary "UP TREND" OOD

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### GENERAL PROVISIONS

**Article 1.** *(amended by resolution of the Managers dated 22.05.2017 and 31.07.2018)* These General Terms and Conditions settle the relations between the clients and "UP TREND" OOD, in relation to the performed services and activities under Article 6, paragraph 2 and 3 of the Markets in Financial Instruments Act (MFIA).

#### **Article 2.**

**(1)** *(amended by resolution of the Managers dated 13.02.2012, 16.11.2017 and 31.07.2018)* "UP TREND" OOD, with seat and management address: city of Sofia, Lozenets region, Nikola Y. Vaptsarov Blvd. № 51A, with UIC 121527003 is a licensed Investment intermediary with a licence to operate on the territory of the Republic of Bulgaria and abroad and is entered in the registry of the Financial Supervision Commission with № ПГ-03-110/13.07.2017. **(2)** *(amended by resolution of the Managers dated 29.02.2008 and 22.05.2017)* The business activity of "UP TREND" OOD consists of the following services and activities:

- accepting and delivering orders in relation to one or more financial instruments, including intermediation or concluding transactions in financial instruments;
- executing orders on behalf of clients;
- dealing on own account in financial instruments;
- portfolio management;
- providing clients with investment consultations;
- underwriting of issues of financial instruments and/or offering for initial sale financial instruments in the conditions of unconditional and irrevocable commitment for subscription/acquisition of the financial instruments for own account;
- offering for initial sale of financial instruments without an unconditional and irrevocable commitment for acquisition of the financial instruments for own account;
- safekeeping and administration of financial instruments for client accounts, including custodianship (keeping financial instruments and client cash in a depository institution) and related services such as management of the received cash/provided collateral;
- granting loans for carrying out of transactions in one or more financial instruments, provided that the entity granting the loan is involved in the transaction under conditions and procedure, laid down in an ordinance;
- advice to undertakings on capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of undertakings;
- providing of services, related to foreign exchange services where these are connected with the provided investment services;
- investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- related to underwriting of issues of financial instruments;
- services under Article 6, paragraph 2 and 3 related to the underlying asset of the derivative financial instruments under Article 3 item 2 letter "d", "e", "f", and "i" of MFIA – where these are connected to the provision of services under item Article 6, paragraph 3, items 1 – 6 and under Article 6, paragraph 2 of MFIA;

**Article 3.** *(amended by resolution of the Managers dated 22.05.2017)* Clients of "UP TREND" OOD (hereinafter the Investment intermediary) can be all Bulgarian and foreign natural persons and legal entities.

#### **Article 4.**

**(1)** The full text of these General Terms and Conditions is an integral part of the particular contract with the Client.

**(2)** *(amended by resolution of the Managers dated 25.05.2016)* The Investment intermediary is obligated when concluding the particular contract to cite expressly the General Terms and Conditions and to allow the client in a suitable way to read their contents.

**(3)** The Investment intermediary concludes new contracts with clients under the last adopted General Terms and Conditions.

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**Article 4a.** *(new by resolution of the Managers dated 15.04.2016 and amended 28.01.2021)*

**(1)** The Investment Intermediary provides investment and additional services to the clients based on a signed

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contract with said client, under article 82, para. 1 MiFIA.

(2) The client, or their proxy, signs the contract under paragraph 1 in the presence of a person under Article 65, paragraph 1 of Ordinance № 38 after the client's or their proxy's identity has been duly confirmed, except in the cases when the contract is signed in electronic form or other form that is without the presence of the client .

(3) Before the signing of the contract under Art. 82, para. 1 MiFIA, the client, respectively its representative, are identified in the order of the AMLMA and its implementation regulation and in compliance with the requirements of the rules for prevention of money laundering and terrorism financing, adopted by IF 'Up Trend' Ltd..

(4) In the contract under Art. 82, para. 1 MiFIA are entered identification data of the persons signing it, which include, at least, name or UIC, name and PCN or equivalent identification number of foreigner, respectively, the capacity in which the person is acting, date and place of signing, the general rights and obligations of the parties and the information the investment firm provides. When the contract is signed under General Terms and Conditions, the general rights and obligations under it may be part of said general terms and conditions, accepted by the client.

**Article 4b** *(new by resolution of the Managers dated 29.02.2008 and amended by resolution of the Managers dated 15.04.2016 and 28.01.2021)*

(1) Signing a contract under Article 82, paragraph 1 of MiFIA via a proxy is allowable only with a notarized power of attorney, which expresses representative powers for performing management or disposal actions with financial instruments .

(2) The Investment intermediary keeps in record the original power of attorney under paragraph 1, and/or a notarized copy. If the power of attorney is valid for multiple occasions, the Investment intermediary keeps a copy of it, certified by the proxy and a person under article 65, para. 1 of Ordinance 38 that signs the contract. The certification is done via a 'True to original' text and date and signature of the persons.

**Article 4c** *(amended by resolution of the Managers dated 28.01.2021)*. Where the client trades through an electronic platform for trade of financial instruments, the investment firm keeps the information on the internet protocol addresses (IP addresses) of the client from which the trade has been performed

**Article 4d.** *(amended by resolution of the Managers dated 28.01.2021)* The investment firm cannot sign a contract under Art. 82, para. 1 MiFIA, if identification of the client has not been performed, and if the client or its proxy has not provided and signed the necessary documents, has provided documents with obvious irregularities, or in which the data is incomplete, have inaccuracies or contradictions, or another circumstance is present, which casts doubt as to the reliability of the identification or power of attorney.

### **Article 4e.**

(1) *(amended by resolution of the Managers dated 13.02.2012)* The Investment intermediary concludes the contract under Article 82, paragraph 1, MiFIA only at the management address, branch or office, filed in the register under Article 30, paragraph 1, item 2 of the Financial Supervision Commission Act, unless the contract is concluded in electronic form, or in another form without the presence of the client..

(2) *(amended by resolution of the Managers dated 13.02.2012)* The premises on the addresses under paragraph 1 must have the necessary technical equipment and software, allowing the concluding of contracts and acceptance of orders, including in absentia and/or via a means of remote communication, the observance of the sequence of arrival of the instructions upon their transfer for execution and information storage.

(3) The Investment intermediary shall place at the entrance of each of the branches and offices under paragraph 1, current information regarding their name and seat, business hours, name and surname of the person responsible for the respective branch or office.

(4) The premises on the addresses under para. 1, at which the investment firm performs its activity, must also comply with the fire safety requirements.

**Article 5.** The terms and conditions of each contract for the performing of services and activities under Article 6, paragraph 2 and 3 of the MFIA are set out in the particular contract, taking into account the specifics of the different types of financial instruments, the rules of the regulated markets, the rules of clearing and depository institutions and trading customs.

Article 6 *(new by resolution of the Managers dated 28.01.2021)* (1) The investment intermediary shall not have the right to execute an order if it establishes that the financial instruments - subject of the sale order, are not available on the client's account or are blocked in a depository institution, as well as if a pledge is established or imposed seizure.

(2) The prohibition under par. 1 in respect of pledged financial instruments shall not apply in the following cases:

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

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2. the pledge is established on an aggregation within the meaning of the Special Pledges Act.

(3) The prohibition under par. 1 in respect of an order for sale of financial instruments, which are not available on the client's account, shall not be applied in the cases when the investment intermediary provides in another way that the financial instruments, subject of the sale, will be delivered on the settlement day of the deal.

Art. 6a. (1) The investment intermediary shall require from a client, who submits an order for purchase of financial instruments, to provide it with the funds, necessary for payment under the transaction - subject of the order, upon submission of the order, unless the client certifies that he/she will fulfill his/her obligation for payment.

(2) If the rules of the place of execution, at which the transaction will be concluded, allow concluding a transaction in which the payment of the financial instruments is not made simultaneously with their transfer, the investment intermediary may not require payment from the buyer in the presence of explicit written consent of the seller. This applies accordingly to other transfer transactions with financial instruments. **Article 7.** If so agreed, the Investment intermediary can exercise the rights on the financial instruments, including collecting yield.

**Article 8.** (amended by resolution of the Managers dated 28.01.2021) When the Investment intermediary acts on behalf of the client, the subject and degree of representative powers are set out explicitly in writing.

### TYPES OF FINANCIAL INSTRUMENTS

**Article 9.** The Investment intermediary can conclude and execute transactions on behalf of others or on their own account with:

1. securities;
2. instruments other than securities:
  - a) money market instruments;
  - b) units in undertakings for collective investment;
  - c) options, futures, swaps, forward rate agreements and other derivative contracts on securities, currencies, interest rates, yields, or other derivative instruments, indexes or financial indicators, which may be settled physically or in cash;
  - d) options, futures, swaps, forward rate agreements and other derivative contracts on commodities, that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event);
  - e) options, futures, swaps and other derivative contracts on commodities, that can be physically settled, provided that they are traded on a regulated market and/or a Multilateral Trading Facility;
  - f) (amended by resolution of the Managers dated 15.04.2016) options, futures, swaps, forwards and other derivative contracts on commodities, other than those indicated in letter "e", which may be settled physically, and are not commercial papers, and which according Article 38 paragraph 1 of Regulation (EC) No. 1287/2006 of the Commission dated August 2006 for applying Directive 2004/39/EC of the European parliament and the Council regarding the obligations for keeping records of investment firms, have the characteristics of other derivative financial instruments, depending on whether they are subject to clearing and settlement, including through recognized clearing houses or are used as collateral for margin purchases or short sales;
  - g) derivative financial instruments for credit risk transfer;
  - h) contracts for difference;
  - i) options, futures, swaps, fixed forward contracts, and any other derivative contracts based on climate changes, freight rates, emission allowances or inflation rates or other official economic statistical indicators, that must be settled in cash or may be settled in cash at the request of one of the parties (otherwise than by reason of a default or other termination event), as well as all other derivative contracts based on assets, rights, liabilities, indices and indicators, other than those indicated under this article, which have the characteristics of other derivative financial instruments, depending on whether they are subject to clearing and settlement, including through recognized clearing houses or are used as collateral for margin purchases or short sales, as well as the derivative contracts according Article 38 paragraph 3 of Commission Regulation (EC) No. 1287/2006.

### CONCLUDING TRANSACTIONS IN CONTRACTS FOR DIFFERENCE VIA ELECTRONIC PLATFORM

(new by resolution of the Managers dated 23.12.2012)

**Article 9a.** (new by resolution of the Managers dated 23.12.2012)

(1) (amended by resolution of the Managers dated 27.03.2013, 22.05.2017, 16.11.2017, 02.01.2018 and

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31.07.2018) UP TREND concludes on behalf of the client margin-based transactions in contracts for difference, against an initial required margin, via the electronic platforms "AInvesting" and "Meta Trader 4" located on the website AInvesting.eu, created and maintained by UP TREND.

(2) (amended by resolution of the Managers dated 27.03.2013, 22.05.2017, 16.11.2017 and 02.01.2018 and 28.01.2021) The list of all types of traded instruments is dynamic and accessible in real time on the website AInvesting.eu. The transactions concluded by the client do not result in actual delivery of the purchased or sold financial instruments or underlying assets.

(3) (amended by resolution of the Managers dated 25.01.2013, 22.05.2017 and 31.07.2018) With the signing of the contract and the acceptance of the General Terms and Conditions the client agrees to all eventual changes to the list. In case a certain instrument, indicated in the List, is dropped from the List due to changes in the conditions of the underlying asset (suspension from trading, transformation of the issuer, etc.) or at the discretion of UPTREND, UP TREND shall close the client's position at the last quoted price before the occurrence of the event.

(4) (amended by resolution of the Managers dated 02.01.2018) The client submits orders for transactions in accordance with the current List of instruments on the selected platform or the website AInvesting.eu.

(5) (new by resolution of the Managers dated 02.01.2018) The electronic platforms "AInvesting" and "Meta Trader 4" located on the website AInvesting.eu, created and maintained by UP TREND, are not Organised Trading Facilities (OTF).

**Article 9b.** (new by resolution of the Managers dated 23.12.2012) (amended by resolution of the Managers dated 16.11.2017)

(1) The client can submit the following orders for transactions with CFDs: market orders and pending orders.

(2) (amended by resolution of the Managers dated 31.07.2018) To open a trading position via the selected electronic platform, the client must click the button "sell" or "buy" at the price quoted by the platform at the moment of the transaction. To close the trading position, the client must click on: "Close position" of the traded instrument, at the price quoted by the platform at the moment of closing of the transaction.

(3) Platforms for electronic trading quote "buy" and "sell" prices for all underlying assets, which the contract for difference traded on the platform is based on. the client accepts that the opening of a "buy" position or closing of a "sell" position (or the opposite) may only be executed at the price quoted by the platform for buying/selling the corresponding underlying asset.

(4) (amended by resolution of the Managers dated 02.01.2018) Orders can be set and (if allowed) changed) within the working hours, periodically changed by UP TREND, for every type of asset on the selected platform and/or on the website AInvesting.eu.

(5) At the platform for electronic trading The client has the right to open trading positions at the best available price quoted by the platform at the time of trade (the market order), except if The client sets a specific price, at which they would like to open the trading position (pending order). With respect to the market orders, the price at which some transactions are executed is not always precisely the price displayed on the platform at the moment the order has been submitted. The client accepts that at the market order may be accepted and executed at a price which is lower or higher than the price quoted at the time of submitting the order.

(6) With respect to the pending orders, the price at which some transactions are executed, is not always precisely the price at which the order has been submitted. THE CLIENT accepts that pending orders may be executed at a price lower (if the order is "buy") or higher (if the order is "sell") than the price set in the Limit order, as displayed on the platform. The client has the right to cancel any Limit order without bearing additional responsibility at any moment before its actual execution.

(7) Pending orders, if not executed, remain valid during the next trading session. Market orders that are not executed, due to insufficient volume, are being cancelled.

(8) All open spot positions are rolled to the next working day, at the end of the trading session on the corresponding market. All open CFDs positions in futures may be rolled at the end of the relevant period for the next one, the rules for opening a position of UP TREND in CFDs in futures remain the same when the asset expires.

(9) The period of validity of the orders depends on their type and time limit as set by the client. If the period of validity is not clearly set by the client, it is valid for indefinite period of time. UP TREND might delete one or more pending orders, if the client's account balance reaches zero, or is not sufficient to cover the margin maintenance requirements for the relevant position.

(10) Once executed, orders cannot be annulled. Pending orders may be deleted or changed before being executed.

(11) The client may change the validity day of pending orders before execution, if the platform allows so.

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(12) Orders for limiting losses (stop loss) and taking profit (take profit) may be changed, if the change is compliant with the required distance to the current market price (accordingly to the trading terms of the corresponding asset).

(13) Regarding CFD positions opened on any asset, which are then partially closed by the client, the first opened orders out of several operations, executed to form certain position are the first to be closed (FIFO - first in first out).

**Article 9c** (new by resolution of the Managers dated 23.11.2012, amended by resolution of the Managers dated 25.01.2013 and 16.11.2017)

(1) If UP TREND cannot execute an order because of the price, the volume or other reason, UP TREND may send second quote.

(2) The quotes, displayed on the client's terminal are indicative and are based on the prices of the underlying assets on the relevant markets. In case of high price volatility of the relevant underlying asset, execution of the client's order may be delayed, and the client may receive the first possible price, available on the underlying asset's market, and not the first requested by them.

(3) (amended by resolution of the Managers dated 27.03.2013) The quotes provided by UP TREND on their trading platforms are consistent with the underlying assets prices, but that does not mean the quotes are a fixed percentage of that price. When the market of the underlying asset is closed, the quotes provided by UP TREND, reflect the current "buy" and "sell" prices of the asset according to UP TREND's discretion. the client accepts that the quotes are defined by UP TREND.

**Article 9d** (new by resolution of the Managers dated 23.11.2012, amended by resolution of the Managers dated 25.01.2013 and of 27.03.2013)

(1) The client accepts that trading by using additional functions of the trading terminal like Trailing Stop and/or Expert Advisor is performed fully under their responsibility, as it is fully dependable on their sole actions and UP TREND bears no responsibility.

(2) The client agrees that putting a stop loss order will not necessarily limit the losses to desired levels, because market circumstances might make it impossible for that kind of order to be executed at the given price and UP TREND has no responsibility for it.

(3) The client may change the price of stop loss, respectively take profit orders for an open position at any time.

(4) When the client submits an order for limiting losses (Stop Loss) or taking profit (Take Profit), they authorize UP TREND to close the position at the relevant price, set in The Order, no matter if it is a loss or a profit, without the need of additional instructions or notice to the client. UP TREND may close The Position, when the price quoted at the trading platform reaches the price given by the client for the relevant order.

(5) The client accepts that the first price level, set in the STOP Loss order may change, when the market price of the underlying asset is moving in favour of the client. When trailing stop is an active order, The client agrees that every change of the market price by at least one hundredth of a percentage point (called "pip") in their favor, represents a rise of the price set in the Stop Loss order by one pip. Pips changes are rounded to the nearest absolute value.

(6) The client understands and agrees that due to market volatility and factors beyond the control of UP TREND, UP TREND cannot guarantee execution of an order at the price set by the client. E.g. an order may be closed at a price worse than the first one set by the client. In this case UP TREND will close the Position at the second best possible price, e.g. there are a sell and a stop loss order, if the price of the underlying asset suddenly rises up above the stop loss order, without even reaching that price. When there are a buy and a stop loss orders, the price may suddenly fall below the price of the stop loss order, without even reaching it.

(7) Respectively if there is a take profit order, when the market price is moving in favour of the client (for example if the price falls when the client has sold, or the price rises when the client has bought), the client agrees that UP TREND may forward these price benefits to the client.

(8) (amended by resolution of the Managers dated 02.01.2018) On electronic trading platforms, guaranteed Stop Loss orders might be available for CFDs based on certain underlying assets as listed on the website AInvesting.eu. Information on the eligible financial instruments for which such guaranteed Stop Loss orders are available can be found on the relevant platform and/or on the website AInvesting.eu. If the client places a guaranteed Stop Loss order upon opening a position and the market price reaches or goes beyond the price set by the client in that particular Stop Loss order, UP TREND guarantees to close the position precisely at the price set by client in the stop loss order. Open positions may be closed before reaching the price level initially set in the guaranteed stop order. Guaranteed stop orders are subject of additional conditions.

**Article 9e.** (new by resolution of the management of 23.11.2012) (1) (amended by resolution of the Managers dated 27.03.2013 and 22.05 2017) UP TREND provides confirmation for a transaction concluded via the electronic trading platform. The confirmation under the preceding sentence includes information regarding the canceled transactions, indicating their parameters.

(2) (amended by resolution of the Managers dated 22.05.2017) UP TREND maintains accountancy of the

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funds, their movement, transactions, the fees and commissions charged to the client, as well as the continuous recalculation of the open positions via the electronic trading platform.

(3) (amended by resolution of the Managers dated 22.05.2017) UP TREND provides the clients with access to daily and monthly statements of their account, containing reports on all executed transactions, open positions and their recalculation by market prices, money transactions, commissions and others via the electronic trading system.

(4) (amended by resolution of the Managers dated 27.03.2013 and 22.05.2017) UP TREND provides the client with the information under paragraph 1 and paragraph 3 via automatically generated messages in the electronic trading platform and automatically generated messages at the client's (email) address.

**Article 9f.** (new by resolution of the Managers dated 23.11.2012, 22.05.2017 and 16.11.2017) UP TREND has the right to temporarily suspend or permanently terminate client's rights to electronic trading platforms, if by their actions and/or inactions they might violate the applicable legislation, the General Terms and Conditions of UP TREND, the trading platform's terms of use, as well as in case of insufficient funds in the client's account.

**Article 9g.** (new by resolution of the Managers dated 23.11.2012, amended by resolution of the Managers dated 25.01.2013)

(1) (amended by resolution of the Managers dated 27.03.2013 and 22.05.2017) UP TREND is not responsible in any way for technical failures of the platform, except in cases when the failure is a result of a system fault, which could have been prevented by UP TREND, or resulted from culpable behavior of UP TREND and/or their employees.

(2) (amended by resolution of the Managers dated 22.05.2017) UP TREND shall not be responsible for damages suffered by the client, as well as for missed profit, caused by inability of the client to connect to the servers which support the platforms, and to submit an order, except in cases when the situation resulted from culpable behavior of UP TREND and/or their employees.

(3) (new by resolution of the Managers dated 27.03.2013, amended by resolution of the Managers dated 22.05.2017) UP TREND shall not be responsible in case of fraud with client's rights by unauthorized third parties who have gained access to the activation data of the client's terminal due to the client's negligence or other reasons beyond UP TREND's control, including: loss of control over the username and password.

**Article 9h.** (new by resolution of the Managers dated 23.11.2012, amended by resolution of the Managers dated 22.05.2017) UP TREND can provide the client with another electronic trading system, approved in accordance with the current legislation and the applicable regulations. The rules of use, the operation instructions and the other requirements and conditions shall be set out in an additional agreement between the parties.

**Article 9i.** (new by resolution of the Managers dated 23.11.2012)

(1) (amended by resolution of the Managers dated 22.05.2017) For performing their obligations in relation to submitted instructions, the client provides UP TREND with funds, which are accounted to an account kept by the Investment intermediary.

(2) The account balance is equal to the funds deposited by the client, adjusted with the results of the transactions concluded by the client, the positive and negative exchange rate differences, fees, commissions and other payments as a result of the concluded transactions.

(3) The funds in the account under the preceding paragraph are used for covering the risk of loss from open positions, payment of the consideration and expenses for performing the services, interest in relation to concluded transactions and opened positions and other payments resulting from the contract concluded between the parties.

(4) The client gives his consent or all negative results from recalculation of open positions, closed positions, interest payment and other cash flows resulting from transactions concluded by him, to be directly debited to the account under paragraph 1.

(5) (amended by resolution of the Managers dated 22.05.2017) UP TREND takes the obligation to directly credit the client's account with all positive price and interest rate differences resulting from transactions concluded by the client.

**REQUIRED MARGIN DEFICIT /MARGIN CALL** (new by resolution of the Managers dated 23.11.2012)

**Article 9j.** (new by resolution of the Managers dated 23.11.2012 and 31.07.2018) (1) The initial required margin for margin-based transactions in Contracts for difference is used to cover the risk of losses in case of unfavorable movement of the prices of the traded instruments.

(2) (amended by resolutions of the Managers dated 31.07.2018) The minimal initial required margin for each position is calculated separately, depending on the type of instrument. The initial margin requirements are

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indicated in detail in the List of financial instruments and their specific trading conditions.

(3) *(amended by resolutions of the Managers dated 31.07.2018)* The client is obligated to meet his liabilities under the transactions concluded on his behalf, up to the amount of the funds in his account.

(4) *(amended by resolutions of the Managers dated 25.01.2013, 27.03.2013, 04.06.2013, 22.05.2017, 16.11.2017 and 31.07.2018)* UP TREND has the right to change the initial required margin for certain assets, as well as for particular transactions and accounts of the client in the following cases:

- new requirements of the respective market where the respective financial instrument is traded, and /or new requirements of a financial institutions, market-maker with which UP TREND has contractual relations.
- large and abrupt fluctuations in the market for these assets
- important political and/or economical events, as well as force majeure circumstances

In case of such changes in the initial required margin UP TREND is obligated immediately to inform the client via a margin call. A margin call is sent automatically via the electronic trading platform and/or e-mail or fax. Upon receiving a margin call, the client must immediately cover the changed initial required margin and/or to take action to close their open positions. In case the client does not take action and if the account balance reaches or falls below 50% (fifty percent) of the changed initial required margin for all open positions, UP TREND has the right, without further notice to close fully or partially the client's open positions in order to reach the required amount of he changed required margin for the open positions. In case of insufficient available funds to cover the minimal margin requirements, the positions with the largest realized negative result will be closed first, for the purpose of releasing sufficient available funds to the account.

(5) *(amended by resolutions of the Managers dated 31.07.2018)* The responsibility for observing the requirements of the minimum required margin for the open positions lies fully with the client.

(6) *(amended by resolutions of the Managers dated 31.07.2018)* In order to open a new position, the client must have available funds in his II account in the amount no less than the sum of the minimum required margin for the already opened positions and the initial required margin for the position the client wishes to open.

(7) *(amended by resolutions of the Managers dated 31.07.2018)* When the funds reach amount equal or lower than the initial required margin, the client cannot open new positions.

(8) *(amended by resolutions of the Managers dated 25.01.2013, 27.03.2013, 04.06.2013, 22.05.2017, 16.11.2017 and 31.07.2018)* In case the available funds in the account go below 100% of the initial required margin, the client might be informed via margin call. A margin call is sent automatically via the electronic trading platform or e-mail. Upon receiving a margin call, the client must immediately cover the changed guarantee amount and/or to take action to close their open positions. In case the client does not take action and if the account balance reaches or falls below 50% (fifty percent) of the initial required margin amount for all open positions, UP TREND has the right, without further notice to close fully or partially the client's open positions in order to reach the required margin amount for the open positions. In case of insufficient available funds to cover the minimal margin requirements, the positions with larges realized negative result will be closed first, for the purpose of releasing sufficient available funds to the account.

(9) In case of closing positions under the preceding article, the client agreed unconditionally and irrevocably to the prices at which the positions are closed.

(10) *(amended by resolution of the Managers dated 22.05.2017 and 31.07.2018)* In case, regardless of the actions taken by UP TREND for closing the positions, if as a result the client's account balance is negative, UP TREND shall not be compensated with the amount of this negative balance. The Client cannot lose an amount larger than the initially invested.

### **CLIENT CASH ACCOUNT** *(new by resolution of the Managers dated 23.11.2012)*

**Article 9k.** *(new by resolution of the Managers dated 23.11.2012, amended by resolution of the Managers dated 16.11.2017)* (1) The base currency of the client's cash account can be US dollars (USD) or Euro (EUR).

(2) *(amended by resolution of the Managers dated 02.01.2018)* When depositing and withdrawing cash in a currency different from the base currency of the account, the account is credited with an amount in the base currency, converted by UP TREND at the market rate at the time of the conversion. The market rate used for the conversion is the current buy/sell price on the relevant platform.

(3) In case of transactions in financial instruments, quoted in currency different form the account currency, all results from the concluded transactions, the positive and negative currency rate differences, resulting from the recalculation of open positions, interests, fees, commissions, result from transfer of open positions and other cash flows are converted into the base currency.



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(4) When depositing funds in the account, it is credited with the deposited amount.

(5) *(amended by resolutions of the Managers dated 31.07.2018)* The client can withdraw amounts from the account up to the amount which will not interfere with the requirements for minimum required margin. When submitting a request under the preceding sentence the respective amount is blocked in the client's account and is not considered regarding the requirement for minimum required margin.

### DURATION

**Article 10.** These General Terms and Conditions become effective for the parties after the signing of the respective contract between them and are binding until the particular contract for performing of services and activities under Article 6, paragraph 2 and 3 of the MFIA remains effective.

### DUE DILIGENCE

**Article 11.** (1) When performing investment services and investment activities for client account, the Investment intermediary shall act in an honest, fair and efficient manner and as a professional in accordance with the best interests of its clients.

(2) The Investment intermediary shall treat its clients equally.

(3) The Investment intermediary shall conclude transactions in financial instruments on behalf of clients on the best possible conditions and by making efforts to achieve the best possible execution according the order submitted by the client. When executing an order given by a retail client, the best possible execution of such order shall be determined by the total amount of the transaction, including the price of the financial instrument and the expenses related to the execution. The expenses related to the execution shall include all expenses that are directly related to the execution of the order, including fees for the execution venue, clearing and settlement fees, as well as other fees and remunerations payable to third parties, bound with the execution of the order.

(4) To achieve best possible execution, in the cases where there is more than one competitive execution venues of an order in relation to financial instruments and in making assessment and comparison of the results that may be achieved for a retail client where executing the order on each of the execution venues, specified under the intermediary's policy for execution of orders which are suitable for its execution, the intermediary's commission fees and the expenses incurred in connection with the execution of the order on each of the possible venues shall be taken into consideration.

(5) An Investment intermediary shall not have the right to specify and collect commission fees in ways which obviously divide unfairly the different execution venues.

(6) In compliance with its obligation of achieving best result for the client, an Investment intermediary shall execute its clients' orders at its earliest convenience, unless this would obviously be to the clients' disadvantage.

**Article 12.** (1) When an Investment intermediary manages a portfolio, it shall comply with the obligation to act in accordance with the client's best interest when it gives orders for execution to another person or taken by the intermediary decisions for trade with financial instruments for the account of its clients.

(2) When the Investment intermediary carries out the activity under Article 6 paragraph 2 item 1 of the Markets in Financial Instruments Act (MFIA) and transmits to other persons orders of its clients for execution, it shall act according the client's best interest.

(3) *(new by resolution of the Managers dated 28.01.2021)* For the fulfillment of the obligations under paragraph 1 and 2 the Investment intermediary shall:

1. make all reasonable efforts to achieve the best result for its clients, accounting for the factors according to Article 84 paragraphs 1 to 5 of the MFIA; the Investment intermediary will have fulfilled its obligation under paragraph 1 and 2 and shall not be obligated to meet the requirement under sentence one, when it follows special instructions of the client in the fulfillment of the order or transmits the order for execution to another person;

2. adopt and apply policy which ensures compliance with the requirements under item 1; the policy must indicate in relation to every class of financial instruments the persons to whom the Investment intermediary gives the orders or to whom it transmits the orders for execution; the persons to whom the Investment intermediary gives or transmits an order for execution must have the necessary arrangement and mechanisms, which are to ensure that the Investment intermediary shall fulfill its obligations under this article, giving or transmitting client orders for execution to these persons;

3. provide to the clients appropriate information about the pursued by it policy under item 2;

4. continuously monitor for the efficiency of the policy under item 2, including the quality of execution by the persons under item 2 and where necessary, take actions for removal of the established irregularities;

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5. make inspection of the policy under item 2 once per year, as well as upon any substantial change which may affect the intermediary's ability to ensure best results for its clients.

(4) Paragraphs 1 – 3 shall not apply when the Investment intermediary manages client portfolio and/or receives and transmits orders and simultaneously executes the received orders or the decisions for conclusion of transactions in the portfolio management. In these cases Article 84 of the MFIA shall apply.

### OBLIGATIONS OF THE INVESTMENT INTERMEDIARY

**Article 13. (1)** The Investment intermediary may not:

1. perform transactions for the client's account in volume or with frequency, at prices or with given counterparty, for which according to the circumstances it may be assumed that they are performed exclusively in the investment intermediary's interest;

2. to buy for its own account financial instruments for which its client gave a purchase order, and to sell them to the client at a price higher than the price at which it bought them;

3. *(amended by the resolution of the Managers of 15.04.2016)* to perform operations with money and financial instruments of the client for which the Investment intermediary is not authorized by the client;

4. to sell for its own account or for a third party's account financial instruments which the Investment intermediary or its client does not own, unless under the conditions and procedure established by an Ordinance;

5. to participate in the execution, including in the capacity of a registration agent, of concealed purchases or sales of financial instruments;

6. to receive a part or the whole benefit if the Investment intermediary has concluded and executed the transaction under terms and conditions that are more favorable than those established by the client;

7. to perform activities otherwise which jeopardizes the interests of the intermediary's clients or the integrity of the market in financial instruments.

(2) The prohibition under paragraph 1, item 1 shall not apply to transactions, for the execution of which the client has given explicit instructions on his own initiative.

(3) The prohibition under paragraph 1, item 4 shall also relate to the members of the management and control bodies of the Investment intermediary, to the persons who manage its operation, as well as for all persons who work for it under a contract, as well as to related persons.

**Article 14. *(amended by resolution of the Managers dated 28.01.2021)*** (1) In the execution of client orders, the Investment intermediary shall take into account the relevant significance of the factors for execution under Article 84 paragraph 1 of the MFIA according the following criteria:

1. the characteristics of the client, including whether he has been defined as a retail or professional client;

2. the characteristics of the client order;

3. the characteristics of the financial instruments subject of the order;

4. the characteristics of the execution venues, to which the order may be directed for execution.

(2) An Investment intermediary will have fulfilled its obligation to act for the achievement of the best result for its clients, if it has fulfilled the order or a specific aspect of the order, following special instructions by the client.

**Article 15. (1)** An Investment intermediary shall provide in due time, before a retail client or potential retail client is bound by virtue of a contract with the Investment intermediary for the provision of investment or ancillary services, information on the conditions of the relevant contract:

(2) *(amended by resolution of the Managers dated 28.01.2021)* Within an appropriate term before the beginning of the provision of investment or ancillary service to a professional client, the Investment intermediary shall provide the client, or the potential client with the information under Article 71, para. 2 of MiFIA.

(3) *(amended by resolution of the Managers dated 28.01.2021)* Within an appropriate term before the beginning of the provision of investment or ancillary service to a retail client, the Investment intermediary shall provide the client with the information under Article 71, para. 2 of MiFIA and Article 84 of Ordinance № 38.

(4) *(amended by resolution of the Managers dated 28.01.2021)* The information under paragraphs 1-3 shall be provided to the client on a durable medium or on the Investment intermediary's web site, where this does not constitute a durable medium.

(5) The Investment intermediary shall ensure the conformity of the information which is contained in its

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advertising materials and the public statements of the members of the intermediary's management and control bodies and of the persons working under a contract for it, to the information which it provides to the clients when performing investment and ancillary services.

**(6)** *(amended by resolution of the Managers dated 28.01.2021)* The Investment intermediary shall notify in due time the client of any substantial change in the circumstances under Article 71, para. 2 of MiFIA which have bearing on the offered service to the client. The notification shall be done on durable medium, if the information to which it relates, has been provided on a durable medium to the client.

**Article 16.** (1) The Investment intermediary shall provide retail clients and potential retail clients with the following general information, if applicable:

1. the business name and address of the Investment intermediary, as well as telephone and/or other information for contact with the Investment intermediary;

2. the languages in which the client may communicate and keep correspondence with the Investment intermediary and to receive documents and other information by the intermediary;

3. the ways of communication which are used between the Investment intermediary and its clients, including where applicable, the ways of forwarding and acceptance of orders;

4. explicit indication that the Investment intermediary is licensed, as well as indication of the name and address of the authority who has issued the license;

5. the type, the periodicity and the deadline for submitting the reports and the confirmations to a client in connection with the investment services and activities performed;

6. a concise description of the steps that the intermediary undertakes in order to guarantee the client financial instruments or cash, in the cases where the intermediary holds such for the client, including a concise description of any relevant investor compensation or deposit guarantee schemes in which the Investment intermediary participates in relation to its operation in a Member State;

7. *(amended by resolution of the Managers dated 28.01.2021)* a description, which may also be in a summarized form, of the policy for handling conflicts of interest applied by the Investment intermediary;

additional detailed information on the handling of conflicts of interest policy; the information shall be provided upon request by the client on a durable medium, or on the Investment intermediary's website where this does not constitute providing on a durable medium.

**(2)** In the cases where the Investment intermediary manages an individual portfolio of a client, the intermediary shall apply an appropriate method for assessment and comparison as a generally accepted benchmark, based on the client's investment purposes and the types of financial instruments included in the client portfolio, in such a manner that the client making use of the service may assess the performing of the service by the Investment intermediary.

**(3)** In the cases where the Investment intermediary offers to a retail client, or to a potential retail client, the service of portfolio management, the intermediary shall, apart from the information under paragraph 1, provide the client also with the following information where applicable:

1. information about the method and periodicity of assessing the financial instruments in the client portfolio;

2. details of each delegation of the management of all or a part of the financial instruments and/or money in a client portfolio;

3. characteristics and information on each benchmark by which the portfolio management results shall be assessed;

4. the types of financial instruments which may be included in a client portfolio and the types of transactions which may be concluded with them, any restrictions inclusive;

5. the management objectives, the risk level contained in the assessment of the person managing the portfolio, as well as all specific restrictions of that assessment.

**Article 17.** (1) The Investment intermediary shall provide the client and the potential client with a general description of the financial instruments and the risks associated with them. The description has to be conformed with the client's type (professional and retail) and shall meet the following requirements:

1. to contain detailed description of the type and the characteristics of the specific financial instrument and of the specific risks associated with it;

2. the information under item 1 is to allow the client to take informed investment decision.

**(2)** The description of the risk shall include the following elements, insofar as applicable for the specific

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type of financial instrument, the status and level of knowledge of the client:

1. indication of the risks associated with the specific type of financial instruments, including explanation of the leverage and its consequences and the risk of losing the whole investment made;
2. the volatility of the financial instruments' price and all market restrictions pertaining to these instruments;
3. the circumstance that the investor may undertake as a result of transactions in financial instruments, financial and other additional liabilities, including unforeseen liabilities that are additional to the expenses for the instruments' acquisition;
4. all margin requirements or similar liabilities applicable to the instruments of this type.

(3) The Deputy Chairman in charge of Investment Activity Supervision Division, hereinafter referred to as "deputy chairman", may specify the contents of the risk description under paragraphs 1 and 2.

(4) Where the financial instruments are subject of public offering carried out on the grounds of a published prospectus in compliance with the provisions of Directive 2003/71/EC of the European Parliament and of the Council on prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (Directive 2003/71/EC); the Investment intermediary shall inform the retail client and the potential retail client of the place where the prospectus is accessible for the public.

(5) In cases when the risks related to a financial instrument which consists of two or more different financial instruments or services, are likely to be higher than the risks related to either of the components, the Investment intermediary shall provide an additional adequate description of the financial instrument components and the way in which their interaction increases the risk.

(6) In cases when financial instruments include guarantees from a third party, the Investment intermediary shall provide the non-professional client and the potential such client with enough information about the guarantor and the guarantee, which allows him to assess the guarantee objectively.

**Article 18.** (Amended by resolution of the Managers dates 15.04.2016) The liabilities under the preceding article shall not apply with regard to units and shares of collective investment schemes in the cases when the Investment intermediary provides the information contained in the short-form prospectus according Article 28 of Directive 85/611/EEC of the European parliament and the Council of the 14th July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (Directive 85/611/EEC) (OB, L 302832 dated 17.11.2009).

**Article 19. (1)** An Investment intermediary shall notify all its clients of the conditions and criteria, according which the Investment intermediary categorizes them as professional or retail, as well as of the circumstances under which they may be categorized as an eligible counterparty. The clients shall be also notified on a durable medium of their right to request to be categorized in a different way, as well as of the restrictions imposed on their protection in the case of different categorization.

(2) The Investment intermediary shall categorize the client to be professional, retail or an eligible counterparty in compliance with the criteria established in the Markets in Financial Instrument Act (MFIA).

(3) (amended by resolution of the Managers dated 28.01.2021) The Investment intermediary on its own initiative or on the client's request may:

1. specify as professional or retail a client who in other cases would be defined as eligible counterparty within the sense of Art, 89, para. 2 of the MFIA;
2. specify as retail a client, who is considered as a professional client within the meaning of §1, item 10 of the Additional Governances of MFIA.

(4) Where a person categorized as an eligible counterparty requests not to be treated as such and the Investment intermediary consents, that person shall be treated as a professional client, unless the person has explicitly requested to be treated as a retail client.

(5) (amended by resolution of the Managers dated 28.01.2021) In the cases where an eligible counterparty expressly requests to be treated as a retail client, Article 84 paragraphs 2 of the MFIA shall apply accordingly.

**Article 20. (1)** The Investment intermediary shall not have the right in connection with the provision of investment or ancillary services to a client, to pay, respectively provide, and to receive remuneration, commission or non-monetary benefit, apart from:

1. remuneration, commission or non-monetary benefit paid or provided by or to the client or his representative;
2. remuneration, commission or non-monetary benefit paid or provided by or to a third person or his representative where the following conditions exist:

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a) the existence, nature and amount of the remuneration, commission or the non-monetary benefit shall be indicated to the client clearly, in an accessible way, accurately and understandably prior to providing the relevant investment or ancillary service, and where the amount may not be established, the method of its calculation shall be indicated;

b) the payment, respectively the provision of the remuneration, commission or nonmonetary benefit, shall be with a view to enhancing the quality of the service and does not violate the obligation of the Investment intermediary to act in the best interest of the client;

3. relevant fees that provide or are necessary with a view to providing the investment services, such as expenses for trustee services, settlement and currency exchange fees, legal services fees and public fees, and which in their nature do not result in the arising of a conflict with the Investment intermediary's obligation to act honestly, fairly and professionally to the best interest of the client.

(2) It shall be considered that the Investment intermediary has fulfilled its obligation under paragraph 1 item 2 letter "a" where it:

a) presents the material conditions of the contracts concerning the remuneration, commission or the non-monetary benefit in a summarized form;

b) provides detailed information about the remuneration, commission or the non-monetary benefit on the client's request; and

c) the provision of the information according this paragraph is honest, fair and in the client's interest.

**Article 21. (1)** *(amended by resolution of the Managers dated 28.01.2021)* In the cases where, pursuant to Ordinance № 38, information is required to be provided to the client on a durable medium, the Investment intermediary shall provide information on paper medium or otherwise, while observing the following requirements:

1. the provision of the information in that way is appropriate with a view to the existing or future relations with the client;

2. the client has not expressly preferred a way of information supply over its provision on paper.

(2) Where information is provided to clients through the intermediary's website and it is not addressed to a specific client, the information shall meet the following conditions:

1. the provision of the information in that manner is appropriate with a view to the existing or future relations with the client;

2. the client has expressly agreed with that manner of information provision;

3. the client has been notified via electronic means of the intermediary's website address and where exactly on it the information may be found;

4. the information is up-to-date;

5. the information to be continuously accessible by the client on the intermediary's website for a period of time that is usually necessary for the clients to acquaint themselves with it.

(3) *(amended by resolution of the Managers dated 29.02.2008)* The provision of information by electronic means of communication shall be treated as appropriate with a view to the existing or future relations with the client, if data exist that the client has a regular access to the Internet. It shall be considered that the client has a regular access to the Internet, if he provides an e-mail address for the needs of the established relations with the Investment intermediary.

**Article 22. (1)** The Investment intermediary shall provide its retail clients and the potential retail clients, with the following information on the expenses and fees related to the transactions, so far as applicable:

1. the total price which shall be paid by the client in connection with the financial instrument or the investment or ancillary service provided, including all remunerations, commissions, fees and expenses, as well as all taxes payable through the Investment intermediary; in case that the exact price may not be specified, the basis for its calculation shall be indicated in a way, where the client may check and confirm the latter; the commissions of the Investment intermediary are indicated for each separate case;

2. in the case where any part of the total price under items 1 has to be paid in a foreign currency or the equivalence of that currency, the currency of payment, exchange rate and the currency conversion expenses shall be specified;

3. notification of the possibility other expenses to arise as well, including taxes, related to the transactions in financial instruments or investment services provided, which are not paid through the intermediary or have not been imposed by it.

4. the rules and methods of payment or some other fulfillment.

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(2) *(amended by resolution of the Managers of 15.04.2016)* The obligation under paragraph 1 shall not apply with regard to units and shares of collective investment schemes, if the Investment intermediary provides the client with the information, contained in the short-form prospectus according Article 28 of Directive 85/611/EEC.

**Article 22a.** *(new by resolution of the Managers dated 29.02.2008 and amended 28.01.2021)*

(1) The Investment intermediary shall open to the client a sub-account at a depository institution on the grounds of the written contract under Article 82, paragraph 1 of MiFIA and in compliance with the conditions provided therein.

(2) The Investment intermediary which opens an financial instruments account for its client with a third party, must take due care for the client's interests when determining that party and the entrustment to the same of the client's financial instruments keeping, as well as periodically, but at least once annually, must review with the same care the election of that person and the conditions in which it keeps the client's financial instruments.

(3) In fulfillment of the duties under paragraph 2, the Investment intermediary shall take into account the professional qualities and market reputation of the third person, as well as the legal requirements and market practices, related to keeping of such financial instruments, which may prejudice the client rights.

(4) In case that the Investment intermediary envisages the keeping of client's financial instruments with a third party in a state whose legislation provides for special regulation and supervision with regard to the keeping of financial instruments for other party's account, the Investment intermediary may not provide the client's financial instruments for safekeeping with a party from that state, which is not subject to the envisaged by the local legislation regulation and supervision.

(5) The Investment intermediary shall not have the right to keep client's financial instruments with a third party in a third country whose legislation does not regulate the safekeeping of financial instruments for a third party's account.

(6) The restriction under paragraph 5 shall not apply if any of the following conditions exists:

1. the nature of the financial instruments or the investment services provided in relation to those instruments demands their keeping with a third person in a third country under paragraph 5;

2. a professional client has requested in writing his financial instruments to be kept with a third person in a third country under paragraph 5.

(7) The Investment intermediary shall undertake the necessary actions to ensure that the keeping of financial instruments of its clients with a third party is done in a way which guarantees identification of the client's financial instruments separately from the financial instruments of the Investment intermediary and of the third party, by the keeping of segregated accounts by that third party or by the applying of some other measures ensuring the same level of protection.

(8) In case that the applicable legislation to the operation of the third party does not allow compliance with the requirements under paragraph 7, the Investment intermediary must undertake appropriate actions for guaranteeing the client's rights in relation to the financial instruments deposited with the third party, including by opening accounts for clients' financial instruments other than its account, which the third party shall keep in the name of the Investment intermediary, but for other's account.

**Article 23. (1)** *(amended by resolution of the Managers dated 13.02.2012 and 15.04.2016 and 28.01.2021)* The Investment intermediary accepts cash payment from clients for performing investment and other services, as well as funds, necessary for payments on financial instrument transactions, respectively makes payments to clients in accordance with the requirements of the Limitation of Cash Payment Act. The Investment intermediary shall deposit the cash provided by clients or obtained as a result of performed for their account investment services, with a person under Article 93 paragraph 1 of the MFIA at latest by the end of the next business day, taking the necessary steps to diversify the funds to the persons under the same article.

(2) *(amended by resolution of the Managers dated 28.01.2021)* The Investment intermediary which deposits the cash of its client with a party under Article 93 paragraph 1 item 2-4 of the MFIA, shall take due care for the client's interests in determining the party and the depositing of the client's cash therein, as well as periodically, but at least annually, review with the same care the election of that institution or collective investment scheme and the conditions in which it keeps the client's cash.

(3) In fulfillment of the obligations under paragraph 2, the Investment intermediary shall take account of the professional qualities and market reputation of the party with a view to guaranteeing the client's rights, as well as the statutory requirements and the market practices, related to the keeping of the cash, which may prejudice the rights of the client.

(4) An Investment intermediary may not invest the client's moneys in a collective investment scheme, if

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the client opposes to such way of keeping the cash provided by him/her.

(5) The Investment intermediary shall take the necessary actions, to ensure the client moneys deposited according paragraph 1 are held on individual client's accounts or an account, separate from the Investment intermediary's moneys.

(6) *(amended by resolution of the Managers dated 28.01.2021)* In case that the legislation applicable to the operation of the party under Article 93 paragraph 1 of the MFIA does not allow compliance with the requirements under paragraph 5, the Investment intermediary shall not deposit the client's cash in such a person.

**Article 24. (1)** The Investment intermediary shall not have the right to conclude transactions for securities financing with financial instruments held by it of clients or otherwise to use for its own account or for the account of another client such financial instruments, unless the client has given preliminarily his express consent for use of his financial instruments on certain conditions and the use of the financial instruments is accomplished in compliance with those conditions. The consent according the preceding sentence must be given in writing, if the client whose financial instruments are used is a retail client.

(2) The Investment intermediary shall not have the right to conclude transactions for securities financing with financial instruments of clients, kept in an omnibus client account with a third person, or otherwise to use for its own account or for another client's account such client financial instruments. The prohibition under sentence one shall not apply if the requirements under paragraph 1 have been complied with, as well as at least one of the following conditions:

1. all clients whose financial instruments are kept together in the omnibus account, have preliminarily given an express consent in consistence with paragraph 1;

2. the Investment intermediary has established procedures, guaranteeing the use only of financial instruments of clients, who have beforehand given an express consent for that in accordance with paragraph 1, as well as control mechanisms for compliance with that requirement.

(3) In the cases under paragraph 2, in the maintained by the Investment intermediary records shall be included information on the client on whose order the financial instruments have been used, as well as on the number of the used financial instruments of every client, with a view to the correct allocation of eventual losses.

**Article 25. (1)** The Investment intermediary which holds client financial instruments and cash shall maintain records and shall keep accounts of the held client assets, in a way which allows it at anytime immediately to differentiate the assets held for a client from the assets of the other clients of the Investment intermediary and from its own assets.

(2) The records and the accounts under paragraph 1 shall be maintained in a way, which ensures their accuracy and their consistence with the held for the clients financial instruments and cash.

(3) The Investment intermediary shall regularly agree the records and the accounts under paragraph 1, kept by it and those kept by third persons, with whom the client assets are safeguarded.

**Article 26. (1)** The Investment intermediary shall notify its retail clients, or the potential retail clients, of the third party by whom and where the cash and/or financial instruments provided to the intermediary may be kept. The notification under the first sentence shall also include indication of the Investment intermediary's liability pursuant the national legislation about any action or inaction by the party that holds the client cash and/or financial instruments and the consequences for the client of such party's bankruptcy.

The Investment intermediary shall inform its retail clients, or potential retail clients, of the possibility his financial instruments to be kept on an omnibus account with a third party when the national legislation admits such a possibility. The Investment intermediary shall inform its retail clients, or potential retail clients, of the cases where the national legislation does not allow the client's financial instruments, held by the third party, to be segregated from the financial instruments of that third person or of the Investment intermediary. The notifications must also contain an explicit indication of the risks for the client, arising from the circumstance under the preceding sentences.

(3) The Investment intermediary shall explicitly inform the client, when the accounts which contain its cash and financial instruments, are subject or will be subject to regulation of the law of a state, which is not a Member State. The notification must indicate that the client rights, related to the financial instruments or the cash may differ, due to the applicability of the third country's law.

(4) The Investment intermediary expressly informs the client regarding

1. availability of security interest or retention right over the client cash or financial instruments for the Investment intermediary and of the conditions on which such right arises or may arise;

2. availability of right to set-off over the client cash or financial instruments for the Investment intermediary and the conditions on which such right arises or may arise;

3. the availability and the conditions on which the Investment intermediary has or may have right to set-off

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in relation to client financial instruments or cash;

4. the possibility the depository institution to have security interest, right to retention or of set-off over the client financial instruments or cash, wherever applicable.

(5) Prior to the conclusion of a transaction for securities financing with subject financial instruments held for the account of a retail client, or before using in any whatever way these instruments for its own account or for the account of another client, the Investment intermediary shall provide the retail client on a durable medium and within a reasonable time before the use of the financial instruments, with clear, complete and accurate information about the intermediary's obligations and liabilities in relation to the use of the financial instruments, including the conditions for their refunding and the existing risks.

### **LANGUAGE** *(new by resolution of the Managers dated 23.11.2012)*

**Article 26a.** *(new by resolution of the Managers dated 23.11.2012)* **(1)** *(amended by resolution of the Managers dated 22.05.2017)* The correspondence and communication between the clients and UP Trend including the providing of information by UP TREND, shall be done in Bulgarian, English or other languages listed in the II website.

(2) The Contracts between the clients and UP TREND can be concluded in the languages listed on the website. When the Contract (together with the applicable General Terms and Conditions, annexes and declarations) is concluded in a language, different from Bulgarian or English, the client agrees that in case of discrepancies or disputes the Bulgarian and English version of the contract shall take precedence.

### **"NEGOTIATING WITH SELF"**

**Article 27.** The Investment intermediary can conclude and perform a transaction with financial instruments, agreed with the client, with himself or with another party on whose behalf it is acting, only if such a clause is expressly provided in the written contract concluded with the client, and this does not harm the client's interests or lead to violation of the MFIA and the regulations on its application.

### **TRADE SECRET**

**Article 28. (1)** When conducting its business, the Investment intermediary is obligated to keep the business secrets of the client, as well as to observe their business prestige.

(2) *(new by resolution of management of 15.04.2016)* Parties of management and control bodies of the Investment intermediary, its employees and every other person working for it, including when they are no longer employees or their activity is suspended, cannot disclose to anyone, nor use for other persons' profit, facts and circumstances affecting the stocks and operations in the financial instruments and customer money accounts as well as all other facts and circumstances of business secrets that they have learned during their professional duties.

(3) *(new by resolution of the Managers dated 15.04.2016, amended by resolution of the Managers dated 25.05.2016 and 28.01.2021)* In addition to the FSC, the Deputy Chairman of the Financial Supervision Commission in charge of the Investment Activity Supervision Division and authorized officials from the FSC administration or the regulated market of which it is a member for the purposes of their control activities and within the framework of the verification order, the Investment intermediary may provide information under paragraph 2 only: with the consent of its client; or by the order of Title II, Chapter Sixteen, Section IIIa of the Tax and Social Insurance Procedure Code; or by decision of the court.

### **CLIENT COOPERATION**

**Article 29. (1)** The client has the right to demand exact execution of the contractual obligations by the Investment intermediary, by providing maximum assistance in this regard.

(2) The client is obligated to provide exact, clear and comprehensive orders, related to the execution of the contractual obligations. The orders have to be in writing and to comply with the requirements of The Best Execution Policy.

(3) The client is obligated to perform its obligations in good faith. He is responsible for the authenticity of the financial instruments provided by him for trading, as well as the veracity of the documents deposited with the Investment intermediary, which must be in the legally recognized form. In case of found irregularities in them, they should be replaced with new ones. If this does not happen and the deal cannot be concluded, the relations between the parties are settled as culpable default on the obligations under the deal.

### **CONSIDERATION**

**Article 30. (1)** The client owes consideration to the Investment intermediary for each concluded and executed deal in the conditions, amount, term and method agreed in the particular contract.

(2) When the amount of the consideration is not specified, it is assumed to be equal to the amount set out in the Investment intermediary's Tariff.



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(3) When the Investment intermediary undertakes to be personally responsible or performing the obligations under a concluded transaction, he has the right to additional consideration, which is agreed in addition.

(4) The Investment intermediary has the right to consideration for the amounts collected for the client, which is agreed in addition.

(5) In case of intermediation, the Investment intermediary has the right to consideration from both parties to the transaction.

(6) A cashless payment is considered completed at the moment it is credited to the Investment intermediary's bank account.

### IMPOSSIBILITY

**Article 31.** If the execution of a certain transaction becomes impossible through no fault of the Investment intermediary, the client must pay the incurred expenses and consideration, respectively or the work done.

### RESPONSIBILITIES

**Article 32. (1)** If the Investment intermediary assigns the conclusion or execution of the ordered deal with financial instruments to another party, without having the right to assign, he is responsible for the third party's actions as for his own.

(2) If the Investment intermediary assigns the conclusion or execution of the ordered deal with financial instruments to another party, while having the right to assign, he is responsible only for the damages caused by the assignee's bad choices.

**Article 33.** The parties are responsible for the default on a particular contractual obligation in the general procedure of the Commercial Act and the Obligations and Contracts Act.

**Article 34. (1)** In case of full culpable default, the defaulting party owes a penalty in the amount set out in the particular client contract.

(2) In case of delay the defaulting party owes a penalty in the amount set out in the particular client contract.

(3) The penalties under the preceding two paragraphs do not preclude the right to seek compensation for suffered damages or missed profits exceeding the amount of the penalty.

### PREVENTION OF MONEY LAUNDERING

**Article 35.** The Investment intermediary shall reuse the execution of an order for transaction in financial instruments, also shall refuse the signing of a contract and shall terminate unilaterally an already signed contract with a client, if it would result in violation of the provisions of the Measures against Money Laundering Act and he regulations on its application. In this case he is not liable for damages caused by the delay or failure of the transaction.

### CHANGES AND TERMINATION OF THE CONTRACTUAL RELATIONS

**Article 36. (1)** Each change in the contractual relations shall be done with the express written consent of both parties as an annex or an additional agreement and shall become effective at the moment it is signed by both parties.

(2) None of the parties can delegate their rights on this contract to a third party without obtaining the written permission of the other party.

(3) The contractual relations shall be terminated when:

- the duration of the respective contract ends;
- early by mutual agreement of the parties;
- in case of death or foreclosure of the client;
- at the termination of a legal entity, which is party to the contract;
- with a refusal of the Investment intermediary;

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- with written notice one month in advance by either party;
- on another basis, provided in the law.

(4) In case of termination of the contractual relations each party is obligated to make account to the other party and to deliver everything they have received in relation to the deal within seven days.

(5) The procedure for termination of the contractual relations is set out in the separate contracts and cannot contradict any imperative legal provisions.

**Article 37. (1)** All communications between the parties shall be made in written form at the addresses of the Investment intermediary and the client, set out in the particular contract. A communication made by e-mail or fax is considered valid written form.

(2) The client is obligated to inform the Investment intermediary within 3 days of any change in their identification information (names, ID information), address registration, e-mail and telephone number. In case of default of this obligation by the client, all notifications by the Investment intermediary shall be deemed received when sent to the last available address.

(3) The notifications not made in writing or not sent to the address indicated by the party, are not effective.

(4) The above procedure or notification is valid only as far as the client contract, the General Terms and Conditions or the regulations do not provide for another procedure.

### **CHANGES IN GENERAL TERMS AND CONDITIONS (new by resolution of the managers dated 15.04.2016)**

**Article 37a.** *(new by resolution of Managers dated 14.04.2016)*

(1) Changes in current General Terms and Conditions are adopted by the Investment intermediary's managers. The Investment intermediary notifies the Deputy Chairman of FSC in charge of the Investment Activity Supervision Division for every change in General Terms and Conditions. If the Deputy Chairman's assessment is that the changes do not correspond to the requirements of MFIA and the acts for its implementation, the FSC's Deputy Chairman shall have the right to request within one month from the submission of the General Terms and Conditions all incompleteness, inconsistencies and contradictions to be duly amended.

(2) The amended General Terms and Conditions, with indicated approval date and enforcement date, after complying with the conditions under paragraph 1, are published on a visible position on the web site of the Investment intermediary, and that is considered to be an eligible way for notifying clients of the executed changes. The notice and publishing of the amended General Terms and Conditions should be made at least one month before they become applicable. The changes in the General Terms and Conditions enter in power and are applicable for a client who already has a signed contract with the Investment intermediary only if the client does not reject the executed changes prior to the date on which they are to enter into force.

(3) If the client disagrees with changes and additions in the General Terms and Conditions and/or the Tariff for the fees and taxes, the client has the right to terminate the contract without further notice prior to the General Terms and Conditions and/or the Tariff for the fees and taxes enforcement date without bearing any responsibility of penalties and costs, except the costs associated with their assets.

(4) In case of termination under the order of the preceding paragraph, the Investment intermediary shall settle the relationships with the client within 7-days after receiving the termination notice.

### **DISPUTES**

**Article 38.** *(amended by resolution of Managers dated 15.04.2016)* In case of any disputes between the Investment intermediary and the client regarding the execution under the contract, they should be resolved amicably. If the dispute cannot be resolved, it shall be brought before the Court of Arbitration with the Bulgarian Chamber of Commerce and Industry - city of Sofia.

### **APPLICABLE LAW**

**Article 39.** Any cases not set out in these General Terms and Conditions are subject to the Bulgarian commercial and civil law.

### **FINAL PROVISIONS**

§ 1. If it is found that any of these General Terms and Conditions or any other special condition in a contract

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between the Investment intermediary and a client, contradicts the imperative provisions of the law, then the provisions of the law shall apply.

§ 2. These General Terms and Conditions shall be published on UP TREND's website and placed on a visible and accessible place in the Investment intermediary's offices. They are drafted in Bulgarian, but can be translated in different languages; the Bulgarian text has legal value.

§ 3. (*amended by resolution of Managers dates 15.04.2016*) These General Terms and Conditions applicable to the client contracts for dealing in securities subject to the Markets in Financial Instruments Act, are adopted on the basis of Article 82, para 3 MiFIA, and Articles 16, 280-292 of the Obligations and Contracts Act, in relation to Article 298, 348-360 of the Commercial Act.

These General Terms and Conditions were accepted by Resolution of the Managers of II "UP TREND" OOD dated 01 November 2007 and have been amended by Resolutions of the Managers of II "UP TREND" OOD dated 29 February 2008, 13 February 2012, 23 November 2012, 25 January 2013, 27 March 2013, 04 June 2013 15 April 2016, 25 May 2016, 16 November 2017, 02 January 2018, 31.07.2018 and 28<sup>th</sup> January, 2021

<b>Petar Ilkov Peshev</b> <b>Manager of:</b> <b>II "UP TREND" OOD</b> _____	<b>Vladimir Malchev Malchev</b> <b>Manager of:</b> <b>II "UP TREND" OOD</b> _____
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