



## **GENERAL INFORMATION ON UNITRADER EAD**

### **Appendix 2 to General conditions**

**UniTrader EAD** is an international online provider of financial products, servicing a proficient collection of clients from retail traders and portfolio managers to corporate and institutional clients spanning the globe.

UniTrader EAD offers instant access to financial instruments around the world including prices on shares, sectors, indices, currencies, commodities and interest rates. Whatever and wherever a customer wants to trade, our platforms provide all the tools he/she needs. Online and mobile trading services ensure that our customers are never more than a click or two away from the next trade. And our team of expert dealers and customer service specialists are constantly available to provide personal support to each and every customer. UniTrader thrives on the development of the latest technologies and our clients benefit from our technical attitudes. They have access to prices at the touch of a button with our mobile trading and one-click order executions supported by our real time trading charting tools.

#### **General**

UniTrader EAD ("investment intermediary") is an investment firm incorporated under the laws of the Republic of Bulgaria with the registered address of Sofia 1303, Vazrazhdane residential area, 84-86 "Alexander Stamboliiski" Blvd., 4th floor, office 18.

1. The websites of UniTrader EAD are [www.bmfn.eu](http://www.bmfn.eu) and [www.bmfn.bg](http://www.bmfn.bg) (redirect)
2. UniTrader EAD communicates with its client in the following languages: Bulgarian and English. Secondary languages may be made available.
3. Methods of communication used by UniTrader EAD and its clients:
  - a. Personally or through a proxy, holding representative rights under a special power of attorney, issued in compliance with the provisions of the existing legislation – in the office of the investment intermediary;
  - b. By fax to the following number: Sofia – +359 2 401 26 39;
  - c. By phone to the following phone numbers: Sofia +359 2 401 26 36;

d. By E-mail through exchanging of documents certified with electronic signature to the following emails: offices of UniTrader EAD: Sofia – Stanimir Minchev, E-mail: stanimir.minchev@bmfnc.com;

e. On UniTrader's website;

f. Via a courier with registered mail with notification for delivery;

g. Via the electronic platform of UniTrader EAD.

#### 5. Placement and approval of orders of UniTrader EAD's clients:

The investment intermediary may accept orders for transactions with financial instruments (1) in its office, as well as (2) through remote means of communications: by phone, fax, email, electronic platform. The investment intermediary may accept orders for transactions in financial instruments, submitted by the phone or through another remote means of communication for clients whose identity has been verified by the investment intermediary and have a contract with it. Upon receiving orders through remote means of communication the investment intermediary prepares by the end of the business day a document, containing the data required in Art. 34, Para.1 and Art. 35, Para. 1 of Regulation No.38 of FSC. Upon signing a contract for investment services the client agrees that its phone conversations with employees of the investment intermediary shall be recorded.

The client is informed and accepts that upon taking orders over the phone a Front office employee will require the client to provide personal data for correct identification.

#### 6. Distribution of order confirmations and reports under client contracts.

If the client has provided an email for communication, all confirmations for executed orders as well as the reports under client contracts will be sent by email. In such cases the investment intermediary will send the respective document in a file, which can be copied but cannot be modified by the client's software.

In all other cases the confirmations and reports shall be received by the client or their representative in the offices of the investment intermediary or shall be sent by a letter of recommendation with a return receipt.

7. UniTrader EAD is an investment intermediary licensed under license No.PF-03-0220/10.05.2007. The address of the licensing institution is Financial Supervision Commission; 33 Shar planina street, Po. box 1303 Sofia, email: bg\_fsc@fsc.bg

8. Type, period and term for distribution of reports and confirmations to clients about the provided investment services and operations:

All clients have the ability to receive information about any orders and its applicable execution at any time upon request to UniTrader EAD for such information.

## 9.1. Distribution of confirmations

### a. confirmation to retail clients:

In cases where retail clients execute trades via an electronic trading platform a confirmation is generated directly from the platform. In all other cases, the confirmations on executed transactions of retail clients are provided on the first business day after the day in which the transaction is concluded or in which UniTrader EAD has been notified by a third person that the transaction has been completed (whenever a certain order is executed with the participation of a third party – UniTrader EAD is obliged to present a confirmation to the client only on condition that the third party has not already presented such confirmation).

### b. Distribution of important information for execution of orders of professional clients:

In cases where professional clients execute trades via an electronic trading platform a confirmation is generated directly from the platform. In all other cases, any important information on executed orders provided to the professional clients of the investment intermediary consists of content agreed to by the client. The information is provided to the professional client as soon as commercially possible.

## 9.2. Distribution of reports for management of client portfolio by the investment intermediary:

a. The investment intermediary provides a six-month report on the transactions made on client's account, in connection with portfolio management, unless the latter is provided to the client by a third party in compliance with Regulation No.38.

b. The client is informed that it has the right to require a written quarterly report on the portfolio from the investment intermediary.

c. The client may require written confirmations and important information (depending on whether it is a professional or retail client) about each portfolio transaction. In this case the investment intermediary is required to report on the portfolio once annually.

Overall, the reports under items "a" – "c" above are provided by the investment intermediary in a manner agreed with the client within 10 business days of the end of the respective reporting period. The duration of the reporting period is calculated from the starting date of transfer of assets by the client for management under a portfolio management contract.

## 9.3. Reports provided to clients whose money or other financial instruments are kept by the investment intermediary:

Such reports have the following minimum content:

1. data on the financial instruments or money, held by the investment intermediary on client behalf at the end of the reporting period;
2. the amount to which the client's financial instruments or money have been subject of a transaction for financing of securities; and

3. the amount of received dividend or other payments to the client for taking part in a deal for financing of securities;

Separate reports of that kind are provided only to clients, who do not have a signed contract for portfolio management. Otherwise the information is included in the portfolio reports described in item 9.2. above.

This report is provided by the investment intermediary once annually in compliance with the rules in item 9.2.

10. Brief description of the measures taken by UniTrader EAD to guarantee the financial instruments or client funds. Brief description of the systems for compensation of investors in which the investment intermediary takes part regarding its activities in Bulgaria.

10.1. Measures for guarantee of financial instrument or client money by UniTrader EAD:

The following outlines the measures taken by the investment intermediary regarding the keeping of financial instruments or money – owned by clients separate of the intermediary's own assets:

The investment intermediary secures separation of its own assets from its clients. The investment intermediary deposits such funds, provided by clients or received from investment services provided on their account, with a party under Art. 34, Para. 3 of LMFI by the end of the next business day in a bank account designated for client funds. Such account is held separate of any account maintaining the funds of UniTrader EAD. Clients financial instruments and funds are kept as follows:

- a. The money of clients shall be stored by the investment intermediary in accordance with the Rules of UniTrader EAD for storage of client financial instruments and monetary funds and for separation of the intermediary's portfolio of financial instruments from the investors, in a common bank account for funds of clients. All clients agree to have its funds kept in a collective investment scheme which complies with the requirements under Art. 34, Para. 3, item 4 of MFIA;
- b. The client is notified that whenever it wishes to use investment services connected with the purchase or holding of financial instruments traded on markets other than those of Bulgaria, its financial instruments can be kept in a common account (together with the other financial instruments held on behalf of UniTrader EAD), in a third party, whenever the local legislation permits that;
- c. The client is notified that upon acquiring financial instruments in the countries below their national legislation prohibits the separation of the financial instruments purchased on client's behalf from those of UniTrader EAD or those of a third party:
- d. measures taken by the investment intermediary to guarantee the money and financial instruments of its clients whenever the provided investment service involves actions of a third party different from UniTrader EAD:

e. Upon opening a financial instruments account in a third party on behalf of its clients the investment intermediary provides the due care of the interests of the client in selecting this party and assigning it to keep the financial instruments of the client and once a year revises with equal care the choice of this party and its custody terms;

f. Upon fulfilling its obligations under the preceding statement the investment intermediary considers the professional skills and market reputation of the third person as well as the legal framework and market practices, connected with the holding of such financial instruments, which could be harmful to the clients' rights;

In case of necessity the client does not object to the safekeeping of its financial instruments by a third party, different from the above mentioned, or to the use of services of third parties, different from the above stated, for investment services provided on client's account. In such case the investment intermediary immediately notifies the client about the choice of a new third party by means of communication preferred by the client.

Whenever a client has not been notified of the identity of the third party which keeps its money and/or financial instruments, the investment intermediary is responsible for the actions of this party and the client can choose to whom is shall direct its claims (the investment intermediary or the third party) if it has such.

The clients are informed that their money and/or financial instrument accounts are subject to regulation by legislation and countries which are not member states of EU, respectively the rights of the client concerning financial instruments or money funds can be different due to the specifics of the local legislation.

#### 10.2. Measures for compensation of the investors

The client declares that it is aware of the existing system for compensation of investors in securities in the parameters described below. The scope of the system for compensation is as follows: the Security Investors Compensation Fund pays compensation to each client (excluding the persons or in the cases of the last sentence of this article) of the investment intermediary to the amount of up to 90% of the total receivables but no more than the maximum defined by law as at the respective moment. The Security Investors Compensation Fund pays compensations to the clients of the investment intermediary to the amounts stated in the previous sentence when:

- a. the Sofia city court has opened insolvency procedure for the investment intermediary, including cases when the insolvency procedure has been ceased under art. 632 of the Commercial Code;
- b. the license of the investment intermediary has been revoked, and respectively the permit for investment intermediary operations, with a decision of the respective institution.

The decision for compensation of the Security Investors Compensation Fund is published at least in two daily newspapers and on its webpage and during the period for compensation claims from the clients of the investment intermediary as well as the bank which will facilitate the compensation payments.

The client is notified that apart from the already stated there are no other compensation schemes for the losses of investments in securities. The Security Investors Compensation Fund does not pay compensations (a) to the following persons: 1. Members of the management and supervisory board of the investment intermediary as well as to its procurers; 2. Persons which own directly or through connected persons 5% or more than 5% of the votes in the general meeting of the investment intermediary or can control it as well as to the persons belonging to the same group, which controls the investment intermediary and consolidated its reports. 3. The registered auditor which audited the annual report of the investment intermediary; 4. spouse, relatives - direct line of descent without limitation, collateral line of descent of first and second degree in-laws of first and second degree to the parties under item 1, 2 and 3; 5. the investment intermediaries; 6. Credit institutions; 7. Insurers; 8. pension and social insurance funds; 9. Closed-end investment companies, collective investment schemes and special purpose vehicles; 10. The state and state institutions; 11. Municipalities; 12. The Security Investors Compensation Fund, Bank Account Guarantee Fund and the Guarantee funds under art. 287 of the Insurance code; 13. Investors which benefited from events connected with the investment intermediary and damaged its financial stability, as well as to investors which contributed to the latter; 14. other professional and institutional investors; and (b) in the following cases: compensation for receivables originating from and/or connected with transactions and actions qualified as money laundry pursuant to art. 2 of the Law on Measures Against Money Laundering if the sentence of the convicted has entered into force.

11. General description of the investment intermediary policy for treatment of conflicts of interest:

The investment intermediary establishes a structure enabling the fair treatment of conflicts of interest between the company and its clients as well as between the clients. One of the main principles for establishment of the internal structure is the limitation of information flow within the company through "Chinese walls".

Control of the information flow within the investment intermediary for the purposes of these rules shall mean development and maintenance of instruments restraining the sharing of information by a person connected with one of the activities of the investment intermediary or the use of information regarding persons the intermediary works for (partners or clients). In order to achieve this, the investment intermediary can:

- a. Keep for itself or refrain from using the received information;
- b. Allow its employees, who have information acquired upon implementation of professional duties not to share this information with other employees in charge of another activity of the investment intermediary or working with other clients of the intermediary.

The above limitation for distribution of information applies only to an extent where one or both activities are connected with the execution of investment services or operations, included in the business of the investment intermediary or of connected operations.

Based on the above none of the employees of the investment intermediary has the right (and such opportunities will be limited) to act to the benefit of one client at the expense of another. The established work organization and exchange of information shall minimize the risks from front running (trade before the client), whenever the investment intermediary or some of the persons connected with the investment intermediary make transactions with securities on their own account, from insider trading under Art. 4, Para. 3 of the Law against Market Abuse with Financial Instruments and will comply with art. 21 of the same law.

Additional detailed information about the policy for treatment of conflicts of interest of the investment intermediary is available to the clients and the potential clients on the website of UniTrader EAD.

12. Detailed information about the inherent risks by types of financial instruments included in the services of the investment intermediary is available on the website of the investment intermediary.

13. The investment intermediary provides to its clients the following information about the expenses and fees for each transaction as far as it is applicable:

13.1. the total price to be paid by the client for the financial instrument or the provided investment or other services including all fees, commissions, charges and expenses as well as all taxes payable through the investment intermediary; in case the exact price cannot be estimated a base for calculation and verification of the price must be provided in a way enabling the client to check and confirm it; the commissions of the investment intermediary are provided separately for each case;

13.2. whenever one of the parts of the common price in item 13.1 is due to be paid in a foreign currency or the amount equaling this currency, the payment currency, exchange rate and expenses for the exchange must be provided;

13.3. notification about the opportunity for arising of other costs including taxes concerning transactions with financial instruments or provided investment services which are not paid through the intermediary and are not imposed by it;

13.4. the rules and methods for payment or other execution.

The requirement under Art. 13 is not applied to units and shares in collective investment schemes, if the investment intermediary presents to the client the information contained in the short prospect of the collective investment scheme.

The information described above which has a permanent character is provided once to the client (the potential client) and is updated upon changes by the investment intermediary.

14. The client is notified about its obligation to reveal its shareholdings under chapter XI, section I of the LPOSA, i.e. to inform immediately but no later than the end of the day following the acquisition/transfer (in direct acquisition) or by the expiration of 4 business days as of the moment the client has become acquainted or was bound to become acquainted (in acquisitions through other persons connected with the client within the meaning under chapter XI, section I of the LPOSA) the

public company and FSC whenever its voting right in the general meeting of this public company directly and/or in compliance of art. 146 of the LPOSA reaches, exceeds or falls below 5% or a figure divided by 5% of the number of votes in the general meeting of the public company.

15. If the investment intermediary signs a contract for portfolio management with a retail client or a retail client signs an agreement under Regulation No.16 from 07.07.2004 about the terms and conditions for execution of margin purchases, short sales and lending of securities through the investment intermediary, the retail client may demand the inclusion in the contract of stop loss clauses where upon surpassing of the threshold the intermediary shall inform the retail client.

16. The client is notified that the investment intermediary is not liable in case of communication breakdown that impedes the transfer or acceptance of client orders, their change or cancellation on condition that the intermediary has taken all necessary and sufficient measures in compliance with its rules for risk management and despite that cannot establish a connection (over the phone, telephone etc.) with the person keeping the financial instruments/money, owned by the client, with the regulated market and/or with the client.