

INVESTMENT INTERMEDIARY

ZAGORA FINACORP AD

**SPECIAL TERMS AND CONDITIONS
APPLICABLE TO CONTRACTS WITH CLIENTS OF
INVESTMENT INTERMEDIARY ZAGORA FINACORP AD
FOR TRADING ON OVERSEAS MARKETS**

Abbreviations Used

InvI	Investment Intermediary ZAGORA FINACORP AD
Tied Agent	Commercial Company SAGA GLOBAL FINACORP LTD.
General Terms and Conditions	General Terms and Conditions applicable to contracts with clients of InvI ZAGORA FINACORP AD.
Special Terms and Conditions	General Terms and Conditions applicable to contracts with clients of InvI ZAGORA FINACORP AC for trade on overseas markets
BD	Board of Directors
FSC	Financial Supervision Commission
Deputy Chairperson	Deputy Chairperson of FSC in charge of the Insurance Supervision Division
Regulation (EU) No. 1031/2010	Commission Regulation (EU) No. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community
General Data Protection Regulation	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC
MFIA	Markets in Financial Instruments Act
LPOS	Law on Public Offering of Securities
LMMAFI	Law on Measures against Market Abuse with Financial Instruments
ASIPC	Act on Special Investment Purpose Companies
AACISOCUI	Act on the Activities of Collective Investment Schemes and Other Collective Investment Undertakings
FSCA	Financial Supervision Commission Act
LCI	Law on Credit Institutions
EDECSA	Electronic Document and Electronic Certification Services Act
Ordinance No. 38	Ordinance No. 38 of 25.07.2007 of the Financial Supervision Commission on the requirements to the activities of the investment intermediaries
Ordinance No. 58	Ordinance No. 58 of 28.02.2018 on the protection of financial instruments and money of clients, on the management of products an
Delegated Regulation (EU) 2017/565	Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive
NRGHGEAT	National Register of greenhouse gas emission allowances trading kept and maintained by the Minister of Environment and Water

CHAPTER ONE
GENERAL PROVISIONS

Article 1. (1) These Special Terms and Conditions lay down the rights and obligations of Investment Intermediary ZAGORA FINACORP AD (hereinafter Investment Intermediary or Invl) and its clients with regard to the following services and activities provided by the Investment Intermediary under a license and pursuant to Article 6, (2) and (3) of the Market in Financial Instruments Act:

- 1.1. Acceptance and submission of orders, including arranging and concluding transactions for execution on markets outside the territory of the Republic of Bulgaria, with regard to the following financial instruments:
 - 1.1.1. Emission allowance futures and options and two-day spot contracts pursuant to Regulation (EU) No. 1031/2010;
 - 1.1.2. Commodity futures and options contracts;
 - 1.1.3. Precious metals futures and options contracts;
 - 1.1.4. Currency futures and options contracts.
- 1.2. Execution, for the account of clients, of orders to buy or sell the financial instruments under 1.1.1. – 1.1.4. above on markets outside the territory of the Republic of Bulgaria;
- 1.3. Investment advice in relation to the trade in financial instruments under 1.1.1. – 1.1.4. above;
- 1.4. Investment services and activities under 1.1. – 1.3. above with regard to the basic instruments of derivative financial instruments, where these are related to the provision of investment and accessory services.

(2) Where these special terms and conditions do not provide for specific characteristics of the regime of conclusion and execution of contracts with clients, the General Terms and Conditions and Invl's Policy for execution of client orders shall apply.

(3) The activities under Article 9, (2) of MFIA shall only be carried out upon due authorisation granted by FSC pursuant to Article 24 of MFIA.

Article 2. (1) Invl ZAGORA FINACORP AD is a joint-stock company domiciled in Haskovo, with registered address:

Head Office – Haskovo, 10, Dobrudzha St., entrance 2, floor 2, ap. 27. telephone: 038/660661, fax: 038/628612, website: www.zf-bg.com.

(2) Invl ZAGORA FINACORP AD was first registered in the register of the District Court of Stara Zagora with a decision on company file No. 1553/1998, volume II, page 56, lot 28, register 1. INVI ZAGORA FINACORP AD and reregistered in the Commercial Register of the Registry Agency with Company ID: UIC 123122384.

(3) The scope of business of the investment intermediary covers the following investment services and activities: conclusion of transactions for trading in derivative financial instruments.

(4) Invl holds a license for operation as an investment intermediary on the territory of the Republic of Bulgaria pursuant to Decision No. 71 - ИП/29.07.1998 of the Securities and Stock Exchange Commission. Invl ZAGORA FINACORP AD has been granted a new license enabling the company to provide the investment services and activities, as well as the accessory services, included in its scope of business, by virtue of Decision No. 372 – ИП / 07.06.2006 of the Financial Supervision Commission. Invl ZAGORA FINACORP AD is registered with No. ПГ-03-166 in the register of investment intermediaries kept by the Financial Supervision Commission.

(5) The Financial Supervision Commission (FSC), domiciled in Sofia at 16, Budapeshta St., provides supervision of the activity of Invl ZAGORA FINACORP AD as an investment intermediary.

(6) Invl has entered into a contract with a tied agent in the meaning of Article 33 of MFIA – the commercial company Saga Global Finacorp Ltd. entered with No. ПГ-16-01 in the register of tied agents kept by FSC, pursuant to Decision No. 668 – ОА / 03.07.2018 of the Financial Supervision Commission.

(7) The tied agent provides on behalf of Invl the following services, including on overseas markets, subject to freedom to provide services:

1. soliciting clients for trading;
2. reception and transmission of client orders;
3. offering financial instruments.

(8) The tied agent provides the services under (7) above through its managers, procurators, officers, or other natural persons working under a contract for the tied agent.

Article 3. (1) Invl is a market participant and a non-clearing member entitled to participate in the continuous trade on the secondary markets trading the financial instruments under Article 1, (1), 1.1.1. – 1.1.4. by submitting orders to buy and/or sell via the electronic trading systems of the relevant markets.

(2) The transactions under Article 1, (1) are executed, settled and securitised pursuant to the terms and conditions of trading and the rules of the relevant regulated market, clearing and settlement being effected through a clearing market participant with whom Invl has contractual relations.

Article 4. (1) A client is any legal person benefiting from investment and/or accessory services provided by the investment intermediary.

(2) Only professional clients or acceptable counterparties that have been identified as such pursuant to conditions and criteria laid down in the client categorization rules approved by Investment Intermediary's Board of Directors or have requested to be categorized as such pursuant to Article 9 (2) of the General Terms and Conditions, respectively acceptable counterparties that have not expressly requested to be categorised as non-professional clients pursuant to Article 9 (5) of the General Terms and Conditions, can be clients of the Investment Intermediary for the purposes of trading in derivative contracts.

CHAPTER TWO

TRANSACTIONS IN DERIVATIVE CONTRACTS

Section I.

General Provisions

Article 5. (1) The Investment Intermediary shall provide the investment services under Article 1, (1) for the account of the client and on the basis of a written contract concluded pursuant to Chapter Two of the General Terms and Conditions applicable to contracts with Invl clients.

(2) In its relationship with clients regarding the provision of the investment services under Article 1, (1), the Investment Intermediary shall establish the Bulgarian and the English languages as languages of equal value for correspondence, submission of documents and notifications, as well as for any other exchange of information. These Special Terms and Conditions are also made available in the English language which reflects in a full and accurate manner the content and meaning of the Bulgarian original which shall prevail in respect of the meaning and interpretation of the individual provisions.

(3) The parties may exchange information in writing or orally. The Investment Intermediary shall keep the information received or sent in writing, as well as records of the telephone conversations with the client and the electronic correspondence on client's file, pursuant to the rules of MFIA, Delegated Regulation (EU) 2017/565 and the General Terms and Conditions applicable to contracts with Invl clients.

(4) When signing an agreement, the Investment Intermediary shall make available to the client, in addition to the documents under Article 7 of the General Terms and Conditions, also these Special Terms and Conditions, as well as such other third-party documents as may be required to be made available to the client by a regulatory provision and/or by the contract between Invl and such third party.

(5) The Special Terms and Conditions shall be conspicuously displayed in the premises where the intermediary receives its clients, shall be posted in intermediary's website and shall be made available to the client pursuant to Article 7, (4) of the General Terms and Conditions.

(6) The procedure for amending and supplementing the contract under Article 5, (1) of these Special Terms and Conditions shall be governed by the provisions of Section II of the General Terms and Conditions.

(7) The termination of the contract under Article 5, (1) shall be governed by the provisions of Section IV of the General Terms and Conditions.

Article 6. (1) By signing these Special Terms and Conditions the client declares that he understands and accepts that the orders submitted by client for trading in the financial instruments under Article 1, (1), 1.1.1. – 1.1.4. shall be received by ZAGORA FINACORP AD and shall be executed pursuant to the contract between the client and Invl, the conditions for trading on the relevant regulated markets trading the financial instruments, the contracts concluded between the regulated markets and the Investment Intermediary and/or the contracts concluded between the clearing participant under Article 7, (1) and the Investment Intermediary, or according to other applicable rules.

(2) The client shall not have direct access to the electronic trading systems of the regulated markets trading the financial instruments under Article 1, (1), 1.1.1. – 1.1.4.

(3) InvI undertakes to inform the client about the rules for execution of orders in the case of specific features of the conditions of trading or of the rules of the respective regulated market, which are relevant to the contract with the client and are not set out in the General Terms and Conditions or these Special Terms and Conditions of InvI, including to inform the client in due time of any changes in those rules.

(4) The client is aware and understands that the derivative contracts under Article 1, (1) are governed by the following rules:

1.1. futures – a right and an obligation to buy or sell an underlying asset (securities or other financial instruments) at a price fixed in advance, at a specified future date. All parameters such as quantity, specification, payment sending/receipt date shall be strictly set out in the futures contract;

1.2. options – a right to buy (call option) or sell (put option) a specified number of securities or other financial instruments at a price fixed in advance (strike) within a specified period or on a specified date, and an obligation to pay the relevant premium on the option.

Section II.

Confidentiality and Personal Data Protection

Article 7. By receiving and signing these Special Terms and Conditions the client declares and is aware that:

1. The Investment Intermediary has signed a contract with a third party clearing regulated market participant which effects the clearing and settlement of the orders received from the client and submitted by the Investment Intermediary;
2. For the purposes of the execution of client's orders, InvI ZAGORA FINACORP AD needs to make the following categories of personal data available to the person under 1 above:
 - a. client name;
 - b. client domicile and head office;
 - c. client LEI number;
 - d. such other data as may be objectively required to the execution of the order.
3. The person under 1 above may process client's personal data under 1, a) – d) above for the purposes of administration and maintenance of InvI's account, compliance with the applicable regulatory provisions or for similar purposes;
4. The processing of client's personal data is authorised pursuant to the applicable personal data protection law, to the extent that:
 - a. it is necessary for the purposes of the legitimate interest and for discharge of the contractual obligations by the person under 1 above, in fulfilment of the contract with InvI;
 - b. and/or in some cases it is necessary in order for the person under 1 above to comply with the applicable legislation.
5. The provision of personal data of the client may include the transmission of such data to any third country, including countries outside the European Economic Area and in such cases the person under 1 above warrants and represents that the personal data transmitted are protected pursuant to the General Data Protection Regulation.
6. The person under 1 above shall keep client's personal data pursuant to the applicable European or national data protection legislation.
7. InvI shall be entitled to refuse to receive a client's order without having to specify the reason for that, but it shall inform the client about the refusal without delay.

Section III.

Execution of Orders

Article 8. (1) InvI ZAGORA FINACORP AD shall receive orders pursuant to Chapter Three of the General Terms and Conditions and pursuant to InvI's Policy for execution of client orders.

(2) Subject to the rules of the place of execution where the transaction will be concluded, the Investment Intermediary may merge client's orders under Article 1, (1) with its own orders or with the orders of other clients under Article 1, (1) with a view to executing them in the best interest of the client.

Article 9. (1) Any client submitting an order to buy financial instruments under Article 1, (1), 1.1.1. – 1.1.4., shall make the money, required for making payments on the transaction subject of the order, available to the

Investment Intermediary at the time of submission of the order by transferring the money to Invl's bank account in EUR.

(2) Where the rules of the place of execution where the transaction will be concluded permit the conclusion of a transaction in which the payment of the financial instruments is not effected at the time of their transfer, the requirement for making money available under the preceding paragraph shall not apply provided that there is an express written consent of the seller to that effect. This shall apply also to other transfers of financial instruments.

(3) Where the client deposits the money to Invl's bank account in a currency other than euro, the full currency conversion risk shall be borne by the client, unless the contract with Invl provides otherwise.

(4) For the opening of a new position, the client must have available free money in the account under (1) above. The amount of the free money shall be not less than the amount for acquisition of financial instruments or the initial margin on the position which the client wants to open.

Article 10. (1) The money under Article 9, (1) shall be used to pay for financial instruments acquired by the client, to cover the risk of losses on positions opened by the client (initial margin), to pay remunerations and costs, interest and other cash flows in connection with transactions concluded and positions opened by the client.

(2) Client's money under (1) above shall at any time be equal to at least the sum of the initial margins under Article 11 on all positions opened by the client. The client shall fulfil the obligations under the transaction concluded for client's account, whether the amount of such obligations is higher than the amount of the money in the account under (1) above or not.

Article 11. Any client submitting an order for sale of financial instruments shall provide the Financial Intermediary with the information and/or rights of access by Invl to the financial instruments in client's account with the institution effecting the clearing and settlement on the transaction, which are required for the execution of the order.

Article 12. (1) The final settlement price of a derivative contract shall be fixed pursuant to the clearing conditions of the clearing participant under Article 7, (1), the conditions of trading and the rules of the relevant regulated market, the positions being reconciled by crediting or debiting client's account kept by the person under Article 7, (1).

(2) At least 2 business days before the maturity of the respective financial instrument, the client shall have available free money transferred to the account of Invl under Article 9, (1), or the respective volume of financial instruments necessary to comply with the requirement for crediting or debiting client's account kept by the clearing participant under Article 7, (1), on the day of the futures contract maturity.

(3) When signing derivative contracts with settlement on a daily basis (one-day futures), the money for execution of the order to buy should be available and accessible in Invl's account, respectively the assets required for the execution of an order to sell shall be available in client's account kept by the clearing participant under Article 7, (1), at the time of submission of the order by the client.

(4) In case the client is in default of the requirement under paragraph 2 or paragraph 3, Invl shall be entitled to close ex officio the position(s) for which the client has failed to make available the required money or assets for settlement, the loss or profit, as well as Invl's commission being reflected in the balance of client's sub-account.

(5) Once daily, the Investment Intermediary shall make available to the client, to an e-mail address specified by the client, information about the positions opened by the client and the amount of the initial margin required for maintaining the positions. Invl may, at client's request, provide the information under the first sentence also on the phone, pursuant to the General Terms and Conditions for maintaining and keeping the communication with clients.

Section IV.

Margin Arrangements

Article 13. Transactions pursuant to these special rules for the financial instruments under Article 1, (1) shall be concluded in a regulated market, as well as in a multilateral trading system or organised trading system, pursuant to the applicable rules of the relevant platform.

Article 14. (1) For the purposes of conclusion of the transactions under Article 1, (1), the client agrees to make available to the Investment Intermediary on request initial margin fixed pursuant to the conditions of the regulated market for the relevant financial instruments and pursuant to Invl's methodology. The initial margin is such an amount of money or assets as may be required before the opening of a position in the name of the

client by Invl pursuant to the rules of the relevant market. It serves as protection against loss or risk of loss on current, future or expected transactions.

(2) The initial margin, which the client is obligated to make available, shall be fixed by Invl pursuant to a methodology deemed appropriate (including discretion in regard to future market and price movement) and shall be communicated to the client before the order is executed.

(3) The initial margin for each position shall be calculated separately depending on the type of instrument and shall be determined on the basis of the rules of the markets in which the transaction covered by client's order is concluded.

Article 15. (1) Where it is established at the closing of the regulated market at the end of the working day that additional funds are required for client's open positions, the Investment Intermediary shall be entitled to require margin call equal to the negative difference between the average price of the open position of the relevant derivative contract and the settlement price of said derivative in the regulated market at a given point of time.

(2) Invl shall notify the client of the shortage of funds in client's sub-account and the pending closing of the position, to the e-mail address specified by the client, not later than 9:30 h., UTC+2:00, on the first business day after the day on which a need of a margin call has been identified and shall require the client to deposit additional collateral (additional margin) or give instructions for execution of an order to close one or several positions, but not less than the amount required to cover the potential loss from the open position.

(3) Where the shortage of funds on all open positions of the client exceeds a threshold equal to 50 % (fifty per cent) of the full amount of the initial margins, Invl shall notify the client thereof on the phone.

(4) Invl may announce a margin call in relation to two or more services or transactions or, where appropriate, a multitude of individual margin calls in respect of different parts of the same services.

(5) The client shall deposit the additional margin, give instructions to close one or several positions accordingly, by 12:30 h., UTC+2:00, on the day of receiving Invl's notification under paragraph 2 or 3.

(6) The client shall deposit the additional margin to Invl's bank account in euro, unless the parties agree otherwise. The Investment Intermediary shall transfer, also in euro, the additional margin received from the client to the regulated market via the clearing participant under Article 7, (1).

(7) The full currency conversion risk under (6) above shall be borne by the client, unless the contract with the client provides otherwise.

Article 16. (1) Where the client is in delay of its obligation to deposit the money required to cover the additional margin within the specified period or to give instructions under Article 15, (2), as well as where the shortage of available money on all open positions of the client exceeds a threshold equal to 80 % (eighty per cent) of the full amount of the initial margins, the Investment Intermediary shall be entitled to close ex officio, without further notice, in whole or in part, client's open positions with a view to achieving the required amount of initial margin on the open positions and preventing a negative balance in client's sub-account, including after deducting the remuneration due to Invl and the additional commission from the balance in client's sub-account.

(2) Positions shall be closed as referred to in (1) above in the chronological order in which they were opened.

(3) Where positions are closed pursuant to (1) above, the client shall not be entitled to object to the closing of positions, including to the prices at which they were closed.

(4) Where, regardless of the steps taken by the Investment Intermediary to close positions pursuant to (1) above, the balance in client's sub-account remains negative, the client shall deposit in Invl's bank account an amount equal to the shortage in client's sub-account.

Article 17. The amount of the initial margin shall be deducted from the total amount of client's assets received by Invl and transactions shall only be executed in the remaining portion of assets, the so-called "available assets".

Article 18. (1) By receiving and signing these Special Terms and Conditions, the client declares and is aware that except for the assets for which the parties agree otherwise in the contract between them, all client's assets – both money and financial instruments – received by the Investment Intermediary shall be considered to be a provided or potential margin, or collateral for securing or otherwise covering present or future, actual, conditional or expected obligations of the client. Invl may satisfy from the assets under the preceding sentence its claims relating to client's obligations or to services provided to the client by the Investment Intermediary at the order of the Investment Intermediary for client's account.

(2) The money and the initial margin shall be refunded to the client at client's explicit request and only:

1.1. up to the amount at which client's obligations to Invl, in respect whereof the applicable rules or conditions need to be regulated, are fulfilled;

1.2. upon termination of the contract under Article 5, (1) pursuant to the General Terms and Conditions.

Article 19. The Investment Intermediary shall perform the intermediation services relating to the conclusion of transactions in financial instruments in overseas markets at the full account and risk of the client. The Investment Intermediary shall not grant leverage to its clients for the execution of the transactions under Article 1, (1).

Section IV.

Specific Features of Futures Trading

Article 20. (1) The client shall conclude transactions in futures contracts by taking a position in the relevant futures, as follows:

1.1. short position – sale of futures by the client, whereupon the client undertakes to deliver the relevant quantity of the underlying asset on the futures maturity date;

1.2. long position – buying of futures by the client, whereupon the client undertakes to buy the relevant quantity of the underlying asset on the futures maturity date.

(2) As a result of transactions in futures, the client makes profit or loss to the settlement maturity thereof in consequence of currency conversion differences between the opening and closing price of the position in the relevant futures.

(3) In the event that the client wishes to avoid delivery of the underlying asset on the futures maturity date, the client is entitled to either transfer, before the maturity of the relevant futures, its futures position by simultaneously closing the open position and opening a new position in the chronologically subsequent futures contract for the relevant underlying asset, or close its position.

Section V.

Exercising Options

Article 21. (1) To acquire the right to buy or sell the underlying asset, the client shall pay a fixed price in the form of a premium. The amount of the premium shall be determined by the parameters of the option covered by the transaction. When buying an option, the client shall pay the amount of the premium from its account with the Investment Intermediary at the time of conclusion of the transaction and there are no subsequent requirements for maintaining an initial margin on the open position. When selling an option bought, the client's account shall be credited with the amount of the premium received. This amount shall be reflected in client's account on the date the transaction is concluded, without becoming part of the available amount and only goes definitively to the benefit of the client after the maturity of the option.

(2) The client shall be entitled to conclude transactions in options out of the money by taking positions in the relevant option, as follows:

1. when buying a call option, the client shall be entitled but shall not be obligated to buy by the maturity date the relevant financial instruments at the price specified in the option;

2. when buying a put option, the client shall be entitled but shall not be obligated to sell by the maturity date the relevant financial instruments at the price specified in the option;

3. when selling a call option, the client undertakes to sell the relevant shares or futures at the price specified in the option, provided that the rights in the option are exercised by the buyer on the maturity date;

4. when selling a put option, the client undertakes to buy the relevant shares or futures at the price specified in the option, provided that the rights in the option are exercised by the buyer on the maturity date.

(3) In the cases under paragraph 2, 1 and 2 above, the client may make profit consisting in positive currency conversion differences between the premium paid at the time of buying the option and the premium received at the time of selling the option.

(4) In the cases under paragraph 2, 1 and 2 above, where a right to buy or sell the relevant financial instruments is granted, the client may, when the rights under the option contract are exercised, make a profit consisting in positive currency conversion differences or loss consisting in negative currency conversion differences.

(5) In-the-money option is exercised automatically on the maturity date, with the client getting a position in the relevant underlying asset or money in the amount of the financial result from exercising the option.

(6) Client's rights and obligations under a specific transaction in options depend on the specifications of the relevant instrument determined by the organised market trading the options and the institution providing the clearing and settlement of the transaction.

Article 22. Unless otherwise agreed between Invi and the client or unless otherwise provided for in the regulated market rules, whenever a transaction is concluded on a client order for closing of open positions in options, submitted by Invi, the conclusion of the transaction automatically leads to extinction of the obligations of all parties to all transactions and the parties step into a second transaction – a futures contract, except in the case of unpaid settlement obligation on closed transactions, imposed fines or financial sanctions, or other claims lodged pursuant to the general rules of Invi.

Final Provisions

§ 1. These Special Terms and Conditions were prepared pursuant to the Markets in Financial Instruments Act, Delegated Regulation (EU) 2017/565 and Ordinance No. 38 on the requirements to the activities of investment intermediaries, and were adopted at a meeting of the Board of Directors of Invi ZAGORA FINACORP AD held on 24.08.2018.

Representatives of Invi ZAGORA FINACORP AD:

Daniel Rumenov Gargov

Tencho Hristov Lilyanov