



**GENERAL TERMS AND CONDITIONS APPLICABLE TO CONTRACTS WITH CLIENTS**  
**OF MATADOR PRIME LLC**

**Section I. GENERAL PROVISIONS**

Article 1. (1) These general terms and conditions shall govern the relationships between the clients and Matador Prime LLC, hereinafter referred to as "INVESTMENT INTERMEDIARY" or II, in relation to the offering of investment services and activities by the latter, subject of the Act on Markets in Financial Instruments (AMFI), which are mentioned below.

(2) The INVESTMENT INTERMEDIARY shall conclude a specific contract with a client on the basis of these general terms and conditions applied by it, which are an integral part of the contract.

(3) The general terms and conditions contain the information which the II must submit to its clients (unprofessional or professional), as required by Ordinance No. 38 of 25.07.2007 on the requirements to the activity of the investment intermediaries (Ordinance No. 38), including information on the methods of reasonable and fair settlement of disputes and on the basic rights and obligations of the II and the client.

(4) The tariff for the standard commission remuneration under the different types of contracts with clients, as well as the type and the amount of the costs of clients, if they are not included in the remuneration of the II, and these general terms and conditions applicable upon conclusion of contracts with clients shall be displayed in a prominent and accessible place in the room in which the II accepts clients. The general terms and conditions shall be submitted to clients on paper.

**Section II. GENERAL INFORMATION - IDENTIFICATION OF THE II, METHODS OF COMMUNICATION WITH CLIENTS**

Article 2. (1) Pursuant to the requirements of AMFI and Ordinance No. 38 the INVESTMENT INTERMEDIARY shall submit in this section of the general terms and conditions to the clients general information on its identification, the services offered, the methods of communication with clients and the methods of accepting orders from clients.

(2) The information under paragraph 1 refers to:

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**1. Identification data about the II, its address, telephones and other contact information:**

**name:** MATADOR PRIME LLC, UIC: 203248647

**seat and registered office:** Sofia, 30 Sveti Naum Blvd.

**address for contacts:** 1421 Sofia, 30 Sveti Naum Blvd.



**telephone and other contact information:**

**Person for contact** – Vasil Karaivanov

**e-mail:** info@matadorprime.com

**telephone:** +359 2 4943940

2. The languages in which the client can communicate, keep correspondence with the INVESTMENT INTERMEDIARY and receive documents and other information from it - for clients who are Bulgarian citizens, the language shall be Bulgarian, for clients who are foreign citizens, the language shall be Bulgarian, if they have a sufficient command of it in writing and speaking, or English in other cases.

3. Services offered by the II.

a) Investment services and activities consisting of:

- Recipient and transmission of orders regarding one or more financial instruments, including – orders for execution of transactions with financial instruments;
- Execution of client orders on clients' behalf; Portfolio management; Provision of investment consultations to clients;
- Offering for initial sale of financial instruments without an unconditional and irrevocable commitment for acquisition of the financial instruments for own account.

b) Additional services consisting in:

custody activities (keeping client's money and financial instruments in a depository institution) as well as all related services of management of the acquired money and securities;

- Rendering loans for performance of transactions with one or more financial instruments;
- Consulting companies regarding their share capital structure, industrial strategy and related issues thereof, as well as consultancy and services regarding mergers and acquisitions;
- Services, related to international currency, as long as these are related to rendering of the investment services rendered;
- Investment research and financial analysis as well as other forms of general recommendations, related to transactions with financial instruments;
- Rendering consultancy and forecasts related base active of derivative financial instruments pursuant to Art. 3, pt. 2, "d", "e" and "i" of the Act of Markets of Financial Instruments, as long as these are related to the financial services and additional services, listed above.

Article 3. (1) According to these general terms and conditions, the methods of communication used between the INVESTMENT INTERMEDIARY and its clients are:

1. personal - between the client, respectively the representative thereof and the II, through a person who works under contract for the II and the information exchanged between them shall be on paper or oral (if Ordinance No. 38 provides for the relevant information to be submitted to the II, respectively the client, orally).



2. by telephone - if Ordinance No. 38, respectively these general terms and conditions provide for the relevant information to be submitted to the II, respectively the client, by telephone.

3. exchange of correspondence, and in cases where, pursuant to Ordinance No. 38 and these general conditions, it is required that the provision of information shall be on a durable medium within the meaning of Ordinance No. 38, the INVESTMENT INTERMEDIARY shall provide the information on paper or by another method, which complies with the following requirements:

- the provision of the information by this method is appropriate in view of the existing or future relationships with clients;
- the client has explicitly preferred this method of providing information to its provision on paper.

3.1. Where the clients are provided with information via the website of the firm and it is not addressed to a particular client, it shall comply with the following conditions:

- Ordinance No. 38 should provide for the submission of the relevant information via and by means of the website of the firm, when it does not comply with the requirements to be on a durable medium;
- the provision of information in this way is appropriate in view of the existing or future relations with the client;
- the client has explicitly agreed to this way of providing information;
- the client is notified electronically about the address of the website of the firm and the place on the website where this information is available;
- the information is up-to-date;
- the information is permanently available on the website of the firm for the time normally needed by clients to get familiar with it.

(2) The provision of information via electronic means of communication shall be deemed appropriate in view of the existing or future relationships with the client if there is evidence that the client has regular access to the Internet. It is considered that the client has regular access to the Internet if the client provides an email address for the needs of the relationships established with the INVESTMENT INTERMEDIARY.

### **Section III. METHODS OF ACCEPTING ORDERS**

Article 4. (1) According to these general terms and conditions, the methods of sending and accepting of orders, where applicable, shall be as follows:

1. In person, by the client who submits the order in the registered office of the II, its branch or office on paper.



2. Submission of an order under item 1 by a proxy. The submission of an order under the preceding sentence shall be carried out only if the proxy presents a notarized power of attorney containing authorization for actions in the disposition of financial instruments and a declaration under Article 25, paragraph 1 of Ordinance No. 38 for a period of one year before the submission of the order. Article 24, paragraph 5 and Article 25, paragraph 2 of Ordinance No. 38 shall apply accordingly.

3. Submission of orders for transactions in financial instruments by fax, telephone, email or other remote means of communication by clients.

3.1. In this case the II, until the end of the business day, shall draw up a document containing the details referred to in Article 34, paragraph 1 of Ordinance No. 38 and the details - subject matter of the declarations under Article 35, paragraph 1 of Ordinance № 38, whereby it shall certify the content of the remotely submitted order.

3.2. Item 3 shall not apply to an order submitted by a representative, who has not certified to the INVESTMENT INTERMEDIARY his authorization, or by a proxy, who has not submitted in advance to the INVESTMENT INTERMEDIARY the documents referred to in Article 25 of Ordinance No. 38.

3.3. Item 3 shall not apply to the transfer of dematerialized financial instruments from a personal account to a client sub-account held by the INVESTMENT INTERMEDIARY in the Central Depository.

3.4. Upon acceptance of the order by the II, the person who accepts it shall verify the identity of the client or the client's representative respectively.

3.5. Where orders are submitted by telephone, the II shall make a record of the conversation with the client. Where orders are submitted by other remote means, the II shall store on an electronic medium the data provided by the client in relation to the orders. Fax messages shall be stored on paper.

4. Submission of orders for transactions in financial instruments via an electronic trading system ensuring compliance with the requirements of Ordinance No. 38 and providing the client with access to a particular place of performance.

4.1. The access to the system referred to in item 4 and the entry of client's order shall be done by means of an electronic certificate issued in the client's name.

4.2. Upon acceptance of the order on behalf of the II the person who accepts it shall verify the identity of the client or the client's representative respectively.

(2) Upon acceptance of the order the II shall provide the client with a signed copy of the accepted order under Article 34, paragraph 1 of Ordinance No. 38, unless it is submitted in accordance with items 3 or 4.

(3) The INVESTMENT INTERMEDIARY shall deny the acceptance of an order which does not meet the requirements of Article 34, paragraph 1 of Ordinance No. 38 or is submitted by a proxy, without complying with the requirements of Article 34, paragraph 3 of Ordinance No. 38.

(4) The INVESTMENT INTERMEDIARY shall provide investment and additional services, including the acceptance of orders for the account of clients, only on the basis of a contract signed by them



pursuant to Article 24, paragraph 1, respectively Article 26, Article 26b and 26c of Ordinance No. 38, in compliance with all the requirements of Ordinance No. 38.

#### **Section IV. INFORMATION ON THE SUBMISSION OF REPORTS AND THE CONFIRMATIONS OF CLIENTS**

Article 5. (1) In accordance with these general terms and conditions clients shall be notified that they will receive current and periodic information on the type, frequency and time limit for provision of reports and confirmations to the client relating to the performed investment services and activities, as specified in this section.

(2) Pursuant to this section, apart from the notification under Articles 6 and 7, the clients of the II shall be notified:

1. Where the INVESTMENT INTERMEDIARY executes transactions relating to portfolio management for the account of an unprofessional client or keeps accounts for such clients, which include uncovered positions in transactions or transfers depending on future conditional events. The II shall notify the unprofessional client when loss exceeds the thresholds determined in advance in an agreement with the client. The notification referred to in the second sentence shall be made not later than the end of the business day on which the thresholds are exceeded, or where it has happened on a holiday - until the end of the next business day.

2. Where an obligation arises for the client under Article 145 of the Public Offering of Securities Act as a result of executed transactions in financial instruments for the account of the client, including in management of an individual portfolio of financial instruments and/or funds. The II shall notify the client pursuant to conditions and procedure, specified in the contract.

Article 6. (1) Where the INVESTMENT INTERMEDIARY enters into a transaction for the account of an unprofessional client that is not executed under a contract for the management of an individual portfolio, it shall send on a durable medium as soon as possible but not later than the first business day following the transaction confirmation of the transaction. If the confirmation is accepted by the INVESTMENT INTERMEDIARY via a third party, the client shall be notified not later than the first business day following the day on which the INVESTMENT INTERMEDIARY has received the confirmation from the third party.

(2) The confirmation referred to in paragraph 1 shall contain such portion of the information specified in Article 45, paragraph 2 of Ordinance No. 38 that is relevant to the particular transaction with the relevant implementation of Table 1 of Annex 1 to Regulation 1287/2006/ EC:

(3) Where the order is executed in parts, the II may provide pursuant to Article 45, paragraph 2, item 9 of Ordinance № 38 the client with information on the price of each transaction or an average price. Where the II presents an average price, the II shall provide on request the unprofessional client with information about the price of each separate transaction.

(4) The first paragraph shall not apply if the confirmation contains the same information as the confirmation that was sent immediately to the client by another person.



(5) Where the transaction under paragraph 1 is concluded for the account of a professional client, the INVESTMENT INTERMEDIARY shall immediately submit to the client on a durable medium essential information about the concluded transaction.

(6) If the settlement is not carried out on the specified date or another change occurs in the information contained in the confirmation, the INVESTMENT INTERMEDIARY shall notify the client in an appropriate manner by the end of the business day on which the firm has become aware of the change.

(7) Information about the state of the order and its execution shall be provided upon request on behalf of the client.

In case of an order submitted and accepted under Article 4, paragraph 1, item 4 of these general terms and conditions the confirmation under paragraph 1, respectively the information under paragraphs 3-5, shall be submitted to the client via the electronic system.

Art. 7. (1) When providing the portfolio management service, the II shall submit on a durable medium within the meaning of Ordinance No. 38 to each client a periodic report on the activities carried out for the account of the client, relating to portfolio management, unless such report is submitted to the client by a third party.

(2) For the unprofessional clients the report shall contain the information specified in Article 46, paragraph 2 of Ordinance No. 38, where applicable.

(3) The INVESTMENT INTERMEDIARY shall provide a report under paragraph 1 every six months, when it has signed a contract with an unprofessional client, except:

1. where the client has made a request to receive a report once in every three months;
2. in the cases under paragraph 5 the report shall be submitted once in every 12 months;
3. in case where leverage in the portfolio management is permitted in the contract between the INVESTMENT INTERMEDIARY and the client; in this case the report shall be submitted at least once a month.

(4) By these general terms and conditions the II explicitly notifies the unprofessional client that the latter has the right to make a request to the II on the receipt of a report under paragraph 1 once in every three months. The exception under paragraph 3, item 2 shall not apply to transactions in financial instruments under Article 3, item 2, letters "c" to "i" and § 1, item 1, letter "c" of the AMFI.

(5) The client shall be entitled to choose to receive a report on each concluded transaction within the management of the client's portfolio, after its conclusion. In the cases referred to in the first sentence, the INVESTMENT INTERMEDIARY shall provide the client with essential information about the transactions on a durable medium immediately after their conclusion. Where the client is unprofessional, the INVESTMENT INTERMEDIARY shall send to the client confirmation of the transaction containing the information under Article. 45, paragraph 2 of Ordinance No. 38 at the latest on the first business day following the conclusion of the transaction, or if the INVESTMENT INTERMEDIARY has received the confirmation from a third party - not later than the first business day following the receipt of the confirmation. The third sentence shall not apply if the confirmation contains the same information as the confirmation sent immediately to the client by another person.



(6) The INVESTMENT INTERMEDIARY shall notify the unprofessional client for whose account it manages a portfolio whenever there are uncovered open positions in conditional transactions.

#### **Section V. INFORMATION ON THE MEASURES FOR SECURING CLIENT ASSETS**

Article 8. According to these general terms and conditions, the II shall take measures to secure the client financial instruments or funds, if it holds such for the client, whereof the client shall be deemed informed pursuant to this section.

Article 9. With regard to the protection and safekeeping of the funds and securities of its clients, the II shall notify them of all circumstances and cases envisaged in Article 32 of Ordinance No. 38, when they are available.

Article 10. The INVESTMENT INTERMEDIARY shall not be liable to its creditors with the financial instruments and funds of its clients, and with securities which are underlying with regard to depository notes.

Article 11. (1) The financial instruments of the clients shall be kept in a depository institution in client accounts to the account of the INVESTMENT INTERMEDIARY or in accounts opened to the account of a third party. A depository institution under the preceding sentence shall be an entity operating in registration of financial instruments and transfers of such instruments by opening and keeping accounts of their issuers and/or owners.

(2) Where the II keeps client financial instruments at a third party, the requirements, restrictions, respectively prohibitions, laid down in Article 28 of Ordinance No. 38, shall be strictly observed.

Article 12. (1) The II may not keep the funds of its clients by itself. Funds provided by clients or obtained as a result of investment services carried out for their account shall be deposited not later than the end of the next business day in an entity referred to in Article 34, paragraph 3 of the AMFI.  
(2) In the course of performance of the obligation under this section the II shall strictly observe the requirements, restrictions and prohibitions laid down in Article 29, paragraphs 2-6 of Ordinance No. 38.

Article 13. When signing a contract with a client, the company shall:

1. open analytical accounts for client's financial instruments and funds in accordance with the accounting legislation;
2. strictly obey the rules of record-keeping, laid down in Ordinance No. 38;
3. regularly notify its clients of the balances and the transactions in the cash and financial instruments accounts that it keeps, and of the contract conditions for their safeguarding;
4. assign to its clients a unique number and keep a register thereon, by opening and keeping client accounts at an analytic level.

Article 14. The disposition of financial instruments or funds for the account of the clients shall be accounted and immediately recorded in the client subaccounts at a synthetic level.



Article 15. (1) Except in cases explicitly defined in an ordinance, the II shall not use:

1. for its own account (in the case referred to in Article 4, paragraphs 2 and 3 of Ordinance 35) the funds and financial instruments of its clients;
2. for a client's account, the funds or financial instruments of other clients;
3. for a client's account, its own money or financial instruments (in the case referred to in Article 4, paragraphs 2 and 3 of Ordinance 35).

(2) In cases explicitly defined, where it is permitted to perform the actions under paragraph 1, items 1 to 3, the rules, restrictions and prohibitions laid down in Article 30 of Ordinance No. 38 shall apply.

Article 16. In the rooms where the activity is performed, a security alarm system shall be provided. They should also be consistent with the fire safety standards.

#### **Section VI. DESCRIPTION OF THE FINANCIAL INSTRUMENTS AND THE RELATED RISKS. DEFINITION OF THE CLIENT AS PROFESSIONAL**

Article 17. The financial instruments which may be the subject matter of the services and activities provided by the II under Article 5 of the AMFI with regard to clients, within the meaning of the AMFI, are:

1. securities. Securities are transferable rights registered in accounts in the Central Depository and with regard to government securities - registered in accounts in the Bulgarian National Bank or in sub-depository of government securities or in foreign institutions, pursuing such business activities (dematerialized securities) or documents materializing transferable rights (materialized securities) which can be traded on the capital market, with the exception of payment instruments, such as:

a) shares in companies and other securities equivalent to shares in capital companies, unincorporated companies and other legal entities, and depository receipts for shares;

b) bonds and other debt securities, including depository receipts for such securities;

c) other securities granting the right to acquire or sell such securities or giving rise to a cash payment determined by means of securities, exchange rates, interest rates or yields, commodities or other indices or indicators.

2. instruments other than securities:

a) money market instruments. These are instruments which are normally traded on the money market, such as short-term government securities (treasury bills), certificates of deposit and commercial papers, except payment instruments. Government securities are debt instruments issued and guaranteed by the government.

b) units in collective investment undertakings. These are financial instruments issued by a collective investment scheme, which incorporate the rights of their holders in the assets of the collective





investment scheme.

c) options, futures, swaps, forward contracts with a fixed interest rate and other derivative contracts relating to securities, currencies, interest rates, yields or other derivative instruments, indices or financial indicators, the obligations in which may be fulfilled by a delivery or cash payment;

d) options, futures, swaps, forward contracts with a fixed interest rate and other derivative contracts relating to commodities, the obligations in which should be fulfilled by cash payment or may be fulfilled by cash payment at the request of one of the parties (in cases other than non-performance or other reason for termination of the contract);

e) options, futures, swaps and other derivative contracts relating to commodities, the obligations in which may be fulfilled by a delivery, when they are traded in a regulated market and/or in a multilateral trading system;

f) options, futures, swaps, forward contracts and other derivative contracts relating to commodities other than those specified in letter "e", the obligations in which may be fulfilled by a delivery, which are not commercial securities and which, according to Article 38, paragraph 1 of Commission Regulation (EC) № 1287/2006, 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 in margin purchases or short sales;

g) derivative financial instruments for transfer of credit risk;

h) contracts for differences;

i) options, futures, swaps, forward contracts with a fixed interest rate and any other derivative contracts relating to climate change, freight tariffs, prices of quotas in emissions trading, inflation rates or other official economic statistical indicators, the obligations in which shall be fulfilled by cash payment or may be settled by cash payment at the request of one of the parties (in cases other than non-performance or another reason for termination of the contract), and any other derivative contracts relating to assets, rights, obligations, indices and indicators not otherwise mentioned in this article which have the characteristics of the other derivative financial instruments depending on whether they are traded on a regulated market, are subject to clearing and settlement, including by recognized clearing houses, or used as collateral in margin purchases or short sales, and derivative contracts in pursuance of Article 38, paragraph 3 of Commission Regulation (EC) № 1287/2006.

2.1. Option under letters "c" to "i" is a derivative financial instrument which incorporates the right to buy or sell a specific number of securities or other financial instruments at a price fixed in advance until the expiry of a specific period or on a specific date.

2.2. Futures under letters "c" to "i" is a derivative financial instrument which incorporates the right and obligation to buy or sell a specific number of securities or other financial instruments at a price fixed in advance on a specific date.

2.3. Contracts for differences under letters "c" to "i" are a derivative financial instrument which incorporates the right to receive, respectively the obligation to pay, the difference between the market value of a specific number of securities or other financial instruments and their price fixed in advance in the contract.



Article 18. By these general terms and conditions the client is notified that investment in financial instruments referred to in the previous article is risky. The demand for higher yields from these instruments implies a higher risk, including the risk of losing the full investment.

Article 19. (1) By these general terms and conditions the II notifies all of its clients of the opportunity, at their own initiative or at the initiative of the II, to be defined as professional or unprofessional - pursuant to the appendix under Article 36 of the AMFI, and as an eligible counterparty.

(2) In accordance with these general terms and conditions, an eligible counterparty is a person who is included in the circle of persons explicitly listed in the legal definition of "eligible counterparty" given in § 1, item 29 of the AP of the AMFI, and has expressly requested be treated as such.

Article 20. (1) By these GTC the client is notified that tax at source shall be withheld on receiving dividends. The client is notified of the possibility that other costs may arise, including taxes, related to the transactions in financial instruments or investment services provided, which are not paid by the firm and are not imposed by it.

(2) Pursuant to the rules and methods of payment of the II, as established in this article and paragraph of the general terms and conditions, the client is notified that:

1. The II requires from the client who submits an order for purchase of financial instruments to provide the funds necessary for the payment in the transaction - subject matter of the order, upon submission of the order, unless the client certifies that he will fulfill his obligation for payment, as well as in other cases provided for in an ordinance.

2. If the rules of the place of execution, where the transaction will be concluded, provide for execution of a transaction in which the payment of financial instruments is not carried out simultaneously with their transfer, the II may not require payment by the buyer in the presence of explicit written consent of the seller. This shall also apply to other transfer transactions in financial instruments.

## **Section VII. RIGHTS AND OBLIGATIONS OF THE II**

Article 21. (1) The INVESTMENT INTERMEDIARY shall conclude the contract under Article 24, paragraph 1 of Ordinance No. 38 and accept the documents under Article 34, paragraphs 1 and 3 of Ordinance No. 38 only in a registered office, branch or office which is entered in the register referred to in Article 30, paragraph 1, item 2 of the Financial Supervision Commission Act, unless the contract is concluded under paragraphs 4, 5 and 6 and in compliance with all the requirements of the Ordinance for the conclusion of the contract. The contract referred to in the previous sentence (with the exception of the procedure described in paragraphs 4, 5 and 6) shall be concluded in writing and shall apply to all services and activities carried out by the II, including portfolio management and provision of services as a registration agent.

(2) Upon conclusion of a contract, the II shall observe the requirements of Article 13 of these general terms and conditions.

(3) The contract under Article 24, paragraph 1 of Ordinance No. 38 may be concluded by exchange of electronic statements signed with a qualified electronic signature in compliance with the conditions and requirements thereof, as specified in Article 26a of the abovementioned ordinance. Upon



conclusion of the contract under Article 26 of Ordinance No. 38, the provision of all required information by the client pursuant to these general terms and conditions, as well as the provision of information by the client required for making an assessment for an appropriate service may be done by means of an electronic statement signed by the client with a qualified electronic signature.

(4) The contract under Article 24, paragraph 1 of Ordinance No. 38 may to be concluded in absentia by exchanging the necessary documents signed by the parties, provided that the client is the holder of a bank account opened at a credit institution meeting the following requirements: it should have a registered office in a Member State of the European Union, a country which is a party to the Agreement on the European Economic Area, the United States or Switzerland, or in a branch of a credit institution from another country which is opened in one of these countries, provided that the credit institution, respectively the branch in which the account is opened, comply with the requirements for identification of clients, laid down in European law. In this case it is inadmissible to conclude a contract under this paragraph by a proxy, and the transfers of funds in relation to the acceptance and provision of investment and additional services on behalf of the client shall be made only from and to the bank account referred to in the previous sentence.

(5) The contract under Article 24, paragraph 1 of Ordinance No. 38 may be concluded in absentia by exchanging the necessary documents signed by the parties and the client shall affix his signature in the presence of a notary public who shall certify this circumstance in compliance with to the conditions and requirements specified in Article 26c of the above ordinance. Upon conclusion of a contract under the procedure referred to in the previous sentence, the provision of all necessary information by the client in accordance with the general terms and conditions and the provision of information by the client, required for making an assessment for an appropriate service, may be done by the client remotely by signing the necessary documents before a notary public.

Article 22. Upon provision of investment consultations or performance of portfolio management, the INVESTMENT INTERMEDIARY shall require from the client or potential client information, whose content is specified in Ordinance No.38, that is deemed necessary for identifying the essential facts about the client and gives reasonable grounds to the firm, taking into account the nature and scope of the service offered, to consider that the transaction which will be recommended or which will be executed in portfolio management meets the following criteria:

1. Corresponds to the client's investment objectives;
2. The client has the financial ability to bear any related investment risks consistent with his investment objectives;
3. The client has the necessary experience and knowledge to understand the risks related to the transaction or the management of his portfolio.

(2) Where in the cases referred to in paragraph 1, the II has not collected from the client the information required by the AMFI and Ordinance No. 38, it shall observe the restrictions provided for in the law and the ordinance in this respect, including the one in Article 28, paragraph 1, sentence two of the AMFI and shall not be entitled to recommend the respective investment services or financial instruments to the client or potential client. Upon provision of the information under paragraph one by the client, the II shall be guided by it in providing its services to the client.

Article 23. Where an INVESTMENT INTERMEDIARY makes an assessment if an investment service



other than investment consultations and portfolio management is appropriate for the client, it shall establish whether the client has the necessary experience and knowledge to understand the risks related to the product or the investment service, offered or requested, and shall require from the client such portion of the information under Article 21, paragraph 1 of Ordinance No. 38 that is appropriate in view of the characteristics of the client, the nature and scope of the services that will be provided and the types of products or transactions which are envisaged, including their complexity and related risks. The II shall be guided by the information provided by its clients or potential clients unless it is aware or ought to have been aware that the information is inaccurate, incomplete or outdated.

Article 24. (1) The II shall accept client orders by the methods of which the client is notified in Article 4 of these general terms and conditions. The II shall execute the orders of its clients in the client's best interest and in strict compliance with the policy for execution of client orders and for transmission/submission of orders, applied by it in its business activity.

(2) The II shall execute client orders by:

1. promptly and accurately registering and distributing orders for execution;
2. immediately executing identical client orders by the order of their receipt, unless the characteristics of the order or the prevailing market conditions make this impracticable, or the interests of the client require otherwise;
3. informing the unprofessional client about objective obstacles hindering the precise execution of the orders, immediately after it has become aware of these obstacles.

Article 25. The II is required, in carrying out its activity, to protect the trade secrets of its clients. It or the persons working under contract for it respectively may give information about facts or circumstances affecting the balances and the operations in the accounts for client financial instruments and funds, as well as facts and circumstances, which constitute a trade secret with regard to clients, only under the conditions of the Article 35, paragraph 5 and the following of the AMFI.

Article 26. The II shall be entitled to remuneration (commission) for the services and activities provided by it, as defined in the Tariff of the II.

### **Section VIII. RIGHT AND OBLIGATIONS OF CLIENTS**

Article 27. The client shall be entitled to receive reports and confirmations in relation to the provided investment services, of whose scope, frequency, time limits and content the client is notified in these general terms and conditions.

Article 28. Clients should submit to the II information on their financial abilities, objectives, experience and willingness to take risks and on their knowledge and experience, which is appropriate in view of the characteristics of the client, the nature and scope of the services that will be provided and the types of products or transactions that are envisaged, including their complexity and related



risks, of whose content, conditions, specific services and relevant portion of information that should be submitted they are notified in these general terms and conditions- in the section of the II's obligations.

Article 29. The client shall be entitled to receive all benefits if the II has concluded and executed a transaction for the account of a client on terms more favourable than those identified by the client.

#### **Section IX. SPECIFICS IN THE PORTFOLIO MANAGEMENT**

Article 30. Pursuant to these general terms and conditions "portfolio management" is the management of investment portfolios under client assignment, which is performed at the II's discretion for each particular client, and the investment portfolios which include one or more financial instruments. The management referred to in the previous sentence shall be performed on the basis of a contract with the client.

Article 31. Where the II manages a portfolio, it shall observe the obligation to act in the best interest of the client.

Article 32. (1) When providing the portfolio management service, the II shall submit to each client a periodic report, of whose type, content, frequency and other conditions the client is notified in Article 7 of these general terms and conditions. Clients who are provided with the "portfolio management" service are notified that they have the rights expressly set out in Article 7, paragraph 4, sentence one, 5 and 6 of these general terms and conditions. Apart from the information under the preceding sentence, the II shall also provide clients whose portfolios it manages with the information referred to in Article 7, paragraph 2 of the general terms and conditions under conditions and circumstances of which the clients are notified in accordance with the above provisions of the general terms and conditions.

(2) Where an INVESTMENT INTERMEDIARY manages a client's individual portfolio, the firm shall use an appropriate method of evaluation and comparison as a common standard, depending on the client's investment objectives and the types of financial instruments included in the client portfolio, in such a way that the client who benefits from the service be able to assess the performance of the service by the INVESTMENT INTERMEDIARY. The method referred to in the previous sentence shall be negotiated individually.

Article 33. The financial instruments that can be included in the client portfolio are one or more financial instruments referred to in these general terms and conditions, by which all transactions permitted by the law -purchase, sale, exchange, can be executed.

Article 34. Upon portfolio managing, the II shall require and the client shall be obliged to submit to it information in accordance with these general terms and conditions. If the client referred to in the preceding sentence is professional, the II may assume that, in terms of the products, transactions and services for which the client is defined as a professional client, the client has the necessary experience and knowledge to understand the risks related to the management of his portfolio.



## **Section X. SPECIFICS IN THE PERFORMANCE OF BUSINESS ACTIVITY VIA ELECTRONIC TRADING PLATFORM**

Article 35. The company may give an opportunity to its clients to trade with contracts for differences, including currency and derivatives with an underlying asset - commodities, stocks and indices, via its own electronic trading platform, hereinafter referred to as “the platform”.

Article 36. (1) In order to trade via the platform and use its functions, it is necessary to conclude a contract with Matador Prime LLC. The contract shall be concluded pursuant to Article 21 of these general terms and conditions. With the conclusion of the contract, the client shall receive a username and password, which will ensure access of the client to the electronic platform referred to in this section.

(2) The client shall not be entitled to transfer funds to accounts of the INVESTMENT INTERMEDIARY before the conditions from the preceding paragraph have been complied with.

(3) Pursuant to this section, all the information that Matador Prime LLC is required to provide under these general terms and conditions and Ordinance No. 38 in the course of performance of a contract with a client will be provided by electronic means of communication, including via the website of the platform.

Article 37. The client shall have direct access to the platform and may submit the client's orders via it, by identifying with a user name and password, or submit orders on the telephones specified by Matador Prime LLC in these general terms and conditions and on the website where the platform is located, by identifying with the client's names and user name.

(2) Client orders via the offered trading platform shall be executed once the market reaches the price indicated in the order. The client order shall always be fully executed – the full amount stated in the client order shall always be executed when the market reaches the price indicated in the order; that is, the electronic trading platform does not allow partial fulfillment of the order. The client order referred to in this section shall never and under any circumstances or conditions be integrated with other client orders or transactions for the own account of the II Matador Prime LLC, which accepts the order.

(3) The types of orders are specified in the contract with the client.

Article 38. (1) In this section, clients are informed and agree that the electronic trading platform is a software in which technical shortcomings, technical failures and other technical faults related to the way of functioning may occur and may result in the delay or failure to fulfill orders.

(2) Upon occurrence of a circumstance referred to in the preceding paragraph, the client should immediately contact Matador Prime LLC and should not take any action before the client has done this with regard to orders submitted thereby or in open positions.

(3) In the case of improper execution/failure to fulfill a client order as a result of a technical fault in the platform, Matador Prime LLC shall check and assess the concluded/failed transaction and shall submit its opinion to the client within 3 days via the platform or by other means of communication (e-mail, telephone) as to whether it accepts the transaction as final or invalid.



(4) In the case of the preceding paragraphs Matador Prime LLC shall be liable for damages suffered by the client, provided that the following conditions occur simultaneously (cumulatively): 1. damage suffered from improper functioning of the software of the electronic platform caused by fault behaviour of an employee of the Matador Prime LLC or technical problems that the latter could have prevented, and 2. the order is executed at a price which differs significantly from the market price. "Price which differs significantly from the market price", within the meaning of the preceding sentence, is a price which differs by at least 3 times the spread amount of the respective financial instrument from the prices of at least three leading world brokers and banks. In this case Matador Prime LLC shall take actions to eliminate the error (by reversal, respectively refund, into the client's account, up to the amount of the damage).

(5) The client is informed and agrees that Matador Prime LLC shall not be liable for any damages suffered by the client if the improper functioning of the software and the communications used is caused by external factors or it is caused by intervention of third parties in the software of the platform or the communications used, respectively other programmes affecting the functioning of the electronic platform. Matador Prime LLC shall not be liable for damages suffered by the client if the latter violates or does not fulfill the technical requirements for the use of the platform or submits to third parties the client user name and password, providing the client with access to the platform. Matador Prime LLC shall be liable if, as a result of fault conduct of an employee of the company, the client suffers damages related to the services provided via the electronic platform, including damages resulting from inaccuracies in the texts translated by employees of the company, and the liability shall be limited to the amount of the damages suffered.

(6) Matador Prime LLC shall not be liable for damages suffered by clients if this is a result of a technical breakdown of the Internet providers and the hosting centres used by the company, as these are circumstances beyond the control of the firm and it is unable to prevent them.

(7) Matador Prime LLC shall not be liable for damages suffered by clients if this is a result of: an incomplete/inaccurate order submitted by the client, interruption of the client's connection with Internet or fault in other means of communication used by the client, technical problems in technical equipment used by the client or hardware and software problems in the client's computer.

## **Section XI. CONTRACTUAL RELATIONS**

Article 39. (1) Pursuant to these general terms and conditions the contracts with clients shall be concluded for an indefinite period or for a definite period, which shall be stipulated in the particular contract with the client.

(2) The contract under paragraph 1 shall contain the identifying data of the persons who conclude it, the capacity of the person representing the INVESTMENT INTERMEDIARY, the date and place of the conclusion and the general terms and conditions effective at the time of conclusion, and indication of the information which the firm is required to provide.

(3) All changes should be done with the express written consent of the parties, signed in accordance with Article 21 of the general terms and conditions, which will enter into force within a term agreed by the parties.





Article 40. (1) The conditions and the cases of termination of the contracts with clients that are not expressly mentioned in these general terms and conditions shall be agreed in the particular contracts.

(2) After the termination of the contractual relations with the client the relations shall be settled in the following manner. The client shall pay up all commissions and expenses to the II, if there are any unpaid, and shall indicate, within 5 days of termination of the contract if the client has not done it by that time, the sub-account of another person where the client desires the client's financial instruments to be transferred, respectively a bank account, where the client's funds should be transferred, if there are any in the INVESTMENT INTERMEDIARY. The II shall transfer client financial instruments to a depository institution, in accordance with the rules of the depository institution, to a sub-account of another person, respectively transfer funds to the client, if any, provided that a sub-account of another person, respectively a bank account, is indicated by the client in advance or upon termination of the contract under the preceding sentence. The transfer shall be carried out within 10 working days from the termination of the contract, where the other person/bank account are indicated in advance, or as of the expiry of the 5-day period from the termination of the contract in which the client was required to indicate another person/bank account. If the client does not indicate in advance or upon termination of the contract a sub-account of another person, where to his financial instruments should be transferred, the IF shall transfer the client's financial instruments to a depository institution, in accordance with the rules of the depository institution, to a personal account of the client, including by opening a new account. If the client does not indicate in advance or upon termination of the contract, or within 5 days from termination of the contract a client's own bank account, where to his funds should be transferred, if there are any in the INVESTMENT INTERMEDIARY, they will be transferred to a personal account of the client opened for this purpose in a bank, selected by the firm, which is licensed under the current legislation by the Bulgarian National Bank. The transfer referred to in the previous two sentences shall be carried out within 10 working days from termination of the contract, respectively within 10 working days from the expiry of the 5-day period from termination of the contract in which the client was required to provide a client's own bank account. After the termination of the contractual relations the INVESTMENT INTERMEDIARY shall not accept and execute orders under the terminated contract.

## **Section XII. REMUNERATION**

Article 41. In order to get acquainted with it, the INVESTMENT INTERMEDIARY shall submit to each client its announced tariff of the standard commission remunerations and fees for the various types of services it offers. The Tariff (jointly with the General Terms and Conditions) shall be placed in a prominent and accessible place in the room where clients are accepted.

Article 42. The client shall pay remuneration to the INVESTMENT INTERMEDIARY for the service provided by it, according to the tariff referred to in the preceding article.

Article 43. In the event of intermediation the INVESTMENT INTERMEDIARY shall be entitled to remuneration from both parties to the transaction.

Article 44. The non-cash payment of the remuneration of the II shall be deemed fulfilled at the time of crediting the INVESTMENT INTERMEDIARY's bank account.





### **Section XIII. METHODS OF REASONABLE AND FAIR SETTLEMENT OF DISPUTES**

Article 45. (1) According to these general terms and conditions, in case of contradictions between the INVESTMENT INTERMEDIARY and its client relating to the interpretation or performance of the contract, they shall be settled, based on the principles of good faith and justice, by mutual agreement between the parties.

(2) The issues on which the parties fail to reach mutual agreement shall be referred to the competent, according to the Civil Procedure Code, court or arbitration tribunal if the contract contains an arbitration clause.

Article 46. (1) In the event of client complaints regarding the contractual relationships with Matador Prime LLC or in connection with the pre-contractual relationships between the parties, an official from the Internal Control Department of the INVESTMENT INTERMEDIARY shall immediately enter the statutory circumstances on the complainant and the nature of the complaint in the INVESTMENT INTERMEDIARY's register of complaints.

(2) Not later than the following day after the receipt of the complaint, the officials from the Internal Control sector shall inform the Managers about the complaint, shall collect explanations of the employees from the structural units and departments, whose work is related to the claims in the complaint, shall review the information and documentation relevant to the complaint and shall submit the collected information for examination to the Managers or the Executive Directors.

(3) Matador Prime LLC shall send a reasoned response to the client or potential client after the examination of the complaint, but not later than 7 business days from the date of receipt of the complaint. If necessary, copies of the documents relevant to the clarification of the case shall be sent to the client.

(4) Matador Prime LLC shall discuss with the client the nature of the dispute within 3 business days if the client or potential client has expressly requested a discussion in the office of the INVESTMENT INTERMEDIARY. Upon discussing the complaint or dispute, the INVESTMENT INTERMEDIARY shall provide the client with all documents relevant to the dispute and all available information on the case. If necessary, the INVESTMENT INTERMEDIARY shall secure the presence of a person with expert knowledge in the relevant field to provide the client with the necessary explanations. In case of disagreement on the client side with the clarifications, the client shall be entitled to refer the case to the Financial Supervision Commission.

(5) Notwithstanding the sending of a reasoned response to the client and a possible discussion on the case, Matador Prime LLC shall notify the client of the follow-up measures which it has taken with respect to the complaint.

These general terms and conditions are adopted by the managers of Matador Prime LLC by Minutes dated 6 January 2015 and amended by Minutes dated 11 May 2015.