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**GENERAL TERMS AND CONDITIONS APPLICABLE TO CONTRACTS WITH CLIENTS OF INVESTMENT FIRM TRADING 212 EOOD**

*(New, as adopted by resolution of the Managers dated 26/11/2019, effective as of 4 January 2021)*

**Section I. GENERAL PROVISIONS**

Art. 1. (1) These terms and conditions shall govern the relations between clients and Trading 212 Ltd., hereinafter referred to as the Investment Firm or IF, in relation to the provision of investment services and activities by the latter, pursuant to the Law on Markets in Financial Instruments (LMFI), as specified hereinbelow.

- (2) The Investment Firm shall conclude a contract with each client based on these General Terms and Conditions it applies, which form an integral part of the contract.
- (3) The General Terms and Conditions contain the principle rights and obligations of the Investment Firm and the client in accordance with the Delegated Regulation (EU) 2017/565, as well as the information that the Investment Firm shall provide to its clients (retail and professional), as required by LMFI and the regulations on its implementation, and the applicable regulations with direct effect, including information about the reasonable and fair settlement of disputes.
- (4) The standard commission table for the various types of contracts with clients, and the type and amount of the expenses of the client that are not included in the remuneration of the Investment Firm, as well as these General Terms and Conditions applicable to contracts with clients, shall be placed at a visible and accessible place in the premises where the Investment Firm receives clients, and they shall be also published on the Investment Firm's websites [www.trader.bg](http://www.trader.bg) and [www.trading212.com](http://www.trading212.com).
- (5) At the time of execution of a contract, the Investment Firm shall make available to the client the General Terms and Conditions and the Terms and Commissions Table, and the client shall acknowledge that they have read and accepted them. The General Terms and Conditions shall bind the client only if they have been made available to them and they have agreed to them as required by law.

## Section II. GENERAL INFORMATION – IDENTIFICATION OF THE INVESTMENT FIRM, MEANS OF COMMUNICATION WITH CLIENTS

Art. 2. (1) Pursuant to the requirements of LMFI and the implementing acts, as well as the applicable regulations with direct effect, the Investment Firm shall provide general information on its identification, services, means of communication with clients and means of accepting orders from clients.

(2) The information referred to in Para. 1 covers:

**1. The identification data of the Investment Firm, its address, telephones, and other contact data:**

**Name:** Trading 212 Ltd.

**Head Office and Registered Address:** Sofia, Sofia Municipality, Izgrev Region, 3, Lachezar Stanev Str. (Litex Tower), 10th Floor

**Contact address:** rp. Sofia, Sofia Municipality, Izgrev Region, 3, Lachezar Stanev Str. (Litex Tower), 10th Floor

**Telephone number and other contact data:**

a. for Trader.bg

- +359 800 46049
- email: [info@trader.bg](mailto:info@trader.bg)
- [www.trader.bg](http://www.trader.bg)

b. for Trading 212:

- 0044/2032868200
- email: [info@trading212.com](mailto:info@trading212.com)
- [www.trading212.com](http://www.trading212.com)

**2. Languages in which the client can communicate and maintain correspondence with the Investment Firm and receive documents and information from them** – for clients who are Bulgarian citizens, the language is Bulgarian, and for clients who are foreign citizens, the language is Bulgarian only if they have sufficient spoken and written commands of this language, or English in all other cases.

**3. Services offered by the Investment Firm**

Investment services and activities, consisting of:

1. receiving and transmitting orders in relation to one or more financial instruments;
2. execution of orders at client's account;
3. trading in financial instruments on its own account;
4. portfolio management;
5. providing investment advice.

**4. Licenses issued and other registrations of the company**

**4.1. Investment Firm License**

- No. RG-03-0237/ 29 June 2011 of the Financial Supervision Commission (FSC);
- No. № RG-03-0237/ 7 August 2014 of the Financial Supervision Commission (FSC).

4.2. The Financial Supervision Commission's address is: 1000 Sofia, 16, Budapeshta Str.

4.3. Registered with the Commercial Register of the Registry Agency with UIN: 201659500.

Art. 3. (1) Under these General Terms and Conditions, the means of communication to be used by Investment Firm and its clients shall be:

1. through the electronic trade platform of the Investment Firm;
2. exchange of correspondence - for the cases in which, pursuant to LMFI and its implementing acts, including the regulations with direct effect, as well as these General Terms and Conditions, the provision of information in a durable medium is required, the Investment Firm shall provide information on paper copy or in other manner, complying with the following requirements:
  - providing information in this manner is appropriate, considering the existing future relations with the client;
  - the client explicitly opted for this method of providing information rather than its provision on paper.
3. When the information is provided to clients through the web page of the Investment Firm and is not addressed to a specific client, it should comply with the following conditions:
  - Delegated Regulation (EU) 2017/565 allowing provision of the corresponding information through and by means of the web page of the Investment Firm, when it doesn't comply with the requirements of a durable medium;
  - the provision of that information in that medium is appropriate to the context in which the business between the Investment Firm and the client is, or is to be, carried on;
  - the client must specifically consent to the provision of that information in that form;
  - the client must be electronically notified of the address of the Investment Firm's website and the place on the website, where the information may be accessed;
  - the information must be up to date;
  - the information must be accessible continuously by means of the Investment Firm's website for such a period of time as the client may reasonably need to read it.

(2) The provision of information by means of electronic communication shall be deemed appropriate in the context in which the business with the client is, or is to be, carried on where there is evidence that the client has regular access to the internet. It shall be assumed that the client has regular access to the internet if they have provided an email address for the purposes of carrying on the business with the Investment Firm.

### **Section III. REPORTING AND TRADE CONFIRMATIONS TO CLIENTS**

Art. 4. (1) In accordance with these General Terms and Conditions, the clients shall be notified that they will receive current and periodic information about the type, frequency and deadline for submitting statements and confirmations in relation to the investment services and activities performed as specified in this section.

(2) Under this section, except for the notification under Art. 3, the clients of the Investment Firm shall be informed:

1. In the cases when the Investment Firm carries out transactions related to portfolio management on the account of a retail client or keeps accounts for those clients, including uncovered positions on transactions or transfers, depending on future contingent events. The Investment Firm shall notify the retail client when the losses exceed the predetermined thresholds agreed with the client. The notification according to the sentence two shall be made no later than the end of the business day on which these thresholds have been exceeded, or in case that occurred on a non-business day, by the end of the next business day.

2. Investment Firm shall provide at least on a quarterly basis a statement in a durable medium with the minimum  
such a statement has been provided in any other periodic statement for the client.

Art. 5. (1) When the Investment Firm carried out a trade on behalf of a retail client, other than a trade under a portfolio management

agreement, the Investment Firm shall provide the client, in a durable medium, a confirmation of the executed trade as soon as possible and no later than the first business day following execution of that trade.

(2) The confirmation referred to in Para. 1 shall contain the information specified in Art. 59, Para 4 of Delegated Regulation (EU) 2017/565, relevant to the particular order.

(3) When the trade under Para. 1 has been executed on behalf of a professional client, the Investment Firm shall immediately provide them, in a durable medium, with the essential information concerning the execution of that trade.

Art. 6. (1) When providing portfolio management services to clients, the Investment Firm shall provide each such client with a periodic statement in a durable medium, within the meaning of Delegated Regulation (EU) 2017/565, of the portfolio management activities, carried out on behalf of that client unless such a statement is provided to the client by a third party.

(2) For retail clients, the report shall contain the information specified in Art. 60(2) of Delegated Regulation (EU) 2017/565, where applicable.

(3) (1) The Investment Firm shall provide a quarterly report under Para. 1 when it signed a contract with a retail client, except in the cases provided for in Delegated Regulation (EU) 2017/565.

#### **Section IV. INFORMATION ABOUT THE MEASURES FOR PROTECTION OF CLIENT'S ASSETS, INCL. INVESTOR COMPENSATION SYSTEMS**

Art. 7. Under these General Terms and Conditions, the Investment Firm shall take measures to guarantee the client's financial instruments or funds, whereby the client shall be informed pursuant to the present section.

Art. 8. In relation to the protection and safekeeping of the assets of its clients, the Investment Firm shall be obliged to notify them about all circumstances and cases under Art. 49 of Delegated Regulation (EU) 2017/565 when they arise.

Art. 9. The Investment Firm shall not be liable to its creditors with the assets of its clients.

Art. 10. (1) The Investment Firm cannot hold client funds. The company shall deposit the funds provided by clients or received as a result of investment services performed on their behalf to an entity under Art. 93( 1 of LMFI, by taking the necessary measures for diversification of the funds to the entities referred to in that Article. The Investment Firm shall take the appropriate actions to ensure that the funds of clients deposited as per the previous sentence shall be held in a client account or accounts identified separately from any accounts used to hold funds belonging to the Investment Firm. In the contract signed between the Investment Firm and the entity under Art. 93( 1 of the LMFI, explicitly states, that the deposit account is opened to hold client funds and shall not be frozen for unpaid obligations of the Investment Firm. The Investment Firm shall accept cash payments by clients for the provision of investment and/or ancillary services, as well as funds needed to pay for a transaction in financial instruments, and respectively carries out payments to clients in accordance with the Limitation of Cash Payments Act.

(2) When performing its obligation under the present section, the Investment Firm shall strictly comply with the requirements, restrictions, and prohibitions established in Art. 7), Para. 2–10 of Ordinance 38.

Art. 11. Upon signing a contract with a client, the Company shall:

1. also open analytical accounts for the financial instruments and funds of the client according to the accounting legislation;
2. strictly follow the accountability rules;
3. inform clients on a regular basis about the balances and operations of the accounts with the funds kept;

4. assign its clients a unique number and keeps a register, opening and keeping client accounts on an analytical level.

Art. 12. The disposal of funds on the client's behalf shall be registered and immediately reflected in the client's subaccounts on a synthetic level.

Art. 13. (1) By virtue of these General Terms and Conditions, the client shall be informed that there is a guarantee system called

Investor Compensation Fund. The Investor Compensation system shall cover the cases under Article 77b, Para. 1 of Law on Public Offering of Securities (LPOS).

(2) Compensation to the client shall be paid by the Investor Compensation Fund and shall cover his receivables as a result of the inability of the Investment Firm to return the client's assets in accordance with the statutory and contractual provisions, whereby client's assets shall be considered those, specified in Art. 77c, Para. 2 of LPOS.

(3) The compensation under the previous paragraphs shall amount to 90 per cent of the value of the receivables, but not more than BGN 40,000. The amount of the compensation in the previous sentence shall be determined by law (LPOS).

(4) All persons specified in Art. 77d, Para. 2 of LPOS are excluded from the compensation system, and so are the receivables of clients arising from and/or related to transactions and activities constituting "money laundering" under Para. 3 of Art. 77d of LPOS.

(5) If a client's assets are in a foreign currency or financial instruments, the client shall be paid the BGN equivalent of their receivables by the Investment Firm at the amount under Para. 3.

## **Section V. DESCRIPTION OF RISKS OF INVESTING IN FINANCIAL INSTRUMENTS. CLASSIFICATION AS A PROFESSIONAL CLIENT**

Art. 14. (1) By virtue of these General Terms and Conditions, the client shall be informed that investing in financial instruments poses risks. Seeking higher returns from these instruments shall imply higher risks, including the risk of losing the invested funds.

(2) Investing in each financial instrument shall be related to a risk to a higher or smaller extent. For all instruments, there is market risk – the possibility of losses incurred due to changes in the price of the financial instrument and/or the interest rate, exchange rate and other factors determining the value of financial instruments, as well as liquidity risk – the possibility that the investor does not have enough money to meet their liabilities when they are due and the inability to liquidate assets at an appropriate price and within a reasonable timeframe. For instruments denominated in foreign currency, there is a currency risk – the risk of a change in the value of the currency and the deterioration of the exchange rate regime environment in a given country. Moreover, each instrument has its own specific risks. In the case of contracts for difference (CFD) there is a basis risk – the risk of fluctuation in the basis since CFD value depends on the dynamics of the underlying asset. On the other hand, the CFD leverage (the lever effect) can multiply losses because even small changes in the market price can lead to large variations in the price of the instrument leading to the risk of losing the entire investment. Another risk may arise from the fact that an investor might assume as a result of transactions in such instruments financial commitments and other additional obligations, including contingent liabilities, additional to the cost of acquiring the instruments.

Art. 15. Under these General Terms and Conditions, the Investment Firm shall notify its clients about the possibility to be categorized as either a retail client, professional client or eligible counterparty upon their own initiative or upon the Investment Firm's initiative.

Art. 16. The conditions and criteria under which a client is categorized as professional or retail shall be the criteria established in the annex to Para. 1, point 10 of LMF1, and the Investment Firm's

policy for categorizing clients as professional/retail. Thus, under these General Terms and Conditions, the policy applied by the Investment Firm and the criteria and conditions laid down in LMFI for the identification of clients as retail/professional:

1. 1. Professional clients in all investment services, activities and financial instruments are those that meet the criteria and conditions set out in points 1–4 of the first section of the Annex to Paragraph 1, point 10 of LMFI, respectively the Investment Firm's policy.

2. 2. Clients that have requested to be considered professional – these are the clients falling outside the scope of Section I of the Annex provided for in Paragraph 1, point 10 of LMFI who meet the identification criteria in Section II, point 1 of the annex to Paragraph 1, point 10 of LMFI and the procedure set out in point 2 of Section II of the annex to Para. 1, point 10 of LMFI, the policy of the Investment Firm respectively.

3. 3. Retail client is a client who does not meet the conditions and criteria set out in points 1 and 2.

Art. 17. Under these General Terms and Conditions, an eligible counterparty shall be a person who is included in the group of persons specifically listed in the legal definition of „eligible counterparty“ set out in Art. 89, Para. 2 of LMFI.

Art. 18. (1) Under these General Terms and Conditions, the clients shall be expressly notified of their right to request to be categorized differently, including the right of the professional client under Art. 16, point 1 of these General Terms and Conditions to require a change in the terms of the contract in order to achieve a higher level of protection provided upon their request and judgment that they cannot properly assess and manage the risks associated with the investing in financial instruments. The higher level of protection under the preceding sentence means the client will not be considered professional for the purposes of the regime applicable to the activities of the Investment Firm and shall be provided on the basis of a written agreement with the Investment Firm, resulting in its treatment as a retail client for the purposes of the rules applicable to the activity. This agreement determines whether this applies to one or more specific services or transactions or to one or more products or transactions.

(2) Under these General Terms and Conditions, a client who requests re-categorization from a retail client to professional client shall be notified that this categorization as a professional client involves a limited degree of protection. The limited degree of protection for professional clients is related to the fact that they are excluded from the investors' protection system about which the clients are informed in Art. 13 of the present Terms and Conditions, whereby they are explicitly excluded from the scope of the persons under Art. 77, Para. 2 of LPOS.

(3) The Investment Firm's clients categorized as professional clients under Art. 16, point 2 of the General Terms and Conditions shall be informed that they are required to notify the Investment Firm about any change in the data used as the basis for their categorization as professional clients.

(4) (4) If in the course of the activity of the Investment Firm it is established that a client is categorized as a professional client under Art. 16, point 2 of the General Terms and Conditions no longer meets the conditions set out in LMFI and the policy of the Investment Firm for categorizing clients as a professional client on their request under which the respective client has been categorized as a professional client, the Investment Firm shall take the necessary measures to provide a higher degree of protection for the respective client.

Art. 19. (1) Clients shall be informed that when the Investment Firm performs investment services under Art. 6, Para. 2, point 1, 2 and 3 of LMFI, it may enter into transactions with acceptable counterparties without being obliged to comply with the requirements of Art. 70, Art. 71, Para. 1, Art. 72, 73, 74, 77, 78, 82, 84, 85, 86 and 87 of LMFI regarding specific orders or the respective ancillary service directly related to those transactions.

(2) Each entity categorized as an eligible counterparty in accordance with regulatory requirements may expressly request not to be considered as such completely or just for a particular transaction.

(3) Under these General Terms and Conditions, the Investment Firm, upon its own initiative or upon a client's request may:

1. categorize as retail or professional client a client who would have otherwise been categorized as an eligible counterparty within the meaning of Art. 89, Para. 2 of LMFI;

2. categorize as a retail client a client who is considered a professional client within the meaning of Art. 16, point 1 of these General Terms and Conditions.

(4) When an entity categorized as an eligible counterparty requests not to be treated as such and the Investment Firm agrees, that entity shall be treated as a professional client unless they specifically request to be treated as a retail client.

(5) When an eligible counterparty expressly requests to be treated as a retail client, Art. 71 of the Delegated Regulation (EU) 2017/565 shall apply accordingly.

Art. 20. The Investment Firm shall provide to its retail clients and potential retail clients the following information about costs and transaction fees, where applicable:

1. the total price to be paid by the client in connection with the financial instrument or the investment or auxiliary service, including all remunerations, commissions, fees and expenses, as well as all taxes payable through the Investment Firm; and if the exact price cannot be determined, the base for its calculation shall be specified in a way that the client can verify and confirm it; the commissions of the Investment Firm shall be specified separately for each case. The information under the first sentence is contained in the Terms and Commissions Table of the Investment Firm for its standard commission on various types of contracts with clients, and the type and amount of client expenses if they are not included in the fee, as well as in a particular order that is executed as a result of a contract with the Investment Firm, or the periodic reports on portfolio management respectively;

2. when a part of the total price under item 1 is to be paid in a foreign currency or the equivalent of that currency, the exchange rate, and cost distribution shall be specified;

Art. 21. (1) Under these General Terms and Conditions, the retail clients or potential retail clients of the Investment Firm shall be informed that the funds provided to the Investment Firm may only be kept in the places and by the third persons listed in Section Four of these General Terms and Conditions. The client shall be notified that in case of bankruptcy of the person under Art. 93( 1, point 2 or 3 of LMFI, when their money is kept in a joint account, may suffer damages due to the fact that the Investment Firm does not provide a protected deposit guarantee. Under these General Terms and Conditions, it is the Investment Firm's responsibility to keep the deposited money and the acquired results of executing transactions with due diligence in compliance with the legal requirements and these General Terms and Conditions. In view of the specific role of the Investment Firm on the capital market, it shall bear administrative and penal liability, according to the effective legislation, in case of violation of obligations established by the law.

(3) The Investment Firm shall explicitly inform the client or potential client in the cases when accounts in which their cash is kept are or will be subject to regulation by the law of a country which is not a Member State. In this case, the client's rights relating to financial instruments or cash in the first sentence may vary due to the applicability of the law of a third country.

**Section VI. RIGHTS AND OBLIGATIONS OF THE INVESTMENT FIRM**

Art. 22. (1) The Investment Firm shall conclude the contract under Art. 82, Para. 1 of the LMFI only at its management address, branch or office entered in the register under Art. 30, Para. 1, point 2 of the Law on Financial Supervision Commission, unless the contract is concluded remotely or in absence. The contract under the preceding sentence shall be concluded in writing and refer to all services and activities performed by the Investment Firm.

(2) Upon concluding a contract the Investment Firm may, upon its own discretion (or upon the client's request), designate the client as a professional or retail client, under the terms and in accordance with the requirements the client was notified about under Art. 16 of the present General Terms and Conditions.

(3) The contract under Art. 82, Para. 1 of LMFI may be concluded in absence by virtue of an exchange of electronic statements signed by a qualified electronic signature under Art. 13 of the Electronic Document and Electronic Signature Act (EDESА). No contract under contract under this under paragraph shall be signed by a proxy. In the cases under this paragraph:

1. The Investment Firm shall verify the client's identity using the documents provided by the client for the purpose of concluding this contract.
2. The person who, on behalf of the Investment Firm, checks the documents under the preceding point, shall verify whether the requirements under the Measures against Money Laundering Act have been met.
3. The Investment Firm shall keep all the documentation and information related to the electronic statement.
4. The provision of all necessary information from the client, including client information needed to assess the suitable service, can be done through an electronic statement signed by the client with an electronic signature.

Art. 23. (1) Upon providing investment advice or portfolio management, the Investment Firm shall assess the client or the potential client's suitability and require them to provide information whose contents are specified in Art. 78, Para. 1 of LMFI and which is needed to identify the substantial data about the client and to provide reasonable grounds for the Investment Firm, taking into account the nature and the scope of the offered service, to consider that the transaction that is to be recommended or concluded subject to portfolio management meets the following criteria:

1. should correspond to the client's investment objectives;
2. the client should have the financial capacity to bear any investment risks related to the investment objectives as well as potential losses;
3. the client should have the necessary experience and knowledge to understand the risks associated with the transaction or the management of their portfolio.

(2) If in the cases under Para. 1 the Investment Firm has not collected the client information required by the LMFI, it shall have no right to recommend the respective investment services or financial instruments to the client or the potential client. When the client provides information under Para. 1, the Investment Firm shall be guided by it when providing services to this client.

Art. 24. When the Investment Firm considers whether an investment service other than investment advice and portfolio management is suitable for the client, it shall determine whether the client has the necessary experience and knowledge to understand the risks associated with the product or the investment service available or ordered, by requiring from the client as much information as appropriate, in view of the client's characteristics, the nature and scope of the services to be provided and the types of products or transactions that are provided, including their complexity and associated risks. The Investment Firm shall be guided by the information provided by its clients or potential clients unless it is aware or should have been aware that the information is inaccurate, incomplete or outdated.

Art. 25. (1) The Investment Firm shall accept clients' orders as per Art. 3 of these General Terms and Conditions. The Investment Firm shall execute its clients' orders to the clients' best



interest and in strict compliance with the policy for executing clients' orders that it applies.

(2) The Investment Firm shall execute clients' orders by:

1. promptly and accurately registering and distributing the clients' orders, unless the order's characteristics or the prevailing market conditions make this impracticable or the client's interests require otherwise;

2. immediately notifying the retail client about objective obstacles for the precise execution of the orders upon their identification.

(3) The Investment Firm may not execute the orders of a client who has not given their prior consent to the Investment Firm's policy for executing clients' orders and for order placement/processing.

(4) When performing its obligations under Para. 1, the Investment Firm shall comply with all other requirements, restrictions or prohibitions concerning the implementation of a client's order, as well as with any other requirements, restrictions or prohibitions concerning its activity under LMF1, its policy for executing clients' orders and the rules of the respective places where the order is executed. In the event of a conflict of interest, the Investment Firm shall apply the rules for handling conflicts set out in its policy, for which the client has been informed about in detail by virtue of these General Terms and Conditions.

Art. 26. When receiving investment and auxiliary services, the client shall have the right to be informed about the type, frequency and the term for providing statements and confirmations to clients in relation to the investment services, about whose scope, frequency, timing and content they have been informed in Section III of these General Terms and Conditions.

Art. 27. The Investment Firm shall take measures to separate its cash and financial instruments from those of its clients and to keep its clients' cash and instruments safe, and the clients have been informed about the respective measures and storage conditions by virtue of Section IV of these General Terms and Conditions.

Art. 28. When carrying out its activity, the Investment Firm shall protect its clients' commercial secrets. The Investment Firm, respectively the persons employed by it under a contract, may disclose information about facts or circumstances concerning the balances and transactions on accounts for financial instruments and clients' funds, as well as facts and circumstances constituting a commercial secret, only in accordance with Art. 91 of LMF1.

Art. 29. The Investment Firm shall, upon client's request, provide information on the terms and conditions for compensation in view of the existing investor compensation scheme, on the existence, scope and coverage of which the client shall be informed under Art. 13 of these General Terms and Conditions.

Art. 30. The Investment Firm shall have the right to receive a fee (commission) for the services and activities provided as defined in the Terms and Commissions Table of the Investment Firm.

## **Section IX. RIGHTS AND OBLIGATIONS OF THE CLIENTS**

Art. 31. The client shall be entitled to receive statements and confirmations for the performed investment services, and its scope, frequency, timing and content are stated in Section III of these General Terms and Conditions.

Art. 32. (1) The client may be defined upon their own discretion as professional if they meet the criteria under these General Terms and Conditions and the policy applied by the Investment Firm for defining a client as professional.

(2) The client shall have the right to be categorized otherwise, whereby they shall be informed about their limited protection in these Terms and Conditions - in Art. 18, Para. 2.

(3) The professional clients categorized as such shall have the right to request to be categorized differently, including the professional client's right under Art. 16, point 1 of these General Terms and Conditions to request a change in the terms of the contract in order to provide a higher level of protection. The clients shall be informed in detail about the conditions and requirements of the preceding sentence under Art. 15–19 of these General Terms and Conditions.

Art. 33. Clients shall provide the Investment Firm with information about their financial capabilities, goals, experience, and willingness to risk, and about their knowledge and experience in view of the client's characteristics, the nature and scope of services to be provided and the types of products and transactions envisaged, including their complexity and associated risks, and clients shall be informed under section Obligations of the Investment Firm of these General Terms and Conditions about their content, terms, conditions and what part of the information should be presented for which services.

Art. 34. (1) Orders of the clients have to be placed, respectively received by the Investment Firm in the ways set out in Art. 3 of these General Terms and Conditions. The client shall be entitled to receive a signed copy of the order unless it has been submitted in accordance with Art. 3, Para. 1, point 3 of these General Terms and Conditions.

(2) The client shall give their prior consent to the Investment Firm's policy for executing clients' orders. In case they fail to do so, the following shall apply: Art. 25, Para. 3 of these General Terms and Conditions.

Art. 35. In the event of a conflict of interest, the client shall be entitled to the information under Art. 32 of Delegated Regulation (EU) 2017/565.

## **Section XII. SPECIFICS IN CARRYING OUT ACTIVITIES VIA THE ELECTRONIC TRADING PLATFORM**

Art. 36. (1) The company shall enable its client to trade contracts for differences, incl. currency and derivatives with underlying commodities, stocks and indexes using an electronic trading platform (system).

(2) Access to the electronic trading platform shall be provided via the following websites: [www.trader.bg](http://www.trader.bg), [www.trading212.com](http://www.trading212.com).

(3) In the course of activity through an electronic trading platform under the previous paragraphs, the specific rules, information, rights and obligations of the parties set out in the present section shall apply in addition to the rules, information, rights and obligations of the parties set out in the previous sections.

Art. 37. (1) In order to trade on the platform and use its features, it is necessary to conclude a contract with Trading 212 Ltd. The contract is to be concluded according to the provisions of Art. 23 of these General Terms and Conditions. By concluding the contract, the client shall receive a username and password to enable them to access the electronic platform (system) under the present section.

(2) The client may not transfer the money to the Investment Firm's accounts before the conditions in the preceding paragraph are met.

(3) Under this section, all the information that the Investment Firm is required to provide in the course of execution of a contract with a client pursuant to these General Terms and Conditions, LMF1, and Delegated Regulation (EU) 2017/565 shall be provided by electronic means of communication, incl. through the websites providing access to the platform as listed in Art. 36, Para. 2 above.

Art. 38. (1) Under this section, the contracts for the provision of investment services to the client shall be concluded by Trading 212 Ltd. and the clients' orders shall be accepted and executed by the latter through the electronic trading platform. The electronic trading platform (system) under this section shall be an electronic trading system that guarantees compliance with the requirements of the LMF1 and Delegated Regulation (EU) 2017/565 and provides the client with access to an order execution place and the websites listed in Art. 36, Para. 2 of the current General Terms and Conditions.

(2) The client has direct access to the platform (system) through the websites listed above and

can enter orders through the web, desktop and/or mobile applications that ensure their reliable identification. Upon receiving the order, the person who receives it shall check the client's identity, respectively their proxy's identity. Identity and identification checking is done through the username and password. The Investment Firm shall be allowed to also use additional methods for checking the client/proxy's identity, upon its sole discretion.

(3) The orders submitted by clients through the provided trading platform shall be executed as soon as the market reaches the price specified in the order. The client's order is always executed completely – when the market reaches the price specified in the order, the entire volume of the client's order is executed, i.e. the electronic trading platform does not allow partial order execution. The client's order under this section shall never, and under no circumstances be carried out in aggregation with other client orders or with a transaction for own account of Trading 212 Ltd. In each trade executed upon a client's order under this section, Trading 212 Ltd. shall act as a counterparty, irrespective of the type of client's order – buy or sell.

(4) The types of orders shall be specified in the contract with the client.

(5) The clients shall be informed that upon each change in the components (stocks) of a given index or in the manner of its calculation which reflects the value of the index and the future of this index and this results in a change in the opening price on the next day over 0.1% as compared to the closing price on the previous day (i.e. there is a sharp price fluctuation), this difference in the price will be compensated for and its effect will be neutralized by means of its automatic entering in the account of each client who has an open position in the index or the index future. (For instance: in case of a price drop amounting to EUR 20 in the hypothesis of the previous sentence, each client who has an open long position in the index or the index future will be automatically compensated, and the amount of EUR 20 will be added to their account, or vice versa.) This is a measure taken to defend the interests of both the clients and the Investment Firm in case of sharp price fluctuations (in the hypothesis of the preceding sentences).

(6) Disputes arising from the execution/non-execution of orders under the present section shall be referred to Trading 212 Ltd.

Art. 39. (1) By virtue of the present section, clients shall be informed and agree that the electronic trading platform is software that may experience technical shortcomings, technical failures or other technical malfunctions related to its functioning, which could lead to delays or failure to execute orders.

(2) Upon the occurrence of a circumstance under the preceding paragraph, the client should immediately contact Trading 212 Ltd. and, before doing so, shall not undertake any actions on their orders or open positions.

(3) In case of incorrect execution/non-execution of a client's order as a result of a technical malfunction in the platform, Trading 212 Ltd. shall carry out inspection and assessment of the concluded/non-concluded trade and shall issue its opinion to the client within 3 days via the platform or by means of communication (email, phone) about whether it considers the trade final or invalid.

(4) In the case of the preceding paragraphs, Trading 212 Ltd. shall not be liable for damages suffered by the client, provided that the following conditions occur simultaneously (cumulatively):

1.) there is damage resulting from the improper functioning of the software of the electronic platform, caused by the wrongful behaviour of an employee of Trading 212 Ltd. or by technical problems that the latter were able to prevent; and 2) the order is executed at a price that differs significantly from the market price at the time of placing the order. "A price that differs significantly from the market price at the time of placing the order" under the previous sentence is a price that differs by at least 3 times the spread for the respective financial instrument at the exact time of placing the order by the client from the prices of at least three leading global brokers and banks specified by Trading 212 Ltd. In this case, Trading 212 Ltd. takes action to eliminate the error (by reversal, or by refunding the client's account up to the amount of the damage).

(5) The client is informed and agrees that Trading 212 Ltd. shall not be liable for damages suffered by the client if the malfunction in software and in the means used for communication are caused by external factors or they are caused by the intervention of third parties in the software platform or in the means of communication used, respectively in other programs affecting the functioning of the electronic platform. Trading 212 Ltd. shall not be liable for damages suffered by the client if the latter violates or fails to fulfil the technical requirements for using the platform or discloses to third parties their username and password and provides access to the platform. The exemption of liability under the above sentences shall only be limited to the actions of third parties that Trading 212 Ltd. could not prevent.

(6) Trading 212 Ltd. shall be liable if as a result of a wrongful behaviour of an employee of the company, a client suffers damages resulting from services provided by the electronic platform, incl. for damages resulting from errors in the texts translated by employees of the company, whereby the responsibility shall be limited to the amount of the damage suffered.

(7) Trading 212 Ltd. shall not be liable for damages suffered by clients if they result from a technical failure at the ISPs and hosting centres used by the company because these are circumstances beyond the Investment Firm's control and it is unable to prevent them.

(8) Trading 212 Ltd. shall not be liable for damages suffered by clients, if they result from: incomplete/inaccurate order placed by the client, disconnection of the client from the Internet or a fault in other communication means used by the client, technical problems in the devices used by the client, or hardware and software problems with the client's computer.

Art. 40. (1) By virtue of the present section, the client shall be informed explicitly that when Trading 212 Ltd. provides information to the client through the electronic trading platform under this section on graphs, current information on the status of an asset or on a market where they trade, on a calendar, news, analyses, training materials (including video trainings), market mood, technical indicators, any such information shall not constitute a recommendation for concluding/not concluding transactions.

(2) Under the present section, the client shall be notified and agrees that the information under Para. 1 has only an informative character and is provided in order to improve the quality of the service to the client in view of increasing their awareness, but it cannot be perceived by the client as an investment advice or recommendation. The client shall be aware and shall accept that Trading 212 Ltd. is not responsible, nor can it guarantee the accuracy and completeness of such information and analyses, but simply provides access to them.

Art. 41. Under the present section, the clients shall be informed that it is possible for the quotes of certain assets to which they have access through the electronic trading platform to contain errors. Since the quotes, provided by the electronic trading platform

under this section are formed using quotes provided by many foreign investment firms and banks through a DDE protocol, then errors in the quotes may occur as a result of delays or technical errors in obtaining the necessary information, and this makes quotes incorrect (wrong). Errors in quotes are established by comparing the quotes on the platform with at least three quotes from leading world brokers or banks specified by Trading 212 Ltd.

- (2) Where, in the case under paragraph 1 there is an established evident factual error in a particular quote Trading 212 Ltd. shall have the right to cancel the trade executed at the corresponding incorrect quote and the consequences related thereto, resulting in profit or loss for the client.
- (3) Trading 212 Ltd. shall be liable for damages suffered by the client (if such have been caused in the particular case) up to the amount of the damages suffered as a result of any error in quotes that could have been prevented by due care or has been caused by premeditated actions of the employees of Trading 212 Ltd., including when the error has been caused by flaws in the electronic platform software or an incorrect price input within the assumption of Para. 1.
- (4) Under the terms of this section, the client shall be notified and shall agree that Trading 212 Ltd may not provide quotes at specific times in case there are temporary technical difficulties with the electronic platform or there are circumstances under which trade on a given market is not allowed, hence an inability to form a quote. In this case Trading 212 Ltd. shall not be liable for damages suffered by the client.
- (5) Under these General Terms and Conditions, the customers shall be preliminary informed that upon deciding whether the liability under Article 39, Para. 4 and errors under Para. 1 of this article arise in view of whether there is a price that differs significantly from the market price, the Company shall check and compare the quote (price) of the respective financial instrument under Art. 36 traded on the electronic platform to the quotes (prices) of at least three of the leading brokers/banks.

Art. 42. Under the terms of the present section, the client shall be notified and shall agree that it shall maintain an appropriate level of margin specified on the websites that provide access to the electronic trading platform of Trading 212 Ltd.

(2) Under the terms of this section, the client shall be aware and shall agree that it is obliged to independently monitor the compliance with the requirements for the amount of the margin and recover it immediately should it fall below the limit.

(3) If, despite the requirements set out in the previous paragraphs, the client lets a shortage of the margin under this section (the total amount of the client's account falls below the minimum required deposit to the extent required for the instrument), Trading 212 Ltd. shall inform the client immediately about the shortage via the electronic trading platform that provides access to the status of their account and by automatically generated email.

(4) In view of the previous paragraphs, the client shall unconditionally agree that upon receiving the information under the preceding paragraph Trading 212 Ltd. shall without notice close out all client's open positions at the current market prices in order to protect the client from incurring a loss in excess of the client's funds deposited in their account. Under this section, the client shall agree to the close price levels of the transactions for the positions. The client shall be notified about the closed positions immediately via the electronic trading platform that provides access to the status of their account and by automatically generated email.

(5) The case under Para. 4) shall take place when the lack of funds exceeds 80% of the margins required by closing out all client's open positions simultaneously.

(6) The procedure under Para. 4 and Para. 5 shall be automatically executed by the electronic trading platform, without human intervention and without the possibility of subjective attitude or wrong behavior on the part of the company's employees.

(7) The procedure under Para. 4 and Para. 5 shall be carried out in order to protect the client from an accumulation of losses that would be reflected as a negative account balance. Thus, the client shall avoid incurring additional liabilities larger than the funds available in their account with the Investment Firm.

### **Section XIII. CONTRACTUAL RELATIONS**

Art. 43 (1) Contracts with clients under these General Terms and Conditions shall be concluded for an indefinite period or for a definite term, which shall be specified in the particular contract with the client.

(2) contract and the Terms and under conditions in force at the time of The contract under paragraph 1 shall contain personal data identifying the parties, the capacity in which the person representing the Investment Firm acts, the date and place of contract and the Terms and conditions in force at the time of agreement by the client, the main rights and obligations of the parties, and stating of information which the Investment Firm is obliged to provide.

Art. 44. (1) The conditions and cases of terminating contracts with clients that are not explicitly mentioned in these General Terms and Conditions shall be agreed in the respective contracts.

Upon termination of the contractual relations with the client, the relations shall be settled as follows: the client shall pay the Investment Firm all fees and expenses if there are such outstanding amounts, and shall specify within a 5-day period as from the termination of the contract if they have not done so yet, a bank account to which the funds are to be transferred, if such are kept by the Investment Firm. The Investment Firm shall transfer the client's funds, if any, provided that the client has specified in advance or upon contract termination, in the preceding sentence bank account. The transfer shall be executed within 10 bank days from the termination of the contract if the bank account details are specified in advance, or upon the expiry of the 5-day period after the contract termination, by virtue of which the client was required to indicate the other person's bank account. If the client fails to specify in advance, upon the contract termination or within 5 days after it, its bank account to which the funds, if any, kept by the Investment Firm shall be transferred, they shall be transferred to the client's personal account opened for that purpose in a bank institution selected by the Investment Firm and licensed by the Bulgarian National Bank under the effective legislation. The transfer under the preceding two sentences shall be executed within 10 bank days from the termination of the contract, respectively 10 bank days of the end of the 5-day period from the contract termination, within which the client was required to specify their bank account details. After termination of the contractual relations, the Investment Firm shall not accept and execute orders under the terminated contract.

### **Section XIV. FEES**

Art. 45. (1) The Investment Firm shall provide each client with the possibility to get acquainted with the stated Fees and Commissions tariff for the various services they provide. The Terms and Commissions Table (along with the General Terms and Conditions) shall be displayed in a visible and accessible place at the premises where the clients are received, and published on the websites

of the Investment Firm. The client acknowledges and accepts that it shall be considered notified of the present General Terms and Conditions and the Fees and Commissions tariff for the various services published on the Investment Firm's websites and that the conditions set out in Art. 3, Para. 2 of Delegated Regulation (EU) 2017/565 are met.

Amendments and supplements of the Investment Firm's Fees and Commissions tariff shall be adopted by its management body.

Art. 46. The client shall be obliged to pay the Investment Firm a fee for the service provided according to the Terms and Commissions Table referred to in the preceding article.

Art. 47. Non-cash payment of the remuneration of the Investment Firm shall be considered to be made at the time when it is credited to the bank account of the Investment Firm.

## **Section XV. METHODS FOR FAIR AND REASONABLE DISPUTE SETTLEMENT**

Art. 48. (1) In accordance with these General Terms and Conditions, in case of conflicts between the Investment Firm and the client in relation to the interpretation or execution of the contract, they should be settled on the basis of the principles of benevolence and fairness by the parties' mutual agreement.

(2) The issues on which the parties fail to reach a mutual agreement shall be brought for settlement before the competent court, according to the civil proceedings code or before the arbitration court in the case, the contract contains an arbitration clause.

These General Terms and Conditions have been adopted by a Decision of the Managers dated November 26th, 2019 and shall revoke all previously adopted Terms and Conditions and the amendments thereof.

## **POLICY FOR EXECUTING CLIENTS' ORDERS AND FOR TRANSMITTING/PLACING ORDERS OF TRADING 212 LTD**

*(Title, amended by a resolution of the Managers, as per minutes dated 10 July, 2017 and amended by a resolution of the Managers, as per minutes dated 16 October, 2017 and amended by a resolution of the Managers dated 29 January, 2021)*

### **Section I. GENERAL PROVISIONS**

Art. 1. (1) Amended by a resolution of the Managers dated 10 July, 2017, amended by a resolution of the Managers dated 16 October, 2017, and amended by a resolution of the Managers dated 29 January, 2021) The present policy governs the relations between clients and Trading 212 Ltd., hereinafter referred to as the "INVESTMENT FIRM" or IF, in relation to the execution of orders placed by clients and in accordance with the requirements of Art. 86-89 of the Law on the Markets in Financial Instruments (LMFI), as well as the additional requirements in accordance with Delegated Regulation (EU) № 2017/565 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 (Delegated Regulation (EU) № 2017/565) and Chapter Four of Ordinance No. 38 from 21.05.2020 on the requirements for the activities of investment intermediaries (Ordinance No. 38).

(2) When the Investment Firm manages client portfolios and/or receives and transmits orders and at the same time executes the received orders or the decisions for transactions in portfolio management, the rules of sections two to five of the present Policy shall apply.

(3) The current This policy for the execution of clients' orders and transmitting/placing orders is adopted on the basis of Art. 86 of the LMFI and Section 6 on the processing of client orders, part of Chapter 3 of the Delegated Regulation (EU) 2017/565 on the operation conditions of the Investment Firms.

(4) Pursuant to section two to five of the present policy, "execution of orders on behalf of clients" shall be the performance of actions aimed at the conclusion of transactions for the purchase or sale of one or more types of financial instruments on a client's behalf and at their account. .

Art. 3. (Amended by a resolution of the Managers dated 29 January, 2021) (1) The present Policy shall be provided to retail clients on a durable medium pursuant to Art. 86( 4) of LMFI right at the conclusion of the contract with the Investment Firm under Art. 82 of LMFI in order to become acquainted with its conditions, i.e. before the Investment Firm starts providing services, which include the execution of orders on their behalf, respectively the transmission/placement of orders for execution by another person, whereby the latter should clearly give their prior consent to the current Policy adopted by the Investment Firm, incl. section six of the contract concluded with the IP. The information in the preceding sentence may also be provided via the website of the Investment Firm when it does not meet the requirements for a durable medium, if the conditions of Art. 3(2) of Delegated Regulation (EU) № 2017/565 are met.

(2) The Policy shall apply only to clients who have signed a contract with the Investment Firm under Art. 82 of the LMFI, whereby the policy set out in sections two to five shall apply to implementing an order placed by the client and in the cases of Art. 1( 2), and under section six it is under the conditions of Art. 22 in section six.

(3) If the client refuses to give their prior consent under the previous paragraph, the Investment Firm may not execute orders on their behalf, and the clients shall be informed about this by virtue of the policy.

Art. 4. (1) The Investment Firm shall annually review the client order execution policy and the agreements for execution of orders (in sections two to five), as well as the policy in section six.

(2) The revision under the preceding paragraph shall take place in case of any major change that could affect the ability of the Investment Firm to continuously deliver the best results for the execution of clients' orders by using the places of performance included in the policy for the execution of orders under sections two to five, as well as in case of any major changes that could affect the IP's ability to provide the best results for its clients under section six.

Art. 5. (1) (Amended by a resolution of the Managers dated 12 April, 2016) The Investment Firm shall be required to execute clients' orders in accordance with the rules of the present Policy and to duly notify the client about changes to this Policy.

(2) (Amended by a resolution of the Managers dated 12 April, 2016) Upon the client's request, the Investment Firm shall prove that it has complied with the present Policy.

Art. 6. (1) (Amended by a resolution of the Managers dated 12 April, 2016) The Investment Firm shall monitor the effectiveness of the policy for execution and, whenever possible, remove the deficiencies found. The Investment Firm shall periodically check whether the places of execution of orders included in the policy for the execution of orders provide the best execution of the clients' orders, and whether changes are required.

(2) (Amended by a resolution of the Managers dated 12 April, 2016) The Investment Firm shall also constantly monitor the effectiveness of the policy under sections seven and eight, including the quality of performance of the persons under these sections, and, whenever necessary shall take measures to eliminate any irregularities.



**CLIENT ORDERS EXECUTION POLICY**

**Section II. CLIENTS' SPECIAL INSTRUCTIONS**

Art. 7. By virtue of the present policy, the Investment Firm shall clearly and explicitly warn its clients that any special instructions by the client may prevent the Investment Firm from taking the necessary actions to achieve the best possible result when executing the client's orders in accordance with the orders execution policy, regarding the part of the order to which the special instructions refer.

**Section III. DESCRIPTION OF THE RELATIVE IMPORTANCE OF THE FACTORS FOR PERFORMANCE UNDER ART 30 OF LMFII SPECIFIED BY THE INVESTMENT INTERMEDIARY IN ACCORDANCE WITH THE CRITERIA UNDER THIS SECTION**

Art. 8. Under the present policy, the factors for the execution of clients' orders shall be: The Investment Firm shall execute the client's order in the best interest of the client. The Investment Firm has fulfilled this obligation if it has made reasonable efforts to establish the best price for the client under the terms of the order, costs, possibility of execution and any other circumstances related to the execution of the order. If the client has given specific instructions, the Investment Firm shall execute the order in accordance with these instructions.

(2) Upon the execution of clients' orders, the Investment Firm shall take into account the relative importance of the performance factors under the previous paragraph, taking into consideration the following criteria:

1. the client's characteristics, including whether it is classified as retail or professional;
2. the characteristics of the client's order;
3. the characteristics of the financial instruments that are subject of the order;
4. the characteristics of the execution venues to which the order may be forwarded for execution.

(3) The Investment Firm has fulfilled its obligations to achieve the best results for its clients, if it has executed the order or a specific aspect of the order following the client's specific instructions.

*Description of the factors according to the criteria of Art. 8( 2)*

Art. 9. (1) The Investment Firm shall execute clients' orders under the following conditions:

1. immediate and accurate registration and allocation of orders for execution;
2. immediate execution following the order of receipt of identical clients' orders except for the cases when the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise;
3. The Investment Firm shall inform the retail client about objective obstacles to the precise execution of the orders immediately after becoming aware of them.

(2) When the Investment Firm has undertaken to organize and monitor settlement of an order, they shall take the necessary steps to ensure that all clients' financial instruments or funds,

(3) An Investment Firm shall not abuse information about pending client orders and shall take all necessary measures to prevent such abuse by any person employed by it.

Art. 10. (1) (Adopted by a resolution of the Managers dated 12 April, 2016) The Company shall receive orders from clients, including through proxies, only if the requirements of Ordinance No 38 have been met

(2) (Repealed by a resolution of the Managers dated 12 April, 2016) .

Art. 11. (1) (Supplemented by a resolution of the Managers dated 12 April, 2016) The Investment Firm shall not be entitled to execute any client's order, should the client, or its representative, respectively, refuse to sign the declaration under Art. 35 or declares that the transaction which is subject to the order represents a concealed purchase or sale of financial instruments. The refusal under the first sentence shall be certified by virtue of a separate document signed by the client

(2) The Investment Firm shall not be entitled to execute any orders in the event that it has been declared or

confirmed that the financial instruments subject of the sale order are not available in the client's account or have been blocked in a depository institution, as well as if they have been pledged or under an injunction.

(3) The prohibition under Para. 2 concerning pledged financial instruments shall not be applied in the following cases:

1. the transferee is aware of the registered pledge and has specifically consented to the acquisition of the pledged financial instruments, the pledgee has provided a specific consent in the cases stipulated in the Law on Registered Pledges;

2. the pledge has been registered on a group within the meaning of the Law on Registered Pledges;

(4) The prohibition under Para. 2 concerning sale orders of financial instruments that are not available in the client's account shall not be applied in the cases stipulated in an ordinance.

(5) (Amended by a resolution of the Managers dated 29 January, 2021) The Investment Firm may not execute a client's order if it would lead to a violation of LMFI, the Law Against Market Abuse with Financial Instruments (LMAFI), the Law on the Companies with Special Investment Purpose or other applicable acts.

(6) (Supplemented by a resolution of the Managers dated 12 April, 2016) he Investment Firm shall not execute a client's order if the client fails to provide the funds necessary for the payment of the transaction which is the subject of the order at the time of the order, unless the client certifies that they will comply with their obligation to pay, as well as in other cases provided for in an ordinance and in accordance with the requirements of the Law to Restrict Cash Payments.

Art. 12. (1) The Investment Firm shall conclude transactions with financial instruments on clients' account under the best conditions and with endeavours to achieve the best performance in accordance with the order placed by the client. .

(2) Upon the completion of an order placed by a retail client, the best execution shall be determined by the total value of the transaction, including the price of the financial instrument and the costs, associated with its execution. Costs associated with the execution shall include all costs that are directly related to the execution of the order, including charges of the place of execution, clearing and settlement fees, as well as other fees and charges payable to third parties involved in the execution of the order.

(3) In order to achieve best performance in cases where there is more than one competitive place for the execution of orders and when comparing and assessing the results which may be achieved for the retail client by executing the order at any of the execution venues specified in the present Policy, which are appropriate for its execution, the commissioner fee and the execution costs of the order for each of the possible execution places shall be taken into consideration.

(4) (Amended by a resolution of the Managers dated 29 January, 2021) In the cases under Para. 3 (there is more than one competitive execution venue of an order) if the client has placed an order, which explicitly specifies the execution venue, including in the cases under Art. 86( 6 of the LMFI, the Investment Firm shall, in accordance with Art. 8( 2 of this policy, follow the client's specific instruction regarding the execution venue.

(5) When executing a client's orders, in case there is more than one competing execution venue in relation to financial instruments, the Investment Firm may not set or receive commissions in ways that obviously unfairly differentiate the different execution venues.

Art. 13. (1) Under the present policy, the Investment Intermediary shall be required to achieve the best possible result for the client, whereby, in fulfillment of this requirement:

1. The Investment Firm shall execute its clients' orders as soon as possible, unless this would be obviously disadvantageous to the clients.

2. In case of a client's limit order (an order to buy or sell financial instruments in a fixed volume at a fixed or a better price), the Investment Firm shall execute the order by making reasonable efforts to achieve a price better than the fixed one, but never lower than the price specified by the client.

(2) If a client places a limit order pursuant to Para. 1, point 2 for shares admitted to trade on a regulated market, which is not executed immediately under the prevailing market conditions, the Investment Firm shall be required, unless the client has expressly requested, to facilitate the earliest possible execution of a given order by announcing it in public in a way accessible to the other market participants.

(3) The obligation under Para. 2 shall be considered performed by the Investment Firm upon communication of a limited order on a regulated market and/or multilateral trading system.

(4) According to this policy, the Investment Firm may choose not to perform its obligation under Para. 3 only if the volume of the order does not correspond to the normal market volume, and such derogation from the obligation of the Investment Firm under Para. 3 is specifically stipulated in an ordinance.

Art. 14. (1) According to with this policy, the Investment Firm may not:

1. execute trades on clients' accounts whose volume, frequency, prices or counterparties may have been defined exclusively in the Investment Firm's interest;

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

3. (Amended by a resolution of the Managers, dated 12 April, 2016) perform any operations with client's funds and financial instruments which are not authorized by the client;

4. sell on its own or on others' behalf financial instruments that the Investment Firm or its client do not possess, except under an ordinance;

5. participate in the execution, including as a registration agent, of hidden purchases or sales of financial instruments;

6. receive part of or all the benefit, if the Investment Firm has concluded and executed the transaction on terms more favorable than those specified by the client;

7. carry out activities in any other way that threatens the interests of its clients and the execution of their orders or the stability of the market of financial instruments.

(2) The prohibition under Para. 1, point 1 shall not apply to transactions for whose execution the client has given explicit instructions or has initiated.

(3) The prohibition under Para. 1, point shall apply to the managers and controllers (if any) of the Investment Firm, for those managing its activity, and to all persons employed by it, as well as to any persons related to them.

(4) If upon executing an order the Investment Firm ascertains a conflict of interest, it shall execute the order by strictly following the policy for handling conflicts of interest, about which the client is informed in the General Terms and Conditions of the Investment Firm.

Art. 15. (1) Under the present Policy, the Investment Firm shall not be allowed to enter into securities funding transactions with its clients' financial instruments which it holds, or otherwise use such financial instruments on its own account or on another client's account, unless the client has given their prior explicit consent for the use of their financial instruments under certain conditions, and the use of the financial instruments meets these conditions. The consent under the preceding sentence shall be given if the client whose financial instruments are used is a retail one.

(2) The Investment Firm may not enter into securities transactions with clients' financial instruments, held in a general client account with a third party, or otherwise use such clients' financial instruments on its own account, or on someone else's account. The prohibition under the first sentence shall not apply if the requirements under Para. 1 and at least one of the following conditions are met:

1. all clients whose financial instruments are held together in a joint account have given their explicit agreement in accordance with Para. 1;

2. The Investment Firm shall establish procedures ensuring that only the financial instruments of clients who have given their explicit consent in accordance with Para. 1 shall be used, as well as control mechanisms for compliance with this requirement. By virtue of the present policy, the client shall be notified that such procedures are provided for in the Internal Organization Regulations of the Investment Firm.

(3) In the cases under Para.2 the records kept by the Investment Firm shall include information about the client upon whose order financial instruments have been used, as well as the number of financial instruments used for each client in order to achieve correct distribution of possible losses.

(4) Before concluding a transaction for funding with securities with subject financial instruments held on a retail client's behalf, or before using these financial instruments in any other way on its own account or on another client's account, the Investment Firm shall provide the retail client with clear, complete and accurate information about its duties and responsibilities in connection to the use of financial instruments, including the conditions for their return and the associated risks, on durable medium and in sufficient time before the use of the financial instruments.

#### *Restrictions and requirements for aggregation of orders*

Art. 16. (1) (Amended by a resolution of the Managers, dated 29 January, 2021) Under the present policy, the Investment Firm shall not execute a client's order or a transaction on its own account in aggregation with other clients' orders, in accordance with the conditions of Art. 68 of Delegated Regulation (EU) № 2017/565:

1. the aggregation of orders and transactions will not be detrimental to any of the clients whose orders are aggregated;

2. the investment intermediary has explained to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;

3. the Investment Firm has adopted the effectively implemented a policy for the allocation of orders that contain sufficiently detailed and clear conditions for the fair allocation of the

aggregated orders and transactions, which specifies how the volume and price of orders determines allocations and the treatment of partial executions. The policy under the previous sentence is laid out in the next section of the present Policy;

4. the client's order allows partial execution;
5. the aggregated order itself allows partial execution.

(2) Under the present policy, the aggregated order under Para. 1 may include only orders whose aggregation does not violate the requirements established for order execution, incl. the requirements of Art. 13 on the execution of orders as soon as possible at its set price in case of a limited order.

#### **Section IV. ORDER AGGREGATION AND ALLOCATION POLICY TRANSACTION CARRIED OUT FOR THE INVESTMENT FIRM'S OWN ACCOUNT**

Art. 17. (1) In the cases under the preceding paragraph, when an aggregated order is executed in accordance with the present policy, the Investment Firm shall implement rules for the equitable allocation of the aggregated orders and transactions established in the present article and the following ones.

(2) Where the Investment Firm aggregates an order with one or more other client orders and the aggregated order is completely executed, it shall allocate the related trades in accordance with the following rules:

1. The result of the transaction – the result of the execution of the aggregated order, shall only be allocated among the orders included in the aggregated order.

2. The aggregated order shall be allocated according to the exact volume (number) of financial instruments of the submitted orders included therein. Thus, upon allocation the clients whose orders were included in the aggregated order shall receive as execution the exact number (volume) of financial instruments which corresponds to the order they have placed, since the combined order has been completely executed.

3. The trade – result of execution of the aggregated order has been executed at a particular price, which is valid for all transactions included in the aggregated order. Thus, upon allocation, since the aggregated order has been completely executed, the clients whose orders were included in the aggregated order and in the case of Art. 13, Para. 1, point 2 of the present Policy in strict compliance with this rule shall receive upon allocation the price of the transaction (result of the execution of the aggregated order) which is equal to or better than the price of the order they have placed. In the cases under the previous sentence the benefit, if there is such, shall belong to the client.

(3) Where the Investment Firm aggregates an order with one or more other client orders and the aggregated order is partially executed, it shall allocate the related trades in accordance with the following rules:

1. Upon the allocation of the aggregated order, the result of the transaction - result of the execution of the aggregated order, shall be allocated according to the order of receipt of client orders, whereby the rules under Para. 1 shall apply up to the volume (quantity) of the financial instruments (result of the aggregated order) pursuant to the requirement of LMFII for the execution of clients' orders according to their order of receipt. Thus, upon the allocation, on a first-come, first-served basis, the clients shall receive the allocated volume (number) and price up to the volume (quantity) of the financial instruments available from the trade resulting from the execution of the aggregated order under the rules of Para. 2, and when the volume (number) of financial instruments available from the transaction concluded

as a result of the aggregated order is exhausted – the remaining orders shall not be included in the allocation (allocation of the aggregated order).

2. Upon allocation resulting from a partial execution of the aggregated order, it is possible that the order may fall under the hypothesis that part of its volume (number) of financial instruments fits the volume of the aggregated trade and the rest is above this volume (number). In this case, it is included in the allocation, which is executed under Para. 1, but only partially based on the possible volume (number) of financial instruments referred to in Para. 1.

Art. 18. (1) Under the present Order aggregation and allocation policy, if the Investment Firm has aggregated transactions for own account with one or more client orders the IF shall not allocate the related trades in a way that is detrimental to a client.

(2) When the Investment Firm aggregates a client order with a transaction for own account and the aggregated order is partially executed, it shall allocate the related trades to the client in priority to the firm. Where the Investment Firm is able to demonstrate on reasonable grounds that without the aggregation it would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally, in accordance with its order allocation policy referred to in the previous article.

(3) The Investment Firm shall not carry out reallocation of transactions for own account which are executed in combination with client orders, when this would be detrimental to the client. The procedure under the first sentence is part of the Order Allocation Policy.

## **Section V. ORDER EXECUTION VENUES**

Art. 19. (1) (Amended by a resolution of the Managers, dated 29 January, 2021) According to this Policy, the order execution venues as regards different classes of financial instruments, including but not limited to contracts for difference and issued shares, on which the firm is to a great degree reliant to achieve best execution of client's orders, may be:

1. a regulated market;
2. a multilateral trading system;
3. outside a regulated market.

(2) Orders shall be executed outside a regulated market only if the legal regulations allow trading of the relevant financial instrument subject of the order outside a regulated market, if the client has been priorly informed and has specifically consented thereof, and a better price at less costs for the order execution can be achieved on that market depending on the volume, price and costs for the execution during execution of the specific client's order.

Art. 20. (1) A regulated market is a multilateral system operated and/or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments, in the system and in accordance with its non-discretionary rules, in a way that results in a contract in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the requirements of the LMF1 and the regulations on its application.

(2) A regulated market is also any multilateral system that is authorised and functions in accordance with the requirements of Title III of Directive 2004/39/EC of the European Parliament and of the Council.

(3) The advantages of the place for execution under the previous clauses lie in the fact that it ensures transparent and non-discretionary rules to allow fair and proper trade and objective criteria for effective execution of the orders for completion of

transactions in financial instruments, and has rules and procedures for clearing, settlement and guaranteeing transactions undertaken on a regulated market, as well as that it guarantees publicly accessible information. In some cases, the venue referred to in the first sentence may turn out to be inappropriate in terms of the volume, price and costs of execution.

Art. 21. (1) A multilateral trading system is a multilateral system operated by an investment firm or a market operator that combines third-party counter orders for buying and selling of financial instruments in the system and based on rules that do not allow assessment during combining counter orders, and when such combining results in completion of a transaction in accordance with the provisions of Chapter Third, Section IV of the LMFI.

(2) The advantages of the execution venue referred to in the previous clause lie in the fact that it ensures organized trade, objective criteria for order execution, publicly accessible information allowing making informed investment decisions, and offers facilitation of the settlement for the transactions completed over it. In some cases, the venue referred to in the first sentence may turn out to be inappropriate in terms of the volume, price and costs of execution. Another disadvantage is that if the financial instruments admitted for trade on a regulated market are traded on multilateral trading system without the consent of the issuer, it is not required to disclose the information regarding the multilateral system provided for in the Law on Public Offering of Securities against market abuse with financial instruments and the legislation for their implementation.

#### **Section VI. SPECIFIC PROVISIONS REGARDING CLIENTS' ORDERS WHEN TRADING VIA AN ELECTRONIC PLATFORM**

Art. 22. When the company allows its clients to trade contracts for differences, incl. currency and derivatives with underlying assets, stocks, futures and indexes by using an electronic trading platform, besides the rules and policies established in the current sections, the specific provisions set out in the present section shall apply.

Art. 23. (Supplemented by a resolution of the Managers according to Minutes dated 02 April, 2014, amended by a resolution of the Managers, dated 12 April, 2016, amended by a resolution of the Managers, dated 10 July, 2017, and amended by a resolution of the Managers, dated 16 October, 2017) In order to trade on the platform and use its features, it is necessary to conclude a contract pursuant to Art. 35 of the General Terms and Conditions of Trading 212 Ltd. Upon the conclusion of the contract the client shall receive a username and password which enable them to include into the electronic platform under the present section on the following websites: [www.trader.bg](http://www.trader.bg) and [www.trading212.com](http://www.trading212.com).

Art. 24. (1) (Supplemented and amended by a resolution of the Managers, dated 12 April, 2016, amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 29 January, 2021) Under the present section, the orders of the clients of Trading 212 Ltd. shall be received and executed by it via the electronic trading platform. The electronic trading platform under this section shall be an electronic trading system that guarantees compliance with the requirements of Ordinance No 38 and Delegated Regulation (EU) No 2017/565 and provides clients with a place for execution at the websites listed in the preceding article.

(2) (Amended by a resolution of the Managers, dated 02 April, 2014 and dated 12 April, 2016) The client shall have direct access to the platform (system) under the preceding paragraph through the websites listed above and shall be able to place orders through web, desktop and/or mobile applications that ensure their reliable identification. Upon receiving the order, the person who receives it shall check the client's identity, respectively their proxy's identity. The identity check and identification are done through user name (for iTrend.com - email) and

password. The Investment Firm shall be allowed to also use additional methods for checking the client/proxy's identity, upon its sole discretion.

(3) (Supplemented by a resolution of the Managers, dated 02 April, 2014, amended by a resolution of the Managers, dated 10 July, 2017, and amended by a decision of the Managers, dated 16 October, 2017) The orders submitted by clients through the provided trading platform shall be executed as soon as the market reaches the price specified in the order. The clients' orders shall be always executed completely - when the market reaches the price specified in the order, the entire volume of the client's order shall be executed, i.e. the electronic trading platform does not allow partial order execution. The client's order under this section shall never and under no circumstance whatsoever be combined with other client orders or with a transaction for the own account of Trading 212 Ltd.. In each trade executed upon a client's order under this section, Trading 212 Ltd. shall act as a counterparty, irrespective of the type of client's order – buy or sell.

(4) (Supplemented by a resolution of the Managers, dated 02 April, 2014, amended by a resolution of the Managers, dated 10 July 2017, and amended by a resolution of the Managers, dated 16 October 2017) Disputes arising from the execution/non-execution of orders under the present section shall be referred only to Trading 212 Ltd.

Art. 25. (1) By virtue of the present section, clients shall be informed and agree that the electronic trading platform is software that may experience technical shortcomings, technical failures or other technical malfunctions related to its functioning, which could lead to delays or failure to execute orders.

(2) (Amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) Upon the occurrence of a circumstance under the preceding paragraph, the client should immediately contact Trading 212 Ltd.

(3) (Amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) In case of incorrect execution/non-execution of a client's order as a result of technical malfunction in the platform, Trading 212 Ltd. shall carry out an inspection and assessment of the concluded/non-concluded transaction, and shall issue its opinion to the client within 3 days via the platform or by means of communication (email, telephone) about whether it considers the transaction final or invalid.

(4) (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) In the case if the preceding paragraphs Trading 212 Ltd shall not be liable for damages, suffered by the client, provided that the following conditions occur cumulatively: 1. There is a damage due to the improper functioning of the software of the electronic platform, caused by the wrongful behavior of an employee of Trading 212 Ltd. or by technical problems that the latter were able to prevent, and 2. The order was executed at a price that differs significantly from the market price. "A price that differs significantly from the market price" under the previous sentence shall be a price that differs by at least three times the spread for the respective financial instrument from the prices of at least three leading global brokers and banks, specified in the General Terms and Conditions. In this case, Trading 212 Ltd. takes action to eliminate the error (by reversal, or by refunding the client's account up to the amount of the damage).

(5) (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) The client shall be informed and agrees that Trading 212 Ltd is not liable for damages suffered by the client if the malfunction in software and in the used means for communication are caused by external factors or they are caused by the intervention of third parties in the software platform or in communications used, respectively in other programs affecting the functioning of the electronic platform. Trading 212 Ltd. shall not be liable for damages suffered by the client if the latter violates or fails to fulfill the technical



requirements for using the platform or discloses to third parties their username and password and provides access to the platform. The exemption of liability under the above sentences shall only be limited to the actions of third parties that Trading 212 Ltd. could not prevent.

(6) (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) Trading 212 Ltd. shall be liable if as a result of a wrongful behaviour of an employee of the company, a client suffers damages resulting from services provided by the electronic platform, incl. for damages resulting from errors in the texts translated by employees of the company, whereby the responsibility shall be limited to the amount of the damage suffered.

(7) (Amended by a resolution of the Managers, dated 10 July, 2017 and amended by a decision of the Managers, dated 16.10.2017) Trading 212 Ltd. shall not be liable for damages suffered by clients if they result from a technical failure at the ISPs and hosting centres used by the company because these are circumstances beyond the Investment Firm's control and it is unable to prevent them.

(8) (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) Trading 212 Ltd. shall not be liable for damages suffered by clients, if they result from: incomplete/inaccurate order placed by the client, disconnection of the client from the Internet or a fault in other communication means used by the client, technical problems in the devices used by the client, or hardware and software problems with the client's computer.

Art. 26. Under the present section, the clients shall be informed that it is possible for the quotes of certain assets to which they have access through the electronic trading platform to contain errors. Since the quotes provided via the electronic trading platform under this section are formed using quotations provided by many foreign investment intermediaries and banks which are through a DDE protocol the errors in quotations may occur due to delays or technical errors when obtaining the necessary information and this makes the quotes incorrect (inaccurate). Errors in quotations are established by comparing quotes on the platform with at least three quotes of leading world brokers and banks, specified in the General Terms and Conditions.

(2) (Amended by a decision of the Managers, dated 10.07.2017, amended by a decision of the Managers, dated 27.07.2017 and amended by a decision of the Managers, dated 16.10.2017) Where, in the case under paragraph 1 a factual error is established in a particular quote, under Para.1, Trading 212 Ltd. may cancel the transaction executed at the corresponding incorrect quote and the consequences related thereto, resulting in profit or loss for the client.

(3) (Amended by a decision of the Managers, dated 10.07.2017, amended by a decision of the Managers, dated 27.07.2017 and amended by a decision of the Managers, dated 16.10.2017) Trading 212 Ltd. shall be liable for damages suffered by the client (if such have been caused in the particular case) up to the amount of the damages suffered as a result of any error in quotes that could have been prevented by due care or has been caused by premeditated actions of the employees of Trading 212 Ltd., including when the error has been caused by flaws in the electronic platform software or an incorrect price input within the assumption of Para. 1.

(4) (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) By virtue of the present section, the client shall be notified and agrees that the electronic platform, respectively Trading 212 Ltd, may not provide quotes at specific times, in case there are temporary technical difficulties or there are circumstances under which a trade in a given market is not allowed, hence the inability to form a quote. In this case Trading 212 Ltd. shall not be liable for damages suffered by the client.

***POLICY FOR TRANSMITTING/PLACING ORDERS FOR EXECUTION BY ANOTHER PARTY*****Section VII. POLICY FOR TRANSMITTING/PLACING ORDERS FOR EXECUTION BY ANOTHER PARTY**

Art. 27. (Amended by a resolution of the Managers dated 29 January, 2021)The rules set out in the present section apply to cases where:

1. The Investment Firm manages a portfolio and places orders for execution to another party making its decisions for trading financial instruments on behalf of its clients.
2. The Investment Firm performs activity under Art. 6, Para. 2, point 1 of LMFI and transmits its clients'

orders for execution to other parties.

Art. 28. Under the present Policy, when acting under Art. 27, the Investment Firm shall act in the clients' best interest, which includes placing/transmitting orders to a third party for execution as soon as possible when:

- a circumstance exists or arises which prevents the execution of the order under Art. 27, item 2, respectively the decision taken by the Investment Firm in relation to the management of a portfolio under Art. 27, item 1 by the Investment Firm itself, or
- the Investment Firm decides that in this way it will ensure the achievement of the best result for the client.

Art. 29. (1) In order to fulfill its obligation under the previous paragraph and the present Policy, the Investment Firm shall make all reasonable efforts to achieve the best possible result for its clients by taking into account the factors: best price for the client (in the case under Art. 27, item 2 – this is the price as per the order of the client, cost amount, likelihood of execution and all other circumstances related to the execution by the third party to whom the order is placed/transmitted for execution.

(2) Pursuant to the rules in the present section, the relative importance of each of the factors under Para. 1 shall be determined by the criteria in section three, Art. 8( 2, and for retail clients – according to the requirements set out in Art. 12, and the Investment Firm shall report whether the other party to whom the order is submitted/transmitted for execution is in a position to ensure an execution in compliance with these criteria.

(3) In application of Art. 1 and Para. 2, the Investment Firm shall take into consideration whether the third party has access to the appropriate execution venue where it can execute the order for a specific financial instrument, as well as the execution commission and fees to the third party.

(4) In application of Art. 1 and Para. 2, the Investment Firm shall transmit/place and order for execution to another party only if that party has concluded the necessary agreements and disposes of enforcement mechanisms to ensure that the Investment Firm complies with its obligations under this section of the present policy.

(5) In application of Art. 1 and Para. 2, the Investment Firm shall transmit/place an order for execution to another party only if that party has effective internal control.

Art. 30. (1) Under the present Policy, when the Investment Firm transmits/places an order for execution to another party, it shall be entitled to receive the client information collected by the Investment Firm, whereby the IF shall be responsible for the completeness and accuracy of the information provided.

(2) Under the present policy, when the Investment Firm transmits/places an order to another party, it shall be entitled to receive and to rely on the recommendations (if any) provided by the Investment Firm to the client.

(3) The Investment Firm shall be responsible for the correctness of the recommendations provided to the client under the preceding paragraph (if any) and the other party shall be responsible for the

execution based on the information received and the recommendations under the preceding paragraphs.

Art. 31. Section Seven shall not apply when the Investment Firm manages client portfolios and/or receives and transmits orders and at the same time executes the received orders or the decisions for transactions in portfolio management. In these cases, the provisions of sections two to six of the present policy shall apply.

## **RULES FOR DETERMINING THE EXECUTION VENUES AND THE PERSONS TO WHOM CLIENTS' ORDERS SHALL BE TRANSMITTED**

### **Section VIII. PLACES FOR EXECUTION. PERSONS TO WHOM CLIENT'S ORDERS MAY BE TRANSMITTED**

Art. 32. The execution venues under the present Policy shall be those where clients' order shall be transmitted and shall be determined in a way that guarantees the clients' interest and compliance with the regulatory requirements.

Art. 33. (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) When implementing the previous article, Trading 212 Ltd shall comply with the following rules for determining the execution venue:

1. When selecting an execution venue, the company shall take into account those trading venues where the financial instruments which are subject to the clients' order are traded in significant volumes and have sufficient liquidity of the financial instrument and whether the company has direct access to the respective executive venue or has to use another Investment Firm to minimize client costs.
2. It should be assessed whether the execution venue provides factors necessary for the best possible performance under Art. 30 of the LMFI, by taking into account the criteria for determining their significance as defined in Section III of the present policy.
3. The company shall take the necessary steps not to set or collect fees in a way that provide preference for some venues over others.
4. The execution venue shall allow the company to obtain the best possible results for the execution of the client's order.

Art. 34. (1) (Amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16 October, 2017, and amended by a resolution of the Managers, dated 29 January, 2021) Pursuant to Art. 32, Trading 212 Ltd. shall observe the following rules for determining the persons to whom clients' orders shall be transmitted:

1. Regarding stocks, bonds and compensatory instruments which are subject to clients' orders and are traded on a regulated Bulgarian market or a multilateral trading facility (MTF), the company shall transmit orders for execution only to an Investment Firm licensed by the Financial Supervision Commission, which has access to the respective execution venue – the "BSE - Sofia" AD or the corresponding MTF.
2. Regarding financial instruments other than the securities referred to in Art. 3, item 2 of LMFI, which are not traded on a regulated Bulgarian market or multilateral trading system, the company shall transmit the orders for execution only to an Investment Firm licensed by the FSC or the national state body within the EEC, which has access to the respective place for performance.
3. For financial instruments subject to a client's order, which are traded outside the regulated market, the company shall transmit orders for execution only to an Investment Firm licensed by the Financial Supervision Commission, respectively to an Investment Firm

licensed by the corresponding national authority within the EEC, which has access to the respective execution venue.

4.(Amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16 October 2017) The Investment Intermediary to whom Trading 212 Ltd. transmits clients' orders must have the necessary execution mechanisms to ensure the fulfillment of obligations under LMFI, Delegated Regulation (EU) 217/565 and Ordinance 38 on the Requirements to the Activity of Investment Intermediaries.

5.(Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) Trading 212 Ltd. shall verify the compliance of the policy of the Investment Firm to which it transmits clients' orders for execution with the legislative requirements and with the present policy.

6.(Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) Trading 212 Ltd. shall constantly monitor the efficiency and execution quality of the investment intermediaries to which it transmits orders and shall remove faults, if necessary.

(2) Amended by a resolution of the Managers, dated 10 July 2017 and amended by a decision of the Managers, dated 16 October 2017) In application of Art. 1, the company shall specify an Investment Firms to whom clients' orders will be transmitted after a decision in this regard has been taken by the managers and a contract between Trading 212 Ltd and the other party has been signed.

Art. 35. (Amended by a resolution of the Managers, dated 10 July, 2017 and amended by a decision of the Managers, dated 16.10.2017) The determination of the additional execution venue or parties to whom clients' orders will be transmitted and which are not included in the present policy shall be done according to the criteria and selection rules set out in Art. 32–34 above. For that purpose, Trading 212 Ltd. shall duly update the present policy and inform its clients about updates in accordance with Art. 3 of the present Policy.

## FINAL PROVISIONS

**Sole paragraph.** The present Policy was adopted by the Managers by a resolution according to the Minutes dated 25 November, 2013 and amended and supplemented by a resolution of the Managers according to the Minutes dated 2 April, 2014, amended on 12 April, 2016, amended on 10 July, 2017, amended on 27 July, 2017, amended on 16 October, 2017, and amended on 29 January, 2021

## POLICY FOR RECATEGORIZATION OF CLIENTS AS PROFESSIONAL/RETAIL AND ELIGIBLE COUNTERPARTIES OF TRADING 212 LTD.

*(Title amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16.10.2017)*

### Section I. GENERAL PROVISIONS

Art. 1. (1) This policy defines the Investment Firm's criteria and procedures for classifying clients as professional, retail, as well as the circumstances under which they can be classified as eligible counterparties.

(2) (amended by a resolution of the Managers, dated 29 January, 2021) This policy and procedures adopted and implemented by the Investment Intermediary shall be governed by the Law on Markets in Financial Instruments (LMFI) and Delegated Regulation (EU) 2017/565.

(3) Clients shall be classified as professional or retail on their own initiative or upon the Investment Firms's initiative.

(4) (amended by a resolution of the Managers, dated 29 January, 2021) Upon implementing the present policy, the Investment Firm shall strictly observe the provisions of LMFI, incl. Art. as well as the norms of Delegated Regulation (EU) 2017/565, incl. the requirements under Art. 45 and Art. 71.

(5) (newly added by a resolution of the managers, dated 2 April, 2017, amended by resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) In each of the transactions concluded upon executing a client's order, irrespective of the category of clients to which those transactions relate, via the electronic trading platform (described in detail in a special section of the General Terms and Conditions), Trading 212 Ltd. shall act as a counterparty, irrespective of the type of the client's order - buy or sell.

(6) (newly added by a resolution of the Managers, dated 29 January 2021) Under this policy and in accordance with Para.1( 10) of the AP of LMFI a "professional client" is a client who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs. In order to be considered to be a professional client, the client must comply with the criteria set out in Section II and Section III of this Policy.

## **Section II. PROFESSIONAL CLIENTS TO BE CONSIDERED AS SUCH WITH REGARD TO ALL INVESTMENT SERVICES, INVESTMENT ACTIVITIES AND FINANCIAL INSTRUMENTS**

Art. 2. Under this Policy, the following should all be regarded as professional clients in all investment services and activities and financial instruments for the purposes of the Directive.

(amended by a resolution of the Managers, dated 29 January, 2021) Persons, who are required to be authorized to operate on the financial markets or whose activity on those markets is otherwise regulated by the national law of a Member State, without reference to a Directive of the European Union, as well as persons authorized to carry out these activities, or otherwise governed by the laws of a third country, as follows:

- 1.1.credit institutions
- 1.2.investment firms
- 1.3.other authorised or regulated financial institutions
- 1.4.insurance companies
- 1.5.collective investment schemes and management companies of such schemes
- 1.6.pension funds and pension insurance companies
- 1.7.commodity and commodity derivatives dealers
- 1.8.legal entities that provide investment services or perform

investment activities which consist only of trade on their own account on markets in financial futures or options or other derivative financial instruments on the money market with the sole purpose of hedging positions in the markets for derivative financial instruments or trade on behalf of other members of those markets or making prices for them, and which are guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such persons is assumed by clearing members of the same markets

- 1.9.other institutional investors

2. Large undertakings meeting two of the following size requirements on a company basis:

- 2.1.balance sheet total – exceeding at least the equivalent in BGN of EUR 20 million
- 2.2.net turnover – exceeding at least the equivalent in BGN of EUR 40 million
- 2.3.own funds – exceeding at least the equivalent in leva of EUR 2 million

3. National and regional public authorities, public bodies which manage public debt, central banks, international and supranational institutions like the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations.

Art. 3. (previous text of Art. 3 as supplemented by a decision of the Managers dated 29.01.2021) According to this policy, the clients listed in this section shall be defined as professional by the initiative of the Investment Firm, if they meet the requirements of Art. 2. The entities referred to in Art. 2 shall be considered professional clients. They shall be entitled to demand treatment as retail clients, whereas the Investment Firm may agree to provide a higher level of protection. Where the client of the Investment Firm is an entity referred to in Art. 2, the Investment Firm shall inform the client, before the provision of any services, that based on the information that the latter has the client is considered a professional client and is to be treated as such, unless the Investment Firm and the client agree otherwise. The Investment Firm shall inform the professional client that the latter may demand change in the terms and conditions of the agreement in order to ensure a higher level of protection.

(2) (newly added by a resolution of the Managers dated 29 January, 2021) Entities meeting with the criteria for a professional client are obliged to demand a higher level of protection whenever they decide that they are unable to properly assess or manage the risks relating to the investment.

(3) (newly added by a resolution of the Managers dated 29 January, 2021) The higher level of protection shall be provided based on a written agreement between the Investment Firm and the professional client, specifically laying down the particular services, activities, transactions, financial instruments or other financial products as regards to which the client is to be provided a higher level of protection.

(3) (newly added by a resolution of the Managers dated 29 January, 2021) The higher level of protection shall ensure that the professional client shall not be considered professional for the purposes of the regime applicable to the activities of the Investment Firm. The Investment Firm shall inform the client that the latter may at any time demand change in the terms and conditions of the agreement to ensure a higher level of protection.

### **Section III. PROFESSIONAL CLIENTS ON THEIR REQUEST – CATEGORIZATION CRITERIA AND PROCEDURES**

Art. 4. (1) According to this policy, the clients falling outside Section I herein, including government bodies and private individual investors, may request that the rules for the activities of the Investment Firm to ensure a higher level of protection of the client do not apply to them, and be treated as professional instead.

(2) The entities referred to in the previous clause must meet at least two of the following identification criteria:

1. during the last year the entity has undertaken quarterly an average of 10 transactions with significant volume on a relevant market
2. the value of the entity's investment portfolio that includes financial instruments and cash deposits exceeds the BGN equivalent of EUR 500,000.00
3. the entity operates or has been operating in the financial sector for no less than one year in a professional position, that requires expertise in the relevant transactions and services.

Art. 5. According to this policy, the clients listed in this section shall be defined and treated by the Investment Firm as professional, generally or in connection with certain investment services or transactions or certain types of transactions or an investment product by their own initiative (request), if all of the following conditions are met simultaneously: the particular client meets the criteria stipulated in Art. 4, Para. 2, and the procedure as laid down in Art. 6 of this policy has been followed.

Art. 6. The clients referred to in Art. 4, Para. 1 of this policy that consider themselves meeting the requirements of Art. 4, Para. 2 shall serve the Investment Firm a written request to be treated as professional clients generally or in connection with certain investment services or transactions or a certain type of transactions or an investment product.

Art. 7. (1) The Investment Firm shall warn the client in the previous article that it will not take advantage of the relevant protection afforded to the retail clients in the provision of the investment services and execution of activities by the Investment Firm as well as it is not take advantage of the right

to be compensated by the Compensation Fund of the investors in financial tools.

(2) The client under the previous paragraph shall declare that they are aware of the consequences under the preceding paragraph.

Art. 8. The Investment Firm shall take the necessary actions to ensure that the client under Art. 6 meets the requirements of Art. 4, Para. 2 of the present Policy.

Art. 9. (1) Clients of the Investment Firm categorized as professional under the provisions of the present section shall be required to notify the Investment Firm of any change in the data served as the grounds for their categorization as professional clients.

(2) Pursuant to the present procedure and policy, if in the course of the activity carried out by the Investment Firm the latter becomes aware however that the client considered to be professional no longer fulfills the conditions under Art. 4, Para. 2, which made him eligible for professional treatment, the investment firm shall take appropriate action to apply a higher degree of protection for that client.

#### **Section IV. RETAIL CLIENTS**

Art. 10. (amended by a resolution of the Managers, dated 29 January, 2021) Under this policy and in accordance with Para.1( 10 of the Additional Provisions (AP) of the LMFI a "retail client" is a client who is not a professional client or an eligible counterparty.

#### **Section V. ELIGIBLE COUNTERPARTY**

Art. 11. (1) (previous text of Art. 11, as amended by a resolution of the Managers dated 29 January, 2021) Under this policy and in accordance with Art. 89, Para. 2 LMFI "eligible counterparty" shall mean an investment firm; credit institution, credit institution, insurance company, UCITS and their management companies, pension funds and their management companies, other financial institutions authorised or regulated under Union law or under the national law of a Member State, national governments and their corresponding offices including public bodies that deal with public debt at national level, central banks and supranational organisations, and third country undertakings on the same conditions and subject to the same requirements as those of the Community legislation

(2) (newly added by a resolution of the Managers dated 29 January, 2021) Other entities may also be considered eligible counterparties, if meeting the criteria and requirements, set out in Art. 71 of the Delegated Regulation (EU) 2017/565, including third-country entities.

(3) (newly added by a resolution of the Managers dated 29 January, 2021) In the case of an order from a client who is an entity from another jurisdiction, the investment firm shall consider whether the client has been categorized as an eligible counterparty under the law of the country in which the client is established.

Art. 12a (newly added by a resolution of the Managers as of 29/01/2021) (1) When according to the present policy and LMFI the entity is categorized as an eligible counterparty, the Investment Firm at the execution of the established services under Art. 6 of LMFI, the Investment Firm may execute or conclude transactions and with this entity with this person without complying with the requirements of Art. 71, Para. 1, Art. 72 – Art. 74, Art. 77, Art. 78, Art. 82, Art. 84 – Art. 87 of LMFI in respect of specific orders or ancillary service directly related to those orders.

(2) When concluding a transaction with or for an eligible counterparty according to Para. 2 and Para. 3 of the previous Article the Investment Firm shall possess an exclusive confirmation confirmation from that entity that they agree to be treated as an eligible counterparty

(3) Any entity categorized as an eligible counterparty under this section may expressly request not to be treated as such party in whole or for a specific transaction.

(4) When concluding transactions with or for eligible counterparties, the investment intermediary shall comply with the requirements of Art. 71 of the Delegated Regulation (EU) 2017/565.

## **Section VI. OTHER CONDITIONS FOR CATEGORIZING A CLIENT AS PROFESSIONAL, NON-PROFESSIONAL, ELIGIBLE COUNTERPARTY**

Art. 12. (repealed by a resolution of the Managers dated 29 January, 2021)

Art. 13. (1) (repealed by a decision of the Managers dated 29.01.2021)

1. (amended by a resolution of the Managers dated 29 January, 2021) categorize as professional or retail a client who otherwise would have been classified as an eligible counterparty within the meaning of the current Policy.

2. categorize as retail a client who considers themselves professional under section two of the present Policy.

Art. 14. (1) (amended by a resolution of the Managers, dated 29 January, 2021) According to the current Policy, in case a client categorized as an eligible counterparty, requests not to be treated as such, this client shall be classified in accordance with the rules set out in Art. 71 of the Delegated Regulation (EU) 2017/565.

(repealed by a resolution of the Managers dated 29 January, 2021)

Art. 15 (newly added by a resolution of the Managers as of 29/01/2021) Investment Firm shall inform clients in a durable medium about any right that client has to request a different categorization and about any limitations to the level of client protection that a different categorization would entail.

## **FINAL PROVISIONS**

**Sole paragraph.** This Policy was adopted by the Managers by a resolution dated 25 November, 2013, supplemented by a resolution of the Managers dated 2 April, 2014, amended by a resolution of the Managers dated 10 July, 2017, amended by a resolution of the Managers dated 16 October, 2017, and amended by a resolution of the Managers dated 29 January, 2021.



**TABLE OF CHARGES, FEES AND COMMISSIONS APPLIED BY  
TRADING 212 LTD. FOR PROVISION OF SERVICES TO CLIENTS**

*(Title amended by a resolution of the Managers, dated 10 July, 2017 and amended by a resolution of the Managers, dated 16.10.2017)*

The table is approved by the Managers by a resolution dated 25 November, 2013, supplemented by a resolution of the Managers dated 2 April, 2014, amended by a resolution of the Managers dated 8 December, 2014, amended by a resolution of the Managers dated 15 June, 2015, adopted by a resolution of the Managers dated 19 May, 2016 effective as from 1 July, 2017, amended by a resolution of the Managers dated 7 September, 2018 effective as from 19 September, 2018.

<b>I</b>	<b>EXECUTION OF ORDERS FOR TRANSACTIONS WITH ACTUAL DELIVERY OR FINANCIAL INSTRUMENTS</b>	
<b>1</b>	<b>Financial instruments transactions concluded on the Bulgarian Stock Exchange</b>	1.0% of the value of the transaction
<b>2)</b>	<b>Financial instruments transactions concluded on an over-the-counter market</b>	Negotiable
<b>3</b>	<b>Financial instruments transactions concluded on third-party markets</b>	1% of the value of the transaction
<b>II</b>	<b>Commissions for TRANSACTIONS OVER AN ELECTRONIC TRADING PLATFORM</b>	
<b>1</b>	<b>Trading in contracts for difference (CFD) on currency and indexes</b>	No commission
<b>2)</b>	<b>Trading in contracts for difference on shares for <a href="http://www.trading212.com">www.trading212.com</a>.</b>	The costs associated with the execution of transactions for trade over the platforms referred to in Clause 2.1. and Clause 2.2 are published on <a href="http://www.trading212.com">www.trading212.com</a> . For trading over the platform referred to in Clause 2.3., the costs under the previous sentence shall not be payable.
<b>3</b>	<b>Trading in contracts for difference on futures and commodities</b>	No commission
<b>4</b>	<b>Leaving a position open overnight</b>	Pays or receives an interest swap, as published on <a href="http://www.trading212.com">www.trading212.com</a> .
<b>5</b>	<b>Minimum deposit for opening a new Actual Account</b>	200 BGN, 100 EUR, 150 USD
<b>III</b>	<b>CUSTODY SERVICES</b>	
<b>1</b>	<b>Keeping cash funds</b>	0.5% annually of the value of the cash funds
<b>2)</b>	<b>Keeping other client's assets /excluding cash funds/</b>	0.05% annually of the value of the assets

<b>IV</b>	<b>TRUSTEE SERVICES</b>	Negotiable
<b>V</b>	<b>RESEARCH, TECHNICAL ANALYSES, CONSULTATIONS, ETC.</b>	Negotiable
<b>VI</b>	<b>UNDERWRITING AND/OR PLACING OF FINANCIAL INSTRUMENTS</b>	Negotiable
<b>VII</b>	<b>CASH OPERATIONS</b>	
<b>1</b>	<b>Cash deposit and withdrawal</b>	No fees
<b>2)</b>	<b>Credit and Debit card funding</b>	Fee amounting to 0.7% up to 2.9% of the value of the transfer depending on the payment method and currency of the client's account.
<b>3</b>	<b>Credit card withdrawal</b>	No fees
<b>4</b>	<b>Bank wire deposit</b>	No fees
<b>5</b>	<b>Bank wire withdrawal</b>	In BGN – no fees* In any other currency – fee of five Euro or its equivalent in another currency**
<b>6</b>	<b>Minimum withdrawal amount</b>	The minimum withdrawal amount is published in Positions and Payments on <a href="http://www.trading212.com">www.trading212.com</a> .
<b>7</b>	<b>Inactivity fee (if for more than 6 consecutive months (180 days) you have no transactions concluded over the trading platforms referred to in Clause 2.1. and Clause 2.2.)</b>	The inactivity fee is published in Positions and Payment on <a href="http://www.trading212.com">www.trading212.com</a> .

Note:

\*For bank transfers up to BGN 100, a fee of BGN 2 is deducted.

\*\*Does not apply to withdrawal of amounts in Polish zloty (PLN) and Romanian lei (RON). (Amended by a resolution of the Managers, dated 10 October, 2017 and amended by a resolution of the Managers, dated 16 October, 2017) Trading 212 Ltd. reserves the right to adjust the above fees and commissions.

## INFORMATION UNDER ART. 450 OF REGULATION 575/2013 FOR 2015

### INFORMATION UNDER ART. 450, PARA 1, LETTER G

<i>In thousands of BGN</i>		
Type of activity	Number of employees	Amount of the remuneration for 2015
Trading in financial instruments	3	601

### INFORMATION UNDER ART. 450, PARA. 1, LETTER "H"

<i>In thousands of BGN</i>											
Type of activity	Category of personnel	Number of employees	Remuneration for 2015		Amount and type of variable remuneration				Outstanding deferred liabilities		Amount of the deferred remunerations granted in 2015, paid and reduced by adjustments based on the results achieved
			Fixed remuneration	Variable remuneration	Cash funds	Shares	Instruments related to shares	Other	Received	To be received	
Trading in financial instruments	Senior management employees	3	425	176	176	-	-	-	176	-	-

<i>In thousands of BGN</i>				
Remuneration for new recruits for 2015		Compensations for dismissal for 2015		
Number of employees	Amount	Number of employees	Amount	Highest amount of compensation
-	-	-	-	-

**INFORMATION UNDER ART. 450 OF REGULATION 575/2013 FOR 2016**

**INFORMATION UNDER ART. 450, PARA 1, LETTER G**

<i>In thousands of BGN</i>		
Type of activity	Number of employees	Amount of the remuneration for 2015
Trading in financial instruments	2	346

**INFORMATION UNDER ART. 450, PARA. 1, LETTER "H"**

<i>In thousands of BGN</i>											
Type of activity	Category of personnel	Number of employees	Remuneration for 2015		Amount and type of variable remuneration				Outstanding deferred liabilities		Amount of the deferred remunerations granted in 2015, paid and reduced by adjustments based on the results achieved
			Fixed remuneration	Variable remuneration	Cash funds	Shares	Instruments related to shares	Other	Received	To be received	
Trading in financial instruments	Senior management employees	2	184	162	162	-	-	-	-	-	-

<i>In thousands of BGN</i>				
Remuneration for new recruits for 2015		Compensations for dismissal for 2015		
Number of employees	Amount	Number of employees	Amount	Highest amount of compensation
-	-	-	-	-

**INFORMATION UNDER ART. 450, PARAGRAPH 1, LETTER "I"**

Number of individuals earning more than EUR 1 million for the financial year	Number of individuals earning from EUR 1 million up to EUR 5 million for the financial year	Number of individuals earning more than EUR 5 million for the financial year
-	-	-

**INFORMATION UNDER ART. 450 OF REGULATION 575/2013 FOR 2017**

**INFORMATION UNDER ART. 450, PARA 1, LETTER G**

<i>In thousands of BGN</i>		
Type of activity	Number of employees	Amount of the remuneration for 2015
Trading in financial instruments	13	1076

**INFORMATION UNDER ART. 450, PARA. 1, LETTER "H"**

<i>In thousands of BGN</i>											
Type of activity	Category of personnel	Number of employees	Remuneration for 2015		Amount and type of variable remuneration				Outstanding deferred liabilities		Amount of the deferred compensations granted in 2015, paid and reduced by adjustments based on the results achieved.
			Fixed remuneration	Variable remuneration	Cash funds	Shares	Instruments related to shares	Other	Received	Expected to be received	
Trading in financial instruments	Senior management personnel	6	447	270	270	-	-	-	-	-	-
Trading in financial instruments	Staff whose professional activities have a material impact on the risk profile of the company	7	249	110	110	-	-	-	-	-	-

<i>In thousands of BGN</i>				
Remuneration for new recruits for 2015		Compensations for dismissal for 2015		
Number of employees	Amount	Number of employees	Amount	Highest amount of compensation
-	-	4	26	10

**INFORMATION UNDER ART. 450, PARAGRAPH 1, LETTER "I"**

Number of individuals earning more than EUR 1 million for the financial year	Number of individuals earning from EUR 1 million up to EUR 5 million for the financial year	Number of individuals earning more than EUR 5 million for the financial year
-	-	-

**INFORMATION UNDER ART. 450 OF REGULATION 575/2013 FOR 2018**
**INFORMATION UNDER ART. 450, PARA 1, LETTER G**

<i>In thousands of BGN</i>		
Type of activity	Number of employees	Amount of the remuneration for 2015
Trading in financial instruments	18	1097

**INFORMATION UNDER ART. 450, PARA. 1, LETTER "H"**

<i>In thousands of BGN</i>											
Type of activity	Category of personnel	Number of employees	Remuneration for 2018		Amount and type of variable remuneration				Outstanding deferred liabilities		Amount of the deferred remunerations granted in 2018, paid and reduced by adjustments based on the results achieved
			Fixed remuneration	Variable remuneration	Cash funds	Shares	Instruments related to shares	Other	Received	Expected to be received	
Trading in financial instruments	Senior management personnel	6	507	141	648	-	-	-	-	-	-
Trading in financial instruments	Staff whose professional activities have a material impact on the risk profile of the company	12	369	80	449	-	-	-	-	-	-

<i>In thousands of BGN</i>				
Remuneration for new recruits for 2018		Compensations for dismissal for 2018		
Number of employees	Amount	Number of employees	Amount	Highest amount of compensation
-	-	17	197	19

## INFORMATION UNDER ART. 450, PARAGRAPH 1, LETTER "I"

Number of individuals earning more than EUR 1 million for the financial year	Number of individuals earning from EUR 1 million up to EUR 5 million for the financial year	Number of individuals earning more than EUR 5 million for the financial year
-	-	-

*in thousands  
of BGN*

Number of people earning more than 100 000 BGN for the fiscal year	Area of activity	Category of personnel	Total remuneration	Basic elements of the total remuneration		Bonuses	Long-term benefits	Pension contributions
				Fixed remuneration	Variable remuneration			
12	Trading in financial instruments	Management	1992	1415	577	-	-	-

**INFORMATION UNDER ART. 450 OF THE REGULATION 575/2013 FOR 2019**
**INFORMATION UNDER ART. 450, PARA 1, LETTER G**

<i>In thousands of BGN</i>		
Type of activity	Number of employees	Amount of the remuneration for 2019
Trading in financial instruments	15	1013

**INFORMATION UNDER ART. 450, PARA. 1, LETTER "H"**

<i>In thousands of BGN</i>											
Type of activity	Category of personnel	Number of employees	Remuneration for 2019		Amount and type of variable remuneration				Outstanding deferred liabilities		Amount of the deferred remunerations granted in 2019, paid and reduced by adjustments based on the results achieved
			Fixed remuneration	Variable remuneration	Cash funds	Shares	Instruments related to shares	Other	Received	Expected to be received	
Trading in financial instruments	Senior management employees	7	661	96	757	-	-	-	-	-	-
Trading in financial instruments	Staff whose professional activities have a material impact on the risk profile of the company.	8	210	45	255	-	-	-	-	-	-

<i>In thousands of BGN</i>				
Remuneration for new recruits for 2019		Compensations for dismissal for 2019		
Number of employees	Amount	Number of employees	Amount	Highest amount of compensation
-	-	5	32	12



## INFORMATION UNDER ART. 450, PARAGRAPH 1, LETTER "I"

Number of individuals earning more than EUR 1 million for the financial year	Number of individuals earning from EUR 1 million up to EUR 5 million for the financial year	Number of individuals earning more than EUR 5 million for the financial year
-	-	-

In thousands of BGN								
Number of people earning more than 100 000 BGN for the fiscal year.	Area of activity	Category of personnel	Total remuneration	Basic elements of the total remuneration		Bonuses	Long-term benefits	Pension contributions
				Fixed remuneration	Variable remuneration			
18	Trading in financial instruments	Management	2850	2079	771	-	-	-

**ARCHIVE**

Previous versions of the documents in this file:

<b>Type of document:</b>	<b>Valid until (date):</b>
<a href="#">General Terms and Conditions</a>	20 June 2016
<a href="#">General Terms and Conditions</a>	25 September 2017
<a href="#">Table of charges, fees and commissions</a>	1 July 2016
<a href="#">Table of charges, fees and commissions</a>	19 September 2018
<a href="#">General Terms and Conditions</a>	4 January 2021



**I N F O R M A T I O N**

**about**

**the protection of financial instruments and cash funds  
of clients of Trading 212 Ltd., trading in contracts for  
difference outside a regulated market**

**I. GENERAL PROVISIONS**

1. This Information about the protection of financial instruments and cash funds of clients of Trading 212 Ltd., trading in contracts for difference outside a regulated market (hereinafter referred to as the "Information") is developed on the basis of and in conformity with the provisions of Art. 49 and Art. 63 of the Commission Delegated Regulation (EU) 2017/565 of April 25, 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 (Delegated Regulation 2017/565) and Art. 92 - Art. 95 of the Law on Market in Financial Instruments (LMFI) and Art. 3 - Art. 10 of Ordinance No. 58 of February 28, 2018, on the requirements for protection of financial instruments and money of clients, for product management and provision or receipt of remunerations, commissions, other financial or non-financial benefits (Ordinance No. 58) and is aligned with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on the markets in financial instruments and amending Directive 2002/92/EC and of Directive 2011/61/EU (MiFID II), and in particular with Art. 16, Para. 8 - 11.
2. The Information is prepared in line with the nature, scope and complexity of the economic activity of Trading 212 Ltd.
3. The information is applicable to the contracts between Trading 212 Ltd and its clients, which regulate trading in contracts for differences (CFD), carried out on a non-regulated market (Over-the-Counter or OTC market).
4. Trading 212 Ltd does not offer its clients trading in financial instruments other than CFDs on a market other than the OTC market.
5. Trading 212 Ltd. offers its clients the following types of CFDs:
  - a) CFD on securities and exchange-traded funds;
  - b) CFD on indices;
  - c) CFD on futures;
  - d) CFD on currency pairs and precious metals;
  - f) CFD on other assets.
6. The main specifics of CFDs offered by Trading 212 Ltd. are as follows:
  - a) creator and distributor of CFDs offered for trade by Trading 212 Ltd. is the investment firm itself;
  - b) CFD, provided for trade by Trading 212 Ltd, is non-transferable security and is not stored in a depository institution, but in an analytical account to the investment firm;
  - c) no party shall acquire a physical CFD, nor the underlying asset it is based on;
  - d) none of the parties shall be obliged to buy or sell, to deliver or receive the corresponding underlying asset of CFD physically;
  - e) the rights and obligations of each party under the CFD shall only be to make or receive payments in

accordance with the submitted order, and the results of the order execution shall be correspondingly reflected on its positions in assets and/or money;

f) deals in CFD are not subject to centralized clearing.

## **II. GENERAL REQUIREMENTS FOR THE PROTECTION OF THE FINANCIAL INSTRUMENTS AND CASH FUNDS OF CLIENTS**

7. Trading 212 Ltd, in its capacity as an investment firm that holds financial instruments and cash of clients, takes measures to protect the property rights of its clients over these assets.
8. Trading 212 Ltd. has separated its financial instruments and cash from those of its clients.
9. Trading 212 Ltd. maintains the accounting and keeps accounts of the financial instruments and cash of its clients, which:
  - a) would allow it to differentiate the assets held for each client from the assets held for another client, as well as from its own assets;
  - b) accurately reflect the financial instruments and cash funds held on behalf of the clients;
  - c) could be used for documentary traceability purposes (audit trail).
10. Trading 212 Ltd. shall keep analytical accounts of its clients concerning all financial instruments and cash funds. Trading 212 Ltd takes the necessary measures to ensure that all financial instruments of clients can be clearly distinguished at any time from the financial instruments of the investment firm, through accounts with different names in the financial statements of the investment firm or through equivalent measures, which achieve the same level of protection.
11. Trading 212 Ltd. shall not and cannot use any of the financial instruments (CFDs) of its clients on its own account, on the account of another of its clients or on the account of any other third party.
12. Trading 212 Ltd. shall not and cannot use clients' cash funds on its own account.
13. Where Trading 212 Ltd. is able to make offsetting, create a lien and any other actions (including exercising of a lien) with respect to a client's financial instruments and/or cash funds, the investment firm shall stipulate in the contract and/or in the applicable general terms and conditions thereto all relevant information regarding the rights or actions with respect to client assets.
14. Trading 212 Ltd. shall not be liable to its creditors with the financial instruments and cash funds of its clients. Enforcement measures on the cash funds and financial instruments of clients in connection with the liabilities of Trading 212 Ltd. shall not be allowed.
15. Any offsetting against the client, creation of a lien and other actions with respect to the client's financial instruments and/or cash funds resulting in a third party acquiring the right to use the client's financial assets and/or cash funds in order to satisfy a claim that is not related to an obligation of the client or to the services provided by the investment firm to the client shall be considered null and void. This shall not be applied where such actions arise from the applicable legislation of a third country where the client's financial instruments and/or cash funds are held.

16. Trading 212 Ltd. shall not hold the financial instruments (CFDs) of the client in a third country, nor in any entity other than itself, nor in any country other than Bulgaria.

The financial instruments of a client or a potential client cannot be held in an omnibus account by Trading 212 Ltd. or by any other party.

17. Whenever Trading 212 Ltd. is aware of any offsetting actions, creation of lien and other actions with respect to a client's cash funds resulting in a third party acquiring the right to use the client's financial instruments and/or cash funds in order to satisfy a claim that is not related to an obligation of the client or to the services provided by the investment firm to the client, when such actions arise from the applicable legislation of a third country where the client's cash funds are held, the investment firm shall notify the client thereof on the durable media declared by the latter or over its webpage, and it shall provide the full relevant information regarding the rights or actions with respect to client assets.

Trading 212 Ltd. shall immediately reflect in the contract with the client and in its own records the established security or exercised offsetting or other actions with respect to the client's cash funds in the accounts in order to guarantee clarity of the status of the client's cash funds, including in the event of insolvency proceedings.

18. Trading 212 Ltd. informs the client or the potential client on the declared durable medium or through its website about the cases when the funds of this client can be held by a third party on behalf of the investment intermediary, and about the responsibility of the investment intermediary under the applicable national law for all acts or omissions of the third party, as well as for the consequences for the client of possible insolvency of the third party.
19. Trading 212 Ltd. shall inform the client or the potential client on the durable medium declared by them or over its website, when the accounts containing the funds of this client are subject or will be subject to the legislation of a jurisdiction other than that of a Member State, and it shall state that the rights of the client or potential client related to these funds may differ accordingly.
20. Trading 212 Ltd. shall not enter into any contracts for securities financing transactions within the meaning of Art. 3, Point 11 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of November 25, 2015, on transparency of securities financing transactions and of reuse and amending of Regulation (EU) No. 648/2012 with respect to the financial instruments held by it on behalf of a client, or use in any other way such financial instruments on its own account or on the account of any other party or a client of the investment firm.
21. Trading 212 Ltd. shall not conclude with clients (retail and professional clients and acceptable counterparties) any title transfer financial collateral agreements for securing any present, future, defined, contingent or expected obligations of the client.
22. Trading 212 Ltd. shall create the necessary organisation to minimize the risk of loss or reduction of financial instruments and cash funds of the client, or limitation or loss of their rights in relation to these assets as a result of asset misuse, fraud, mismanagement, inappropriate record-keeping or negligence.
23. Trading 212 Ltd. shall appoint an employee to be responsible for compliance with the obligations of the investment firm related to the protection of the financial instruments and funds of clients.

### **III. DEPOSITING FINANCIAL INSTRUMENTS AND CASH FUNDS OF CLIENTS**

24. The financial instruments offered for trading by Trading 212 Ltd. are CFDs, which are, in essence, non-transferable securities, not held in a depository institution but in an analytical account with the investment firm instead. In view of this, Trading 212 Ltd. does not deposit client financial instruments in a depository institution under Art. 94, Para. 1 of LMFI but holds them itself in analytical accounts of its clients instead.
25. Trading 212 Ltd. shall not keep in its facilities any cash funds of its clients.
26. Trading 212 Ltd. shall deposit the client's cash funds to an entity as specified below, in an account or accounts other than all accounts used for holding the cash funds of the investment firm.
27. Trading 212 Ltd may deposit money funds to their clients at
  - a) a central bank;
  - b) a credit institution, licensed to execute activity according to the Law on Credit Institutions, namely according to the requirements of Directive 2013/36/EU of the European Parliament and of the Council of June 26 2013 on access to the activity of credit institutions and firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;
  - c) a credit institution, licensed in a third country;
  - d) a qualified fund on the financial market.
28. Trading 212 Ltd does not deposit the funds of its clients in a qualified fund on the financial market.
29. Trading 212 Ltd. shall not deposit a client's cash funds to a credit institution or a qualified fund on the money market that belong to the same group as the investment firm.
30. Trading 212 Ltd. shall deposit its clients' cash funds to the commercial banks (credit institutions).
31. Trading 212 Ltd. shall apply due care when selecting / regularly reviewing and assessing the credit institution where it intends to deposit the cash funds of its clients and when defining the terms and conditions under the contracts with such credit institution, taking into account the expertise and market reputation of the credit institution in order to guarantee protection of the rights of the clients, as well as all legal and regulatory requirements or market practices relating to the holding of client cash funds that could have an adverse effect on the rights of the clients.
32. In connection with the actions or omissions of the entities where the cash funds are deposited and the consequences of the insolvency of such entities for the clients, the liability of such entities and of Trading 212 Ltd. shall be defined in accordance with the national legislation.
33. Trading 212 Ltd. shall align the accounts and records kept by it with those of the commercial banks where the assets of the firm and its clients are held, and such alignment shall be daily.

#### **IV. STATEMENTS ON THE FINANCIAL INSTRUMENTS OR FUNDS OF THE CLIENT**

34. Trading 212 Ltd. shall send/provide access to each client, on whose behalf it holds financial instruments or funds, a statement of such financial instruments or funds, unless such statement has already been provided in another periodic statement.



35. Where the client's portfolio contains proceeds from one or more outstanding transactions, the information under clause 3, letter "a" may be based either on the date of execution of the transaction or on the date of settlement, provided that the same basis is used consistently for all information in the statement.

## V. FINAL PROVISIONS

36. This Information is not a part of the contract between the client and Trading 212 Ltd., nor of the applicable General Terms and Conditions, but an independent document. Trading 212 Ltd. shall provide the client with the Information, along with the other documents that the client needs to be aware of before signing the contract.
37. This Information shall be reviewed at least once annually as well as upon introduction of any significant changes.
38. The last updated version of this Information is available to clients in the offices of Trading 212 Ltd. as well as on its website. Trading 212 Ltd. shall notify its clients over its webpage of any significant changes in the Information or the publication of a new Information document.
39. This document was adopted by the Managers of Trading 212 Ltd. at a meeting held on 21/03/2018, and it is effective as of that date.

**I N F O R M A T I O N**  
**about**  
**expenses and related fees for clients of Trading**  
**212 Ltd, trading CFDs outside a regulated market**

**I. GENERAL PROVISIONS**

1. This information regarding the expenses and related fees for clients of Trading 212 Ltd, trading CFD outside a regulated market (hereinafter shortly referred to as the "Information") is developed on the grounds and in accordance with the provisions of Art. 50, in conjunction with Art. 46 and Appendix II of the Commission Delegated Regulation (EU) 2017/565 of April 25, 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 (Delegated Regulation 2017/565), Art. 71, Para. 2, point 4, in conjunction with Art. 71, Para. 5 - Para. 7 and Art. 73 of the Law on Market in Financial Instruments (LMFI) and Art. 31 - Art. 33 of Ordinance No 58 from February 28, 2018, on the requirements for protection of financial instruments and money of clients, for product management and provision or receipt of remunerations, commissions, other financial or non-financial benefits (Ordinance No 58) and is aligned with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on the markets in financial instruments and amending Directive 2002/92/EU and of Directive 2011/61/EU (MiFID II), and in particular with Art. 24, Para. 4.
2. The Information is prepared in line with the nature, scope and complexity of the economic activity of Trading 212 Ltd.
3. The information is applicable to the contracts between Trading 212 Ltd and its clients, which regulate trading in contracts for differences (CFD), carried out on a non-regulated market (Over-the-Counter or OTC market).
4. Trading 212 Ltd does not offer its clients trading in financial instruments other than CFDs on a market other than the OTC market.
5. Trading 212 Ltd. offers its clients the following types of CFDs:
  - a) CFD on securities and exchange-traded funds;
  - b) CFD on indices;
  - c) CFD on futures;
  - d) CFD on currency pairs;
  - e) CFD on precious metals;
  - f) CFD on other assets.
6. Regarding trading in the above CFDs on an OTC market, Trading 212 Ltd. shall be the only order execution venue and it shall act as a principal under each transaction (not as an agent or broker).
7. Trading 212 Ltd acts as a sole place for execution of its clients' orders and as a counterparty on all deals with clients, thus:

- a) it calculates to its clients only the fees and commissions stipulated in the "Tariff on fees and commissions of Trading 212 Ltd" (the Tariff);
  - b) it does not apply different fees depending on the place of execution of clients' orders;
  - c) it does not receive from third parties (which are places for execution themselves) payments and stimulus in relation to the execution of these orders;
  - d) it does not receive remuneration, discount or non-financial benefit for transmitting a client's order to a specific place of trade, respectively a place for order execution;
  - e) it does not accrue receivables from two or more participants in a deal in accordance with Art. 24, Para 9 of MiFID II, does not receive non-financial benefits in its capacity as an intermediary, and the value of all financial benefits received as an intermediary is described in the Tariff.
8. Information of the expenses paid by the clients for each financial instrument offered by Trading 212 Ltd is available and freely accessible in the Tariff, and also on the website of the intermediary.

Information on the total amount of the expenses, paid by the client for each financial instrument provided by Trading 212 Ltd, is available on the website of the company.

9. The most current revision of the Tariff for fees and commissions of Trading 212 Ltd is available to the clients on its website.
10. Trading 212 Ltd provides to its clients the ability to trade in financial instruments (CFD) by means of its own trade platforms.
11. Expenses and fees paid by the client are entirely incorporated in the Tariff and the applicable legal documents of the Company.

## **II. METHOD OF PAYMENT OF THE EXPENSES AND FEES**

12. Expenses and fees due by the client are collected by Trading 212 Ltd, and the firm shall directly charge the trading account of the corresponding client.
13. The expenses and fees due by Trading 212 Ltd shall be paid by the firm and they shall be directly registered on the trading account of the corresponding client.

## **III. FINAL PROVISIONS**

14. This Information is not a part of the contract between the client and Trading 212 Ltd., nor of the applicable General Terms and Conditions, but an independent document. Trading 212 Ltd. shall provide the client with the Information, along with the other documents that the client needs to be aware of before signing the contract.
15. This Information shall be reviewed at least once annually as well as upon introduction of any significant changes.
16. The last updated version of this Information is available to clients of Trading 212 Ltd. on its website. Trading

212 Ltd. shall notify its clients over its webpage of any significant changes in the Information or the publication of a new Information document.

17. This document was adopted by the Managers of Trading 212 Ltd. at a meeting held on 21/03/2018.

**I N F O R M A T I O N**

**regarding the financial instruments, subject to the  
investment services and risks related to them, provided  
by Trading 212 Ltd**

**I. GENERAL PROVISIONS**

1. This information regarding the financial instruments, subject to the investment services and risks related to them, provided by Trading 212 Ltd (hereinafter referred to as the "Information"), is developed on the grounds and in accordance with the provisions of Art. 48, in conjunction with Art. 46 of the 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 (Delegated Regulation 2017/565) and Art. 71, Para. 2, point 2, Para. 4 and Para. 7 of the Law on Markets in Financial Instruments (LMFI), and it is aligned with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on the markets in financial instruments and amending Directive 2002/92/EC and of Directive 2011/61/EU (MiFID II), and in particular with Art. 24, Para. 4.
2. The Information is prepared in line with the nature, scope and complexity of the economic activity of Trading 212 Ltd.
3. The information is applicable to the contracts between Trading 212 Ltd and its clients, which regulate trading in contracts for differences (CFD), carried out on a non-regulated market (Over-the-Counter or OTC market).
4. Trading 212 Ltd provides to its clients only the ability to trade in financial instruments (CFD).
5. When trading in CFD, the client shall be entitled to buy or sell the corresponding financial instrument.

When buying a financial instrument, the position formed by the client is called "long". Long positions are formed on the "sell" price. Long positions are more profitable when the instrument's current market price is higher than the price, according to which the position was formed, and are respectively losing when the market price is lower.

When selling a financial instrument, the position formed by the client is called "short". Short positions are formed on the "buy" price. Short positions are more profitable when the instrument's current market price is lower than the price, according to which the positions were formed, and are respectively losing when the market price is higher.

6. Trading 212 Ltd does not offer its clients trading in financial instruments other than CFDs on a market other than the OTC market.
7. Trading 212 Ltd does not provide investment strategies to its clients.
8. Trading 212 Ltd does not provide investment research, financial analyses, or other forms of recommendations related to its clients' investment activity, nor in relation to regulatory, legal and/or tax matters.
9. In the process of opening a trading account, Trading 212 Ltd. shall assess whether the service requested by the client is suitable for the latter. Such assessment shall be based on the information provided by the

client regarding their knowledge and experience in financial markets trading.

Regardless of the assessment of Trading 212 Ltd., the clients should carefully decide for themselves whether the services offered by Trading 212 Ltd. are suitable for them and whether they should go on with them.

In case Trading 212 Ltd's evaluation shows that the requested services are not appropriate for the client, the investment firm shall notify the client and warn them of the risks from this.

The decision to use this service, although evaluated as inappropriate, lies with the client, and the client shall specifically declare it to the firm.

"Trading 212 Ltd warns: if despite the firm's warning, the client decides to use a service, which is evaluated as inappropriate for them, before actually trading with a service which could lead to financial losses, it will be better if the client acquires some experience in this type of trade by means of a demo account, as well as to inform themselves regarding the trade specifics for a guaranteed sum (margin trade), including through training materials, available on the website of Trading 212 Ltd or accessible through other sources.

## **II. INFORMATION REGARDING THE FINANCIAL INSTRUMENTS, SUBJECT TO THE INVESTMENT SERVICES PROVIDED BY TRADING 212 LTD**

- 10.** Trading 212 Ltd provides the following class of financial instruments for trade, in accordance with the classification of Annex I of Delegated Regulation (EU) 2017/576 of the Commission from June 8, 2016, for the supplement of Directive 2014/65/EU of the European Parliament and the Council, regarding the regulatory technical standards for annual publishing of identification data of execution venues by the investment firms, as well as information related to the quality of execution (Delegated Regulation 2017/576): Contracts for difference.
- 11.** Trading 212 Ltd does not provide other classes of financial instruments for trade, in accordance with the classification of Annex I of Delegated Regulation 2017/576.
- 12.** Trading 212 Ltd. offers its clients the following types of CFDs:
  - a)** CFD on securities and exchange-traded funds;
  - b)** CFD on indices;
  - c)** CFD on futures;
  - d)** CFD on currency pairs;
  - e)** CFD on precious metals;
  - f)** CFD on other assets.
- 13.** CFD is an agreement between a "buyer" and a "seller" for the exchange of the difference between the current price of an underlying asset (shares, currency, commodities, indices, etc.) and its price when the contract is closed.
- 14.** The main specifics of CFDs offered by Trading 212 Ltd. are as follows:
  - a)** creator and distributor of CFD offered for trade by Trading 212 Ltd is the investment firm itself;



- b) CFD, provided for trade by Trading 212 Ltd, is a non-transferable security and is not stored in a depository institution but in an analytical account of the investment firm;
- c) no party acquires a physical CFD, nor the underlying asset is based on;
- d) none of the parties shall be obliged to buy or sell, to deliver or receive the corresponding underlying asset of CFD physically;
- e) the rules and obligations of each party under the CFD are only to make or receive payments in accordance with the provided order, as the results of these executions shall be correspondingly reflected on its positions in assets and/or money;
- f) deals in CFD are not subject to centralised clearing.

15. A share is a freely transferable security issued by a public company, which certifies specific participation in the capital of this company. Depending on the class of shares, it may grant different rights. The most common shares - ordinary shares - grant a voting right, a dividend right and the right to a liquidation share in case of liquidation of the issuing company. The rights on the shares are the same for all shares of the same class.
16. The exchange-traded fund (or the so-called "ETF") is a security, which follows the provision of a specific index fund, commodity or basket of assets, but is traded as a share on a regulated market.
17. The index is a virtual portfolio of financial instruments representing a specific market or a segment of it. Each index has its own method of calculating the dynamics of its component prices.
18. The future is a derivative financial instrument, expressing the right and obligation for purchase or sale of a specific number of securities or other financial instruments on a preliminary determined price on a specific future date. The futures are standard contracts traded on the regulated markets.
19. Currency is the money in its general form, including banknotes and coins issued by the government of a specific country, circulating in the economy.

Quotation and price structure of currencies traded on currency markets (so-called "forex markets") are determined as the value of a specific currency compared to another currency. The first currency of the currency pair is called basic currency, and the second currency is called quoted. The currency pair shows what quantity of the quoted currency is necessary for the purchase of one unit from the basic currency. The currency trade involves the simultaneous purchase of one currency and the sale of the other currency from the currency pair.

20. The currency pair may also be viewed as an independent unit, an instrument that can be bought and sold.

Upon its purchase, the basic currency is bought, and at the same time, the quoted currency is sold. The buy price (bid) shows how much of the quoted currency is necessary for the purchase of one unit of the basic currency.

Upon sale of the currency pair, the basic currency is sold, and the quoted one is bought. The sale price (ask) shows what is received by the quoted currency after the sale of a unit of the basic currency.

21. CFD on currency pairs are contracts, the subject of which is the currency difference when purchasing and selling a currency (basic currency) against another currency (quoted currency) on a spot date, as the rate between them is specified by the currency rate quoted by Trading 212 Ltd, corresponding to the momentary state of these currencies to the international currency market.

22. CFD on precious metals are contracts, the subject of which are rate differences when purchasing and selling gold and silver, quoted against the US dollar on a spot date, as the rate between them is specified by the rate quoted by Trading 212 Ltd., corresponding to the momentary state of these metals on the international currency market.
23. Other assets are all basic assets of CFD, which are different from shares, exchange-traded funds, indices, futures, currency pairs and precious metals, which Trading 212 Ltd provides for trade by means of CFD on them, as for example are cryptocurrencies, raw materials and metals.
24. Information on each financial instrument provided by Trading 212 Ltd is available and freely accessible on the website of the firm.
25. The CFD, commonly provided by Trading 212 Ltd., is termless and have no maturity date. This means that in case of other equal conditions, the client can open or close a position at a time, which is during the trading hours or the prolonged hours for trade (if any).
26. Trading 212 Ltd shall be entitled to unilaterally terminate the provision of a specific CFD by notifying the clients, who have opened positions in the corresponding instruments.
27. Trading 212 Ltd shall be entitled to limit the maximum number of simultaneously opened positions of a client in one financial instrument or in all financial instruments in a specific electronic trade platform, opened as a result of one or any type of orders, admissible for transmission in this platform. If Trading 212 Ltd implements such limitations, this shall entitle the intermediary to refuse opening new positions in a specific financial instrument or in any financial instrument, provided for sale in a specific trade platform if this will exceed the maximum admissible number of simultaneously opened positions.

### **III. INFORMATION REGARDING THE RISKS, RELATED TO THE FINANCIAL INSTRUMENTS, WHICH ARE SUBJECT TO THE INVESTMENT SERVICES PROVIDED BY TRADING 212 LTD**

28. Trading financial instruments, including CFD, hides major risks and is not appropriate for every investor.  

Trading on the financial markets is not suitable for investors looking for stable income as the revenues from such activity are inconsistent and insecure.
29. The financial instruments offered by Trading 212 Ltd, Contracts for Difference, are complex financial instruments, and respectively their risk component is integral and complex, therefore the risk of losing the funds invested by the client is significant.
30. When trading with financial instruments, including CFD, there is no guarantee for the first investment amount not to be lost and there is almost no guarantee that the expected income will be realized. There is a possibility for the losses to surpass the deposited amounts, but they will fully correspond to the results of the client activity and their investment behaviour.

The clients must keep in mind that the income from trading with CFD also depends on the taxes and fees that the investment firm withholds as stated in the "Tariff for interests, taxes and commissions of Trading 212 Ltd" and from other costs related to this type of derivative instruments.

Information for taxes, fees and other potential costs at trading with CFD is published and freely accessible on the website of Trading 212 Ltd.

31. Financial markets have a strongly volatile character, i.e. they are characterised by a fluctuation of the prices and the quotes of the financial instruments. Prices and quotes of CFD are directly dependent on the price of

the corresponding underlying asset, which is influenced by many and diverse factors, among which are: changes in the supply and demand; world trade; tax, monetary, regulatory and external policy of the countries; significant economic and political news; fluctuation in the interest rates of central banks; operations of the central banks and the big players; depreciation of the currencies; actual performance of the economic enterprises in their relative section; fore bearings and expectations of the market subjects as well as many other factors.

- 32.** The types of Contracts for Difference, offered by Trading 212 Ltd, do not provide means for protection from the market dynamics, which means that the client may lose their total investment or part of it.
- 33.** Execution venues may impose price restrictions regarding the financial instruments traded by them, activities that are the base of CFD offered by Trading 212 Ltd, as well as to cease trading with different instruments. Trading 212 Ltd warns its clients that in some cases, the client may take financial and other additional obligations as a result of the deals with financial instruments, including the unforeseen obligations, additional to the costs for acquiring Contracts for Difference.
- 34.** Therefore it should be taken into consideration that trading against the guarantee amount (margin), although it allows income realisation over the entire open position, is a high-risk form of investment and can lead to and realise significant losses and total loss of the invested client means.

Trading 212 Ltd warns that the margin trade may multiply the profits, as well as the losses of the clients and relatively small fluctuation of the markets may impose a significant effect on the client positions. As a result, the deposited funds, representing guarantee on open positions, may be fully depleted.

- 35.** The risks, specific to the class of financial instruments offered by Trading 212 Ltd - CFD and the corresponding types of CFD, contain those related to the trade manner and those specific to the underlying assets. The risks stated below relate both to the proposed financial instrument - CFD, as well as the underlying asset to it. These risks are:

- a) market risk;
- b) interest risk;
- c) currency risk;
- d) operational risk;
- e) liquidity risk;
- f) volatility risk;
- g) credit risk;
- h) risk during trade on developing markets;
- i) settlement risk;
- j) legal risk;
- k) political risk.

- 36.** The market risk is the probability for the investment value to decrease due to movements of the market

factors - financial instruments prices, interests, currency rates, etc. Market prices of investments may vary due to changes in the economic and market price, financial policy of central banks, business activity of issuers, demand and proposition of the corresponding CFD on the market, as well as the basic instrument to it.

The risk is typical both to the CFD provided by Trading 212 Ltd, and their basic instruments.

- 37.** The interest risk is the risk of negative influence of the interest percent on the income or value of the instrument. Changes in the interest rates may endanger holders of financial instruments from the risk of capital loss. Risk significance is different for the corresponding instruments. This risk exists for shares, which are basic for the CFD provided by Trading 212 Ltd, in so far as the interest changes are reflected on the profitability of these shares in comparative plan with the profitability of the financial instruments, directly dependent on the interest rates, such as bonds.

The risk influences both the value of shares, indices, futures, exchange-traded funds, currency and precious metals, as well as the value of the CFD provided by Trading 212 Ltd and based on them.

- 38.** Currency risk is related to changes in the currency exchange rates. Investments in instruments, denominated in foreign currency, may be unfavourably influenced by decrease in the rates of this currency against another one. An increase or decrease in the currency rates may lead to loss or profit for the financial instruments in the currency they are denominated in.

The risk influences the value of all financial instruments provided by Trading 212 Ltd, as well as on the value of their basic instruments.

The risk also influences the client profitability in the cases where their account is in a currency, which is different from their local one, and if they trade in instruments, which are denominated in a currency, different from the currency of their account and/or different from the local one for the client.

- 39.** The operational risk is a risk of direct or indirect losses, as a result of inadequate internal control, human act, organization or an external event. This risk covers human mistakes, malicious acts by employees, faults in information systems, problems related to human resources management, company deeds, as well as external events, such as failures, fires, floods, etc.

This risk is applicable mainly in relation to the shares, but also influences to a different extent the value of indices, futures and exchange-traded funds, in the calculation of which these shares take part, as well as on the value of the CFD provided by Trading 212 Ltd, based on them.

- 40.** Liquidity risk occurs in situations where a party interested in selling a specific asset cannot do so since no one on the market wishes to trade with it. There is demand and no supply - or vice versa.

Risk may occur for all basic instruments. It is possible to also occur for the CFD provided by Trading 212 Ltd, in case of lack of liquidity on the place of execution, on which the basic instrument is traded.

- 41.** Volatility risk is the risk related to the changes in the price of a specific financial instrument. Volatility is high if the price of the financial instrument is subject to major different changes in a specific period of time. The risk, resulting from volatility, is calculated as the difference between the lowest and highest prices of the financial instrument for the specific period of time.

The risk is characteristic both for the CFD provided by Trading 212 Ltd, and their basic instruments, but occurs differently for the different classes of financial instruments.

- 42.** Credit risk may be specified as probability for the contractor to conscientiously not perform or be unable to

perform the undertaken engagement on the signed contract. Investors must evaluate the quality of issuers of financial instruments, as well as their ability to pay their liabilities.

This risk is applicable mainly in relation to the shares, but also influences to a different extent the value of indices, futures and exchange-traded funds, in the calculation of which these shares take part, as well as on the value of the CFD provided by Trading 212 Ltd, based on them.

- 43.** Risk in trade on developing markets occurs in relation to investments in these markets, bearing high risks, which are not always present in the developed markets. These risks also exist when a major part of an issuer's business is conducted on these markets. Investments in developing markets often have a speculative nature. Investments should be considered carefully and different risks of these markets should be evaluated. This type of risk may occur in case of lack of liquidity on the place of execution on which the basic instrument is traded.

This risk is applicable mainly in relation to the shares traded on developing markets, but also influences to a different extent the value of indices, futures and exchange-traded funds, in the calculation of which these shares take part, as well as on the value of the CFD provided by Trading 212 Ltd, based on them.

- 44.** Settlement risk is the risk of not executing a settlement on a specific deal due to the inability of a party on the deal to perform its obligations. This risk is equal to the difference between the price of a specific asset on the theoretical date of execution and the price of the asset on the real date of execution. It is possible for the settlement procedures to be influenced by the number of transactions and thus hinder their execution. The inability to execute the settlement due to such problems may hinder investors from profitable investment opportunities and lead to losses.

The risk may occur only in relation to specific deals with basic instruments. With regard to the CFD traded by the client, the risk may occur only in case of settlement risk in relation to a deal, used by Trading 212 Ltd for the purposes of providing services to a client. In these cases Trading 212 Ltd shall be entitled to undertake the corresponding actions at its discretion in relation to the affected deals between Trading 212 Ltd and the client. It is possible that the actions Trading 212 Ltd would undertake against the specific deals with the client be less profitable or more limiting in comparison to the actions undertaken against Trading 212 Ltd.

- 45.** Legal risk is the risk of insecurity as a result of legal actions or insecurity in relation to the applicability of contracts, legal and sub-legal acts, as for example, conformity of the contract with the law, legal capacity of the party to sign a contract.

The risk is typical both to the CFD provided by Trading 212 Ltd and their basic instruments.

- 46.** Political risk comprises the possibility for the corresponding government to impose new taxes, regulations or legal obligations or limitations on the financial instruments, which an investor already holds.

Risk is characteristic both to the financial instruments provided by Trading 212 Ltd and to their basic instruments.

- 47.** In the cases when it is possible for the risks related to some derivative financial instruments, consisting of two or more different financial instruments or services, to be higher than those, related to any of their individual components.

Upon request, Trading 212 Ltd provides a description of the components of financial instruments and of the manner in which their interaction increases the risks.

- 48.** Trading 212 Ltd provides the opportunity for trade in prolonged working hours for some CFDs. Trade is performed both before (Pre-Market) and after (After-Hours) the corresponding exchange session. The client

should note that for trade in prolonged working hours, the following additional risks exist:

- a) risk of low liquidity, since in prolonged working hours the liquidity may be lower in comparison to the normal working hours;
  - b) risk of high volatility, since in prolonged working hours market volatility may be higher in comparison to the normal working hours;
  - c) risk of change in prices since instrument prices traded in prolonged working hours may not reflect the prices at the end of the normal working hours or upon opening the market on the next business day;
  - d) risk of wider spreads, since lower liquidity and high volatility in prolonged working hours may lead to wider spreads than usual for specific instruments;
  - e) risk of different quotes since quotes may differ from those during the normal trade hours.
- 49.** In the cases when the client account is in a currency, which is different from their local one, and if they trade in instruments, which are denominated in currency, different from the currency of their account, and/or different from the local one for the client, there is additional risk of loss as a result of change in the exchange rates between the corresponding currencies.
- 50.** In addition to the high level of general risk associated with the offered class of instruments, CFDs, and the aforementioned different elements of the risk, each client should be aware of the risks associated with the following circumstances:
- a) the receipt of quotes for CFDs with shares, indices, futures, and exchange-traded funds as underlying assets may not be possible at times during the first 15 (fifteen) minutes after opening the exchange session or at high volatility and lack of sufficient liquidity the spread between the "buy" and "sell" prices may be relatively wider than the usually quoted one;
  - b) Trading 212 Ltd shall be entitled to change the amount of the minimum required guarantee sum at its discretion, both for specific financial instruments and/or clients and for individual orders and/or positions or accounts of the investor in the cases stipulated in the Contract and its applicable General Terms and Conditions, among which in case of: large and sharp market fluctuations of these assets; important economic and/or political events; other circumstances influencing the trade in these assets;
  - c) when there are sharp fluctuations in market quotations, lack of liquidity, including upon opening or closing the corresponding markets (incl. the so-called "gap"), limitedly transmitted by the investor, EOD, conditionally or stop orders may be executed with prices, which significantly differ from those stated in them (incl. the so-called "slippage") - or it is possible for a specific position not to be closed;
  - d) in case of insufficient free money to cover the required guarantee sum on opened positions, Trading 212 Ltd shall close ex officio the positions opened by the investor. The client has to monitor compliance with the requirements for the amount of the requested guarantee sum on their own;
  - e) Trading 212 Ltd may not provide quotations in case of temporary technical difficulties or if there are circumstances under which no deals may be conducted on the corresponding markets;
  - f) due to the specifics of electronic trade platforms provided by Trading 212 Ltd, the access to which is related to access to the internet and other communication services and channels, it is possible for technical malfunctions to occur in the hardware and software products and systems used both by Trading 212 Ltd and the investor. It is possible that communication failures occur, leading to delay or no-show of the orders, or to execution, respectively non-execution of orders already submitted, as well as to inability for access to

the trade platforms, etc.

51. The client should have in mind that when signing deals with the provided CFD, Trading 212 Ltd shall act as a party on each deal. Instruments are non-transferable, and all deals are signed on a curb market, according to prices, quoted by Trading 212 Ltd, which could increase the levels of some risks described here, in comparison with deals signed on regulated markets.
52. The client should have in mind that the deals with the provided CFD are not subject to centralised clearing, which could increase the levels of some risks described here in comparison to deals subject to centralised clearing.
53. The clients must keep in mind that regardless of the specific financial instrument, trading against the provided guarantee amount is riskier than trading against payment of the total amount of the financial instrument.
54. The client should bear in mind that Trading 212 Ltd. is a licensed investment firm, which allows the client, in the event of insolvency of the firm, to benefit from compensation for the losses suffered thereof under a consumer protection scheme. In such case, the compensation is guaranteed by the Investor Compensation Fund, and the maximum compensation to be paid in the event of insolvency of Trading 212 Ltd. amounts to 90 per cent of the value of the receivable but no more than BGN 40,000.00.
55. The client should bear in mind that the descriptions of the different types of risks provided in the Information are not exhaustive and contain only the most typical risks and their basic specifics associated with the class of instruments, CFDs, offered by Trading 212 Ltd. It is possible that other risks exist, risk occurrences or characteristics, which are not described in the Information, and which could be the result of unforeseen market conditions or investment behaviour of the client.

In case there is a need for clarification of other aspects of the general or specific characteristics of risks of financial instruments provided by Trading 212 Ltd, the investment firm shall readily provide additional information upon request.

#### **IV. FINAL PROVISIONS**

56. This Information is not a part of the contract between the client and Trading 212 Ltd., nor of the applicable General Terms and Conditions, but an independent document. Trading 212 Ltd. shall provide the client with the Information, along with the other documents that the client needs to be aware of before signing the contract.
57. This Information shall be reviewed at least once annually as well as upon introduction of any significant changes.
58. The last updated version of this Information is available to clients of Trading 212 Ltd. on its website. Trading 212 Ltd. shall notify its client over its website of any significant changes in the Information or the publication of a new Information document.
59. This document was adopted by the Managers of Trading 212 Ltd. at a meeting held on 21/03/2018, and it is effective as of that date.

**I N F O R M A T I O N**

**About**

**Trading 212 Ltd. investment firm and its services,  
intended for clients and potential clients**



## **I. GENERAL PROVISIONS**

1. This Information about Trading 212 Ltd. investment firm and its services, intended for clients and potential clients (hereinafter referred to as "Information") is developed on the basis of and in conformity with the provisions of Art. 47, in conjunction with Art. 46 of the Commission Delegated Regulation (EU) 2017/565 of April 25, 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council regarding organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Delegated Regulation 2017/565) and Art. 71, Para. 2 of the Law on Markets in Financial Instruments (LMFI), and it is aligned with the requirements of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on the markets in financial instruments and amending Directive 2002/92/EC and of Directive 2011/61/EU (MiFID II), and in particular with Art. 24, Para. 4.
2. The Information is prepared in line with the nature, scope and complexity of the economic activity of Trading 212 Ltd.
3. The information is applicable to the contracts between Trading 212 Ltd and its clients, which regulate trading in contracts for differences (CFD), carried out on a non-regulated market (Over-the-Counter or OTC market).
4. Trading 212 Ltd does not offer its clients trading in financial instruments other than CFDs on a market other than the OTC market.

## **II. INFORMATION ON Trading 212 Ltd INVESTMENT FIRM**

5. Trading 212 Ltd. investment firm is a business company registered under the provisions of the Bulgarian Commerce Act, with head office and registered address: city of Sofia, Izgrev District, 3 Lachezar Stanchev Street (Litex Tower), floor 10.
6. The company keeps updated contact information on its website.
7. Languages, in which the client can keep in touch with Trading 212 Ltd and receive documents and other information from it:

a) Bulgarian;

b) English;

8. Orders shall be sent and received over the electronic trading platforms offered by Trading 212 Ltd.
9. Trading 212 Ltd. holds Licence No. ПГ-03-146 issued by the Bulgarian Financial Supervision Commission to provide investment services as an investment firm in the territory of the Republic of Bulgaria and abroad.

Trading 212 Ltd has the right to operate under the conditions of freedom to provide services in all Member

States of the European Union.

The activity of Trading 212 Ltd. as an investment firm shall be supervised by the Bulgarian Financial Supervision Commission, with address: city of Sofia, 16 Budapeshta Str.; [www.fsc.bg](http://www.fsc.bg).

10. The nature, frequency and periodicity of the reports on the service results to be communicated by Trading 212 Ltd. to the client in conformity with Art. 26, Para. 6 of MiFID II are based on the internet trading platform in financial instruments, and respectively the main part is contained therein.
11. Trading 212 Ltd, in its capacity as an investment firm that holds financial instruments and cash of clients, takes measures to protect the property rights of its clients over these assets. These measures are as follows:
  - a) Trading 212 Ltd has separated its financial instruments and cash from those of its clients.
  - b) Trading 212 Ltd maintains accounting and keeps accounts of the financial instruments and cash of its clients, which:
    - would allow it to differentiate the assets held for each client from the assets held for another client, as well as from its own assets;
    - accurately reflect the financial instruments and cash funds held on behalf of the clients;
    - could be used for documentary traceability purposes (audit trail).
  - c) Trading 212 Ltd. shall keep analytical accounts of its clients concerning all financial instruments and cash funds. Trading 212 Ltd takes the necessary measures to ensure that all financial instruments of clients can be clearly distinguished at any time from the financial instruments of the investment firm, through accounts with different names in the financial statements of the investment firm or through equivalent measures, which achieve the same level of protection.
  - d) Trading 212 Ltd. shall not and cannot use any of the financial instruments (CFDs) of its clients on its own account, on the account of another of its clients or on the account of any other third party.
  - e) Trading 212 Ltd. shall not and cannot use clients' cash funds on its own account.
  - f) Trading 212 Ltd. shall not be liable to its creditors with the financial instruments and cash funds of its clients. Enforcement measures on the cash funds and financial instruments of clients in connection with the liabilities of Trading 212 Ltd. shall not be allowed.
  - g) Trading 212 Ltd. creates the necessary organisation to minimize the risk of loss or reduction of financial instruments and assets of the client, or limitation or loss of their rights in relation to these assets as a result of asset misuse, fraud, mismanagement, inappropriate record-keeping or negligence.
  - h) Trading 212 Ltd. appoints an employee who is responsible for compliance with the obligations of the investment firm related to the protection of the financial instruments and funds of clients.
  - i) The financial instruments offered for trading by Trading 212 Ltd. are CFDs, which are, in essence, non-transferable securities, not held in a depository institution but in an analytical account with the investment firm instead. In view of this, Trading 212 Ltd. does not deposit client financial instruments in a depository institution under Art. 94, Para. 1 of LMFI but holds them in analytical accounts of its clients instead.
  - j) Trading 212 Ltd. shall not keep in its facilities any cash funds of its clients. Trading 212 Ltd. shall deposit the

client's cash funds to an entity as specified below, in an account or accounts other than all accounts used for holding the cash funds of the investment firm. Trading 212 Ltd may deposit money funds to their clients at

a central bank;

a credit institution, licensed to execute activity according to the Law on Credit Institutions, namely according to the requirements Directive 2013/36/EU of the European Parliament and the Council of June 26, 2013, regarding the access to execution of activity of credit institutions and regarding intermediaries, for the amendment of Directive 2002/87/EC and the cancellation of directives 2006/48/EC and 2006/49/EC;

a credit institution, licensed in a third country;

a qualified fund for money means.

Trading 212 Ltd does not deposit the funds of its clients in a qualified fund on the money market.

Trading 212 Ltd. shall not deposit client's cash funds to a credit institution or a qualified fund on the money market that belong to the same group as the investment firm.

Trading 212 Ltd. shall deposit its clients' cash funds to the commercial banks (credit institutions).

Trading 212 Ltd. informs the client or the potential client on the durable medium declared by them or through its website, when the accounts containing the funds of this client are subject or will be subject to the legislation of a jurisdiction other than that of a Member State, and states that the rights of the client or potential client related to these funds may differ accordingly.

Trading 212 Ltd. informs the client or the potential client on the declared durable medium or through its website about the cases when the funds of this client can be held by a third party on behalf of the investment intermediary, and about the responsibility of the investment intermediary under the applicable national law for all acts or omissions of the third party, as well as for the consequences for the client of possible insolvency of the third party.

**k)** Trading 212 Ltd. equates the accounts and records kept by it with those of the commercial banks, where the assets of the intermediary and its clients are kept, and the reconciliation is daily.

**l)** Such information on the subject can be found in the "Information about the protection of financial instruments and cash funds of clients of Trading 212 Ltd., trading in contracts for difference outside a regulated market" document, which is available to the clients of Trading 212 Ltd. on its website.

**m)** Trading 212 Ltd. shall advise the client that an Investor Compensation Fund is established in the Republic of Bulgaria, which is a legal entity with head office and registered address: city of Sofia, 31 Tsar Shishman Str.; [www.sfund-bg.com](http://www.sfund-bg.com).

The Fund ensures payment of a compensation to the clients of investment firms, such as Trading 212 Ltd., including their branches in the host Member States in compliance with the provisions of the Law on Public Offering of Securities (LPOS).

The Fund pays compensation to clients for receivables arising from the inability of the investment firm to return the client's funds, financial instruments or to satisfy other receivables of the clients when following the order, restrictions and procedures provided in the Bulgarian Law.

Some assets that do not constitute financial instruments may not be protected by the Fund in accordance with the valid legislation.

The Fund pays compensations to the clients of investment firms, in the cases when:

with a decision of the relevant district court with jurisdiction over the investment firm, insolvency proceedings have been initiated, including when the insolvency proceedings have been terminated on the grounds of Art. 632 of the Commerce Act;  
the license, respectively the permit, to carry out the activity of an investment firm, has been withdrawn with a decision of the Financial Supervision Commission as a result of the permanent deterioration of the financial status of the investment firm, preventing it from performing its obligations.

Within 7 days from receipt of the above decision, the Fund shall publish in at least two central daily publications and on its website ([www.sfund-bg.com](http://www.sfund-bg.com)) a notification of the issued decision under the previous clauses and of the timeframe, within which the investment firm's clients may file claims for payment of compensations by the Fund, as well as the bank through which such compensations shall be paid.

Compensations shall be paid for the receivables resulting from the inability of the investment firm to return the client assets in accordance with the statutory and contractual provisions. Client assets shall be any cash funds, financial instruments and other assets of the clients of an investment firm that the latter holds, administrates or manages on the clients' account in connection with the investment services under the LMFI that the investment firm provides, including interest, dividends and other similar payments.

The Fund pays compensation to each client of an investment firm in the amount of 90 percent of the value of the receivable, but not more than the following amounts:

until December 31, 2006 - BGN 12,000 ;  
from January 1 to December 31, 2007 - BGN 24,000 ;  
from January 1, 2008 to December 31, 2009 - BGN 30,000;  
from January 1, 2010 - BGN 40,000

The structure and activity of the Investor Compensation Fund is settled by a Regulation adopted by Decision No. 40-P dated from 10/08/2005 of the Financial Supervision Commission, published in SG. ed. 69 from 23.08.2005

Upon demand by a client, Trading 212 Ltd will offer him/her detailed information regarding the terms and conditions for compensation of the Investors regarding the Law on Public Offering of Securities

**12.** Trading 212 Ltd applies policy regarding the conflict of interests of Trading 212 Ltd which is as follows:

**a)** When performing investment services and activities, as well as additional services, Trading 212 Ltd., in its capacity of investment intermediary, takes the necessary measures to identify and prevent or manage conflicts of interests between:

Trading 212 Ltd., including the persons who manage the investment firm, the persons who work under a contract for it, the tied agents or any person who is directly or indirectly connected with the investment firm through a relationship of control, on the one hand, and its clients on the other hand;  
the individual clients of the investment firm.

**b)** Trading 212 Ltd. creates conditions for avoiding conflicts of interest, and when such conflicts arise ensures their fair resolution.

**c)** Trading 212 Ltd is obliged to protect the interests of its own clients and to act honestly, fair and as a

professional. All the people working under a contract for Trading 212 Ltd are obliged to protect the interests of the investment firm and to perform their obligations for the protection of the interests of their clients.

- d) The policy is applied regarding all the clients of Trading 212 Ltd - the retail clients, the professional clients and the acceptable counterparties.
- e) The policy is applied regarding every single service or activity performed by or on behalf of Trading 212 Ltd.
- f) The specific investment services and activities within the meaning of the Law on Markets and Financial Instruments performed by Trading 212 Ltd or on its behalf to the present moment, regarding which circumstances may arise, which are or could lead to conflicts of interests, leading to a risk of damages to the interests of one or more clients regardless of the scope of the license received on behalf of the investment intermediary, are:

receiving and transmitting orders in relation to one or more financial instruments;

execution of orders in the client's account;

deals at its own expense with financial instruments.

- g) The specific additional investment services and activities within the meaning of the Law on Markets and Financial Instruments performed by Trading 212 Ltd or on its behalf to the present moment, regarding which circumstances may arise, which are or could lead to conflicts of interests, leading to risk of damages to the interests of one or more clients regardless of the scope of the license received on behalf of the investment intermediary, are:

bookkeeping and administration of the financial instruments on the account of clients, including custodial activity and its related services as management of monetary funds and of remunerations, excluding the centralised management of accounts for securities pursuant to section A, p. 2 of the Annex to Regulation (EU) No. 909/2014;

offering of services with foreign means of payment, as long as they are related to the provided investment services;

the investment services and activities according to the Law on Markets in Financial Instruments in relation to the base instruments of derivative financial instruments on Law on Markets in Financial Instruments, when are related to providing investment and additional services.

- h) With regard to the acceptance and transmission of orders in connection with one or more financial instruments, such as investment service and activity performed by Trading 212 Ltd., no circumstances may arise that represent or may create a conflict of interest leading to a risk of harming the interests of one or more clients.
- i) With regard to the execution of orders on behalf of clients, as an investment service and activity performed by Trading 212 Ltd., the following circumstances may arise, which represent or may give rise to a conflict of interest, leading to a risk of harming the interests of one or more clients:

as a place of performance and a counterparty, Trading 212 Ltd. gains from the trading volumes realized by the client, as there are possible cases in which the investment firm makes a profit in situations where the client loses funds;

as a place for performance, Trading 212 Ltd and not counter interest of another client, defines (quotes) the trading prices, as well as the spread, at which definite financial instruments are traded and although the prices (quotes) are formed based on the quotes of exterior suppliers of liquidity and suppliers of quotes and the spread is defined regarding the market and the prices of the other intermediaries, there exists potential conflict of interests;

the offered for trading financial instruments (Contracts for difference) are not transferable and the client cannot move them to another investment firm or another place of trade if he/she is not satisfied by the trading conditions of Trading 212 Ltd.

the rules for trading that are applicable to the over the counter market are different from the trading rules that are applicable at the place for trade.

- j) With regard to the conclusion of transactions at its own expense with financial instruments, such as investment service and activity performed by Trading 212 Ltd., circumstances may not arise, which represent or may give rise to a conflict of interests leading to the risk of harming the interests of one or more clients.
- k) With regard to the safekeeping and administration of financial instruments at the expense of clients, including custody and related services, as additional services provided by Trading 212 Ltd., no circumstances may arise, which represent or may give rise to a conflict of interest leading to a risk of harm to the interests of one or more clients.
- l) With regard to the provision of services related to foreign means of payment, insofar as they are related to the provided investment services, as additional services provided by Trading 212 Ltd., the following circumstances may arise, which represent or may give rise to a conflict of interest leading to a risk of harm to the interest of one or more clients: Trading 212 Ltd. sends the result to the client when closing its positions in the currency of its trading account and in this connection converts at current prices and/or at closing prices of the respective financial instrument, according to the general conditions applicable to the contracts for trading in financial instruments, as the prices at which the conversion is performed are determined on the basis of the prices quoted by Trading 212 Ltd., in connection with the trading in financial instruments.
- m) With regard to the investment services and activities under the LMFI, in connection with the underlying of derivative financial instruments when they are connected with the provision of investment and additional services as additional services provided by Trading 212 Ltd., no circumstances may arise, which represent or may give rise to a conflict of interest leading to a risk of harm to the interest of one or more clients:
- n) With regard to the personal transactions with financial instruments of the members of the Managing Board and Supervisory Board and of the employees of Trading 212 Ltd., no circumstances arise, which represent or may give rise to a conflict of interest leading to a risk of harm to the interest of one or more clients. The reasons are that at the present moment Trading 212 Ltd offers to its clients the possibility for trading only with Contract for Difference that is realised on the Over the counter market, where the Investment Firm acts as a principle/counterparty for every single deal and the client orders are executed by the use of the firm's electronic platforms for trading with financial instruments at the quoted by him/her price, i.e. there is no possible situation, where the client is going to have as counterparty some of the parties, concluding personal deals, neither the price of the client's deal shall be influenced in any way by the price of the transaction of the person concluding their personal deal.
- o) Regarding the remuneration that Trading 212 Ltd receives and gives in the context of the conflict of interests there are a few aspects:

Trading 212 Ltd. applies a remuneration policy, which does not provide for a direct link between the remuneration of managers and employers of the investment firm, mainly involved in the performance of a given activity, and the remuneration of the other interested parties, mainly involved in the performance of another activity, or income, created by them when a conflict of interest may arise in connection with these activities. This policy does not provide for the formation of the remuneration or the distribution of incentives, as a result of which the persons concerned may prefer their own interests or the interests of the firm to the potential detriment of one or another client. In view of this, no circumstances may arise which constitute or may give rise to a conflict of interest leading to a risk of harm to the interests of one or more clients.

when performing investment services and activities, as well as additional services or combination thereof, Trading 212 Ltd. receives remuneration from its clients and in respect of it a potentially detrimental conflict of interests may arise, since as indicated above, Trading 212 Ltd. benefits from the trading volumes realized by the client, as there are possible cases in which the investment intermediary makes a profit in situations where the client loses funds.

when performing investment services and activities, as well as additional services or combinations thereof, Trading 212 Ltd. acts as the only place of performance for the orders of its clients, therefore it does not receive from third parties (which are execution venues or trading venues themselves) payments and incentives in connection with the execution of orders of its clients, nor receives remuneration, discount or non-monetary benefit for the transfer of a client order to a specific trading venue or birthplace, therefore there is no risk of a conflict of interest in this regard.

- p)** At a group level, there are no circumstances that could give rise to a conflict of interests as a result of the group structure and the economic activities of the other members of the group. With regard to subsidiaries of Trading 212 Ltd., no circumstances arise that represent or may give rise to a conflict of interest, leading to a risk of damaging the interests of one or more clients.
- q)** The management of conflicts of interest leading to the risk of harm to the interests of one or more clients shall consist in following the relevant procedures and taking appropriate measures related to the prevention of conflicts of interest, the establishment and management of conflicts of interest as provided in the Policy regarding the conflict of interests of Trading 212 Ltd.

Trading 212 Ltd. guarantees that the relevant entities within the meaning of Art. 2, paragraph 1 of Delegated Regulation 2017/565, participating in various economic activities related to the conflict of interests, leading to the risk of harming the interests of one or more clients, carry out these activities with a degree of independence that corresponds to the size and activities the investment firm and the group to which it belongs, as well as the risk of damaging the interests of clients.

- r)** The management of conflicts of interests consists of taking certain measures and actions aimed at fair treatment of clients, disclosure of information and prevention of harm to the interests of clients.

When a conflict of interests arises between the client and Trading 212 Ltd. (including persons who manage the investment firm, the persons who work under a contract for it, the related agents or any person who directly or

indirectly related to the investment firm through a relationship of control), the client's interest is preferred to that of Trading 212 Ltd. or to the interest of the person directly or indirectly related to the intermediary through control.

When a conflict of interest arises between a client and an employee of Trading 212 Ltd., action is taken to

protect the client's interests, and the employee may be denied the relevant service.

Where a conflict of interest arises between clients of Trading 212 Ltd., the following principles shall apply:

equality of clients' interests and non-admission of priority of one client's interest over another's interest, especially in cases when one client is likely to be preferred due to the larger volume of services used by Trading 212 Ltd. or other similar reason;

disclosure of information to the client about the existence of potential and specific conflicts of interest, if this will not violate a legal requirement for confidentiality and jeopardize the interests of another client, and if this will best protect the interests of the affected customer;

observance of strict confidentiality by Trading 212 Ltd. and its employees regarding the transactions with a conflicting nature in order to avoid a real conflict of interest, as well as the risk of transactions on the basis of inside information.

According to the occurring conflict of interests, the manager of the Internal Control Department of Trading 212 Ltd takes appropriate measures for their removal. If the manager of the Internal Control Department cannot solve the occurring conflict of interests, they immediately notify the executive managers of Trading 212 Ltd. In this case, the occurring conflict of interests is solved by the managing directors of Trading 212 Ltd.

- d) In case that fair conflict resolution, satisfactory to the clients, cannot be provided, Trading 212 Ltd refuses to execute the service.
- t) When, despite the application of the rules for the prevention of conflicts of interest, there is still a risk to the interests of the client, Trading 212 Ltd. does not operate at the expense of the client when they have not informed them of the general nature and/or for sources of potential conflicts of interest and measures taken to limit the risk to the client's interests.
- u) Where organisational or administrative rules introduced by the Policy are not sufficient to ensure with sufficient certainty that the risk of harm to the client's interests will be prevented, Trading 212 Ltd. clearly discloses to the client the general nature and/or the source of conflicts of interest and the measures taken to mitigate these risks before carrying out activities at his expense.

The disclosure shall explicitly state that the organisational and administrative mechanisms established by the investment firm to prevent or manage this conflict are not sufficient to ensure with reasonable confidence that the risks of harm to the client's interests will be prevented. Disclosure shall include a specific description of the conflicts of interest arising from the provision of investment and/or additional services, taking into account the nature of the client to whom the disclosure is made. The description shall contain a sufficiently detailed explanation of the general nature and sources of the conflicts of interest, as well as the risks to the client arising from the conflicts of interest and the steps taken to limit those risks to enable the client to make an informed investment or additional decision, in the context of which conflicts of interest arise.

Disclosure shall be made on a durable medium and shall include sufficiently detailed information given the nature of the client to enable him to make an informed decision regarding the service in which the conflict of interest arises. Information is communicated to the clients by employees of the Customer Service Department.

Trading 212 Ltd. discloses information to its clients as a last resort and only after the organisational and administrative mechanisms established by the investment firm for prevention or management of its



conflicts of interest have been applied, and they have proved insufficient to guarantee with reasonable confidence that the risks of harm to the client's interests will be prevented.

- v) Trading 212 Ltd. strives to prevent conflicts of interest, which is why it relies primarily on the organisational and administrative mechanisms it has introduced to prevent conflicts of interest, and not so much the mechanisms for detecting and managing conflicts of interest.
  - w) Detailed information on this topic can be found in the "Conflicts of Interest Policy of Trading 212 Ltd." document, which is available to the clients of Trading 212 Ltd. on its website.
13. Trading 212 Ltd. does not offer its clients trading in financial instruments other than CFDs on a market other than the OTC market.

Trading 212 Ltd. offers its clients the following types of CFDs:

CFDs on securities and exchange-traded funds;

CFDs on indices;

CFDs on futures;

CFDs on currency pairs;

CFDs on precious metals;

CFDs on other assets.

The main specifics of CFDs offered by Trading 212 Ltd. are as follows:

creator and distributor of CFDs offered for trade by Trading 212 Ltd. is the investment firm itself;

CFD, provided for trade by Trading 212 Ltd, is a non-transferable security and is not stored in a depository institution, but in an analytical account with the investment firm;

no party shall acquire a physical CFD, nor the underlying asset it is based on;

none of the parties shall be obliged to buy or sell, to deliver or receive the corresponding underlying asset of CFD physically;

the rights and obligations of each party under the CFD shall only be to make or receive payments in accordance with the submitted order, and the results of the order execution shall be correspondingly reflected on its positions in assets and/or money;

deals in CFD are not subject to centralized clearing.

Detailed information on the risks related to the financial instruments offered for trading by the investment firm can be found in the document "Information on the financial instruments that are subject to the investment services provided by Trading 212 Ltd. and the risks associated with them", which is available for clients on the website of Trading 212 Ltd.

Information on each financial instrument offered by Trading 212 Ltd. is available and freely accessible on the website of the firm.

14. Trading 212 Ltd warns that trading with financial instruments including Contracts for Difference has significant risks and is not suitable for every investor.

Trading on the financial markets is not suitable for investors looking for stable income as the revenues from such activity are inconsistent and insecure.

The financial instruments offered by Trading 212 Ltd, Contracts for Difference, are complex financial instruments and respectively their risk component is integral and complex, therefore the risk of losing the funds invested by the client is significant.

When trading with financial instruments, including Contracts for Difference, there is no guarantee that the first investment amount will not be lost and there is almost no guarantee that the promised or expected income will be realized. There is a possibility for the losses to surpass the deposited amounts, but they will fully correspond to the results of the client activity and their investment behaviour

The clients must keep in mind that the profitability from trading with Contracts for Difference also depends on the taxes and fees that the investment firm withholds as stated in "Tariff for interests, taxes and commissions of Trading 212 Ltd" and from other costs related to this type of derivative instruments.

Information on taxes, fees and other potential costs for trading with Contracts for Difference is available and freely accessible on the internet site of Trading 212 Ltd.

Clients must keep in mind that the financial markets have a strongly volatile character, i.e. they are characterised by fluctuation of the prices and the quotes of the financial instruments. The prices and quotes of Contract for Difference are directly linked to the price of the underlying asset, which is influenced by many and diverse factors among which: changes in the supply and demand ratio; world trade; tax, monetary, regulatory and foreign policy of the countries; significant economic and political news; fluctuations in the interest rates; operations of the central banks and the big players; depreciation of the currencies; actual performance of the economic enterprises in their relative section; fore bearings and expectations of the market subjects as well as many other factors.

The types of Contracts for Difference, offered by Trading 212 Ltd, do not provide means for protection from the market dynamics, which means that the client may lose their total investment or part of it.

Also, the places for performance may impose price restrictions regarding the traded by them financial instruments, activities that are underlying for the Contracts for Difference, offered by Trading 212 Ltd, as well as cease trading with different instruments. Trading 212 Ltd warns its clients that in some cases the client may take financial and other additional obligations as a result of the deals with financial instruments including the unforeseen obligations, additional to the costs for acquiring Contracts for Difference.

Therefore, one should bear in mind that trading against the guarantee amount (margin), although allowing income realisation over the entire open position, is a highly risky form of investment and may lead to incurring significant losses and total loss of the invested client funds.

Trading 212 Ltd warns that the usage of leverage may multiply the profits, as well as the losses of the clients and relatively small fluctuations of the markets may have a significant effect on the client positions. As a result, the deposited funds, representing guarantee on open positions, may be fully depleted.

The clients must keep in mind that regardless of the specific financial instrument, trading against the provided guarantee amount is riskier than trading against payment of the total amount of the financial

instrument.

Detailed information on the risks related to the financial instruments offered for trading by the investment firm can be found in the document "Information on the financial instruments that are subject to the investment services provided by Trading 212 Ltd. and the risks associated with them", which is available for clients in the offices of Trading 212 Ltd., as well as on its website.

Information on the risk related to each financial instrument offered by Trading 212 Ltd. is available in KID, which is published and freely accessible on the website of Trading 212 Ltd.

- 15.** In the process of opening a trading account, Trading 212 Ltd. shall assess whether the service requested by the client is suitable for the latter. Such assessment shall be based on the information provided by the client regarding their knowledge and experience in financial markets trading.

Regardless of the assessment of Trading 212 Ltd., the clients should carefully decide for themselves whether the services offered by Trading 212 Ltd. are suitable for them and whether they should go on with them.

In case Trading 212 Ltd.'s evaluation shows that the requested service is not appropriate for the client, the investment firm shall notify the client and warn them on the risks thereof.

The decision to use this service, although evaluated as inappropriate, lies with the client, and the client shall specifically declare it to the firm.

Trading 212 Ltd warns: if despite the firm's warning, the client decides to use a service, which is evaluated as inappropriate for them, before actually trading with a service, which could lead to financial losses, it is advisable that the client gains some experience in this type of trade by means of a demo account or by trading CFDs against the provision of 100% Guarantee amount, and get further information on the trade specifics for a guaranteed amount (margin trade) generally, including through training materials, available on the website of Trading 212 Ltd. or accessible through other sources.

- 16.** Regarding trading in the above CFDs on an OTC market, Trading 212 Ltd. shall be the only order execution venue and it shall act as a principal under each transaction (not as an agent or broker). In practice, the client's orders are executed through the electronic platforms offered by the investment firm for trading in financial instruments, at prices quoted by them, and for each transaction with the client Trading 212 Ltd. is a counterparty. All client orders for trading in CFDs shall be carried out against Trading 212 Ltd.'s liquidity. Trading 212 Ltd. shall not transfer (route, refer, send) the client orders to any other execution venue.

Trading 212 Ltd. shall not execute client orders outside the specified execution venue.

Trading 212 Ltd. shall not execute any client's order or transaction on its own account grouped (jointed) with another client's order, where the orders concern trading in CFDs on an OTC market, as in such case Trading 212 Ltd. shall be the only order execution venue and a counterparty under each transaction.

Trading 212 Ltd. shall notify its clients in advance that their orders relating to the contracts for trading in CFDs shall be executed outside the trading venue (regulated market, multilateral trading system and organized trading system).

Trading 212 Ltd. warns that any specific instruction and/or instruction of the client may prevent the investment intermediary from taking the measures provided for and applied in the Client's Order Execution Policy applicable to the CFD trading contracts of Trading 212 Ltd., in order to achieve the best possible

results in the execution of these orders with regard to the elements covered by these instructions.

Trading 212 Ltd. shall not apply different fees depending on the client orders execution venue, as it shall act as the only execution venue for such orders.

Trading 212 Ltd. acts as the only place for execution of the orders of its clients, therefore it does not receive from third parties (which are places for execution themselves) payments and incentives in connection with the execution of these orders. Trading 212 Ltd. does not receive remuneration, discount or non-monetary benefit for delivery of a client order to a specific place of trade, respectively place for execution of orders.

Trading 212 Ltd charges its clients only with the taxes stated in the "Tariff for taxes and commissions of Trading 212 Ltd", as these taxes do not vary depending on the client or the place of execution.

Trading 212 Ltd acts as a counterparty to all the transactions with clients, therefore it does not charge receivables from two or more participants in the deal according to Art. 24, Para 9 of MiFID II, does not receive non-financial benefits as an intermediary, and the value of all financial benefits received as an intermediary, is described in the "Tariff for interests, taxes and commissions of Trading 212 Ltd."

When executing the investment services and activities for clients, Trading 212 Ltd acts honestly, correctly, fairly and as a professional relating to the best interest of the client.

Trading 212 Ltd executes immediately, honestly and exactly the received client orders including by observing the order of receipt of the identical orders.

Trading 212 Ltd. shall observe the following rules for execution of orders of its clients:

guarantees that the execution of orders on the client's behalf is immediately and correctly registered and distributed;

performs comparably in other terms orders of clients consistently and immediately, unless this is not possible because of the characteristics of such order or the prevailing market conditions, or if the interests of the client impose the opposite.

informs the retail client of every significant hindrance related to the correct execution of the orders immediately when it becomes aware of it.

Trading 212 Ltd shall not misuse the information related to the pending orders of the clients and takes all the reasonable steps for prevention of misuse of such information by any of its related parties.

When executing a client's order, Trading 212 Ltd. takes all sufficient steps to obtain the best possible result for the client, taking into account the price; the cost; the speed of execution of the order; the probability of execution and settlement (if in view of the type and nature of the transaction such is carried out); size; the nature and all other circumstances related to the execution of the order.

In the execution of an order submitted by a retail client, the best possible outcome is determined by the total value of the transaction, including the price of the financial instrument and the cost associated with the execution, which includes all costs directly, including fees for the place of execution, clearing and settlement fees (if any), as well as other fees and charges paid to third parties involved in the execution of the order, if any.

At some definite instructions on the side of the client Trading 212 Ltd executes the order by following these instructions. All the special instructions of the client derogate the rules for achievement of the best result

settled by the Policy for execution of the orders of the clients applied to the trading contract with Contract for Difference of Trading 212 Ltd.

### **III. FINAL PROVISIONS**

- 17.** This Information is not a part of the contract between the client and Trading 212 Ltd., nor of the applicable General Terms and Conditions, but an independent document. Trading 212 Ltd. shall provide the client with the Information, along with the other documents that the client needs to be aware of before signing the contract.
- 18.** This Information shall be reviewed at least once annually as well as upon introduction of any significant changes.
- 19.** The last updated version of this Information is available to clients of Trading 212 Ltd. on its website. Trading 212 Ltd. shall notify its clients over its website of any significant changes in the Information or the publication of a new Information document.
- 22.** This document was adopted by the Managers of Trading 212 Ltd. at a meeting held on March 21, 2018, and it is effective as of that date.