

Enclosure № 4

To the General Terms and Conditions of Eurobank EFG Bulgaria AD applicable to the contracts with clients for provision of investment and/or ancillary services

Brief description-information regarding the Internal policy for categorisation and treatment of the clients of “Eurobank EFG Bulgaria” AD (the “Bank”) as professional, retail or eligible counterparty”¹

1. Eligible Counterparty

1.1 Eligible counterparty may be any investment intermediary, credit institution, insurance company, collective investment scheme, management company, pension fund, pension insurance fund, other financial institutions, any person whose principal business is dealing on own account in commodities and/or derivative financial instruments on commodities, except where such persons are part of a group the main business of which is the provision of other investment services within the meaning of the Markets in Financial Instruments Act (“MiFIA”) and of Directive 2004/39/EC of the European Parliament and of the Council and does not involve provision of banking services within the meaning of the Credit Institutions Act and Directive 2006/48/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions (recast), legal entities which provide investment services and/or perform investment activities consisting solely in dealing on own account on markets in financial futures or options or other derivatives and on cash markets for the sole purpose of hedging positions on derivatives markets or which deal for the accounts of other members of those markets or make 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, national governments, public bodies that deal with public debt, central banks and international organizations, as well as entities from third countries.

1.2 As eligible counterparty the Bank shall consider a Client who qualifies as any of the persons listed in section 1.1 above meeting the respective categorisation criteria set forth thereof, **has explicitly requested to be treated as such**, and who:

- a)** has not requested and the Bank has not agreed the client to be treated as professional client;
- b)** has not requested explicitly to be treated by the Bank as retail client; and
- c)** has not been categorised as professional or retail by the Bank on its own initiative.

¹ According to the Internal policy for categorisation and treatment of the clients of “Eurobank EFG Bulgaria” AD (the “Bank”) as professional, retail or eligible counterparty, adopted with Resolution of the BD of the Bank on 31.10.2007 pursuant to Art. 37, paragraph 6 of the Markets in Financial Instruments Act (“Categorisation Policy”)

2. *Professional client*

2.1 *Professional client* of the Bank may be any person who possesses the experience, knowledge and expertise to make own investment decisions and properly assess the risks related to the investment and who meets the criteria laid down in the Enclosure to Art. 36, paragraph 1 of MFIA and in section 2.2 below.

2.2 As professional client the Bank shall consider a Client who meets the condition set forth in section 2.1 and one or more of the criteria specified in section 2.2.1 and does not fall within any of the cases of section 2.2.2 below:

2.2.1 A client or potential client of the Bank can be categorised as professional provided that he comes under one of the following categories:

a) the Client is a person for which granting of authorization is required for conduct of business on the financial markets or whose activity is regulated otherwise by the national law of a Member State, whether or not in conformity with Directive 2004/39/EC of the European Parliament and of the Council, as well as person which has been granted authorization for conduct of said business or regulated otherwise by the national law of a third country, as follows:

- aa)** credit institution;
- bb)** investment firm;
- cc)** other institution subject to authorization or regulation otherwise;
- dd)** insurance undertaking (company);
- ee)** collective investment undertaking and the management company thereof;
- ff)** pension fund and retirement insurance company;
- gg)** person trading in commodities or derivative financial instruments relating to commodities as a regular occupation and on its own account;
- hh)** legal entity which provides investment services or performs investment activities consisting exclusively of dealing on own account on markets in financial futures or options or other derivatives on cash markets for the sole purpose of hedging positions on derivatives markets or which deals for the accounts of other participants in those markets or makes prices for them and which is guaranteed by clearing members of the same markets, where responsibility for ensuring the performance of contracts entered into by such person is assumed by clearing members of the same markets;
- ii)** other institutional investor;

b) the Client is a large undertaking which meets at least two of the following conditions:

- aa)** its balance sheet total is at least EUR 20,000,000 or the equivalent in Bulgarian currency;
- bb)** its net turnover is at least EUR 40,000,000 or the equivalent in Bulgarian currency;

cc) its own funds are at least EUR 2,000,000 or the equivalent in Bulgarian currency;

c) the Client is a national or regional government body, state authority participating in the management of the public debt, central bank, international and supranational institution such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organizations; or

d) the Client is other institutional investor whose primary business is investment in financial instruments, including a person dealing in securitisation of assets or other financial transactions.

2.2.2 The client or the potential client shall be treated as professional if:

a) the latter has not requested amendments in the terms of the contract with the Bank in order to be provided with higher level of protection according to the respective procedure set out in the Categorisation Policy of the Bank in accordance with the provisions of MFIA; and

b) has not been categorised as retail client by the Bank on its own initiative.

2.2.3 Professional client shall be considered also a client that has been re-categorised from retail to professional on his initiative following the procedure set forth in the Categorisation Policy of the Bank, when according to the Bank he meets the condition set forth in section 2.1 above and at least two of the following criteria for re-categorisation:

a) during the last year the client has carried out on the average 10 transactions in significant size per quarter on a relevant market;

b) the size of the investment portfolio of the client, which consists of financial instruments and cash deposits, exceeds EUR 500,000 or the equivalent in Bulgarian currency;

c) the client works or has worked in the financial sector for at least one year in a professional position, which requires knowledge of relevant transactions or services; where the Bank shall apply an exemplary list of positions, which are considered to require the envisaged knowledge.

3. Retail client

3.1 Retail client and potential retail client of the Bank is any person who uses or is willing to use the investment and/or the ancillary services of the Bank and who does not possess the experience, knowledge and expertise to make its own investment decisions and properly assess the risks related to the investment and/or who does not meet the criteria laid down in the Enclosure to Art. 36, paragraph 1 of MFIA and in the Categorisation Policy of the Bank.

3.2 Retail client

As retail client the Bank shall consider a client who:

a) does not meet the criteria for eligible counterparty or professional client;

b) has been categorised on the initiative of the Bank as retail, including in the cases where he meets the criteria specified in section 2.2; or

c) has explicitly requested to be treated as such in conformity with the procedure provided for in the Categorisation Policy of the Bank, MFIA, Regulation № 38.

4. *Re-categorisation*

4.1 A client categorised as eligible counterparty or professional client may be re-categorised into retail on his own initiative or on the initiative of the Bank in compliance with the requirements of MiFIA, Regulation № 38 and the Categorisation Policy of the Bank, pursuant to Art. 36, paragraph 2 of MFIA.

4.2 A client categorised as retail client may be re-categorised into professional, if he meets the criteria in section 2.2.3 above. After the re-categorisation this client will not be able to take advantage of the specific rights of retail clients applicable in accordance with the internal regulatory regime of the Bank and the effective legislation including that the client will not be entitled to compensation from the Investor Compensation Fund, pursuant to Art. 37, paragraph 1 of MFIA.

By signing the General Terms and Conditions applicable to contracts with clients for provision of investment and ancillary services the Client declares that he has received the information regarding the conditions and criteria according to which he has been categorised, he is aware of this information, understands it and accepts it.