

## PRESENTATION DOCUMENT

### 1. COMPANY IDENTIFICATION INFORMATION

BT SECURITIES S.A. is a Romanian legal person joint stock company with registered office in Cluj-Napoca, B-dul 21 Decembrie 1989 no. 104, zip code 400124, registered with the Trade Registry under no. J12/3156/1994, Sole registration number 6838953, a company resulted in February 1999 from the merger of three Securities Broker companies in Cluj-Napoca, namely: STRIM S.A. Cluj-Napoca (the acquiring company, established in 1994), STOCK INVEST S.A. Cluj-Napoca and DAX S.A. Cluj-Napoca. The company resulting from the merger was called TRANSILVANIA CAPITAL INVEST S.A., and in 1999 BANCA TRANSILVANIA owned a total of 10.41% of the share capital of this company. In the following years BANCA TRANSILVANIA increased its share in the TRANSILVANIA CAPITAL as follows:

- in July 2001 BANCA TRANSILVANIA owned 75,40%
- in April 2002 BANCA TRANSILVANIA owned 88,55%
- in November 2004 BANCA TRANSILVANIA owned 95,50%
- in March 2012 BANCA TRANSILVANIA owned 98,67%

In 2003 TRANSILVANIA CAPITAL INVEST SA changed its name into BT SECURITIES SA. Two managers ensure the executive management of the company, namely: Mr. Nilas Rares-Doralin (general manager) and Mr. Moroiianu Nicolae (executive manager), while the administrative management is ensured by the Board of Directors. At present, the share capital of BT SECURITIES SA amounts to 16.389.730,08 LEI.

The company's registered office is: Cluj-Napoca, B-dul 21 Decembrie 1989, no. 104, zip code 400124, e-mail [office@btsecurities.ro](mailto:office@btsecurities.ro), telephone 0264-430.564, fax 0264-431.718.

Currently, BT SECURITIES SA has 20 agencies, namely:

- Aiud agency with registered office in Alba county, no. 7 Cuza Voda Street, ap. 3, e-mail [aiud@btsecurities.ro](mailto:aiud@btsecurities.ro), contact person: Cipariu Tudor Horea, telephone/fax 0258-860.271;
- Alba-Iulia agency with registered office in Alba county, Closca Street, bl. 4 ABCDEF, ap. 55, e-mail [alba-iulia@btsecurities.ro](mailto:alba-iulia@btsecurities.ro), contact person: Birleanu Cristian, telephone/fax 0258-830.861;
- Arad agency with registered office in Arad county, no. 62 B-dul Revolutiei, Building A, ap. 5, ground floor, e-mail [arad@btsecurities.ro](mailto:arad@btsecurities.ro), contact person: Sicoe Cristina, telephone/fax 0257-250.810;
- Bacau agency with registered office in Bacau county, no. 24 9 Mai Street, ground floor, e-mail [bacau@btsecurities.ro](mailto:bacau@btsecurities.ro), contact person: Munteanu Cristina, telephone/fax 0234-522.981;
- Brasov agency with registered office in Brasov county, no. 11 9 Mai Street, ap. 1, e-mail [brasov@btsecurities.ro](mailto:brasov@btsecurities.ro), contact person: Ursu Cristinel, telephone/fax 0268-311.202;
- Brasov agency with registered office in Brasov county, no. 10 Alexandru Vlahuta Street, inside ITC S.A. Brasov, building B, mezzanine, e-mail [brasov2@btsecurities.ro](mailto:brasov2@btsecurities.ro), contact person: Vanghelie Doina, telephone/fax 0268-546.546;
- Bucuresti agency with registered office in Sector 1, Bucharest, no. 43 Sos. Bucuresti-Ploiesti, e-mail [bucuresti@btsecurities.ro](mailto:bucuresti@btsecurities.ro), contact person: Moroiianu Nicolae, telephone/fax 021-269.20.24;
- Campia Turzii agency with registered office in Cluj county, no.3 Aurel Vlaicu Street, e-mail [campia-turzii@btsecurities.ro](mailto:campia-turzii@btsecurities.ro), contact person: Muresan Elena, telephone/fax 0264-366.172;
- Constanta agency with registered office in Constanta county, no. 138 B-dul Tomis, bl. TD1A, e-mail [constant@btsecurities.ro](mailto:constant@btsecurities.ro), contact person: Dumitrescu Catalin Vasile, telephone/fax 0241-613.244;
- Craiova agency with registered office in Dolj county, Cal. Bucuresti, bl. 21A, sc. 2, ap. 4, e-mail [craiova@btsecurities.ro](mailto:craiova@btsecurities.ro), contact person: Stancioi Marius-Emil, telephone/fax 0251-415.161;
- Deva agency with registered office in Hunedoara county, Mihai Viteazu Street, bl. 40, sc. A, ap. 1, ground floor, e-mail [deva@btsecurities.ro](mailto:deva@btsecurities.ro), contact person: Falc Adina Mihaela, telephone/fax 0254-215.757;
- Galati agency with registered office in Galati county, no 192 Braila Street, bl. A8, ground floor, e-mail [galati@btsecurities.ro](mailto:galati@btsecurities.ro), contact person: Lungu Gianina, telefon/fax 0236-430.403;
- Iasi agency with registered office in Iasi county, Garii Street, bl. L20-22, ground floor, e-mail [iasi@btsecurities.ro](mailto:iasi@btsecurities.ro), contact person: Vieriu Laura, telephone/fax 0232-244.414;
- Miercurea-Ciuc agency with registered office in Harghita county, no. 32-34 Kossuth Lajos Street, e-mail [miercureaciuc@btsecurities.ro](mailto:miercureaciuc@btsecurities.ro), contact person: Peter Barna, telephone/fax 0266-372.015;
- Oradea agency with registered office in Bihor county, no. 15 Parcul Traian Street, ap. 15, e-mail [oradea@btsecurities.ro](mailto:oradea@btsecurities.ro), contact person: Petrea Horea-Cosmin, telephone/fax 0259-428.198;
- Pitesti agency with registered office in Arges county, Victoriei Steet, Fortuna Complex, e-mail [pitesti@btsecurities.ro](mailto:pitesti@btsecurities.ro), contact person: Istrate Daniela Adriana, telephone/fax 0248-610.590;
- Satu-Mare agency with registered office in Satu-Mare county, no. 5 B-dul Traian, ap. 2, e-mail [satu-mare@btsecurities.ro](mailto:satu-mare@btsecurities.ro), contact person: Dachman Romulus, telephone/fax 0261-716.120;
- Sibiu agency with registered office in Sibiu county, no. 20A Zaharia Boiu Street, e-mail [sibiu@btsecurities.ro](mailto:sibiu@btsecurities.ro), contact person: Mitrea Mariana Rodica, telephone/fax 0269-213.764;
- Targu Mures agency with registered office in Mures county, no. 31 B-dul 1 Decembrie 1918, ap. 2, e-mail [targu-mures@btsecurities.ro](mailto:targu-mures@btsecurities.ro), contact person: Pop Ana Florina, telephone/fax 0265-265.043.
- Timisoara agency with registered office in Timis county, no. 1 Voltaire Street and no. 2 Caruso Street (in cadrul BT), e-mail [timisoara@btsecurities.ro](mailto:timisoara@btsecurities.ro), contact person: Prodan Dana Cristina, telephone/fax 0256-244.561.

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reviewed on: 30.03.12

There are over 100 employees working in the BT SECURITIES SA registered office and agencies.  
BT SECURITIES SA has authorized agents providing financial investment services, as well as delegated agents, all registered in Romania's CNVM Register.

## 2. THE GROUP BT SECURITIES SA BELONGS TO

In 2003, BANCA TRANSILVANIA launched the concept "THE BANCA TRANSILVANIA FINANCIAL GROUP" whose aim was to provide integrated financial products. The financial group includes the following affiliates: BT Leasing, BT Securities, BT Direct, BT Investments, BT Asset Management.

## 3. THE COMPETENT AUTHORITY THAT ISSUED THE OPERATING PERMIT

The National Securities Commission has authorized the functioning of the company BT SECURITIES SA as a financial investment service provider company, pursuant to the provisions of Art. 3 par. (1) of the Instruction No. 1/2003 concerning the authorization of broker companies as financial investment service provider companies, by the Decision No. 2330 as of 22.07.2003.

Contact information: C.N.V.M. - Bucharest, no. 2 Foisorului Street, Sector 3, e-mail [cnvm@cnvmr.ro](mailto:cnvm@cnvmr.ro), telephone 021-326.67.75, fax 021-326.68.48, 021-326.68.49.

## 4. AUTHORIZED FINANCIAL INVESTMENT SERVICES

The company BT SECURITIES SA is authorized to carry out the following financial investment services:

### 1. Main services:

- Receiving and forwarding instructions given by investors concerning one or more financial instruments;
- Carrying out instructions concerning one or more financial instruments, but not on its own behalf;
- Transactions with instruments on its own behalf;
- Administration of the individual account portfolios of investors on a discretionary basis, in compliance with the authorization granted by the latter, if these portfolios include one or more financial instruments;
- Consultancy on investments;
- Subscription of financial instruments on basis of a firm commitment and/or placement of financial instruments;
- Financial instruments investment without a firm commitment;
- Management of an alternative transaction system.

### 2. Related services:

- Safe keeping and management of money instruments in the customers' accounts, including custody and services related to them, such as fund or guarantee management;
- Granting credits or loans to investors, in order to enable them to carry out transactions with one or more financial instruments, if the company granting the credit or loan is involved in the transaction;
- Counselling entities with regard to the structure of the capital, the industrial strategy and related aspects, as well as consultancy and services related to mergers and acquisitions of entities;
- Foreign currency services related to the investment services provided;
- Research for investments and financial analysis or other forms of general recommendations concerning transactions with financial instruments;
- Other services related to the subscription of financial instruments on basis of a firm commitment;
- Investment services and activities, as well as related services of types similar to those specified under points 1 and 2 herein, related to the derivative instruments underlying asset, if these are related to the provisions concerning the main and related investments:
  - options, futures contracts, swaps, forward contracts on the interest rate and any other derivative contracts related to goods that shall be paid with money instruments or can be paid with money instruments at the request of one of the parties (otherwise than due to non-payment or any other event that leads to termination);
  - options, futures contracts, swaps and other derivative contracts related to the goods and that can be physically paid, provided they are traded on a regulated market and/or in an alternate transaction system;
  - options, futures contracts, swaps, forward contracts and any other goods-related derivative contracts that can be settled physically, not included in the class of services concerning the subscription of financial instruments on basis of a firm commitment and without any commercial purposes, which share the features of other derivative financial instruments, considering, amongst others, whether they are cleared and paid through recognized clearing houses or whether they are regularly subject to margin calls;
  - options, futures contracts, swaps, forward contracts on the interest rate and any other derivative contracts related to climatic, freight, approvals for emission of substances or inflation rates, or other official economic indicators that must be paid with money instruments or can be paid otherwise upon the request of any of the parties (other than due to non-payment or any other event that leads to termination), as well as any other derivative contracts related to assets, rights, liabilities, indexes or indicators, not covered by this definition, which share the features of other derivative financial instruments, considering, amongst others, whether they are traded on a regulated market or within alternate trading systems and whether they are cleared and paid through recognized clearing houses or are regularly subject to margin calls.

## 5. FINANCIAL INVESTMENT SERVICES CARRIED OUT

BT SECURITIES SA provides the following financial investment services, by customer category:

- Individual or institutional investors
  - the taking over, forwarding and performance of orders received from investors related to one or more financial instruments, as well as other services related to them, such as: granting credits to investors in order to enable them to carry out transactions with one or more financial instruments;
  - the management of the natural persons investors' portfolios in accordance with their discretionary granted mandates, including one or more financial instruments.
    - o By "management" one understands the agent's carrying out of specific activities regarding the organization and performance of all operations on the managed account and on behalf of the customer, aimed at efficiently managing the account;
    - o The management of the discretionary accounts portfolios by the BT SECURITIES SA through a proxy shall be carried out in compliance with the clauses and limitations stipulated by the customer in the account opening application, the Intermediation account and the discretionary account authorization;

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- The management shall apply to the customer's account, to their portfolio created at the customer's request, depending on: the customer's investment profile, the risk assumed by the customer and the customer's authorizations/limitations;
  - The portfolio management activity is aimed at increasing the value of the portfolio of the managed account; When deciding on the discretionary administration of the customer's portfolio, BT SECURITIES SA shall act in good faith and with due diligence, in accordance with the deontological regulations of their profession; BT SECURITIES SA is bound to diligence, not result. Thus, BT SECURITIES SA can provide no guaranty in regard to the profitability of the customer's portfolio management or of the financial instruments included in the portfolio and shall not be liable for any missed opportunity that might have increased the value of the portfolio or for a diminution of the portfolio value;
  - The risk level related to the discretionary management of the portfolio can be: low, medium or high;
  - Any constraints or limitations related to discretionary management can be imposed by the Customer in the account opening application and in the discretionary account authorization ;
  - Portfolio management is based on the investment principles, the term in which you can request such a service being of at least one year;
  - BT SECURITIES SA retains the right to delegate the competences received by the agent in charge with financial investment should they consider it necessary. The customer shall be notified in writing with regard to the delegation of competences to another agent, the customer being entitled to agree or disagree to this. Failure to express an opinion in writing within 5 days from the moment in which the notification is issued by the agent shall be considered to be an acceptance;
  - The types of financial instruments that can be included into the customer's portfolio and the types of transactions that can be carried out with these instruments, as well as any other limitations imposed by the customer shall be stipulated in the account opening application ;
  - The customer may choose the frequency with which they can receive the report form on portfolio management, as follows: periodically, every month, on the last working day, or based on "transaction with transaction", case in which the customer shall receive confirmation of the transactions on the following working day at most, and the report form on portfolio management every 6 months ;
  - BT SECURITIES SA shall daily assess the managed portfolio and shall communicate to the customer any information they might request in connection with it. Portfolio management is carried out at the market closing price on the preceding day;
  - The evaluation standard against which the managed account performance shall be compared is the interest rate of Banca Transilvania for the deposits in lei for a year from the date on which the contract becomes valid. In case the performance analysis period is different from 365 days, the managed account evaluation standard is consequently adjusted, being multiplied with the coefficient in question (length of the performance analysis period/365);
  - In case of transactions referring to retail customers portfolio management or in case of retail customers accounts operations including an uncovered open position within a conditioned commitment transaction, BT SECURITIES SA shall report to their retail customers any losses surpassing a pre-established level that were agreed upon by the agent and the customer, by the end of the working day on which this level is surpassed or, should this occur on a free day, by the end of the following working day ;  
By "transaction with conditioned commitment" one understands a transaction with financial instruments that implies (for the customer) a real or potential obligation that would surpass the instrument purchase price;
  - Opening a managed account is conditioned by the filling in of the related documents : the account opening application form and the discretionary account authorization ;
  - In case the customer fails to supply the information requested in the appropriacy test (the investment aims, the financial situation, the experience and expertise in the field of financial investment), BT SECURITIES SA shall refuse to open the discretionary managed account, as they will lack sufficient information to decide whether or not the transactions they are about to perform based on the portfolio management agreement shall meet the following criteria :
    - They comply with the investment objectives of the customer in question;
    - They can decide whether the customer is financially able to take the investment risk assumed in compliance with their investment objectives;
    - They can decide whether the customer has the appropriate experience and knowledge necessary to understand the risks involved by the transaction or portfolio management.
 so as to be able to provide the customer with an appropriate investment management service.  
In case BT SECURITIES SA carries out investment services for a professional customer, the latter is entitled to assume that, in as far as products, transactions and services they are qualified for are concerned, the customer has the experience and expertise required - stipulated in the appropriation test;
  - BT SECURITIES SA only acts within the limits of the discretionary mandate granted by the customer when signing the contract and any addenda, or special instructions received from the customer, except for the situations stipulated by the law.
- Natural persons - the taking over, forwarding and performance of sale orders for shares (coupons) obtained by natural persons as part of the Mass Privatization Program, traded at BVB;
  - Companies - consultancy on any problems related to the capital structure (increasing the registered capital by public offer of shares), financing investments through issuance of corporate bonds, business strategy, as well as consultancy in the field of mergers and company acquisitions;
  - Local public authorities - consultancy and services related to investment projects financing through issuance of municipal, community etc. bonds.

BT SECURITIES SA has an *Internet trading system* called **BT TRADE** ("BT TRADE - Internet Trading") that can be accessed at the following address [www.bt-trade.ro](http://www.bt-trade.ro).

BT TRADE is the online trading platform of BT SECURITIES SA.

The BT TRADE Internet trading system is an IT system controlled and operated by BT SECURITIES SA and accessed through the Internet by the customers in order to facilitate the forwarding of the customer's orders and instructions, as well as to provide to the customer the opportunity to be informed in real-time on the evolution of the capital market and of their own investments.

## 6. FINANCIAL INSTRUMENTS AND INVESTMENT STRATEGIES TAKEN INTO CONSIDERATION

BT SECURITIES SA provides financial investment services related to the following types of **financial instruments**:

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- Securities (stock, bonds issued by public or private organizations, preference rights at the subscription of shares as part of a capital increase, any other financial instruments qualified by C.N.V.M. as securities) and which are traded on a regulated market, MTFs and outside RM or MTFs, home and abroad;
- Equity investment at collective investment institutions;
- Derivative financial instruments (futures contracts, options contracts, any other financial instruments qualified by C.N.V.M. as derivative financial instruments) which are traded on a regulated market, MTFs and outside RM or MTFs.

The investment strategies taken into consideration are based on the investment objectives of each and every customer. The choice of a certain investment strategy depends on the customer's profile and interests, but the final decision is made by the investor. When defining the profile of the customer one takes into consideration the customer's expertise and knowledge in the field of capital market, the assumed risk level, the investment objectives, the financial situation etc..

The investment strategies can be applied on a short, medium or long term:

- The aim of the short-term strategy is to obtain the maximum profit possible on a short term, but it involves a high investment profit;
- The aim of the medium and long-term strategy is to make an investment that results in profit, while the risk is minimal. Moreover, in order to reduce the risks, when establishing the investment strategy, items such as the following are taken into consideration:
- The high liquidity ratio of the individual investment, so that the customers are able to liquidate their investment at any time, partially or entirely, converting it into money at the current value of the financial instruments;
- Diversification of the investment portfolio by choosing more financial instruments of companies acting in different fields, thus reducing, but not eliminating, the risks related to certain types of investments;
- The professional portfolio management by the customers themselves - supported by a group of financial analysts who study and monitor the financial markets and the companies, both individually and by fields, the chances of the customers to choose the best possible investment strategy are higher.

## 7. INFORMATION RELATED TO THE MAIN FEATURES OF EACH FINANCIAL INSTRUMENT AND WARNINGS CONCERNING THE RISKS OF THE INVESTMENT IN FINANCIAL INSTRUMENTS OR CONCERNING CERTAIN INVESTMENT STRATEGIES

The features of the main financial instruments currently tradable on the Romanian capital market are the following:

- **Stock** - financial instruments issued by trading companies, representing fractions of the share capital of the company, conferring to the holder a property right over the issuer and, implicitly, the right to dividends and voting rights at the Shareholders' General Meeting, in the proportion corresponding to the portion of the subscribed and paid capital they own;
- **Public and corporate bonds** - financial instruments issued by public institutions (state, public organization within the central or local administration) or private institutions (trading companies), representing fractions of a loan obtained by the issuer, conferring the holder the right to collect an interest and the issuer the obligation to pay it off when due, under the specific conditions concerning the issuance of bonds;
- **Equity investment at collective investment organizations** - financial instruments issued by collective investment organizations, where a large number of investors own a relatively small portion, limited by law, and which are investing in different instruments on the financial-banking and capital markets in order to attain their investment goals (aggressive increase of the unit value, ensuring regular and low-risk revenues for the investors, etc.);
- **Derivative financial instruments** - futures or options type contracts which have securities or other financial assets as support assets. The **futures contract** is an obligation assumed on an organized market to buy/sell a certain asset (cash, financial or commodity) on a certain date in the future, at the price established at the moment the transaction is concluded. The typical feature of the futures contracts is the fact that the elements of the contract, except the price, are standardized. The standardized elements of the futures contract are: trading unit, quotation, step, daily fluctuation limit, daily risk margins, due date, termination on the due date. In order to trade futures contracts, the customer shall first deposit a certain amount at BT SECURITIES SA, called margin. This margin is a guarantee for the winner to collect the money and for the loser to pay it. The futures deals are not completed by the delivery of the support asset on which the contract is based. Almost every futures deal is terminated by the payment in LEI of the difference between the contract price and the price of the support asset at the due date. An alternative is the termination of the contract before the due date through an inverse operation (a sale if the starting point was an acquisition). The **options contract** is a standardized contract that confers the buyer the right, but not the obligation, to buy/sell a certain support asset (cash, financial or commodity), on a future date and at the price established when concluding the deal. In exchange for this right, the buyer of the option will pay an amount called premium to its seller. The premium is the only negotiable element of the options, as the rest are standardized, even the price the deal will be concluded for, called exercise price. The support assets of the options traded at SIBEX are the futures contracts, so they confer the buyer the right to buy/sell futures contracts. When the buyer decides to exercise its right to buy/sell conferred by the option, the seller is compelled to become the other party. The CALL options confer their buyer the right, but not the obligation, to buy the asset the contract is based on. The PUT options confer their buyer (holder) the right, but not the obligation, to sell the asset the contract is based on. The CALL and PUT markets are basically two separate markets.
- **Structured products** - are instruments that represent a financial obligation of an issuer ("*debt*") which includes a derivative component able to alter the risk and turn-over profile of the instrument in question. These hybrid financial instruments can be based on a large range of underlying assets (a stock market or currency index, gold, oil or any other type of merchandise, combinations of underlying assets and financial instruments etc.). Structured products are normally issued by credit institutions, investment companies, as well as other financial institutions under the incidence of the authorization and regulations of the competent authorities within EU or non-EU member states, based on an issuing prospect, and are adapted to the risk profile of the investors, which differs as a result of the various typology of these products and of the underlying assets they are based on. These can be : index certificates, turbo, warrants, as well as other types of structured products. Although transacted similarly to the open market financial instruments, the structured products share features of the derivative financial instruments, such as :
  - the issuer of the structured products "replaces" the regular cash flow of an obligation (e.g.: coupons and reimbursement mainly upon maturity) with non-standard fluxes determined ("*derivate*") by comparison against the evolution of the price or of the value of an underlying asset (e.g.: index, goods);
  - the cash flow depends on (are "*contingent*") the performance of the underlying asset;
  - the structured products may have additional characteristics in respect to those of the regular obligations (e.g.: leverage effect ("*leverage*"), protection of the invested capital), that alter the dynamics of the value of the structured products in comparison with the underlying asset.

The structured products have two components :

- a financial obligation of an issuer, though they are not capital titles, they are "obligations" that do not pay dividends and have no interest attached;

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- a derivative component, capable of altering the risk and turn-over of the instrument in question; the price of the instrument is “derivate” from the turn-over of an underlying asset.

The advantages investors can benefit from are the following : *guaranteed liquidity* (the issuer of the structured products acts on the secondary market as a liquidity supplier), *simplicity* (a combination of complex strategies, structures or indexes into a single financial instrument), *transparency* (investors can access market price and the performance of the financial instruments in question in real time), *low investment* (with a small sum of money one can obtain a certain exposure on an underlying asset the structured product is based on) and *diversity* (the issuer can issue structured products for any market and category of investors). These are transactioned in accordance with the regulations of the spot market, there is no margin requests, one can obtain profit on any trend of the underlying asset : increase or decrease (e.g. in the case of the turbo short certificates) and have no administration fees attached (unlike funds).

Caution :

- although there appears an accrue right of the investor, one must be cautioned with regard to the issuer’s credit risk ; the investor is exposed to the risk that the issuer might fail to fulfil their financial obligation;
- should the value of the underlying asset reach the barrier established in the prospect, the turbo certificate shall be annulled (KO) and the investors may lose the entire amount invested ;
- the leverage effect (« *leverage* ») causes both the investor’s gaining and loss to be much bigger than the underlying asset performance ;
- they can be with fix or « open-end » type maturity.

BT SECURITIES SA trades on Vienna Stock Exchange on Third Market Segment (third market, MTF, alternative trading system, unregulated), which is included into Cash Market and the warrant-type financial instrument.

- **Warrant** - a financial instrument granting to the holder or against a strike price the right, but not the obligation, to buy (call-warrant) or to sell (put-warrant) a number of shares of a specified type, admitted for trading, at a certain price (strike price) during a period of time or on an established date. The warrant is guaranteed by the issuer. The warrant can carry dividends, this means that if the issuer receives dividends based on the Underlying Shares, these will be transferred to the warrant holders. In case that the owner of the warrant decides not to exercise their right to buy or to sell on the Due Date (for example will not pay the exercising price for a call-warrant) they will lose the money paid in order to receive the warrant.

The Risk related to the investment on the capital market can be defined as the probability to lose part of the amount invested initially or the entire amount. The risk is defined differently by different individuals, therefore it is a major factor considered by the investors when making the decision to invest on the capital market. Depending on the risk assumed, the investor may choose a **prudential strategy** by choosing low-risk financial instruments (bank deposits, state bonds, mutual funds or state/corporate bonds) or a **moderate/aggressive strategy** by including in the portfolio financial instruments with a higher degree of risk (stock, futures, options contracts), which in compensation may produce higher yields.

The risks related to the financial instruments involve three aspects: issuer (company) risk, sector risk and market risk.

- The **company risk** represents the possibility for a major event to affect the activity of a trading company, leading to its decline or bankruptcy. On the capital market there are low investment risk companies (large and stable companies with a high liquidity stock) and companies with a higher degree of risk, determined by the losses, the lower liquidity or activity within an unstable economic sector.

The reduction of this risk type can be achieved by the diversification of the investment portfolio – financial instruments of different issuers.

- The **sector risk** is determined by the investment in companies that belong to the same economic field or depend on a single field. An economic instability occurring in the respective field will affect all these companies.

The reduction of this risk type can be achieved by the diversification of the investment portfolio - financial instruments of issuers acting in different fields.

- The **market risk** is determined by the political and economic situation of the country. It is an unavoidable risk, since it may affect any issuer, regardless of their field of activity.

BT SECURITIES SA advises its customers or potential customers that the financial investments involve certain **specific risks**, typical for the financial instruments, as seen above. The operations to be carried out depend on the fluctuations of the financial markets, which are beyond the authority of BT SECURITIES S.A. At the same time, we advise our customers or potential customers that the statistical performances attained by any issuer are not an indication for future performances. The investor assumes the full risk for the losses resulting from the nature of the financial investment operations, the evolution of the price of the financial instruments or the volume of the trade, the excessive volatility of the market or any other such factors that can under no circumstance be considered as the fault of BT SECURITIES S.A., as the final decision rests with the investor.

We also note that an investor may acquire as a result of a transaction with such financial instruments, financial commitments or other additional obligations, including contingent, additional ones beside the acquisition cost of the financial instruments. BT SECURITIES SA wishes to advise its customers that trading derivative financial instruments is not always suitable for any investor, involving higher risks in the sense that the margin call occurrence and the amount of money required to be transferred to cover the margin call cannot be predicted. The customers should be very careful with statements that foresee very large profits by trading derivative instruments. Although due to the financial leverage effect (which enables one to use small amounts of money to obtain access to underlying assets with a value several times larger), trading can result in considerable profits in very short periods of time, but they can also determine important and immediate losses, which can be larger than the amount initially deposited at the SSIF. As in the case of investments in other financial instruments, no one can guarantee “sure gains” as a result of transactions with derivative instruments.

## 8. TRADING VENUES

BT SECURITIES SA is authorized and carries out operations on the Romanian and international capital market and trades on the **Bucharest Stock Exchange** (on regulated market **BVB** and on exchange segment **RASDAQ**), the **Sibiu Monetary-Financial and Commodities Exchange** and the **Vienna Stock Exchange in Austria**, on basis of the free circulation of services. Upon the customers’ request BT SECURITIES SA will act as agent in any alternate trading system authorized by the National Securities Commission. The **Bucharest Stock Exchange**, as a trading platform is considered a “market” (spot market and derivative market) divided into individual market segments on which financial instruments are traded. The **Sibiu Monetary-Financial and Commodities Exchange** is the market on which derivative financial instruments, as well as futures and options type contracts are traded, which have securities or other financial assets as underlying assets.

## 9. RELATED COMMISSIONS, FEES, TAXES AND THE PAYMENT METHOD

- The **fee** for the transactions carried out on the customers’ behalf on **BVB** will be negotiated when signing the financial investment service agreement and may be changed with the consent of the parties.
- The **fee** for the transactions carried out on the customers’ behalf on **SIBEX** will be negotiated when signing the financial investment service agreement and may be changed with the consent of the parties, which will have a fixed value for each individual contract traded on **SIBEX**.

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- The **fee** for the transactions carried out on the customers' account in **WBAG** shall be negotiated upon the signing of the financial investment services agreement and can be modified with the consent of the parties.
- The **fees** related to the discretionary management of the customers' investment account shall be negotiated upon the signing of the investment account discretionary management agreement and can be modified with the consent of the parties.
- The **fees** related to the transactions (fee for opening an account, the fee for the modification of the position in the Register etc.) are included in the Contract concluded between BT SECURITIES SA and the customer. The postal fees related to the submittal of the money amounts resulted from the transactions are borne by the customers. The transaction commission, as well as any expenses related to the transactions, shall be included in the customer account slip.
- As for the on-line account, the customer shall pay a monthly subscription for on-line trading. This fee is paid once a month, regardless of whether the trading takes place on one or more markets, and shall be collected at the beginning of each month by debiting the customer's account.
- The profits obtained from the transfer of securities by Romanian legal persons are subject to taxation, and is calculated in accordance with the provisions of the Fiscal Code - Law No. 571/2003, with the subsequent changes and additions. The tax shall be paid by the legal person, without any withholding applied by BT SECURITIES SA. Taxes on the profits obtained on the capital market by non-resident persons shall be paid in accordance with the provisions of the Romanian Fiscal Code - Law No. 571/2003, with the subsequent changes and additions, and the Treaty for Preventing Double Taxation in the non-resident person's country of origin. In compliance with the legislation in force, in the case of natural persons, BT SECURITIES SA shall transmit portfolio sheets detailing the gain/loss resulted from the transaction.
- BT SECURITIES SA shall advise the customer that there is the possibility of additional costs for the customer, including fees, related to the transactions with the money instrument or the investment services, which are not paid through and are not charged by BT SECURITIES SA.
- For the customers who choose to carry out the transactions in foreign currencies BT SECURITIES SA performs the foreign exchange on the date of the request if the record is made before 3:00 PM, and on the next day, if the record is made after 3:00 PM, at the exchange rate published by Banca Transilvania. The customers are advised in the brokerage contract on the conditions they can refuse the exchange rate obtained by the Agent.
- In the event in which the contract is terminated and the customer is the debtor of an obligation in a foreign currency, BT SECURITIES SA shall have the right to change the remaining amount into lei in any moment and without prior notification. This conversion shall not operate in the sense of novation; the conversion shall be carried out at the exchange rate valid on that particular moment with BT SECURITIES SA; after the conversion, the customer shall only be able to pay the remaining debt in lei; the delay penalties stipulated in the contract shall be due on the debtor's remaining sum in lei.

**Means of payment:**

- When **withdrawing money from the Customer's account**, these transfers can be made via bank transfer into the account opened for the Customer or through postal order with return receipt.
- When **depositing money in the customer's account**, these deposits can be made in cash, by into the current account BT SECURITIES SA Customers, or by bank transfer.

## 10. INFORMATION ON THE INTERNAL CONTROL DEPARTMENT, ON ITS REPRESENTATIVE AND ON THE POSSIBILITY OF SUBMITTING COMPLAINTS

According to the legislation in force and the CNVM regulations, BT SECURITIES SA has established an internal controlling department that monitors and checks the company's and the staff's compliance with the legislation in force, with the regulations of the entities acting on the capital market and with the internal procedures.

The representatives of this department are:

- Chita Andreea Dana;
- Duma Lucian Bogdan.

The possible complaints concerning the financial investment services provided by the company may be submitted by the customers in writing at the registered office of the company, at the following e-mail address: [andreea.chita@btsecurities.ro](mailto:andreea.chita@btsecurities.ro), [bogdan.duma@btsecurities.ro](mailto:bogdan.duma@btsecurities.ro), or by phone/fax at 0264-430.564, 0264-431.718. These complaints shall be recorded in the Register of Complaints, maintained by the representative of the Internal Controlling Department and shall be resolved as soon as possible, depending on the enquiries required for each complaint.

## 11. THE MINIMUM ELEMENTS REQUIRED TO CARRY OUT TRANSACTIONS WITH FINANCIAL INSTRUMENTS

In order to carry out transactions with financial instruments on the capital market through BT SECURITIES SA, the following minimum conditions have to be met:

- Presentation to the customer or the potential customer of the presentation document of BT SECURITIES SA;
- Conclusion of a financial investment service agreement, accompanied by an Account Opening Application, and the documents required by it, as the case may be;
- The subsequent transactions of buying or selling securities are conditioned by the transfer into the customer's account opened with BT SECURITIES SA of the amounts required for buy orders (including the commission and/or any other owed fees), or the owned stock, respectively, in the case of a sale;
- The transactions with derivative financial instruments are conditioned by the deposit made by the customer of the initial margins and by the maintenance of the minimum level of the margin, in accordance with the contractual provisions; the margin accounts shall be separated by the customer's other accounts opened with BT SECURITIES SA;
- The Internet trading system has an automated system for checking the customer's account. If the funds or margins are insufficient, the system will block the reception of the order. The customer will receive an on-screen notification concerning the reasons for the block and it will be requested to remedy the situation;
- The customer shall forward to BT SECURITIES SA the buy/sale orders, as well as any other documents requested by the society necessary to carry out and finalize the transaction (financial instrument transfer request into/from the Register, cash withdrawal requests, etc.) by the means stipulated in the contract and in the application for opening an account.

## 12. NATURE, FREQUENCY AND PERIOD FOR REPORTING ON THE PROVISION OF FINANCIAL INVESTMENT SERVICES

After carrying out the trading order, the customer shall be notified with regard to its performance through the issuance of a confirmation form upon the performance of the orders, by the means established in the application for opening an account. The confirmation form on the performance of orders shall be submitted to the customers on a durable medium, within 24 hours from the date the orders are performed. The confirmation form informs the

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customer with regard to the price the order was carried out at. Upon the customer's request, BT SECURITIES SA provides information concerning the price of each instalment, if the order is carried out in tranches, or with regard to the average price. BT SECURITIES SA shall submit on a yearly basis, in the first month of the following year for the current year appropriate reports on the services provided (portfolio and journal of securities, futures/options) and the account statement of the cash account held by the customer. Where applicable, these reports shall also include the costs related to the transactions and services performed on behalf of the customer.

If the customer has an on-line account, they shall use IT systems that enable them to access the Internet trading system, as well as to download and save information and reports submitted by the AGENT through this system. All the information and reports stipulated in the On-line Contract and in the applicable regulations are made available to the customer exclusively in digital format, through the Internet trading system.

The communication means to be used in the relationship between the customer and the company, including the forwarding and receipt ways for orders/order performance confirmations, are stipulated in the financial investment service agreement and the account opening application, concluded between the customer and BT SECURITIES SA, and they can be the following:

- directly at the registered office of BT SECURITIES SA / branch of BT SECURITIES SA / agency of BT SECURITIES SA, in writing, filled in and signed in original copy;
- by phone - if the customer explicitly agrees that the phone conversation concerning the forwarding/reception of the trading orders/confirmation of carrying out the trading be recorded and stored, in accordance with the regulation of CNVM and the legislation in force;
- by fax;
- electronically, by e-mail - if the customer explicitly agrees that the orders/confirmations be forwarded by e-mail and to specify the electronic signature, in accordance with the regulation of CNVM and the legislation in force;
- In case of an on-line account the customer expressly agrees to use the Internet communication for the fulfilment of this Contract and hereby authorizes the BT SECURITIES SA to take over and to carry out the orders and instructions received under the Customer's passwords through the Internet trading system. The customer is the only authorized user of the Internet trading system. The secrecy and the use of the username and passwords, as well as of any other safety elements used for the identification of the Customer in the Internet trading system, and the access to its accounts opened with the Agent are the Customer's exclusive responsibility.

The language in which the customer and SSIF BT SECURITIES SA will communicate shall be commonly agreed on in the brokerage contract.

### 13. ACTIONS TO PROTECT THE ARCHIVES OF THE CUSTOMERS

- In order to protect the archives of the customers, BT SECURITIES SA has implemented proper procedures that ensure the separation of the money instruments owned by the investors and those owned by the company, with the purpose to protect their property rights, especially if the broker becomes insolvent, as well as against their use by BT SECURITIES SA within the transactions it makes on its own account, except the cases when the investor explicitly agree to this.
- If the financial instruments or funds of a customer can be held by a third party on behalf of BT SECURITIES SA, the customer shall be informed on this fact, as well as on the responsibilities assumed by BT SECURITIES SA on basis of the applicable national legislation for any actions or omissions of the third party, and for the consequences of the insolvency of the third party.
- If the financial instruments of a customer can be held in a global account by a third party, BT SECURITIES SA shall inform the customer through a visible warning on the risks involved.
- If the accounts that include financial instruments or funds owned by a certain customer, are subjected to a jurisdiction other than the one of a member state, BT SECURITIES SA shall inform the customer on this issue and shall indicate the extent the rights of the customer related to the financial instruments in question are affected by this situation.
- BT SECURITIES SA shall inform the customer on the existence and terms of any interest or pledge BT SECURITIES SA holds or may hold on the financial instruments or customer's funds, or concerning any compensation right it might have on the financial instruments or funds in question. If applicable, BT SECURITIES SA shall inform the customer even on the fact that a depository may hold an interest or pledge on those instruments or funds, or any compensation right related to them.
- Before carrying out any financing of securities transactions using the financial instruments it holds on behalf of a retail customer or to use these financial instruments in any other way on its own account or on the account of another customer, BT SECURITIES SA shall previously provide the customer, in timely fashion, prior to the use of these financial instruments, also on a durable portable medium, accurate, complete and precise information on the obligations and liabilities of BT SECURITIES SA as a result of the use of those financial instruments, including the conditions they are returned and the related risks.
- BT SECURITIES SA continuously and permanently assesses and monitors the risks and appropriacy of their capitals. BT SECURITIES SA shall do its best to comply with the minimum capital requests defined by the applicable legislation.
- In the case of foreign capital markets, the delivery of financial instruments and cash payment may not be carried out simultaneously. Contrary to their specific instructions to sell financial instruments in return for payment or to pay for financial instruments, the customer is informed with regard to the fact that the Agent may carry out or accept the payment, and can also deliver or receive financial instruments, in such a form and manner that should comply with the legislation in force applicable to the capital market in question.

### 14. INFORMATION ON THE INVESTORS COMPENSATION FUND

BT SECURITIES SA is a member of the Investor Compensation Fund (ICF).

The Investor Compensation Fund is used to compensate the investors, according to the Law No. 297/2004 concerning the capital market, the Regulation of the National Securities Commission No. 3/2006, with the subsequent additions and amendments, regarding the authorization, organization and operation of the Investors Compensation Fund and to the other relevant regulations, in the situation when the members of the Fund are unable to return the funds and/or financial instruments payable to or owed by the investors, which have been held on their behalf, when providing financial investment services or managing individual investment portfolios. The Fund is used to compensate in equal measure and without discrimination the investors under the conditions and based on the restrictions and exceptions established by the relevant legislation, within the limits established on a yearly basis, pursuant to the regulations of the National Securities Commission.

Before 31.12.2012, the compensation limit for the investments is established gradually until it amounts to EUR 20,000, as follows:

- on the authorization date of the Fund: the equivalent amount in LEI of EUR 1,000/individual investor;
- beginning with 01.01.2006: the equivalent amount in LEI of EUR 2.000 / individual investor;
- beginning with 01.01.2007: the equivalent amount in LEI of EUR 4.500 / individual investor;
- beginning with 01.01.2008: the equivalent amount in LEI of EUR 7.000 / individual investor;
- beginning with 01.01.2009: the equivalent amount in LEI of EUR 9.000 / individual investor;

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- beginning with 01.01.2010: the equivalent amount in LEI of EUR 11.000 / individual investor;
- beginning with 01.01.2011: the equivalent amount in LEI of EUR 15.000 / individual investor;
- beginning with 01.01.2012: the equivalent amount in LEI of EUR 20.000 / individual investor.

Each customer of the company that does not qualify for the categories mentioned under art. 46, par. (5) of the Law No. 297/2004 shall benefit from the guarantee offered by the Compensation Fund.

Contact information: **Fondul de Compensare al Investitorilor** - Bucuresti, B-dul Carol I nr. 34-36, etaj 14, cam. 9, cod postal 020922, sector 2, Tel: 40-21-307.95.05; 40-21-307.95.10; Fax: 40-21-307.95.16, e-mail: [office@fond-fci.ro](mailto:office@fond-fci.ro), [www.fond-fci.ro](http://www.fond-fci.ro).

#### 15. THE BT SECURITIES SA POLICY ON CONFLICTS OF INTEREST

BT SECURITIES SA has implemented proper procedures related to the conflict of interests. The policy on conflicts of interests identifies the circumstances that represent conflict of interests or may lead to conflicts of interests that may incur material risks or damages to the interests of one or more customers, and specifies of the procedures to be followed and the measures to be taken in order to manage these conflicts. BT SECURITIES SA shall take all measures in order to ensure that the situations of conflict of interests between the company, including the managers, employees and agents or any other person under the direct or indirect control of the company and the customers of the company, as well as between any combination of the above-mentioned situations, shall be identified, then prevented and managed so that the interests of the customers not to be affected.

Any additional details related to the policy on conflicts of interests shall be made available to the customers or shall be provided to them at their request, at any time on a durable medium or by an Internet page, if the business relationship with the customer is adequate for this way of communication.

#### 16. INFORMATION ON PROTECTION OF PERSONAL INFORMATION

By means of the services it provides, BT SECURITIES SA processes personal information. The personal information of the customer provided when opening the account are strictly confidential and shall not be disclosed to any third parties without the explicit consent of the customer on the processing of personal information, except to the institutions stipulated by Law No. 297/2004/Stock Exchange Act 1989 concerning the Romanian/foreign capital market, namely: CNVM, the market operator, the system operator, the Central Depository, the Clearing House, the Investor Compensation Fund (if applicable), the Financial Market Authority (FMA) or if this information is required to comply with the provisions of law and of the legal procedures. In compliance with the provisions of Law No. 677/2001, with the subsequent additions and amendments, BT SECURITIES SA is an *OPERATOR OF PERSONAL INFORMATION* (O.D.C.P.), registered in the registry at the National Supervisory Authority for Personal Data Processing with no. 6415.

#### 17. FURTHER INFORMATION

This presentation is an integral part of all Financial investment services agreements signed by BT SECURITIES SA and its customers.