



Inducements

This disclosure document is provided by Citibank Europe Plc, Branch Bulgaria ("Citi", "we", "us"), and is provided to Citi's clients ("you").

In the course of providing investment or ancillary services within the meaning of the Markets in Financial Instruments Act to you, we may pay or receive fees, commissions, rebates or non-monetary benefits from third parties (including any affiliates). In every case, such payments or benefits will be (i) designed to enhance the quality of the services we provide to you; and (ii) does not impair compliance with our duty to act honestly, fairly and professionally in accordance with our clients' best interests.

The payment or benefit which enables or is necessary for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which by its nature cannot give rise to conflicts with our duties to act honestly, fairly and professionally in accordance with the best interests of its clients, is not subject to the requirements set out in this document.

Where Citi pays or receives any fee, commission, rebate or non-monetary benefit we will disclose the existence, nature and amount of the payment or non-monetary benefit, or where the amount cannot be ascertained, the method for calculating that amount, separately to you in accordance with our regulatory obligations. Where we receive on-going payments or non-monetary benefits in relation to a service provided to you, we will inform you at least annually of about the actual amount of payments or non-monetary benefits received or paid.

Where applicable, we will also inform you on mechanisms for transferring to you the fee, commission, monetary or non-monetary benefit received in relation to the provision of the investment or ancillary service.

Quality of services enhancement

A fee, commission or non-monetary benefit shall be considered to be designed to enhance the quality of the relevant service to you if all of the following conditions are met:

(a) it is justified by the provision of an additional or higher level service to the relevant client, proportional to the level of inducements received, such as: (i) the provision of non-independent investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having no close links with the investment firm; (ii) the provision of non-independent investment advice combined with either: an offer to the client, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the client has invested; or with another on-going service that is likely to be of value to the client such as advice about the suggested optimal asset allocation of the client; or (iii) the provision of access, at a competitive price, to a wide range of financial instruments that are likely to meet the needs of the client, including an appropriate number of instruments from third party product providers having no close links with the investment firm, together with either the provision of added-value tools, such as objective information tools helping the relevant client to take investment decisions or enabling the relevant client to monitor, model and adjust the range of financial instruments in which they have invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments

(b) it does not directly benefit the recipient firm, its shareholders or employees without tangible benefit to the relevant client;



(c) it is justified by the provision of an on-going benefit to the relevant client in relation to an on-going inducement. A fee, commission, or non-monetary benefit shall not be considered acceptable if the provision of relevant services to the client is biased or distorted as a result of the fee, commission or non-monetary benefit.

Minor non-monetary benefits

In the course of providing services to you, Citi may provide or receive minor non-monetary benefits that are classified as minor (“MNMBs”). We may disclose acceptable MNMBs to you in a generic way.

Those MNMBs that Citi may provide or receive, and relating to portfolio management, without making additional disclosure, include:

- (i) information or documentation relating to a one or more financial instruments or investment services that is generic in nature or personalised to reflect the circumstances of an individual client;
- (ii) written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by a company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- (iii) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- (iv) hospitality of a reasonable de minimis value such as food and drink during a business meeting or a conference, seminar or other training event mentioned under (iii) above.