

CODE OF CONDUCT

of
the non-profit association
ASSOCIATION OF CREDIT INTERMEDIARIES IN
BULGARIA

I. GENERAL PROVISIONS

Art. 1. /1/ The Code of Conduct of the Association of Credit Intermediaries in Bulgaria /hereinafter referred to as "ACIB" or the "Association"/ shall define the principles and rules of conduct that each member of the ACIB should observe in order to guarantee compliance with professional ethics, fair competition and equality in carrying out their activities under market conditions.

/2/ With this Code of Conduct, standards of ethical behavior and professional responsibility shall be established for each member of the ACIB - in the internal relations between members of the Association, as well as in the relations between members and third parties - customers, users of credit mediation services and creditors - banks and other credit or financial institutions.

Art. 2. /1/ By voting to adopt the code, each member of the Association shall declare that they accept and will abide by this Code of Conduct.

/2/ Each candidate for membership in the Association shall declare in their application for acceptance that, in addition to the Statute of the ACIB, they will also observe this Code of Conduct.

/3/ The norms of the Code of Conduct shall be equally binding for all members of the ACIB.

Art. 3. The Code of Conduct shall be subject to development and improvement in order to correspond most fully to societal development.

Art. 4. When an application for membership is received, the Management Board shall ensure a transparent procedure that enables the members of the Association to take a position on the issue of accepting the new member.

Art. 5. /1/ Upon receiving an application for membership in the Association, the Management Board shall assess the existence of the prerequisites for membership of the new member, taking into account the requirements of the Statute and the current Code of Conduct for this purpose.

/2/ Within a period of 3 /three/ working days from the receipt of an application for membership, the Management Board shall inform all members of the Association by e-mail about the application received, attaching to the correspondence:

- a/ the application for membership;
- b/ all available and relevant information in relation to the application;
- c/ opinion on whether the applicant meets the requirements for membership in the Association.

Art. 6. /1/ Within 3 /three/ working days from the receipt of the message under Art. 5, para. 2, the members of the Association shall have the right to object to the acceptance of the new member by sending a message by e-mail.

/2/ In the event that no objection is received within the period under the preceding paragraph, it shall be considered that no member of the Association has any objections to the acceptance of the new member.

Art. 7. /1/ When an objection is received against the admission of a new member by one of the members of the Association, the Management Board shall organize consultative meetings, at which the candidate for membership and the objecting member are heard separately. In the event that the objecting member does not attend the consultation meeting, they shall be considered to have withdrawn their objection.

/3/ Within a period of 3 /three/ working days from holding of the consultative meetings under para. 1, but no later than 30 days after the receipt of the application for membership, the Management Board shall decide whether to accept the new member.

III. GENERAL PRINCIPLES AND FAIR COMPETITION. PROFESSIONAL ETHICS.

General principles and fair competition.

Art. 8. All members of the ACIB are obliged to strictly comply with the Law on Protection of Competition, for which, in addition to the sanctions provided for in this law, they shall also be accountable to the Association.

Art. 9. /1/ In their relations with customers and creditors, as well as in their relations with each other, the members of the ACIB shall always act with integrity, openness and good faith.

/2/ In their relations with all representatives of the professional community, the members of the ACIB shall show respect, correctness and collegiality, not allowing behavior that harms the dignity and rights of the individual.

Art. 10. /1/ The members of the ACIB shall not engage in unfair competition or competition that may harm the good name of the profession or harm the Association, any of its members or any other professional from the branch.

/2/ Attracting customers through financial incentives shall be considered to be unfair competition. A financial incentive can be sharing a part of the remuneration received from the creditor, paying fees in connection with the approval and use of credit, reducing the brokerage commission below the initially announced value in order to attract the client.

/3/ The members of the ACIB shall make a distinction when acting in a professional and in a personal capacity and shall not allow personal interests to determine decisions of a professional nature.

Relations between the members of the ACIB.

Art. 11. /1/ The relations between the members of the ACIB shall be based on the principle of mutual trust, tolerance and ethics. The members of the ACIB shall exchange among themselves information that is up-to-date and reliable.

/2/ A member of a governing body of the ACIB shall have no right in any form to use their position to obtain any advantages or benefits for a company managed by or connected to them.

Art. 12. /1/ The members of the ACIB shall not use in advertising false or misleading information about their business or that of their competitors and shall not apply an advertising approach that is contrary to good commercial practice and harms, or may harm, their relations with each other or their relations with customers.

/2/ Any advertisement or other public statement that creates a false or exaggerated impression of the quality, conditions and nature of the activity performed and the services provided shall be considered to be unethical.

Art. 13. /1/ The members of the Association should attract new customers by emphasizing the advantages of their own offer, and not by negative comparisons with the offers of other members.

/2/ Good practice does not allow credit intermediaries to disparage their colleagues and competitors from the Association through public assessment and/or criticism of their activity, or through statements against their personality or activity.

/3/ In the event of a dispute between members of the ACIB, regardless of whether it is a moral-ethical professional dispute or a dispute of another nature, they shall make efforts for its voluntary settlement in compliance with the principles of mutual understanding, partnership and tolerance.

Art. 14. /1/ Intentional acquisition of clients of another credit intermediary which is a member of the ACIB shall be considered a breach of ethics.

/2/ Any actions or behavior during the implementation of economic activity, which are in contrary to bona fide commercial practice and harm or may harm the interests of competitors in their relations with each other or in their relations with customers, shall be considered to be in violation of professional ethics.

Art. 15. /1/ The head of a company which is a member of the ACIB shall have no right to take deliberate actions aimed to attract an employee of another member of the Association to work in their company.

/2/ If a former employee of a company which is a member of the ACIB takes up employment with another member, the latter must be fair and shall not take actions aimed at forcing the employee to disclose confidential information acquired during and in connection with the performance of their work duties with the previous employer, and shall not use such information to the detriment of the previous employer.

Art. 16. The members of the ACIB shall accept the moral obligation not to take actions that harm the prestige of the Association.

Relations with customers.

Art. 17. The members of the ACIB shall provide complete, reliable and accessible information about the main services they offer, as well as the fees, if any, payable by the client to the credit intermediary for its services.

Art. 18. In their pre-contractual and contractual relations with clients, the members of the ACIB shall respect the interests and rights of each client, in compliance with the legislation in force, the company's internal rules and policies, as well as this Code.

Art. 19. The members of the ACIB shall advise their clients depending on the specifics of the case, giving accurate and professional information about the credit conditions offered and any additional service related to it, allowing the clients to assess how well the credit or additional service offered corresponds to their needs and financial situation.

Art. 20. If a member of the ACIB charges a fee to a mortgage or consumer credit client for the credit intermediation service offered, that fee must be clearly indicated by the credit intermediation.

Art. 21. The members of the ACIB (including their employees) should not accept or cause the provision of any unregulated tangible or intangible benefits (outside of the usual gifts of appreciation provided by a satisfied customer for a job well done), with a view of performing or refraining from certain official functions.

Art. 22. The members of the ACIB shall not in any way prevent the client from exercising their right to choose a credit intermediary and/or creditor, as well as a product or service, unless required by legal provisions.

Art. 23. The members of the ACIB shall publish on their websites and/or notify their clients about the existence of this Code of Conduct and the possibility to report its violation.

Relations with creditors.

Art. 24. /1/ In their relations with partnering creditors, the members of the ACIB shall act openly and honestly, in accordance with the generally accepted principles and norms of integrity and bona fide commercial practice.

/2/ In their communications with representatives and employees of creditors, the members of the ACIB shall show courtesy and respect.

Art. 25. /1/ The members of the ACIB shall provide their clients, who use credit mediation services, with accurate, reliable and objective information regarding the credit conditions offered by the partnering creditors.

/2/ The members of the ACIB shall provide creditors with accurate information regarding the fees they collect from consumers for the credit mediation service, if any.

Art. 26. The members of the ACIB shall not carry out actions aimed at intentionally harming the good name and prestige of partnering creditors.

Art. 27. If a former employee of a creditor takes up employment with a member of the ACIB, the latter must be fair and shall not take actions aimed at forcing the employee to disclose information acquired during and in connection with the performance of their work duties with the creditor, representing bank secret or another type of confidential information, and shall not use such information to the detriment of the previous employer.

Art. 28. It shall be considered unethical to make payments from a credit intermediary to employees of creditors for referring a client to the services of the relevant member.

III. INFRINGEMENT PROCEEDINGS FOR VIOLATIONS OF THE CODE OF CONDUCT. ETHICS COMMISSION. PENALTIES FOR INFRINGEMENT OF THE CODE OF CONDUCT.

Art. 29. /1/ Any member of the ACIB or a third interested party - customer, user of a credit mediation service, creditor, etc. ("whistleblower"), may alert the Management Board of the Association that a member of the Association has acted in violation of this Code of Conduct.

/2/ The report should be submitted in writing - electronically to the Association's official email or on paper at the Association's registered office.

/3/ The report must contain: details of the whistleblower, telephone and correspondence address, including e-mail; description of the specific behavior that the whistleblower considers to be a violation and its perpetrator, all circumstances known to the whistleblower related to the specific ethical case. The whistleblower should submit documents and/or other evidence, if available, to support their claims.

/4/ Anonymous or verbal reports shall be ignored.

/5/ Reports of violations alleged to have occurred more than one year before the date of the report shall also be ignored.

Art. 30. /1/ Within a period of 5 (five) working days as of the receipt of the report, the Chairman of the Board of Directors of the ACIB shall notify in writing the relevant member against whom a report of violation of the Code of Conduct (defendant) has been filed, giving them a deadline, which cannot be longer than 7 (seven) working days, to take appropriate actions to rectify a potential violation, remedy the consequences of such a violation or settle the relations in any other appropriate way. The Chairman of the ACIB shall also inform the whistleblower about the deadline granted to the defendant for the settlement of relations.

/2/ If, within the period under the preceding paragraph, the ethical case is not resolved in a manner satisfactory for the whistleblower, they shall have the right to request to have their report examined in accordance with the procedure for the examination of reports, set out below in this Code of Conduct. For this purpose, the whistleblower shall notify the Chairman of the Board of Directors of the ACIB in writing.

Procedure for the examination of reports.

Art. 31. /1/ Within a period of 7 (seven) working days as of the receipt of a written notification from the whistleblower that they wish to have their report examined in accordance with the procedure for the examination of reports, the Management Board of the ACIB shall convene a special temporary Commission on Ethics /Ethics Commission/ to examine the report received.

/2/ The Ethics Commission shall consist of three members elected by the Management Board, who have agreed to participate in its composition. With its decision to convene the Commission, the Management Board shall also elect the Chairman of the Ethics Commission from among its members.

/3/ A person who is a member of the Management Board of the ACIB or a representative of the member against whom the report of violation was filed cannot be appointed as a member of the Ethics Commission.

/4/ When considering a report of a violation of this Code of Conduct, the members of the Ethics Commission shall act in accordance with their own conscience and conviction.

Art. 32. The Chairman of the Ethics Commission shall notify the defendant of the report filed against them, giving them a period of 7 (seven) working days, in which the latter has the right to submit a written response regarding the ethical case presented in the report and to present relevant evidence.

Art. 33. /1/ The Ethics Commission shall examine the report received and shall have the right to demand from the members of the Association or third parties to provide information and data concerning the ethical case, in compliance with the legal provisions for the protection of trade secrets and protection of personal data.

/2/ The members of the ACIB shall have the right to refuse to provide the Ethics Commission with information or documents that may constitute a trade secret of the company.

Art. 34./1/ Within a period of 30 (thirty) days as of its convening, the Ethics Commission shall examine the report received and issue a reasoned opinion whether a violation of this Code of Conduct or the Statute has occurred or not. The opinion of the Ethics Commission shall be adopted by a simple majority of its members. In case it rules that there has been a violation, the Ethics Commission shall propose in its opinion the imposition of a specific sanction measure in accordance with those provided for in Art. 32, para. 1 of this Code of Conduct.

/2/ At the request of the Chairman of the Commission, the term under para. 1 may be extended by the Chairman of the Management Board.

/3/ The opinion of the Ethics Commission under para. 1 shall be sent to the Chairman of the Management Board of the ACIB, who shall bring it to the knowledge of the Management Board in order to make a decision and take follow-up actions.

Art. 35. /1/ A final decision on the reported violation of the Code of Conduct shall be taken by the Management Board of the ACIB based on the reasoned opinion of the Ethics Commission.

/2/ When the matter raised in the report falls under the jurisdiction of a particular regulatory authority, the Board of Directors of the ACIB may decide to refer the report to the relevant competent authority or recommend that the whistleblower do so independently.

/3/ The Chairman of the Management Board shall notify the whistleblower and the defendant of the decision taken, sending them a copy of the opinion of the Ethics Commission at their discretion.

Art. 36. /1/ When, as a result of the procedure for the examination of reports, the Management Board of the ACIB deems that there has been a violation of this Code of Conduct, it may adopt a decision to:

- a) ask the relevant member to rectify the violation and/or its consequences;
- b) recommend measures to the relevant member, to be applied in order for the latter to rectify their behavior and conform their actions to the norms and rules of this Code;
- c) remove, for a period of up to 1 year, the marketing information for the relevant member from the "Members" section on the website of the Association and other current listings for members of the Association;
- d) impose a monetary sanction amounting from BGN 500 to BGN 1,000 for a first violation and from BGN 1,000 to BGN 5,000 for a repeated violation of the same nature;
- e) warn the relevant member that in case of a repeated violation of the same nature, a proposal for their exclusion will be made to the General Assembly of the ACIB in accordance with the provisions of the Statute of the Association;
- f) propose to the General Assembly of the ACIB the exclusion of the member, in accordance with the Statute of the Association.

/2/ The decision of the General Assembly of the ACIB on the exclusion of a member shall be published on the website of the Association.

Art. 37. The Ethics Committee may make proposals for amendments and/or additions to this Code of Conduct, which shall be proposed by the Management Board to be voted at the next regular or extraordinary General Assembly of the Association.

IV. FINAL PROVISIONS.

Art. 38. This Code has been adopted at the General Assembly of the ACIB on 19.09.2023 and shall enter into force one month after its adoption.

Art. 39. Changes to this Code can only be made by the General Assembly of the ACIB.

Sgd. ill.

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