



## INFORMATION REGARDING BILLBOARD AD

### PURSUANT TO APPENDIX NO 11 TO ART. 32, PARA. 1, ITEM 4 OF ORDINANCE NO 2 OF SEPTEMBER 17, 2003 ON THE PROSPECTUSES TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET AND ON DISCLOSURE OF INFORMATION

#### **1. Structure of the capital of BILLBOARD AD, including the securities that have not been admitted to trading on a regulated market in the Republic of Bulgaria or another Member State, with indication of the different classes of shares, the rights and liabilities attaching to any of the classes of shares and the portion of the total capital which each individual class constitutes**

As of 31.12.2017 the capital of BILLBOARD AD amounts to BGN 15 000 000, divided into 15 000 000 shares with nominal value of BGN 1.00 each of them. All shares of the company belong to one class - ordinary, registered, dematerialized, freely transferable and each share entitles to one vote at the general assembly of shareholders, right to dividend and a liquidation quota, proportionate to the nominal value of the share.

The initial issue of company's shares in the amount of BGN 7 500 000, divided into 7 500 000 shares with nominal value of BGN 1.00 each of them was registered for trading on the Non-official Market of Equities, segment A of the BSE-Sofia AD on 15.02.2008. A subsequent issue of shares in the amount of BGN 7 500 000, divided into 7 500 000 ordinary, registered, dematerialized voting shares with nominal value of BGN 1.00 each of them from the capital increase of BILLBOARD AD conducted in 2008 was admitted to trading on BSE-Sofia AD on 17.09.2008.

Based on the amendments to the Rules and Regulation of the Bulgarian Stock Exchange – Sofia AD, effective as from 01.03.2012, as at the date of this document the issue of shares of BILLBOARD AD in the amount of BGN 15 000 000 ordinary, registered, dematerialized voting shares was being traded on the BSE Main Market, Standard Equity segment.

In 2017 has not been conducted capital increase or capital decrease.

The company has not issued other securities that have not been admitted to trading on a regulated market in the Republic of Bulgaria or another EU Member State.

#### **CAPITAL STRUCTURE OF BILLBOARD AD AS OF 31.12.2017**

<b>Name of the shareholder</b>	<b>Percentage of the capital</b>
Vassil Stefanov Genchev	25.024 %
Stefan Vassilev Genchev	20.000 %
Kalin Vassilev Genchev	20.000 %
Veneta Stefanova Gencheva	9.89 %
Other shareholders – individuals and legal entities	25.086 %

## **2. Limitations over the securities transfer, such as limitations for holding of securities or a requirement to obtain approval of the company or another shareholder**

Pursuant to the provisions of art. 9 of the Articles of Association of BILLBOARD AD, the company shares are freely transferable, publicly offered securities which certify that their holder participates in the Company's capital with the par value indicated on the share. The Company may not issue shares with different par value. The shares are indivisible. When a share is co-possessed by several persons they shall exert their rights jointly, appointing a representative.

Pursuant to the provisions of art. 13 of the Articles of Association of BILLBOARD AD, the shares shall be transferred freely, without any limitations or conditions, subject only to the requirements of the effective legislation for transactions with dematerialized shares. Transactions with registered dematerialized shares of the Company shall only be executed on a regulated market of securities through a respective investment intermediary. The transfer of registered dematerialized shares, issued by the Company shall take effect as of the moment of filing the transaction with the register of the Central Depository, which shall issue a document certifying the rights over these shares.

There are no limitations for acquiring and holding shares from the company's capital neither it is necessary to obtain approval of BILLBOARD AD or another shareholder therefore.

## **3. Information on the direct and indirect holding of 5 or more percent of the voting rights in the company's general assembly, including data about the shareholders, the amount of their holding and the manner in which the shares are owned**

Shareholders of BILLBOARD AD as of 31.12.2017, holding 5 or more percent of the voting rights in the company's general assembly of the shareholders are:

1. Vassil Stefanov Genchev, holding directly 3 753 730 shares or 25.024 % of the company's capital;
2. Stefan Vassilev Genchev, holding directly 3 000 000 shares or 20 % of the company's capital;
3. Kalin Vassilev Genchev, holding directly 3 000 000 shares or 20 % of the company's capital;
4. Veneta Stefanova Gencheva, holding directly 1 483 738 shares or 9.89 % of the company's capital.

## **4. Data about the shareholders with special control rights and description of these rights**

BILLBOARD AD does not have any shareholders with special control rights.

## **5. The control system in exercising the voting right in cases when officials of the company are also its shareholders and when the control is not exercised directly by them**

BILLBOARD AD does not have a control system in exercising the voting right in cases when officials of the company are also its shareholders and when the control is not exercised directly by them. Any official who is a shareholder of the company exercise his/her right to vote at his/her own discretion.

## **6. Limitations over the voting rights, such as limitations over the voting rights of the shareholders with a given percent or number of votes, deadline for exercising the voting rights or systems whereby with the company's assistance, the financial rights attaching to the shares are separated from the holding of shares**

There are no limitations over the voting rights of any shareholder of BILLBOARD AD.

Pursuant to the provisions of article 10 of the Articles of Association of BILLBOARD AD, each share gives the right to one vote at the general assembly of the shareholders, as well as to dividend and liquidation quota, which shall be proportional to the par value of the share. The right to vote at the general assembly shall occur with the full payment of the issue value of each share and after filing the

respective capital increase with the commercial register. The Company cannot issue privileged shares, giving the rights to more than one vote or to additional liquidation quota. The Company makes public, under the conditions and procedure of the Public Offering of Securities Act and the respective by-laws, any changes in the rights evolving from the different classes of shares, including changes in the rights evolving from derivative financial instruments, issued by the Company, which give the right to acquire Company's shares.

The right to vote at the general assembly of the shareholders of BILLBOARD AD is being exercised by persons that had acquired shares and had been filed with the book of shareholders latest 14 days prior to the date of the assembly. Pursuant to the provisions of article 20, paragraph 2 of the company's Articles of Association, the shareholders participate in the general assembly personally or by proxy, authorized in writing for a particular session of the general assembly with an explicit, notary certified proxy in accordance with the requirements of POSA and the respective by-laws.

#### **7. Agreements among the shareholders, which are known to the company and which may result in limitations over the transfer of shares or the voting right**

The Company is not aware of agreements among shareholders which may result in limitations over the transfer of shares or the voting right.

#### **8. The provisions about the appointment and dismissal of the members of the company's management bodies and about introduction of amendments and supplements to the articles of association**

Pursuant to the provisions of the Articles of Association of BILLBOARD AD, the Board of Directors shall be appointed by the general assembly and shall consist of three to nine members. A member of the Board of Directors may be any individual having a legal capacity or a legal entity through an appointed representative.

Members of the Board of Directors may not be persons that:

1. have been members of an executive or controlling body of a company or a co-operation terminated due to bankruptcy during the last two years preceding the date of the decision for declaring bankruptcy if there remain unsatisfied creditors;

2. as of the moment of election, have been convicted and have an effective sentence of misappropriation, crimes against the industry or against the financial, tax or insurance systems committed in the Republic of Bulgaria unless they have been exculpated;

At least one third of the members of the Board of Directors must be independent persons. An independent member of the board may not be:

1. an officer in the company;
2. a shareholder who owns directly or through related persons at least 25 percent of the votes at the general meeting or a person related to the company;
3. a person who has lasting trade relations with the company;
4. a member of a management or supervisory body, procurator or officer in a company or another legal entity under items 2 and 3 of this paragraph;
5. a related person to another member of a management or supervisory body of the company.

Pursuant the Rules of Procedure of the Board of Directors of BILLBOARD AD, the composition of the selected by the General Assembly Board of Directors must ensure the independence and impartiality of the judgments and actions of its members in terms of the company's course of business. The Board of Directors must ensure proper division of tasks and responsibilities among its members, as a major function of independent directors shall be to monitor the actions of the executive management and to participate effectively in the work of the company in accordance with the shareholders' interests and rights.

The company's Articles of Association shall be amended and supplemented by the general assembly. Resolutions to approve amendments and supplements shall be taken by a qualified majority of 2/3 of the represented shares.

## **9. The powers of the management bodies of BILLBOARD , including the right to take decisions for the issue and redemption of shares in the company**

The members of the Board of Directors of BILLBOARD AD shall organize and manage the company's activities in compliance with the law, the Articles of Association and the resolutions of the general assembly. The Board of Directors shall appoint one executive member to represent the company in the company's relations with third persons.

In compliance with the Articles of Association and the resolutions of the general assembly, the Board of Directors of BILLBOARD AD shall:

1. Execute the resolutions of the general assembly;
2. Propose to the general assembly to make amendments in the Articles of Association, to reorganize or terminate the company.
3. Prepare and propose for approval at the general assembly the annual financial statements, the management report and the proposal for profit distribution.
4. Prepare interim financial statements of the company, interim report on the company's activities and any other necessary documents, related to the periodic information disclosure on the part of the company.
5. Propose to the general assembly to increase or decrease the company's capital.
6. Elaborate and approve a Business Program, Corporate Governance Program, Code of Ethics and other internal acts of the company.
7. Approve the reports and manage the activities of the company's branches and representation offices.
8. Permit covering and respectively – writing off the company's balance of bad receivables, shortages and losses.
9. Adopt internal labor regulations as well as Rules for labor organization and labor salaries.
10. Adopt decisions for conclusion of transactions under Art. 236, para. 2 of the Commerce Act, except when an explicit authorization by the general assembly is required by a special law. Decisions of the Board of Directors pursuant to Art. 236, para. 2 of the Commercial Act shall be adopted unanimously.
11. Resolve on all other issues except for those, which are exclusive competence of the general assembly of the shareholders.

Resolutions of the Board of Directors shall be adopted by a qualified majority of 2/3 from the Board members.

Pursuant to the provisions of art. 12, para. 3 of the Rules of Procedure of the Board of Directors of BILLBOARD AD, the company's Board of Directors shall:

1. establish and control the strategic directions for development of the company;
2. establish the company's risk management policy and control the establishment and functioning of the risk management and internal audit system;
3. ensure the compliance with the legal, regulatory and contractual obligations of the company;
4. be responsible for the establishment and proper functioning of the financial information system of the company;
5. give directions, approve and monitor the implementation of the business plan of the company, transactions of material essence and other activities provided by the company's Articles of Association and its other statutes;
6. establish the company's information disclosure and investor relations policy;
7. provide shareholders and stakeholders with all the necessary information about the company in accordance with the legal acts and the generally acknowledged good corporate governance practices.

The Articles of Association of BILLBOARD provides the possibility for the company's capital to be increased by a resolution of the Board of Directors. Pursuant to the provision of art. 14, para. 11 of the Articles of Association of BILLBOARD AD, approved with a resolution of the GAS dated 30.06.2008 and amended by a resolution of the GAS dated 27.06.2014, within 5 years following the filing of the amendments of the Articles of Association with the Commercial Register, the Board of Directors may adopt resolutions to increase the company's capital up to an aggregate nominal amount of BGN 50 000 000 / fifty million / levs by issuing new ordinary and/or preferred shares. The capital increase from the Board of Directors in accordance with the provision of Art.196, para. 1 of the

Commercial Act may be done without a particular due delegation from the general assembly of the shareholders for each particular case but entirely on the grounds of the authorization provided by this provision of the Articles of Association. In the resolution for the capital increase the Board of Directors shall specify the amount and the purpose of each increase; the number and the kind of the new shares, the rights and preferences for them; the period and conditions for transferring the rights within the meaning of § 1, p. 3 of the Public Offering of Securities Act, issued for the existing shares; the period and conditions for subscription of the new shares; the amount of the issues value and the term and conditions for its payment; the investment intermediary assigned to carry out the subscription as well as any other parameters and circumstances requested by the provisions of the legislation in force, necessary for the implementation of the respective capital increase.

Pursuant to art. 16, para. 2 of the Articles of Association of BILLBOARD AD, approved with a resolution of the GAS dated 30.06.2009, the company may perform reverse buying out of company's own shares to the limits and under the conditions, provided by the Commercial Act and the Public Offering of Securities Act both under a resolution of the general assembly of shareholders and under a decision of the Board of Directors for a period not exceeding 18 months as of the date of the decision of the respective body. The reverse buying out under a decision of the Board of Directors may be done without a particular due delegation from the general meeting of shareholders for each particular case but entirely on the grounds of the authorization provided by this article, for a period of up to 2 years as of the filing the current amendments of the Articles of Association with the Commercial Register. In the decision of the Board of Directors for reverse buying out must be pointed out the maximum number of shares, liable to reverse buying out; the conditions and procedure under which the Board of Directors shall perform the buying out within the specified period not exceeding 18 months; the minimum and maximum price for buying out as well as the investment intermediary through which the buying out will be performed.

As at 31.12.2017 the company has not performed capital increase or a reverse buying out procedure based on a resolution of the Board of Directors.

**10. Significant contracts of BILLBOARD AD which give rise to action, have been amended or terminated due to change in the control of the company upon carrying out of obligatory tender offer and the consequences thereof, save for the cases when the disclosure of such information may cause serious damages to the company; the exception of the previous sentence shall not apply in the cases when the company must disclose information by virtue of the law**

BILLBOARD AD has not entered into contracts which give rise to action, have been amended or terminated, due to change in the control of the company upon carrying out of obligatory tender offer.

**11. Agreements between the company and the members of its management bodies or officials for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labor relations due to reasons, related to a tender offer**

There are no agreements between BILLBOARD AD and the members of its Board of Directors or officials of the company for payment of compensation upon quitting or dismissal without legal grounds or upon termination of the labor relations due to reasons, related to a tender offer.

Date of signing and  
approval for issuance:  
27.03.2018  
Sofia

For BILLBOARD Plc .....  
Stefan Genchev  
/Executive member of the Board of Directors/