



■ Securities and Corporate Law



Dimitrov Tchompalov & Todorova Ltd

June, 2007

The firm was founded in 2001 in Sofia as a boutique law firm to offer high quality services in all aspects of securities law. The name partners' number of years high positions service at the Bulgarian Securities Commission, leading participation in drafting most of the securities legislation and extensive experience in securities law from clients' prospective enhance our ability to provide focused advice on unusual and difficult policy and enforcement issues. DT&T is acknowledged as leading Bulgarian law firm in the capital market sector.

Today, while Dimitrov Tchompalov & Todorova maintains its primary focus on

- Add value to client's business!



securities law, our practice has gradually extended to related matters like corporate governance, asset securitization, financial institutions, mergers and acquisitions and we continue to widen our services across a full range of commercial legal issues.

The firm clientele includes listed and unlisted companies, banks, brokerage houses, asset managers and other financial institutions, organizations, state authorities, individuals. DT&T lawyers are dedicated to providing sound advice and innovative solutions to their clients. Our goal is to add value to clients' businesses by evaluating how new developments are likely to affect it and by recommending suitable courses of action.

Dimitrov Tchompalov & Todorova is dedicated to provide not so broad, but rather specialized range of sophisticated legal services of the highest standard. Our firm has been recommended by Legal 500 “as unique in specialising in Bulgarian securities matters” and “possibly Bulgaria’s leading firm for debt and equity traded on the Bulgarian Stock Exchange”.

In capital markets and corporate DT&T partners have the depth and scope that comes from being intensively involved with securities and corporations, start from the very first advent of the modern Bulgarian Securities Law. The partners have major contribution in drafting the Law on the Public Offering of Securities and its consequent

- Securities offerings & financing, investment funds, public companies and corporate governance...



substantial amendments, as well as of most of the secondary securities legislation. The partners have published articles and have spoken at numerous conferences concerning various aspects of the securities law.

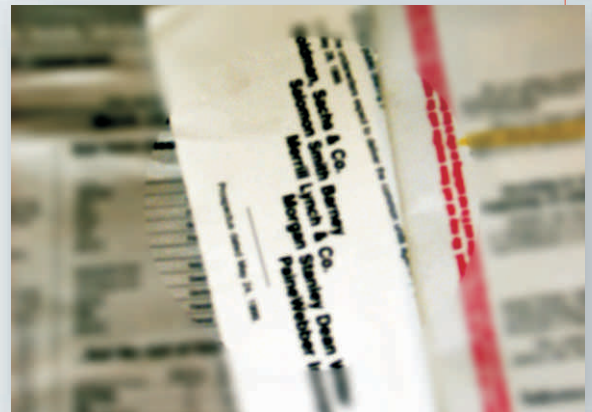
Beyond our well-known capital market law and corporate practice, DT&T also renders to both domestic and international clients qualified legal services in pension funds, banking, Real Estate, energy & natural resources, and in association with Stoeva, Kuyumdjieva and Vitliemov Law Firm, offers services in other areas like insurance, competition, intellectual property, environmental, litigation & arbitration.

Dimitrov Tchompalov & Todorova are highly regarded for being pioneers in implementing new legal opportunities and innovations in Bulgarian capital market and for our participation in a number of high profile and complicated deals.

DT&T lawyers have counseled dozens of securities offerings and transactions; a very small portion of our track record comprises:

- Advising the € 90 million IPO of First Investment Bank, one of the top ten private sector banks in Bulgaria. That IPO is the biggest and the first Bulgarian combined offering of new and existing shares. The offering was oversubscribed 6 times. 16.5 million shares of the Bank have been allocated to more than 3 300 investors. Foreign investors have acquired 52% of the offer shares;
- Advising on some aspects related to the € 31.7 million IPO of Kaolin, the biggest producer of industrial minerals in South-eastern Europe The IPO was oversubscribed 3 times. Foreign investors have acquired more than half of the offer shares;
- Advising on Bulgarian law in relation to the Petrol AD €100,000,000 8.375 per cent. 5 years eurobond, in a team with the London offices of Clifford Chance and

■ Being the pioneers ...



Linklaters. The issue has been admitted to the UK Listing Authority Official List and application has been made to the London Stock Exchange for the Notes to be admitted to trading;

- Advising the sale of 11,083,914 new shares in the IPO of Chimimport AD, which is the largest Bulgarian holding company operating in different sectors, including banking, insurance, pension funds, oil & gas, chemistry, air and water transport. The Euro 22.7 million IPO was oversubscribed 2.5 times;
- Advising on Bulgarian law in relation to the first Bulgarian IPO, comprising a global offer to international investors: the Bulgarian American Enterprise Fund's sale of 30% of the Bulgarian American Credit Bank (3.75 million shares with EUR 0.5 nominal value each sold at EUR 14.8);
- Advising on Bulgarian law in relation to the first Bulgarian project of sponsored GDR listed at the London Stock Exchange: common shares of the leading fuel distributor in Bulgaria Petrol AD combined with a right issue.;
- Advising the first Bulgarian public company's capital increase through rights issue under the amended Law on the Public Offering of Securities in 2002: Sviloza AD.

Dimitrov Tchompalov & Todorova counsels public companies and their boards and management on a wide range of corporate governance issues. Our advice addresses the following issues, among others: general meeting of shareholders, major transactions and related parties transactions, director qualification standards, including independent directors; disclosure controls and procedures, duties of directors, minority rights.

Also, providing full range of legal services to public companies DT&T has assisted clients in many going private transactions, which follow a general meeting of shareholders that resolves on delisting or squeeze-out tender offers filed by the major shareholders.

Some of our lawyers' experience in advising public companies include:

- Advising in relation of two annual general meetings and stock dividend distribu-

■ Improving efficiency and growth



tion of Doverie United Holding AD, a public company with more than 200 000 shareholders;

- Advising Bulgarian Telecommunication Company AD on some issues regarding its 2004 annual general meeting and related parties transactions;
- Advising the Bulgarian national tobacco company Bulgartabac AD and its principal subsidiaries on major transactions, related parties transactions and price-sensitive filings;
- Advising the leading Bulgarian fuel distributor Petrol AD on cash dividend distribution issues;
- Advising a dozen of going private transactions, including the delisting of Napredak Holding AD, Alen Mak AD, Komars AD.

Dimitrov Tchompalov & Todorova provides to tender offers and companies tailored advice about various aspects of the mandatory and voluntary tender offers regulation and related transactional aspects of the offers. Our team prepares tender offer registration documents and represents our clients before the Financial Supervision Commission.

Some of the tender offers our lawyers have experience in include:

- Advising EFG Eurobank Ergasias S.A, Greece and its subsidiary in Luxembourg on the € 18.6 million offer towards the minority shareholders in DZI Bank, leader in the mid-sized and small banks group in Bulgaria, and the consequent delisting of DZI Bank;
- Advising the tender offer towards the minority shareholders in the Black Sea resort Riviera, and the consequent delisting of the company;
- Advising the consortium of shareholders regarding their joint offer towards the minority shareholders in VAMO, a Bulgarian industrial giant during the communist era, and the consequent delisting of the company;

■ Pursuing fair value



- Advising the Bulgarian subsidiary of Bulmet S.A, Luxembourg - Intertrust Holding BG on its offer towards the minority shareholders in OTZK AD, one of the top European producers of lead and zinc;
- Advising Chimimport AD, the biggest Bulgarian holding company, on its offer towards the minority shareholders the leading oil and gas extraction company in Bulgaria – Prouchvane I Dobiv Na Neft I Gas AD;
- Advising Lidincom Establishment, Liechtenstein and Pacific 2000 Ltd., Bulgaria, on their joint offer towards the minority shareholders in Napredak Holding AD, a former privatization fund;
- Advising Teos Holding GmbH, the Austrian major shareholder in the glass producer Rubin AD on its offer towards the minority shareholders
- Advising Effekten und Finanz, the Swiss major shareholder in the cosmetic company Alen Mak AD on its offer towards the minority shareholders.

Dimitrov Tchompalov & Todorova Ltd assists clients in connection with the full range of securities industry products and activities and all aspects of the securities and investment company business: from organizing and licensing brokerage houses, mutual (contractual) funds, investment companies and management companies to providing ongoing advice and representation to such entities.

DT&T counsels investment industry professionals about the applicability of the securities laws and the rules of the self-regulatory organizations related to their activity, including internal rules drafting, sales and trading practices, best execution and suitability issues, net capital requirements, margin issues, insider trading, "Chinese Walls", anti-money laundering. We also provide advice and support in creation of new financial products and structuring new services, marketing, advertising and distribution of investment products, corporate governance matters for financial institutions.

DT&T lawyers' direct investment industry experience includes:

- Advising on the distribution in Bulgaria of two Hungarian investment funds: OTP International Equity – UBS Fund of Funds and OTP Central European Equity Fund, managed by OTP Fund Management, the OTP Group's investment unit and biggest investment fund manager in Hungary;

■ Increasing your wealth



- Advising on the establishment, licensing and updates of licenses of management companies, including DSK Asset Management, Standard Asset Management, KD Investments, Status Capital, Ug Market Fund Management, FFBH Asset Management, Elana Fund Management;

- Advising on the establishment and licensing of the first Bulgarian contractual (mutual) fund and 2 other funds, organized by DSK Asset Management AD, as well as of a dozen other funds, including 2 funds of Standard Asset Management, 2 funds of KD Investments, a Status Capital fund, a TBI Asset Management fund;

- Advising on the establishment and licensing of the first Bulgarian open-end investment company in Bulgaria Elana Eurofund AD;

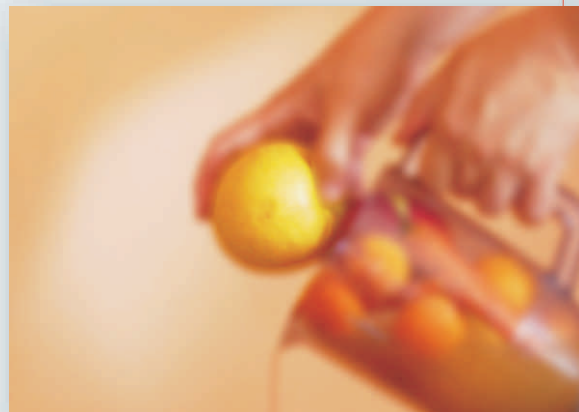
- Advising on the establishment and licensing of numerous brokerage houses, as well as on update of their licences in different point of time: KD Securities, Ug Market, Standard Investment, Beta Corp, Sofia International Securities, Real Finance, Bulex, Varchev Finance and others.

Dimitrov Tchompalov & Todorova is a pioneer in offering advice on assets securitization, real estate investment trusts and sophisticated off-balance sheet financing techniques. The partners have consulted the Members of the Parliament and the drafters of the 2003 Law on the Special Purpose Investment Companies, which is the law that provides for securitization of real estate and receivables.

DT&T lawyers' record includes:

- Advising on the establishment and licensing of the first Bulgarian REIT TBI-BAC Real Estate Investment Trust ADSIC (later renamed to Prime Property ADSIC);
- Advising on the establishment and licensing of more than a dozen other REITs,

- **We make complex concepts look simple**



including CEE Real Estate ADSIC, Park ADSIC, Black Sea Properties ADSIC, Premier Fund ADSIC, Activ Properties ADSIC, Elana Agricultural Land Fund ADSIC, CCB Real Estate ADSIC, Intercapital Property Development ADSIC, Bulgarian Real Estate Investment Fund ADSIC;

- Advising on the establishment and licensing of the following SPVs for securitization of receivables: Transinvestment ADSIC, Hypocapital ADSIC, Capital Management ADSIC, and providing ongoing advice on the activity and operations of most of them, including increase of capital, authorizations for major and related parties transactions and others.

Dimitrov Tchompalov & Todorova provides a full range of corporate services, including incorporation and licensing of a local company or branch offices, capital increase and decrease, shareholders and board meetings and other amendments in corporate documentation, mergers & acquisitions and transformations, privatization transactions, restructuring and liquidations.

Some of our lawyers' experience in this area include:

- Advising the stock exchange sale of Bulgarian national tobacco company's stake in its subsidiaries (indirect privatization);
- Advising the privatization of the energy company Energoproekt AD and some of its post-privatization transactions;

■ Making things happen

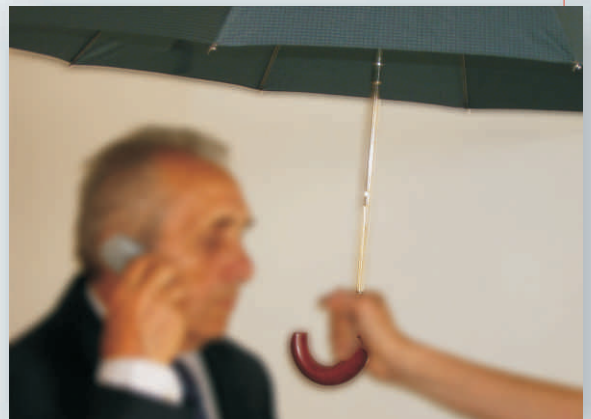


- Advising the financing of the acquisition and rehabilitation of the power plant Maritza East - 3;
- Advising the transformation of a medical unit of Doverie Industrial Holding AD;
- Advising the redemption of shares and decrease of capital of the holding company Doverie Capital AD and of the cosmetic company Alen Mak AD;
- Advising some aspects of the liquidation of Bules AD owned by the Austrian wood and furniture producer Kronospan;
- Advising on the establishment of a subsidiary with in-kind contribution of the pharmaceutical company Medica AD.

Our practice is closely related to the administrative and penal provisions of the laws regulating the securities, capital market, insurance companies and pension funds, banks and non-banking financial institutions. We protect our clients' interests in administrative proceedings however without crossing the border of the criminal activity since we are not sustaining a Criminal Law practice

We could handle lawsuits and arbitrations, as well as internal investigations, Financial Supervision Commission enforcement proceedings and other administrative proceedings. We have broad experience in advising and representing public companies, financial and non-financial institutions, which are investigated before the Financial Supervision Commission and the Bulgarian Stock Exchange. Because the

■ Protecting our clients



mere initiation of an enforcement action can severely damage a person's reputation and business prospects, we advise on the necessary measures to be undertaken so that to avoid the imposition of enforcement actions by the regulator. However, if it cannot be avoided, our lawyers are well prepared to litigate, when the law permits, on a client's behalf in court.

Also, and often in a team with other lawyers we are used to cooperate, DT&T offers litigation and arbitration services in other areas like commercial disputes, contractual obligations default, insurance claims and others.

Dimitar P. Dimitrov

Partner

Areas of Practice: Securities, Banking and Finance, General Corporate and Foreign Investment, M&A, Taxation, Privatization

Professional Affiliations: Sofia Bar Association
Dimitar P. Dimitrov has been involved for nearly fifteen years in different aspects of business law and financial institutions, most of that time being concentrated on securities and capital markets issues. He is a former commissioner and vice-chairman of the Bulgarian Securities Commission (1997-2001). After expiration of his term of office at the Commission Mr. Dimitrov founded his own firm focused in securities and corporate law. He has authored numerous articles and publications in that area. Mr. Dimitrov has participated in drafting the 1999 Law on the Public Offering of Securities, the 2003 Law on the Special Purpose Investment Companies and most of the Commission's regulations. He lectured at New Bulgarian University on securities law and also on various capital market and corporate governance topics at seminars and courses.

Mr. Dimitrov is a graduate of University of Sofia, Faculty of Law, (LL.M., 1993) and was admitted to the Bar in 1994. He has attended many specialized courses on financial markets and institutions in USA and Europe.



Iordan N. Tchompalov

Partner

Areas of Practice: Securities, Financial Institutions, M&A, Corporate, Administrative, Taxation & Accountancy.

Professional Affiliations: Sofia Bar Association, International Bar Association Iordan N. Tchompalov has practiced almost exclusively in securities and corporate law area for ten years. During half of that time Mr. Tchompalov worked at the Bulgarian Securities Commission's legal department and in 2000 he was elected as a commissioner. After expiration of his term of office for two years Mr. Tchompalov was a USAID consultant on capital markets regulation. In 2003 he joined the law firm of Dimitrov and Todorova. Mr. Tchompalov has published many articles on securities and corporate law. He has significant contribution in drafting the 1999 Law on the Public Offering of Securities, the 2003 Law on the Special Purpose Investment Companies and the Securities Commission's regulations. Mr. Tchompalov participated in drafting the 2004 Report on the Progress in Implementing in Bulgaria the White Paper on Corporate Governance in South East Europe, prepared under the auspices of OECD He has often lectured at capital market and corporate governance programs.

Mr. Tchompalov earned his master degree in law from the University of Sofia in 1991. He was awarded a postgraduate certificate in Financial Management from the Sofia University for National and World Economy in 1994. Mr. Tchompalov accomplished six months finance and investments program at the University of Wisconsin in 1999. During his work for the Securities Commission he has been trained on capital market regulation and policy issues in USA and UK.



Katya A. Todorova

Partner

Areas of Practice: Securities, Banking, M&A, Corporate, Foreign Investment, Energy Law, Dispute Resolutions & Litigation, Privatization

Professional Affiliations: Sofia Bar Association.

Ms. Todorova has nearly ten years experience as attorney. She has centered her practice around business law and financial issues. Ms. Todorova has extensive experience in securities and lending transactions. She has counselled foreign clients on various aspects of their business in Bulgaria and has been also actively involved in complex energy projects with the participation of international institutions. Before starting her own practice together with Dimitar Dimitrov she has been a senior associate with one of the biggest Bulgarian law firms with international clientele (1996-2001).

Ms. Todorova graduated the Law Faculty of Sofia University (L.L.M. 1995) and was admitted to the Bar in 1996. She has attended numerous courses on capital market and financial issues.



Iliyana M. Bachovska

Senior Associate

Areas of Practice: Securities and Finance, Corporate, Real Estate, Litigation

Professional Affiliations: Sofia Bar Association.

Ms. Bachovska has started her legal practice with DT&T. She has successfully managed different securities law projects, in particular establishment and licensing of REITs, SPVs, and going public transactions (IPOs). Ms. Bachovska provides ongoing advice on several REITs and public companies with major participation of foreign investors.

Ms. Bachovska graduated the Law Faculty of Sofia University (L.L.M. 2002) and was admitted to the Bar in 2003.



Prof. Bistra Boeva, Dr. Sc.

Off-Counsel

Areas of Practice: International management; International project management; Corporate governance; Regulation and Governance.

Prof. Boeva has started her career at Sofia Marketing Institute. She became assistant professor at the Higher school of economics (1974-1984) During 1984-1997 Prof. Boeva acted as an associate professor and director department International economic relations and business at the Sofia University for national and world economic studies. She was a member of the associate faculty of the UK Henley management college (1994-2002). In 1996 Prof. Boeva was elected and served one year as a Chair of Supervisory board of one of the Bulgarian privatization funds. In 1997 she became professor at the Sofia University for national and world economic studies. During 1997-2001 Prof. Boeva was Commissioner at the Bulgarian National Securities Commission. Since 2001 Prof. Boeva has acted as a director of the International economic relations and business department. In 2002 she was elected as a director of the Centre for Corporate Governance - Institute for post graduate studies. During 2001- 2003 Prof. Boeva has been also a part time consultant for USAID Capital market projects.

Prof. Boeva is a graduate of the Higher school of Economics, Sofia (1970). In 1975 she become a Ph D. Prof Boeva has attended numerous conferences, courses and fellowships in capital markets, corporate governance, project financing and privatization.



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