

SALES POLICY

FOR SELLING COMMERCIAL MESSAGES IN BNT PROGRAMS FOR 2019



BNT SALES POLICY FOR 2019

Advertising time on Bulgarian National Television could be bought from advertising agencies and direct advertisers by signing a contract.

The conditions, described below, are valid for all channels of Bulgarian National Television – BNT 1, BNT 2, BNT 3 and BNT 4.

Commercial messages could be: advertising videos, TV market clips, sponsors messages, product placement under the Media Law and other forms of commercial messages, which broadcasting is not inconsistent with the current legislation.

Advertising time in BNT 1 program could be bought as follows:

- At prices for guaranteed rating of the programs for the relevant target group, as per the Tariff for commercial messages sales at guaranteed rating in BNT 1 program.
- At fixed prices according to the time slot , as per the Tariff for commercial messages sales at fixed prices in BNT 1 program.

Advertising time in BNT 2, BNT 3 and BNT 4 programs could be bought as follows :

- At unit prices and by time slots, as per the Tariff for commercial messages sales at unit prices in BNT 2, BNT 3 and BNT 4 programs.
- At fixed prices, according to the time slot, as per the Tariff for commercial messages sales at fixed prices in BNT 2, BNT 3 and BNT 4 programs.
- At package prices as per the Tariff for commercial messages sales at package prices and by time slots in BNT 2, BNT 3 and BNT 4 programs.

- The Tariff for commercial messages sales, paid report / interview with commercial purpose in BNT 1, BNT 2, BNT 3 and BNT 4 programs.

All prices are calculated on the basis of a 30-second advertising video..

The price of advertising spots with duration other than 30 seconds are calculated by the following coefficient scale:

BNT 1, BNT 2, BNT 3 and BNT 4

| DURATION (IN SEC.) | PRICE COEFFICIENT AT 30" |
|--------------------|--------------------------|
| 5 - 7" | 0.55 |
| 8 - 12" | 0.60 |
| 13 - 17" | 0.75 |
| 18 - 22" | 0.90 |
| 23 - 27" | 0.95 |
| 28 - 32" | 1.00 |
| 33 - 37" | 1.20 |
| 38 - 42" | 1.40 |
| 43 - 47" | 1.60 |
| 48 - 52" | 1.80 |
| 53 - 57" | 1.90 |
| 58 - 60" | 2.00 |

The price for commercial spots with duration exceeding 60 seconds is calculated on a linear basis as for the difference after the 60th second, the price for 30 seconds is the basis.

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BNT guarantees 100% implementation of the programs secured target rating points (PRP) in accordance with the current Tariff for commercial messages sales following a guaranteed rating in BNT 1 program.

As for the sports events and the special programs, BNT does not guarantee rating. For programs in two different time slots, the price for the time slot they begin in is valid.

All advertising blocks before and in the program itself are considered to the program.

All advertising blocks, no matter if broadcasted in the beginning or during the program, or on the border of two time slots, are considered to the time slot of the program.

BNT does not guarantee rating for the programs for the alternative forms of advertising.

The Advertiser/the Advertising/Media Agency can buy advertising time from BNT with guaranteed audience for the indicated target groups.

All viewers 25-54 (All 25-54);

Women 25-54 (W25-54);

Men 25-54 (M25-54)

All viewers 45+ (All 45+)

The cost scheme is the only official form for requesting advertising forms in BNT programs.

BNT has the right to reschedule up to 15% of the total number of broadcasts, requested in accordance with the terms and conditions agreed by the Parties, with no prior approval by the Advertiser or the Advertising/Media Agency.

In case of failure of fulfillment of the guaranteed rating score, they are compensated according to Article 4, Paragraph 5 of the General Terms and Conditions for broadcasting of commercial messages in BNT programs.

The placement of the compensatory broadcasts is done by BNT depending on the free advertising time.

In case of failure of fulfillment / over fulfillment of commitments entered into the contracts, all the advance discounts are re-calculated according to the actually achieved results..

Upon proof of non-compliance, the difference from the recalculation is due in one-month period on request of BNT.

Establishing of results, achieved for the campaigns, is done by the official BNT supplier of TV advertising monitoring data – GARB Audience Management Bulgaria, as of December 31st of the current year.

The General Terms and Conditions for broadcasting of commercial messages in the programs of Bulgarian National Television in 2019 settle in detail the terms and conditions, regulating the broadcasting of commercial messages on all BNT channels as of January 1st, 2019.

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■ALTERNATIVE FORMS OF ADVERTISING VALID FOR ALL BNT PROGRAM CHANNELS:

BNT 1, BNT 2, BNT 3 and BNT 4

| ALTERNATIVE FORM OF ADVERTISING | DURATION (IN SEC.) | INDEX TO 30" |
|---------------------------------|--------------------|--------------|
| Sponsorship Tag Set | 10+10 | 100% |
| Unit sponsorship Tag | 10 | 50% |
| Sponsored Promo | 10 | 50% |
| Break ID Set with Voice | 7+7 | 120% |
| Unit Break ID with Voice | 7 | 60% |
| Break ID Set without Voice | 7+7 | 100% |
| Unit Break ID without Voice | 7 | 60% |
| Cut-in + Skyscraper | 10 | 100% |
| Skyscraper | 10 | 70% |
| Cut-in + Skyscraper | 10 | 70% |
| Bug | 10 | 50% |
| Promo Bug | 10 | 50% |

Sponsorship Tag (spons tag):

A form of sponsorship with duration up to 10 seconds, broadcasted before and after the separate parts of the transmission;

Sponsored Promo (sponspromo):

An advertising form, which advertises a separate program and includes an

advertising part with duration up to 10 seconds

Break ID with or Without Sound (Break ID):

An advertising form with duration up to 7 seconds and ad text, opening and closing the commercial break;

Horizontal/Vertical Ad Form (Branded bug / Cut-in / Skyscraper):

A short static or dynamic advertising form with duration up to 10 seconds, which is broadcasted during the transmission of the content.

Thanksgiving Inscription:

A short advertising form in the final credits with duration up to 4 seconds, which indicates the entity, ensured the realization of the broadcast by its goods/services.

The price of a thanksgiving inscription for provision of site, clothing, accessories, technical equipment, catering or services for shooting a content is 50 BGN excluding VAT for all BNT programs.

Thanksgiving inscriptions are evaluated for their first broadcast only.

BNT prepares individual prices and proposals for product placement in series, film productions and coproductions of BNT.

Aggravations for advertising and sponsorship in BNT 1, BNT 2, BNT 3 and BNT 4 programs:

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SURCHARGES:

BNT 1, BNT 2, BNT 3 and BNT 4:

| TYPE OF AGGRAVATION | OVERCHARGE |
|--|------------|
| Selection of Commercial Break | 20% |
| Selection of position in a commercial break | 20% |
| Selection of Position and Commercial Break | 30% |
| Two Ad Forms in One Commercial Break | 20% |
| First and Last Position in Commercial Break "Top & Tail" | 30% |
| Combo Advertising | up to 30% |

Selection of Commercial Break – selection of a specific commercial break;

Selection of Position in a Commercial Break – selection of a fixed position in a commercial break;

Selection of Position in a Commercial Break – selection of a fixed position in a commercial break

Two Commercials in One Break – placement of two ad forms of one advertiser, for one and the same brand in one commercial break.

First and Last Position in a Break (Top & Tail) – placement of two ad forms of one advertiser, on the first and the last position of one commercial break.

Aggravation for Joint Advertising – in the cases when in the total duration of the ad

form there are goods/services or brands different than the goods/services or brands of the applicant.

DISCOUNTS:

1. Agency's Discount:

The discount is in the amount of 5% and is given to advertising/media agencies.

It is charged on the gross value of campaigns for broadcasting of commercial messages in BNT programs accomplished.

2. Volume Discount:

The discount is given for investing of a guaranteed gross volume in 2019 from the month accepting the guarantee or from the actual reaching of the respective volume level and is valid for all BNT customers.

The gross volume for the year includes all effectively paid investments in commercial messages, including such in sports programs, product placement (cinematographic works, films and series, produced for audio-visual media services) and others, excluding the cases when BNT has announced that they do not accumulate to the total volume..

The gross volume does not include investments, different from effective payments, including barter agreements, media partnerships, etc.

Scale to calculate volume discounts:

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BNT 1

| FROM | TO | DISCOUNT |
|---------------------|-----------|----------|
| 20 000 | 30 000 | 3% |
| 30 000 | 50 000 | 4% |
| 50 001 | 150 000 | 6% |
| 150 001 | 300 000 | 8% |
| 300 001 | 500 000 | 12% |
| 500 001 | 700 000 | 14% |
| 700 001 | 1 000 000 | 16% |
| 1 000 001 | 1 300 000 | 18% |
| 1 300 001 | 1 700 000 | 20% |
| 1 700 001 | 2 100 000 | 22% |
| 2 100 001 | 2 600 000 | 24% |
| more than 2 600 001 | | 28% |

3. Gross Growth Discount.

The discount is given for increase in the gross investment relative to the previous calendar year, from the month of accepting the guarantee or from the moment of actually reaching a corresponding volume level through commercial messages broadcasted.

The discount for growth in the gross volume is charged for the options, indicated in the table.

*The discount for a new customer is given to new customers or customers who were not active during the last calendar year.

BNT 1, BNT 2, BNT 3 and BNT 4

| GROSS VOLUME FOR THE PREVIOUS YEAR | GROWTH FOR THE CURRENT VALUE | DISCOUNT |
|------------------------------------|------------------------------|----------|
| New customer * | | 5% |
| 20 000 - 50 000 | 50% | 5% |
| 50 001 - 150 000 | 40% | 10% |
| more than 150 001 | 30% | 10% |

Note: The discount is not valid for sports events, as well as for special events, explicitly specified by BNT.

4. Ad-Spent Distribution in Prime Time and Out of Prime Time Discount.

The discount is given for distribution of the gross budget in prime time and out of prime time for all BNT channels and is valid for each campaign.

BNT 1, BNT 2, BNT 3 and BNT 4

| GROSS VOLUME | PRIMETIME | | |
|-----------------|-----------|-----------|-----------|
| | up to 70% | up to 60% | up to 50% |
| up to 20 000 | 4% | 5% | 6% |
| 20 001 – 50 000 | 6% | 7% | 8% |
| more than 50 | 8% | 9% | 10% |

In broadcasting ad forms entirely out of the prime time, the discounts for “up to 50% prime time” at the corresponding levels of gross volumes, indicated in the table above, are valid.

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5. Sponsorship Discount:

The discount is in the amount of 8% and is given for each campaign, at a guarantee for investment of minimum 10% of the total gross budget in sponsorship for all BNT channels.

6. Combined Discount:

The discount is in the amount of 5% and is given for each campaign, at a guarantee for investment of minimum 5% of the total gross budget in at least two of the BNT channels.

7. Cross-Media Discount:

The discount is in the amount of 2% and is given at an additional investment of minimum 10% of the budget for advertising in BNT websites and is valid for each campaign.

8. Non-TRP Guarantee for Ad-Spent in Advertising Inventory Discount .

The discount is in the amount of 10% and is given for each campaign.

9. Early Contracting Discount:

The discount is in the amount of 5% and is given to customers who have signed a year contract and have guaranteed a volume for 2019 until 31.01.2019.

10. Advance Payment Discount:

The discount is given at an advance payment of a requested advertising campaign up to 3 working days before the start of the campaign and is in the amount of:

- 2% for each campaign;
- 4% for a year deal.

All discounts are given to the gross amount and are charged sequentially (cumulatively) in the following order:

1. Agency's Discount;
2. Volume Discount;
3. Gross Growth Discount;
4. Ad-Spent Distribution in Prime Time and Out of Prime Time Discount;
5. Sponsorship Discount;
6. Combined Discount;
7. Cross-Media Discount;
8. Non-TRP Guarantee for Ad-spend in Advertising Inventory Discount;
9. Early Contracting Discount;
10. Advance Payment Discount.

Note: All prices indicated above are in BGN and are excluding VAT.

BNT reserves its right to make changes in the Sales Policy for 2019.

The Sales Policy of Bulgarian National Television for 2019 is approved by decision of the Board of Managers of BNT – Protocol №58/15.11.2018, Article 12.

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