



CROATIA OSIGURANJE

utemeljeno 1884.

CROATIA osiguranje d.d.
Miramarska 22, Zagreb
Republic of Croatia

SECURITY: CROS-R-A/HRCROSRA0002
CROS-P-A/HRCROSPA0004

LISTING: Official market of the Zagreb Stock Exchange

**CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY**
Miramarska 24b
10 000 Zagreb

THE ZAGREB STOCK EXCHANGE
Ivana Lučića 2a
10 000 Zagreb

HINA-OTS

In Zagreb, May 12, 2014

**Notice on receipt of Decision on approval for publishing the bid for takeover of the company
CROATIA osiguranje d.d.**

On May 12, 2014, CROATIA osiguranje d.d. received a notice, sent by electronic means, from the Zagreb Stock Exchange, stating that the Croatian Financial Services Supervisory Agency, in a meeting of the Board held on May 9, 2014, issued a Decision approving that the company ADRIS GRUPA d.d. from Rovinj, V. Nazora 1, PIN: 8202316797 publish a bid for takeover of the company CROATIA osiguranje d.d. from Zagreb, Miramarska 22, PIN: 26187994862.
The mentioned Decision is enclosed hereto.

Sincerely,
Marketing and Corporate Communications Department
CROATIA osiguranje d.d.

Responsible persons:

Marketing and Corporate
Communications Department
Director
Hrvoje Odak
(signed)

Corporate Finance, Accounting
and Controlling Department
Director
Marin Palada
(signed)

(stamp of Croatia osiguranje d.d.)

Additional information: Marketing and Corporate Communications Department
Telephone: 01/633 2323, e-mail: izdavatelj@crosig.hr

Pursuant to the provisions of Article 15, item 3 and Article 8, paragraph 1 of the Act on Croatian Financial Services Supervisory Agency (Official Gazette No. 140/05 and 12/12) and Article 24, paragraph 3 of the Act on Takeover of Joint Stock Companies (Official Gazette No. 109/07, 36/09, 108/12, 90/13 – Decision of the Constitutional Court of the Republic of Croatia, 99/13 – Decision of the Constitutional Court of the Republic of Croatia and 148/13, hereinafter: **ATJSC**), upon a request made by the company ADRIS GRUPA d.d., Rovinj, V. Nazora 1, PIN: 82023167977, represented by Attorney-At-Law Damir Metelko from the Law Firm HANŽEKOVIĆ & PARTNERI d.o.o. from Zagreb, Radnička cesta 22, for approval of publication of the bid for takeover of the company CROATIA osiguranje d.d., Zagreb, Miramarska 22, PIN: 26187994862, the Croatian Financial Services Supervisory Agency, in a meeting of the Board held on May 9, 2014, issued the following

DECISION

1. The Company ADRIS GRUPA d.d. Rovinj, V. Nazora 1, PIN: 82023167977 is granted approval to publish the bid for takeover of the company CROATIA osiguranje d.d., Zagreb, Miramarska 22, PIN: 26187994862.
2. This Decision will be published on the website of the Croatian Financial Services Supervisory Agency.

Rationale

- I. The company ADRIS GRUPA d.d., Rovinj, V. Nazora 1, PIN: 82023167977, represented by Attorney-At-Law Damir Metelko from the Law Firm HANŽEKOVIĆ & PARTNERI d.o.o., Zagreb, Radnička cesta 22 (hereinafter: the **Bidder**), filed a request with the Croatian Financial Services Supervisory Agency (hereinafter: the **Agency**) by registered mail on April 7, 2014 for the approval of publishing the bid for takeover of the company CROATIA osiguranje d.d., Zagreb, Miramarska 22, PIN: 26187994862 (hereinafter: **Target Company**), together with the text of the takeover bid and documents referred to in Article 22, paragraph 3 of the ATJSC. The requested amendments to the mentioned request were delivered to the Agency on April 25, 2014 and May 6, 2014.
- II. Pursuant to the provision of Article 2, paragraph 1, item 2 of the ATJSC, a takeover bid is a publicly published bid, mandatory or voluntary, sent to all shareholders of the target company for acquiring of shares carrying voting rights, under the conditions and in the manner prescribed by the ATJSC. Pursuant to Article 2, paragraph 1, item 1, sub-item a), indent 1 of the ATJSC, a target company is defined as a joint stock company with registered office in the Republic of Croatia whose shares carrying voting rights are listed in the regulated market in the Republic of Croatia within the meaning of the provisions of the Capital Market Act (Official Gazette No. 188/08, 146/08, 74/09, 54/13 and 159/13, hereinafter: **CMA**)

According to the information available to the Agency, the shares of the Target Company were listed in the joint stock companies listing of the Zagreb Stock Exchange on January 13, 2004. Pursuant to the provision of Article 592, paragraph 6 of the CMA, as of the entering into force of the same Act (January 1, 2009) securities listed in joint stock companies listing are considered listed in the regular market of the Zagreb Stock Exchange, and therefore it has been determined that the company is a target company within the meaning of the mentioned provision of the ATJSC. According to the information of the Zagreb Stock Exchange, Zagreb, on the day of entering into effect of

the obligation to publish the bid for takeover of the Target Company, the shares of the Target Company were listed in the regulated market of the Zagreb Stock Exchange, Zagreb (Official Market segment).

- III. The obligation to publish the takeover bid became applicable to the Bidder, pursuant to the provision of Article 9, paragraph 1 of the ATJSC, on March 6, 2014, when the Agreement on Sale and Purchase of Shares in the company CROATIA osiguranje d.d. was concluded between the Republic of Croatia and the Bidder.
- IV. The takeover bid pertains to ordinary and preference shares in the Target Company.

The Bidder is holder of a total of 141,510 shares in the Target Company, of which 140,643 are ordinary and 867 are preference shares in the Target Company.

By virtue of the Shareholders' Agreement, as of March 6, 2014 the Bidder is acting jointly with the Republic of Croatia which holds a total of 120,442 shares in the Target Company, of which 120,436 are ordinary and 6 are preference shares.

By virtue of Article 5, paragraph 4 of the ATJSC, it is acting jointly with the companies ISTRAGRAFIKA d.d. Rovinj, V. Nazora 1, PIN: 51000304358, which holds a total of 10 ordinary shares in the Target Company, the company HRVATSKI DUHANI d.d., Virovitica, Osječka 2, PIN: 92200203113, which holds a total of 200 ordinary shares in the Target Company and the company MAISTRA d.d., Rovinj, V. Nazora 1, PIN: 25190869349, which holds a total of 90 ordinary shares in the Target Company.

As a result of the previously mentioned facts, the Bidder and the persons with whom it is acting jointly hold a total of 262,252 shares in the Target Company.

The Target Company's share capital in the amount of HRK 442,887,200.00 is divided into a total of 316,348 shares of nominal value of HRK 1,400.00 per share, of which 307,598 are ordinary shares marked CROS-R-A and 8,750 are preference shares marked CROS-PA.

The funds for the payment of the remaining 54,096 shares in the Target Company are to be provided in accordance with the provision of Article 19, paragraph 1 of the ATJSC.

- V. The price which the Bidder undertook to pay in the takeover bid is HRK 7,412.25 per share.

According to the statements made by the Bidder and persons with whom the Bidder is acting jointly, dated March 27, 2014, the Bidder and the persons with whom the Bidder is acting jointly did not enter into any legal transactions with the aim of acquiring the shares in the Target Company in the period of one year prior to the entering into effect of the obligation to publish the bid for takeover of the Target Company.

Considering the fact that in this case the obligation entered into effect upon acquiring of shares in the Target Company in a procedure conducted in accordance with the provisions of the regulation regulating management and disposal of state property, in accordance with the provision of Article 16, paragraph 3, sentence 4 of the ATJSC, the average price is calculated as the weighted average of all prices realized in the regulated market in the last three months prior to the publication of invitation to potential investors by the body authorized in accordance with the provisions of the regulation regulating management and disposal of state property, counting from the day preceding

the day of publication of invitation. According to data available to the Agency, in this case the public invitation to express interest and collect non-binding bids for acquiring of shares in the Target Company was published on August 7, 2013 on the web site of the Central State Administrative Office for State Property Management.

Pursuant to the certificate of the Zagreb Stock Exchange, Zagreb on the average price of ordinary and preference shares in the Target Company in the period from May 6, 2013 to August 6, 2013, the average price of ordinary shares was HRK 7,131.53 and the average price of preference shares was HRK 7,138.36.

Consequently, it has been found that the price stated in the takeover bid in the amount of HRK 7,412.25 per share was determined in accordance with the provision of Article 16, paragraph 4 of the ATJSC.

Upon inspection of the certificate from the depository company – Central Depository and Clearing Company Inc., Zagreb, dated April 22, 2014 it was found that the Bidder has provided the funds required to pay for the shares which are the subject of the takeover bid by depositing a bank guarantee.

- VI. Enclosed with the request there are certificates of paid administrative charge and fee, in accordance with the provisions of Article 4, paragraph 1, item 1 of the Ordinance on the type and level of fees and administrative charges paid to the Croatian Financial Services Supervisory Agency (Official Gazette No. 156/13).
- VII. Together with the mentioned request the Bidder submitted the text of the takeover bid drawn up in accordance with the provision of Article 22, paragraph 1 of the ATJSC as well as the documents prescribed by the provision of Article 22, paragraph 3 of the ATJSC, so, as a result of the previously mentioned facts, in accordance with the provision of Article 24, paragraph 3 of the ATJSC the decision was reached as stated in item 1 of the enacting clause of this Decision.
- VIII. Pursuant to the provision of article 8, paragraph 3 of the Act on the Croatian Financial Services Supervisory Agency, this decision is to be published on the Agency's web site, so in consideration of the previously mentioned facts, the decision was reached as stated in item 2 of the enacting clause of this Decision.

INSTRUCTION ON LEGAL REMEDY

This Decision cannot be appealed, but an administrative procedure can be initiated by filing a complaint with the Administrative Court in Rijeka within 30 days after receiving this Decision.

CLASS: UP/I-451-04/14-10/2
FILE NUMBER: 326-772-14-7

Zagreb, May 9, 2014

PRESIDENT OF THE BOARD
Petar-Pierre Matek