

## Financial Supervision Authority

### **CURRENT REPORT NO. 11/2016 – SHAREHOLDER INQUIRY RESPONSE RELATED TO JOINT STATEMENT OF THE BOARD OF DIRECTORS AND THE SUPERVISORY BOARD TO MANDATORY TAKEOVER BID**

*Pursuant to article 118d paragraph 7 in connection with article 115 paragraph 1 of the Act no. 566/2001 Coll. on Securities and Investment Services as amended (hereinafter referred to as „**Slovak Securities Act**“), the Board of Directors of company Asseco Central Europe, a.s., registered office: Trenčianska 56/A, 821 09 Bratislava, Slovakia, Identification number: 35 760 419, registered by the Commercial Register of the District Court Bratislava I, section: Sa, insert no. 2024/B (hereinafter referred to as „**Asseco Central Europe**“) published the Joint Statement of the Board of Directors and Supervisory Board to Mandatory Takeover Bid (in Slovak: povinná ponuka) of majority shareholder Asseco Poland SA, registered office: Ul. Olchowa 14, 35 – 322 Rzeszów, Poland, registered by Registry Court, Regional Court in Rzeszów, XII. Commercial department, National Registry Court under the number: 00000033391.*

*On November 11, 2016 Asseco Central Europe received a shareholder inquiry.*

**Board of Directors of Asseco Central Europe, hereby would like to respond to the following request:**

*„With respect to the “Joint Statement of the Board of Directors and Supervisory Board to the Mandatory Takeover Bid” published by you earlier today, I’d like to ask exactly on what basis do you believe that “The offered consideration by majority shareholder for the Company’s shares ... can be considered as sufficiently adequate”? Specifically I wish to know whether an expert opinion on the valuation of the company was prepared and if yes, what was its conclusion?“*

**Board of Directors of Asseco Central Europe prepared its response to the offered consideration presented at Joint Statement based on the following circumstances and facts:**

- i). Pursuant to article 4 paragraph 2 letter b) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (hereinafter referred to as “**Directive on takeover bids**”): *„If the offeree company’s securities are not admitted to trading on a regulated market in the Member State in which the company has its registered office, the authority competent to supervise the bid shall be that of the Member State on the regulated market of which the company’s securities are admitted to trading.“*

*Pursuant to article 118m paragraph 2 of the Slovak Securities Act: „Questions in other matters related to the takeover bid, particularly in matters related to the consideration and in a proceeding on takeover bid, particularly the notification of decision to carry out the takeover bid or notification of the obligation of the offeror to carry out the*

*takeover bid, the particulars of the takeover bid and the publication of the takeover bid shall be governed by the law of the Member State of competent supervisory authority.”*

In connection with article 135c paragraph 3 of the Slovak Securities Act: *“If the shares of the target company with registered office in the Slovak Republic are not admitted to trading on a regulated market in the Slovak Republic, the supervision of the takeover bid shall be exercised by the supervisory authority of the Member State EU on the regulated market of the shares of the target company are admitted to trading.”*

Pursuant to article 118m paragraph 1 of the Slovak Securities Act *„questions in matters of providing information to the employees of the target company and questions in matters of corporate law, in particular as regards the determination of the share of voting rights in the target company, which is considered as a controlling share, exceptions from the obligation to make a takeover bid, as well as the conditions for taking measures by bodies of target company which may result in the defeat of the takeover bid shall be governed by the law of the Member State in which is the registered office of the target company”*. Stated matters therefore will be governed by Slovak law. **Due to the above mentioned joint statement as a legal obligation of the Board of directors has been prepared under Slovak law.**

Pursuant to § 118d paragraph 4 and 5 of the Slovak Securities Act *“within 5 working days after receiving a takeover bid, members of the Board of Directors in cooperation with members of Supervisory Board shall issue a joint statement to the takeover bid in which they shall give their opinion on:*

- a) Whether the takeover bid is in interests of shareholders, employees and creditors of the target company, along with the reasons on which this standpoint is based,*
- b) The impact of a takeover bid on the interests of the company and the interests of its shareholders, creditors and, in particular, employees,*
- c) The strategic plans of the majority shareholder for the target company and their expected impact on employment in the company and on placing the output of its business activities,*
- d) Any differences of opinion among its drafters,*
- e) Notice of any legal or factual flaws in the takeover bid,*
- f) Information about any conflicts of interest between the drafters of the joint statement and the interests of the target company or its shareholders, including whether any members of the Board of directors are shareholders of the target company.”*

Pursuant to Article § 118d paragraph 7 of the Slovak Securities Act *“within two days after the joint statement to the takeover bid has been drafted, the Board of directors shall send it to the majority shareholder and publish in accordance with Article 115 paragraph 1...”*

And consequently pursuant to Article 115 paragraph 1 of the Slovak Securities Act joint statement shall be published in the Slovak Republic and in those Member State on the

regulated markets of which the shares of the target company were admitted to trading, i.e. in Poland.

- ii). Based on the cited legal provisions in connection with the abovementioned provisions of Directive on takeover bids, joint statement was prepared according to Slovak law and takeover bid and whole bidding procedure (**in particular condition for determining of fair consideration**) are governed by Polish law.

The price in the mandatory takeover bid should be determined in accordance with Polish regulations (Article 91.6 of Polish Act on Public Offering in connection with Article 118m of Slovak Securities Act) and it cannot be lower than the highest of (Article 79 of Polish Act on Public Offering):

- the average trading price for the shares in Asseco Central Europe on the WSE for the last three (3) months, calculated as arithmetical average of daily average prices weighted by volumes;
- the average trading price for the shares in Asseco Central Europe on the WSE for the last six (6) months, calculated as arithmetical average of daily average prices weighted by volumes; or
- the highest price for the shares in Asseco Central Europe paid by Asseco Poland or its affiliates in the last twelve (12) months.

The offered consideration of the majority shareholder referred to in the mandatory takeover bid Board of Directors considered as adequate because it was determined in accordance with Polish law, which is applicable in this case, in accordance with the provisions of Article 79 paragraph 1 and 2 of the Act from the date July 29, 2005 on Public Offer and the Conditions for Introducing Financial Instruments to the Organized Trading System and Public Companies Act (hereinafter referred to as „Polish act“).

According to the terms of the takeover bid, price of the share in the mandatory takeover bid is not lower than the minimum price determined in accordance with Article 79 paragraph 1 and 2 of the Polish Act.

According to the terms of the takeover bid, the share price proposed in the mandatory takeover bid is not lower than the average trading price (arithmetical average of daily average prices weighted by volumes) for the last 6 (in words: six) months prior to the publication of a mandatory takeover bid, during which these shares were traded on the basic market, which is in the amount of: PLN 21.30 (in words: twenty-one Polish zloty and 30 pennies).

According to the terms of the takeover bid, the share price proposed in the mandatory takeover bid is not lower than the average trading price (arithmetical average of daily average prices weighted by volumes) for the last 3 (in words: three) months prior to the publication of a mandatory takeover bid, during which these shares were traded on the regulated market, which is in the amount of: PLN 23.00 (in words: twenty-three Polish zloty).

According to the terms of the takeover bid, within 12 (in words: twelve) months prior to the publication of the mandatory takeover bid, majority shareholder or any other entity that is dependent on majority shareholder have not acquired shares of the company Asseco Central Europe, a.s.. There is no entity that would be in relation to the majority shareholder in dominant position.

- iii). No expert was appointed in order to give his/her opinion on the takeover bid price.

After consideration of the abovementioned facts the Board of Directors with cooperation with Supervisory Board expressed the opinion that the offered consideration (share price) is adequate.