

# **CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY**

Pursuant to Article 459, paragraph 4 and Article 461, paragraph 2 of the Capital Market Act Official Gazette 88/08, 146/08), Croatian Financial Services Supervisory Agency issued on its session on 07 January 2009

## **ORDINANCE**

### **ON DISCLOSURE OF THE INSIDE INFORMATION WHICH DIRECTLY CONCERN THE ISSUER AND ON DETERMINING THE LEGITIMATE INTERESTS OF THE ISSUER FOR THE DELAY IN DISCLOSURE**

#### **Article 1**

This Ordinance closely sets out the information which may be considered while bringing decision on disclosure of inside information which directly concern the issuer, pursuant to the Article 459 of the Capital Market Act (Official Gazette 88/08, 146/08), as well as circumstances which may implicate the legitimate interest of the issuer for delaying the disclosure of the inside information, as well as measures and solutions which issuer is obliged to establish for the purpose of providing confidentiality of inside information.

#### **Article 2**

(1) It is deemed that the issuers, upon the coming into existence of a set of circumstances or the occurrence of an event, albeit not yet formalised, have promptly informed the public thereof.

(2) The issuer shall, while evaluating if the information concerned is the inside information which directly concerns him, take into account the following facts and events from the paragraph 3 of this Article, which by themselves neither means that in the case concerned it is an inside information which directly concerns the issuer, nor it means that in the case concerned it is that kind of information, nor it is deemed the opposite if an event is not mentioned in the paragraph 3 of this Article. While making the evaluation it should be taken into account the specific circumstances of every particular case as well as material elements of the event.

(3) Facts and events on which the previous paragraph relates are for example the following:

1. Operating business performance;
2. Changes in control and control agreements;
3. Changes in management and supervisory boards;
4. Changes in auditors or any other information related to the auditors' activity;
5. Operations involving the capital or the issue of debt securities or warrants to buy or subscribe securities;
6. Decisions to increase or decrease the initial capital;

7. Mergers, splits and spin-offs of issuers;
8. Purchase or disposal of equity interests or other major assets or branches of corporate activity;
9. Restructurings or reorganizations that have an effect on the issuer's assets and liabilities, financial position or profits and losses;
10. Decisions concerning buy-back programmes or transactions in other listed financial instruments;
11. Changes in the class rights of the issuer's own listed shares;
12. Bankruptcy proceedings;
13. Legal disputes;
14. Revocation or cancellation of credit lines by one or more banks;
15. Dissolution or verification of a cause of dissolution;
16. Changes in the assets' value;
17. Insolvency of relevant debtors;
18. Reduction of real properties' values;
19. Physical destruction of uninsured goods;
20. New licences, patents, registered trade marks;
21. Decrease or increase in value of financial instruments in portfolio;
22. Decrease in value of patents or rights or intangible assets due to market innovation;
23. Receiving acquisition bids for relevant assets;
24. Innovative products or processes;
25. Product liability or environmental damages cases;
26. Changes in expected earnings or losses;
27. Orders received from customers, their cancellation or important changes;
28. Withdrawal from or entry into new core business areas;
29. Changes in the investment policy of the issuer;
30. Dividend, changes in dividend payment date and amount of the dividend, changes in dividend policy.

### **Article 3**

The duty of disclosure for the issuer, according to the Article 459 of the Capital Market Act refers also to the disclosure of the consequences which directly concern the issuer, which derive from the following non-exhausting examples, under condition that such consequences are inside information. The following is the non-exhaustive list of the inside information which indirectly concerns the issuer:

1. Data and statistics published by public institutions disseminating statistics;
2. The coming publication of rating agencies' reports, the coming publication of research, recommendations or suggestions concerning the value of listed financial instruments;
3. Central bank decisions concerning interest rates;
4. Government's decisions concerning taxation, industry regulation, debt management, etc;
5. Decisions concerning changes in the governance rules of market indices, and especially as regards their composition;
6. Regulated and unregulated markets' decisions concerning rules governing the markets;
7. Competition and market authorities' decisions concerning listed companies;
8. Relevant orders by government bodies, regional or local authorities or other public organisations;

9. A change in trading mode (e.g., information relating to knowledge that an issuer's financial instruments will be traded in another market segment: e.g. change from continuous trading to auction trading); a change of market maker or dealing conditions.

#### **Article 4**

For the purposes of applying Article 461 of the Capital Market Act legitimate interests may, in particular, relate to the following non-exhaustive circumstances:

- (a) negotiations in course, or related elements, where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the issuer is in grave and imminent danger, although not within the scope of the applicable insolvency law, public disclosure of information may be delayed for a limited period where such a public disclosure would seriously jeopardise the interest of existing and potential shareholders by undermining the conclusion of specific negotiations designed to ensure the long-term financial recovery of the issuer;
- (b) decisions taken or contracts made by the management body of an issuer which need the approval of another body of the issuer in order to become effective, where the organisation of such an issuer requires the separation between these bodies, provided that a public disclosure of the information before such approval together with the simultaneous announcement that this approval is still pending would jeopardise the correct assessment of the information by the public.

#### **Article 5**

The issuer, in order to be able to ensure the confidentiality of inside information, shall control the access to such information and, in particular:

- (a) establish effective arrangements to deny access to such information to persons other than those who require it for the exercise of their functions within the issuer;
- (b) take the necessary measures to ensure that any person with access to such information acknowledges the legal and regulatory duties entailed and is aware of the sanctions attaching to the misuse or improper circulation of such information;
- (c) provide the measures which allow immediate public disclosure in case the issuer was not able to ensure the confidentiality of the relevant inside information.

#### **Article 6**

This Ordinance shall come into force 8 days after its publication in Official Gazette of the Republic of Croatia.

Class: 011-02/09-04/23  
Reg.no: 326-01-09-1  
Zagreb, 07 January 2009

President of the Management Board  
Ante Samodol