



PRESS RELEASE

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Amendment to the act has simplified the right of squeeze-out. Slovnaft, a.s. is the first who took the benefit of it.

Change in legislation has simplified processing of the right for squeezing-out the minority shareholders. Slovnaft, a.s. was amongst the first who exercised this right with MOL Nyrt. becoming its sole shareholder.

By the amendment of the Act No 566/2001 Coll. on Securities and Investment Services adopted in 2018 the right of squeeze-out that until then had been difficult to effect was simplified. So far the offeror of squeeze-out had to conclude an agreement with each and every minority shareholder and only then transition of securities could be executed. Required consent of minority shareholders caused that all previous attempts to exercise the right of squeeze-out failed.

Current legal regulation

In terms of current legal regulation the offeror acquires securities of minority shareholders by transition of the title. Decision of the General Meeting of issuer on exercise of squeeze-out right by the offeror shall create its basis. The issuer consequently shall apply for registration of the General Meeting's decision to the Business Register of the Slovak Republic. *„After the elapse of 30 days from registration in the Business Register transition of all shares of minority shareholders to the offeror is executed. Consequently, based on instruction from the issuer, CDCP debits the relevant shares from accounts of all minority shareholders and credits them to the account of offeror“*, says Michal Ninis, Head of Department of Business Services of CDCP. Securities subject to the right of squeeze-out shall be debited by CDCP from owner's accounts administered in CDCP registry as well as in the registry of CDCP members.

As a result the consent of minority shareholders and conclusion of the agreement on purchase of securities are not needed by the offeror anymore. The entire process is supervised by the National Bank of Slovakia, whereas the National Bank of Slovakia has to grant the previous consent to the offeror to exercise the right of squeeze-out.

Slovnaft is the first one

Amongst the first who exercised the right of squeeze-out pursuant to the new rules is Slovnaft, a.s., as the Extraordinary General Meeting of shareholders on 10 October 2019

approved transition of shares of minority shareholders to the company MOL Nyrt. The international oil and gas company MOL Group, who until now controlled 98.72 % share of Slovnaft, shall become the sole shareholder of the Bratislava refinery and the largest seller of fuels in Slovakia.

Transaction statements

The central securities depository shall inform the minority shareholders on execution of squeeze-out right by transaction statement. „*The shareholders will find the transaction statement in their post boxes a few days after successful registration of transition of shares to the offeror. In case the account of owner after debiting of all securities remains empty, CDCP will automatically cancel the account. However, the account owner has the obligation to pay the aliquot fee for administration of the account for period when securities were registered in the account*“, explained Michal Ninis. CDCP shall send the transaction statements to the owner’s address registered in CDCP database. If the address of account owner registered in CDCP is not present the owner of account without undue delay should request CDCP in writing to register its change.

Payment of cash compensation

We would like to draw attention of the account owners to the fact that CDCP does not provide for payment of cash compensation for shares that were subject to exercise of squeeze-out right. In case of any questions the owners might have regarding the amount of compensation or the method of its payment it is necessary to contact the entity mandated for payment of cash compensation, in this case OTP Banka Slovensko, a.s.

Pledge register

If securities subject to transition of securities due to exercise of squeeze-out right are pledged, the offeror by the transition of securities shall also acquire the status of pledger. CDCP shall register the change in person of the pledger in the pledge register based only on instruction for change of registration of pledge that has to be submitted to CDCP by the new pledger (i.e. offeror) or pledgee.

Media contact:

Ms. Dagmar Kopuncová

PR manager

CDCP SR, a.s.

Tel.: +421 259 395 125

E-mail: dagmar.kopuncova@cdcp.sk