

## **Important information on dividend payments**

### **Dividend payment deadline and who is the dividend paid out to**

Each year, the company shareholders adopt a resolution on the distribution of distributable profit and the amount of dividend for the previous year, at their regular Shareholders Assembly. In the aforementioned resolution a dividend payment deadline is determined.

The dividend is paid out to shareholders who are listed as shareholders in the Share Register kept by the KDD (Central Securities Clearing Corporation) in Ljubljana, on the agreed cut-off date. The cut-off date is announced in a convocation of the Shareholders Assembly at least one month before the Assembly.

### **How is the amount of my dividend determined?**

Gross dividend payable to shareholder is determined based on the amount of shares held by the shareholder and the amount of dividend per one share.

Depending on the legal status of the shareholder, tax is withheld in the following amount:

Resident natural persons	25-percent tax withholding
Non-resident natural persons	25-percent tax withholding
Sole proprietorships	25-percent tax withholding (sole proprietors have the same status in this regard as natural persons; a different definition is also possible!)
Resident legal persons	No withholding tax (tax ID is mandatory)
Non-resident legal persons	15-percent tax withholding; the recipient may apply for a reduction of this rate based on an international treaty (precisely defined procedures)
Mutual and pension funds	No withholding tax; tax ID is not mandatory

### **Who pays out the dividend?**

Dividend can be paid out by the company, or by banks, assigned by a relevant agreement, on behalf of the company; in such case, the banks carry out the entire procedure of payment, informing, and resolving any complaints.

### **How is the dividend paid out?**

Dividend is paid out based on a payment order.

When dividend is paid out based on a payment order, such order has to be correctly and completely filled out and sent to the address of the dividend disbursing agent (bank); based on such order, the relevant amount of dividend is transferred to the specified account. The order shall include the current account number of the recipient and the recipient's tax ID, which is mandatory. If the shareholder does not have a current account or wishes to be paid out the

dividend in cash and the amount payable does not exceed EUR 120.00, the dividend can be paid out at the nearest branch of the dividend disbursing agent (bank) – the list of units is on the back of the notice – subject to producing the payment order and a personal identity document.

If the current account number is specified on the order, the recipient **MUST** check if the data is correct and **INFORM** the disbursing agent of any changes.

### **Who may collect my dividend?**

Dividend may only be paid out to the shareholder in person, based on a valid identity document, or to the shareholder's legal representative who shall, in addition to his or her identity document, present a copy of the effective power of attorney, certified by a notary public.

### **What if I am a minor (under the age of majority)?**

Dividends for their children under the age of majority shall be collected by their parents by presenting a valid identity document and birth certificate of the child. To collect the dividend, they must provide the child's tax ID.

### **What about personal income tax and dividend?**

Earnings from dividends are taxed at a 25-percent rate. The tax paid is the final amount; these types of income do not count towards the annual taxable base for levying the personal income tax.

Dividend recipients are informed about the transfer or payment in writing. If the payment is made to a previously specified shareholder's current account, the dividend payment notice is also deemed a notice of transfer.

On the day of dividend payment, the company also pays the taxes to the Tax Administration, and provides the required forms. At the end of the year, the company sends to the Tax Administration of the Republic of Slovenia a file listing all dividends paid to resident natural persons.

### **Change of personal information (first name, last name, residence)**

As of January 1, 2005, Central Securities Clearing Corporation (KDD) is in charge of entering all changes to personal information of natural persons based on electronic capture and transfer of data from the central population register, if the natural person is entered into the central population register. Therefore, security holders who are natural persons no longer have to file to the Central Securities Clearing Corporation any applications for the change of personal information, as this takes place automatically.

### **How about inheritance?**

In case of inheritance, cash payment of dividend is not possible. The following has to be sent to the disbursing agent:

- dividend payment order made out to the decedent;

- an original or notarised copy of the final decree of distribution or a copy of the notice of the transfer of securities;
- personal information for all heirs (first name, last name, address, postal code, personal identification number, tax ID number) and the bank account number.

If you have not yet received the notice of transfer of shares, contact the Central Securities Clearing Corporation (KDD), Tivolska cesta 48, 1000 Ljubljana, or reach them by phone at +386 1 307 35 00, to arrange a transfer of shares to the legal heirs.

### **Time limitation for dividend payment**

General time limitation for dividend payment is five years. After such period, the dividend shall expire. Dividend amounts do not bear interest. Therefore, the shareholders are advised to collect the dividend as soon as possible.

### **How about non-residents – shareholders who are foreign citizens?**

Personal collection of dividend is not possible for non-residents pursuant to the mandatory procedures of payments (in this case of dividend) to non-residents.

Pursuant to the changes to the tax legislation, in force as of January 1, 2007, dividend may be paid to a non-resident who does not have a Slovenian tax ID; however, in such case the non-resident has to provide to the disbursing agent the relevant data – at least first name, last name, address, personal identification number, and country of residence. Identification number shall be any number comparable to the Slovenian personal identification number (EMŠO); if such number does not exist, registration number of a personal identification document may be submitted – personal ID card or passport; in such case, issuer of the document and expiry date of the identification document shall also be provided.

All non-resident shareholders shall receive a notice with a dividend payment order. They shall be required to enter their personal information and bank account number open in Slovenia or abroad. The funds, minus the withholding tax charged on the gross dividend amount, shall be transferred to the specified bank account according to the same procedure as for resident shareholders. Every non-resident has the option to open a non-resident account with the bank acting as the disbursing agent. Transfers to shareholders' accounts open abroad shall be made in EUR.