

TRANSLATION

RSC

Restructuring and Sale Centre

Management Board

Class: 024-04/17-03/10

Reg. No.: 360-00/02-2017-3

Zagreb, November 22, 2017

Pursuant to Article 32 and paragraph 2 of Article 38 of the Act on Managing and Disposal of Asset owned by the Republic of Croatia (Official Gazette No. 94/13 and 18/16), Article 34 and Article 35 of the Regulation on the modality of selling shares and business interest (Official Gazette No. 129/13, 66/14), Article 15 of the Statute of the Restructuring and Sale Centre, and Article 4 of the Rules of Procedure of the Management Board of the Restructuring and Sale Centre, the Management Board of the Restructuring and Sale Centre at its 10th session held on November 22, 2017, issued the

DECISION

on the initial price and implementation process of collecting binding bids for the purchase of company shares JADRAN d.d. (Plc.), Crikvenica

I.

Report is adopted on the implemented Public Invitation for expression of interest for the purchase of 34.754.768 shares of the company JADRAN d.d. Crikvenica (hereinafter: Company), Class: 943-06/17-02/148, Reg. No.: 360-03-0201/06-2017-5 dated November 21, 2017 owned by the Republic of Croatia and the Restructuring and Sale Center (hereinafter: RSC).

II.

It is established that, on the basis of the published Public Invitation for expression of interest for the purchase of 34.754.768 shares of the Company referred to in point I. of this Decision, 22 (twenty-two) letters of intent for the purchase of shares of the Company were submitted within the deadline, and the Decision has been issued on the initial price and implementation process of collecting binding bids.

III.

The initial price for the purchase of 34.754.768 shares of the Company of individual nominal value of HRK 10,00, of the total nominal value of HRK 347.547.680,00, which makes 70,74% of Company equity, amounts to HRK 5,58 per share, i.e. HRK 193.931.605,44 for all shares that are subject to sale.

IV.

Except for the offered price for the purchase of shares of the Company referred to in point III. of this Decision, potential bidders are obliged to offer recapitalisation of the Company in cash, from the bidders' own funds, in the minimum amount of HRK 200.000.000,00.

Recapitalisation referred to in paragraph 1. of this point must be carried out within the period of 6 months of the date of conclusion of the Sale and Transfer Agreement. The date of

fulfillment of recapitalisation obligation is the date of registration of increase in Company equity in the court register of the competent Commercial Court.

V.

The right to submit a binding bid shall be exercised only by potential bidders referred to in point II. of this Decision who purchase tender documentation during the second round of public bidding procedure.

The cost of purchasing tender documentation amounts to HRK 100.000,00.

VI.

Potential bidders referred to in point II. of this Decision shall refer to the submission of a binding bid for the purchase of Company shares in writing within 15 days of the date of adoption of this Decision.

The deadline for submission of binding bids is 30 days of the date of public invitation for the collection of binding bids for the purchase of Company shares.

RSC may grant an extension beyond the deadline for the submission of binding bids, if deemed reasonable.

VII.

A binding bid should be accompanied by a tender guarantee in the amount of HRK 3.878.632,11; letter of intent of an acclaimed bank for the provision of a bank guarantee as purchase price security, or proof of the state of the bidder's business bank account by the bank in case of payment via escrow account with an enclosed Statement certified by a notary public of the intention of opening an escrow account for the payment of the purchase price; letter of intent of an acclaimed bank for the provision of a bank guarantee as security of fulfillment of recapitalisation obligation, or proof of the state of the bidder's business bank account by the bank in case of recapitalisation payment via an escrow account with an enclosed Statement certified by a notary public of the intention of opening an escrow account for the fulfillment of recapitalisation obligation.

Tender guarantee may be a bank guarantee of an acclaimed bank or the above amount is to be paid to the account of RSC as security.

VIII.

RSC has the right not to accept any of the submitted bids.

IX.

The best bidder shall be considered the bidder who in his/her binding bid proposes the highest purchasing price provided that the binding bid concerned is not conditioned by the bidder, i.e. it has to be submitted unreserved.

The Sale and Transfer Agreement shall be concluded no later than 15 (fifteen) days from the date of adoption of the Decision on the selection of the best bidder.

RSC may extend the deadline for the conclusion of the Sale and Transfer Agreement in accordance with the Regulation up to a maximum of 60 days.

The best bidder is obliged to pay the purchase price in a single instalment within 30 (thirty) days from the date of conclusion of the Sale and Transfer Agreement.

X.

As security of purchase price payment referred to in point III of this Decision, the best bidder undertakes, at the conclusion of the Company Share Sale and Transfer Agreement, to submit to RSC either a bank guarantee of an acclaimed bank in favour of RSC in the amount of the accepted purchase price, payable on first demand, valid for 30 (thirty) days from the date of conclusion of the Share Sale and Transfer Agreement + grace period of 90 (ninety) days or proof of an open escrow account for the payment of the purchase price.

Should the selected best bidder at the conclusion of the Share Sale and Transfer Agreement fail to submit one of the above-mentioned securities referred to in the above paragraph, RSC shall withdraw from the conclusion of the Share Sale and Transfer Agreement, and the selected best bidder shall lose the right to refund of the paid tender guarantee described in point VII. of this Decision, i.e. RSC shall collect the bank guarantee enclosed as tender guarantee.

XI.

At conclusion of the Share Sale and Transfer Agreement, it is necessary to enclose a bank guarantee of an acclaimed bank in favour of RSC in the accepted recapitalisation amount as security for the fulfillment of Company recapitalisation obligation, payable on first demand, valid for 6 (six) months from the date of conclusion of the Share Sale and Transfer Agreement + grace period of 120 (one hundred and twenty) days or proof of an open escrow account for the fulfillment of the recapitalisation obligation.

Should the selected best bidder at conclusion of the Share Sale and Transfer Agreement fail to submit one of the above-mentioned securities referred to in the above paragraph, RSC shall withdraw from the conclusion of Share Sale and Transfer Agreement, and the selected best bidder shall lose the right to refund of the paid tender guarantee described in point VII. of this Decision, i.e. RSC shall collect the bank guarantee enclosed as tender guarantee.

XII.

The best bidder with whom the Share Sale and Transfer Agreement shall be concluded is obliged to submit to RSC, as proof of fulfillment of the recapitalisation obligation, the Decision of the competent Commercial Court on Company equity increase within 30 days from the date of its adoption.

XIII.

In case of non-fulfillment of the recapitalisation obligation referred to in paragraph 1. of point IV. of this Decision by the purchaser, RSC is authorised to collect security of fulfillment of the recapitalisation obligation referred to in point XI. of this Decision, based on the Decision of the competent body of RSC, for a specific purpose, for the fulfillment of the unfulfilled recapitalisation obligation.

XIV.

This Decision shall enter into force on the date of its adoption.

Chairman

Goran Marić, PhD

To be delivered:

1. Restructuring, Sale and Corporate Management Sector, here
2. Archives, here