

Contact Point: Muzafer Kapetan
e-mail muzafer.kapetan@apf.gov.ba

CONFIDENTIALITY STATEMENT AND REQUEST FOR THE TENDER DOCUMENTATION

I, as an interested Bidder in the purchase of state equity of the company “*Remontni zavod*“ *d.d. Travnik*, hereby request the entire Tender documentation, including the Information Memorandum.

In addition, under a full moral, material and criminal responsibility I give this STATEMENT that I and all representatives of our organization shall treat the information as STRICTLY CONFIDENTIAL and treat all unpublished and restricted to the public information according to international data confidentiality standards and that I shall not abuse the information or convey them to any third party.

The Information shall be exclusively used for the purpose of the submission of Bids for the purchase of equity in the foregoing company through the method of collecting Bids (Tender).

_____ Company

_____ Signature

_____ First and last name

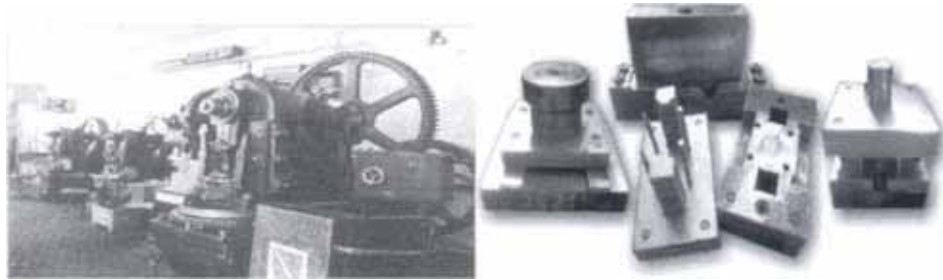
_____ Position

_____ E-mail

_____ Date

COMPANY PROFILE

REMONTNI ZAVOD DD TRAVNIK



November 2012

Basic information about the company

Company: **Remontni zavod d.o.o. Travnik**
Address: Aleja Konzula 5 Travnik, Bosnia and Herzegovina
Legal status: Joint Stock Company
Subject of Sale: 51% of the total capital of the company
Status of other shares: 49% private equity
Type of activity: 25.62 Machining

Total revenues: 1,747,118 KM (2010), 1,364,922 KM (2011) 504,249 KM
(June 30, 2012) (1 = 1 Euro, 95 583 KM)

Number of employees: 57 (as of October 2012)
Founded in: 1951
Director: Enes Hodžabegović
Website: www.rzttravnik.tripod.com

Remontni zavod d.o.o. Travnik was founded in 1951 for the needs of the Armed Forces of Yugoslavia.

Location:

Remontni zavod d.o.o. Travnik is located on a large fenced area covering a surface of 30,000 m² in Travnik.

The range of products and services:

- Remontni zavod d.o.o. Travnik has three main products/services:
- Production of metal parts and assemblies for regular customers;
 - Making of vertical traffic signs;
 - Calibration of radar and electrical measuring devices;
 - Services for surface protection (galvanizing and painting)

Remontni zavod d.o.o. Travnik is in the process of introducing the quality management system ISO 9001: 2000.

Revenues and Costs

Total revenues and costs in 2010, 2011 and 2012			
Revenues and Costs	Year		
	2010	2011	Jan. - June 2012
Total revenues	1,747,118	1,364,922	504,249
Total expenditures	2,653,739	1,855,537	691,876
Net income (loss)	-906,621	-490,621	-187,627

Ownership Structure

The breakdown of the equity ownership structure after the previous privatization and the reduced basic capital is shown in the following table:

Ownership Structure		
Capital owner	Amount (KM)	%
State equity	2,595,340.00	51
Private equity	2.493.30,00	49
Total equity stock:	5,088,690.00	100

A total of 51% of the total basic state equity is offered for sale through the public bids (tender).

Opportunity for Investors

Remontni zavod d.o.o. Travnik offers investors many advantages, some of which include as follows:

- Experienced manufacturer of brackets and fittings for adjustable electric lattoflex beds with international reputation
- Reputable manufacturer of vertical traffic signs in Bosnia Herzegovina
- Competitive product quality. The introduction of quality management system, ISO 9001 as of 2000 is underway
- An experienced and skilled management and workforce with a good knowledge of business processes
- A large plot of land with spacious facilities - suitable for current operations and possible further expansion. Plenty of indoor storage space and the space for outdoor storage, both for the raw materials and final products
- Good location in the industrial zone of Travnik.
- Installed electricity of 350 KW power, fresh water, treatment plant for processing waste water, compressed air.

Land and buildings

Land

Remontni zavod d.o.o. Travnik is located in the industrial part of town, in a fenced area measuring 30,000 square meters.

The land and the buildings have been registered in the Land Registry of the Municipal Court in Travnik.

Buildings

Remontni zavod d.o.o. Travnik owns 10 buildings, registered in the land registry. The administration building is a ground level facility, while three warehouses and the manufacturing facility have the ground floor and two upper floors, whereas the other buildings have the ground floor.

Main facilities of the Remontni zavod d.o.o. Travnik are as follows:

- Production facility, useful area of 1,500 m² with two floors of unused total surface area of 3500 square meters;
- Three warehouses, with a total surface of 6,300 square meters;

- Compression station, surface area of 400 square meters;
- Administrative building with an area of 500 square meters.

Other buildings are used as warehouses, auxiliary workshops, facility for waste water treatment and other needs.

Manpower

The *Remontni zavod d.o.o. Travnik* employs 57 workers, 5 of whom are temporary workers (as of October 2012).

Workforce by the age and the total number of works:

Workers by age (as of October 2012.)				
Age	Gender		Total	%
	Male	Female		
18 - 30	5	1	6	10,5
31 - 35	4	-	4	7.0
36 - 40	3	-	3	5.2
41 - 45	6	1	7	12.2
46 - 50	15	1	16	28.0
51 - 55	13	2	15	26.3
> 55	5	1	6	10.5
Total	51	6	57	100.0

Workers per their total work experience:

Workers per their total work experience (October 2012)				
Years of experience	Gender		Total	%
	Male	Female		
Up to 4	4	1	5	8.7
5-9	6	-	6	10.5
10-14	2	-	2	3.5
15-19	3	-	3	5.2
20-24	3	1	4	7.0
25-29	8	2	10	17.5
30-34	9	1	10	17.5
> 34	15	2	17	29.8
Total	52	5	57	100.0

DRAFT

**SHARE PURCHASE AGREEMENT
OF THE COMPANY
“REMONTNI ZAVOD” D.D.
TRAVNIK**

between

**Agency for Privatization in
Federation of Bosnia and Herzegovina**

and

(The Buyer)

Sarajevo,

Agreement Parties

The Agency for Privatization in the Federation of Bosnia and Herzegovina, with its seat in Sarajevo, Alipašina, 41 represented by the director Šuhret Fazlić (hereafter referred to as the **Seller**)

and

.....
registered in the Register, represented with the legal power of attorney by..... (hereinafter referred to as the **Buyer**).

I Part

1. DEFINITIONS

For the purposes of this Agreement, the following terms shall have the meanings ascribed to them:

1.1. "Party" or "Parties" - shall mean the Buyer and the Seller, as "the contract party or the contract parties" as the context may require.

1.2. "Company" – the company as a subject of privatization.

1.3. "Shares/stakes" – the capital of the Company, owned by the Government of the Federation of Bosnia and Herzegovina being transferred to the Buyer pursuant to the terms of this Agreement.

1.4 "Closing" – a cumulative fulfillment of the following conditions: a signing of the Agreement, payment of the purchase price, a submission of the guarantee as the obligation of the Buyer according to this Agreement, and the finality of the Decision on allowing the registration of the executed privatization into the Court Register.

1.5. "Purchase Price" – a total amount which Buyer needs to pay for the capital under Item 1.3. of this Chapter.

1.6. "Investments" – funding into the company by the Buyer not sourced out of the accounts of the Company which is the subject of sale, which will be realized through equipment and technology, working capital, adaptation of the existing and construction of new buildings and other obligations determined by the Share Purchase Agreement according with the Business Plan.

1.7. "Investment Guarantee" - a bank guarantee to be obtained by the Buyer whereby the bank is obliged pay the Seller the amount of the guarantee, upon a demand, in case the Buyer fails to fulfill the obligations from this Agreement will.

1.8. "Employment Plan" - shall mean the obligation of the Buyer to maintain the current number of full time employees in the Company and to employ new workers according to the regulations of this Agreement and the Business Plan.

1.9. “Financial Sources Statement” – shall mean the Statement made and submitted according to the rules of the sale.

1.10. ”Force Majeure” shall mean the events that the parties could not have foreseen and prevented and which renders the fulfillment of the obligations hereunder impossible. Such events might be wars, an international embargo, civilian riots, natural disasters, widespread fire, terrorist acts and similar events as provided by law.

1.11. ”Penalties” - shall mean the agreed upon penalty charges the Buyer shall pay to the Seller in case of a delay in the fulfillment of the obligations, pursuant to the provisions of this Agreement.

2. THE OBJECTIVE, THE INTENT OF THE AGREEMENT PARTIES, DUE DILIGENCE AND CONTROL

2.1. The Objective. The objective of this Agreement is the sale of the Company’s shares in accordance with the applicable regulations on privatization according to obligations by the Buyer under this Agreement to provide efficient business activities and the growth of the company.

2.2. Intention of the Seller. The Seller intends to sell the Company capital by transferring it to the Buyer, according to the provisions of this Agreement.

2.3. Intention of the Buyer. The Buyer intends to buy a stake in the Company, whereby achieving the ownership and making conditions for the Company’s success and employment of its workers.

2.4. Due Diligence. The Buyer has performed, i.e. has been provided the opportunity for its own due diligence of the Company, its legal status, property and business operations of the Company, other relevant documents, in order to get informed about the company.

The Seller, hereby, states it has no knowledge of any impediments or latent risks that have not been mentioned in the documents.

2.5. Control over the fulfillment of the Agreement obligations will be realized according to the book of Rules on the control of fulfillment of obligations from the Share Purchase Agreement in the privatization process in the Federation of Bosnia and Herzegovina (“Official Gazette of the Federation of Bosnia and Herzegovina”, No. 52/09 and 5/11).

3. THE SUBJECT OF SALE AND TRANSFER OF THE OWNERSHIP RIGHTS

3.1. Subject of Sale. The subject of sale is the state capital amounting to 2.595.340,00 KM or 55,220 shares, making 51% of the equity capital of the Company “*Remontni zavod*” d.d. *Travnik*.

The state capital from the previous item has been determined on the basis of the corrected Opening Balance Sheet of the Company, dated June 30, 2012. (Annex 1).

3.2. Transfer of the Ownership Rights. Upon the report on the executed privatization process, the Seller will issue the Decision on approved registration of the conducted privatization in the Court Registry upon which the Buyer gains its right to register the

ownership over the subject of sale.

3.3. Right to withdraw from the Agreement. Should the Buyer fail to pay the purchase price according to regulations of this Agreement, it would mean that the Buyer has given up on buying the subject of the sale and its deposit shall not be refunded.

If the Seller applies the right from the previous paragraph, it shall not exclude the Seller's right to seek infemnation.

4. THE PURCHASE PRICE, DEADLINE AND PAYMENT

4.1. Purchase price. A total capital price offered according to the Chapter 3. Item 3.1. ("Purchase price") shall amount toKM
(in letters:).

The Buyer shall bear the bank fees.

4.2. Deadline of Payment. The Buyer is obliged to pay the Seller the purchase price withindays upon the signing of this Agreement.

4.3. Payment. The agreed amount from Item 4.1. shall be paid by the Buyer through the remittance form to the account of the Seller, at:

Bank: "INTESA SANPAOLO BANKA" d.d. Sarajevo

Account title: Agencija za privatizaciju u Federaciji BiH

Payment in KM

Account number: 154-001-2000050827

Payment in EUR

IBAN: BA 39 154-001-2000050827

ACC 53011204-037800

The document on the money transfer shall bear the Company name (the Company which is the subject of privatization), the name of the Buyer and the identification number/reference No. of the Seller (if exists). In addition, the Buyer shall provide - along with the remittance form a notification (avizo) to the Seller stating the amount, purpose, date of this Agreement and the identification/reference number aforementioned.

The payment shall be considered effected and received on the day of the confirmation of the receipt of the paid funds by the "INTESA SANPAOLO BANKA" d.d. Bosna i Hercegovina.

II PART

5. CORPORATE OBLIGATIONS

5.1. Business Plan. The Buyer agrees to manage the Company according to the Business Plan, attached as Annex 2 to this Agreement (further: "Business Plan"), (Annex 2).

The Buyer shall maintain the operation of the Company as a good businessman in accordance with reasonable economical judgment according with the Business Plan for a period of three (3) years, from the date of closing the Agreement ("Business Plan Period").

The Buyer reserves the right to increase or modify production of the Company, and manage the operation in the best possible way, so as to achieve the objective of the Company.

5.2. Alienation of Assets. During a duration period of this Agreement, the Buyer shall not cause, nor enable without a previous agreement by the Seller that:

- a) the assets of the Company are ceded, sold, transferred or renounced except in cases reasonable to obtain a business operations and the interest of the Company.
- b) take over any other measures leading to the same economic results mentioned under Item a) apart from those consistent with reasonable economic judgment used to implement the Business Plan.

5.3. Plan Review and Modification. The Buyer shall meet with the Seller at least once a year or more if necessary, during the Business Plan Period in order to assess the Business Plan progress.

If the Buyer proposes to change the Business Plan, it will be changed only with a written notification to the Seller and its consent.

The Buyer shall further for each meeting with the Seller ensure the documentation for the Seller in order to prove the fulfillment of the Business Plan. Meetings will be organized upon the invitation by the Seller if required, and upon the request of the Buyer.

5.4. Sale and Transfer of the Company Shares/Stake. The Buyer shall not reserve the right to sell, transfer the shares of the Company from Art. 3., Section 3.1. assumed in this Agreement to third Parties until the confirmation that all the obligations from this Agreement have been performed.

6. INVESTMENT COMMITMENTS - INVESTMENTS

6.1. Investment Commitments - investments. The Buyer is obliged to commit investments into the company, totally amounting.....KM (in letters)
within 3 (three) years after the Closing date of this Agreement:

- First year:KM
- Second year:KM
- Third year:KM

6.2. Assets for Investment. Assets for investments are ensured by the Buyer.
Assets on behalf of investments will be directed and used according to the Business Plan.

6.3. Proof of Investment. The Buyer shall for each meeting, i.e. after receiving the investment obligations ensure the Seller with a valid proof of the performed investments, determined by the provisions of the Book of Rules on the control of the performed obligations from the share purchase agreements in the privatization process in the Federation of Bosnia and Herzegovina (“Official Gazette of the Federation of Bosnia and Herzegovina” no. 52/9 and 5/11).

6.4. Delayed Fulfillment. In case the Buyer has delayed the fulfillment of its investment obligation and referring to this is allowed to close the Attachment to the Agreement, the Seller will request the fulfillment of obligations and the Agreement penalty.

The Agreement penalty is determined in the amount of 10% (ten percent) of the amount the Buyer failed to invest in due time.

The Agreement penalty determined by these provisions, the Buyer may charge from the Guarantee on the Seller’s obligations.

Payment of the Agreement penalties shall not release the Buyer from the obligation to make investments.

7. EMPLOYMENT OBLIGATION

7.1. Employment of workers. The Buyer shall be obliged to retain the Company current staff and to employ new workers in accordance with this Agreement based upon the Employment Plan, which is the integral part of the Business Plan, for at least 3 (three) years after the day of closing the Agreement, and to regulate their legal employment status in compliance with regulations of the labor law.

7.2. Proof of Employment Status. The Buyer shall ensure upon any request by the Seller a valid proof on employed workers in accordance with regulations of the Book of Rules on control of the performed obligations under the Share Purchase Agreement in the privatization process of the Federation of Bosnia and Herzegovina.

7.3. Failure of Staff Employment. If the Buyer fails to fulfill the employment obligations and in accordance with this is allowed to close an Annex to the Agreement, the Seller shall seek the fulfillment of obligations and the penalty under the Agreement.

For any delay in the fulfillment of the employment obligation, the Buyer is obliged, under the Employment Plan to pay the Seller the agreed penalty, amounting 20% of the amount calculated under the following formula:

- Number of workers x (multiplied) by a number of months x (multiplied) by the average paid monthly gross salary of the employees in the Federation of Bosnia and Herzegovina according to the last published data.

*Number of workers x (times) the number of months x (times) the average gross monthly salary of employees in the Federation of Bosnia and Herzegovina, under the latest data published.

*Number of workers: The number of workers for whom the obligation under the Employment Plan failed to be fulfilled.

*Number of months: The total number of months from the first next day when the Employment Plan has to be realized for a certain period until the day set in the Annex to the Agreement for the fulfillment of this obligation.

The Seller may charge the Agreement penalty determined in compliance with these provisions from the Guarantee for Buyer's obligations.

Payment of Agreement penalties shall not release the Buyer from its obligation to perform employment obligations.

8. GUARANTEE FOR THE PERFORMANCE OF BUYER'S OBLIGATIONS

To perform obligations set forth in this Agreement the Buyer shall submit to the Seller a bank guarantee, which must be unconditional, irrevocable and payable upon the first request of the Seller for the amount of.....KM (35% of the offered investments) issued by the Bank acceptable to the Seller.

The bank guarantee shall have a deadline of at least 30 days longer than the deadline of the performed obligations for the period it refers to.

The authenticity of the bank guarantee must be certified by the bank of the Seller.

Obligations of the Buyer towards the Seller as of this Agreement are in no way limited or restricted by the guarantees to perform obligations of the Buyer, or by the amount guaranteed therein.

9. OBLIGATION TO INFORM

9.1. Buyer's Obligation to Inform. The Buyer shall inform the Seller on time, and no later than 15 days before the deadline for the fulfillment of its obligations, in writing on the failure to fulfill any of its obligations as per this Agreement.

The Buyer shall also inform the Seller in writing of any facts and circumstances referring to the following events within 7 days from the event occurrence:

- (a) Change of the address of the Buyer, i.e. the Company
- (b) Change of the telephone number, fax number, e-mail address of the Buyer, i.e. the Company
- (c) Buying, takeover or purchase of the all or essentially all shares/stakes of the Company that have been previously privatized.
- (d) Any bankruptcy or liquidation initiated against the Buyer, i.e. the Company
- (e) Any other changes crucial for the realization of this Agreement.

9.2. Seller's Obligation to Inform. The Seller shall inform the Buyer in writing on the following changes within 7 days:

- (a) Change of the address of the Seller,
- (b) Change of the telephone number, fax number, e-mail address of the Seller,
- (c) Any other changes relevant to the realization of this Agreement.

III PART

10. REPRESENTATION AND GUARANTEES

10.1. Representation and Guarantees of the Seller. The Seller hereby confirms and guarantees to the Buyer as stated hereunder:

10.1.1. Organization. The Seller is duly organized and validly exists in accordance with the laws of the Federation of Bosnia and Herzegovina with all legal authority to sell the subject of sale of this Agreement.

10.1.2. Validity of the Agreement. This Agreement shall make the Seller obligation valid and binding. The execution and implementation of this Agreement does not require a consent, approval or authorization from any other entity, public authority, therefore it is not in violation of, or in conflict with, or makes any omission by any law, rule or regulations of any authority body upon which the subject of sale cannot be privatized.

10.1.3. Ownership Rights over the Shares. The Seller has the right and the authority to transfer the ownership right over the shares of the Company onto the Buyer on the date as envisaged in the Part 3. Item 3.2.

10.1.4. Ownership Rights over the Real-estate Property. Annex, No. as an attachment to the Agreement, provides a list of all the real estate properties with the entitlements of the Company thereto.

10.1.5. Organization and Good Reputation of the Company. The Company is duly organized and validly exists in accordance with the laws of the Federation and Bosnia and Herzegovina, and, to the best of the Seller's knowledge, has the legal power, official licenses

and authorizations to conduct business. The evidence of the Company registration is in the Attachment No.

10.1.6. Information Provided by the Seller. All information provided by the Buyer to the Seller during negotiations shall be based upon the documentation and the information given by the Company.

10.1.7. Litigation. Litigations are based upon the evidence made by the Company and are provided in the Attachment No.....

10.1.8. Financial Statements. The financial statements of the Company for the period from.....to..... are given in the Attachment to this Agreement as Attachment 3.

10.2. Representation and Guarantees of the Buyer. The Buyer hereby confirms and guarantees to the Seller as stated hereunder:

10.2.1. Organizational and legal status. The Buyer is duly organized and validly existing according to laws....., with all required legal authority to purchase the subject of sale of this Agreement. The evidence of the Buyer’s registration is in the Attachment of this Agreement as the Attachment No.

10.2.2. Legal Validity of the Agreement. This Agreement represents a valid, binding and lawful obligation to the Buyer. The Buyer guarantees that the execution and implementation of this Agreement and the execution of transactions contained here in this Agreement have been properly approved by an authorized body of the Buyer and no other agreement, approval, or authorization from any other person, any other Company body, public authority or legal entity shall be required.

10.2.3.Omissions. The execution and implementation of this Agreement by the Buyer and the execution of its obligations as per this Agreement shall not represent a violation or an infringement, nor are they in conflict with, or make omission under any law, rule or regulation of any government authority or court, i.e. the provisions or regulations on partnership or the Statute of the Buyer, i.e. any agreement, license, or any other act, written or oral, with the Buyer being one of the parties involved.

10.2.4.Court disputes. Upon the date of this Agreement, there are no court proceedings, disputes, litigations or governmental investigation ongoing, or which according to the knowledge of the Buyer pose obstacles to the Buyer or any of its subsidiaries, or their appertaining property, assets, operations, and business activities, which may prevent the execution of obligations and/or the implementation of transactions envisaged under this Agreement.

10.2.5.Financing. The Buyer hereby gives assurances of possessing sufficient funds, i.e. ensured credit lines to effect the payment of the purchase price, investments, and other transactions envisaged in this Agreement, including but not limited to the execution of the intended activities. The statement of the Buyer’s funds is provided in the Attachment to this Agreement, as the Attachment, No.....

IV PART

11. ENVIRONMENT

11.1. Environmental indemnification. The Seller shall not under any circumstances be held responsible for damages to the environment. Any such responsibility shall be the responsibility of the Buyer and the Company.

11.2. Responsibility of the Buyer. The Buyer shall be fully responsible to manage over the Company property under the laws and other regulations applicable to damage to the environment. The Buyer shall be responsible for all the environmental damages stemming from the responsibility to manage the property in the ownership of the Company and its subsidiaries.

12. RESPONSIBILITY AND FORCE MAJEURE

12.1. Responsibility. The Buyer and the Seller shall be responsible for the execution of the obligations as per this Agreement and applicable regulations.

12.2. Force Majeure. This shall imply any event that could not have been foreseen and prevented by the contractual parties, and which prevents the execution of obligations as per this Agreement. Such events can include war, international embargo, civil uprising, natural disasters, large-scale fire, act of terrorism, etc. as envisaged by law. Labour strikes shall not be included in such events.

In case of a failure to perform the obligations due to events considered as force majeure, there shall be no responsibility upon contractual parties.

13. CESSATION OF THE AGREEMENT

13.1. Completion of the Agreement. This Agreement shall be completed with the fulfillment of the agreed obligations i.e. after the expiration of the period in which both parties have fulfilled their obligations.

After the Buyer completes the obligations under this Agreement, the Seller shall issue a certification to the Buyer.

13.2. Termination of the Agreement.

(a) Termination of the Agreement on the part of the Seller

Due to a failure of the Buyer to meet the obligations, the Seller shall have right to terminate this Agreement and in that case shall keep all the payments made by the Buyer including the collections upon guarantees and seek the indemnification for potential damages.

(b) Termination of the Agreement on the part of the Buyer:

Due to a failure of the Seller to fulfill the obligations, the Buyer shall have the right terminate this Agreement.

V PART

14. JURISDICTION

14.1. Litigations. The parties agree to put maximum effort to solving any disagreement, i.e. dispute in connection with this Agreement through discussion and mutual compromise.

142. Court of Jurisdiction. Any dispute or disagreement, including but not limited to anything that refers to or is connected to the interpretation of the Agreement, its validity, termination or whether a contractual Party has fulfilled its obligations as per the Agreement, that cannot be resolved through good will negotiations of the parties shall be resolved by the court of jurisdiction in the place where this Agreement is concluded.

15. FINAL PROVISIONS

15.1. Confidentiality. Prior to the transfer of shares, the Buyer shall keep in confidence all the information and documents received from the Seller and the Company, and the Buyer shall be obliged not to disclose such information to any other person (apart from its employees, agents, and representatives in order to perform “due diligence” examination, in connection with this Agreement). In case the purchase foreseen by this Agreement fails to materialize, the Buyer shall return to the Seller and the Company all received documented information including copies.

15.2. Entirety of the Agreement. This Agreement and all the attachments, indicators, plans, addendums, and annexes, if as such stated in this Agreement, shall constitute the entirety of the Agreement.

15.3. Alterations and Amendments. Alterations and amendments to this Agreement shall not be valid unless made as an Attachment to the Agreement in writing and signed by the contractual parties. The Attachment to the Agreement shall set the elements referring to guarantees and the contractual penalties.

Changes and Amendments to the Agreement cannot in any case be made so that the contractual parties give up any crucial element of the Agreement referring to the amount of obligations for making investments, as well as to the number of workers to which the Buyer has committed in compliance with the Business Plan.

15.4. Severability. If any of the provisions of this Agreement have been or shall become invalid, the validity of the other provisions of this Agreement shall remain in effect. In such case the invalid provision should be replaced with a legally valid provision which will be as close as possible to the economic effect of the invalid provision.

15.5. Applicable Law. This Agreement shall be interpreted in accordance with the laws applicable on the territory of Bosnia and Herzegovina.

15.6. Costs and Fees. All costs and fees arising from the conclusion and execution of this Agreement, especially without limitation, public notary costs, registration fees, shall be at the expense of the Buyer. Each Party shall bear their own costs related to their consultancy services.

15.7. Notifications. All notifications, requests and information that one party needs to send to the other as per this Agreement shall be in writing and shall be delivered through courier or by mail with certified receipt on the following addresses:

Seller: Agencija za privatizaciju u Federaciji Bosne i Hercegovine (Seller)

Alipašina 41, Sarajevo, Bosna i
Hercegovina e-mail: apfbih@bih.net.ba

Telephones: ++387 33 212 884, 212 885
Fax: ++387 33 212 883

Buyer: “

Address:

No.

e-mail:

Phone.

Fax:

Contact Person:

15.8. Copies. This Agreement has been made in four identical copies (in the Bosnian and English language). Each party shall receive two full copies of the Agreement with each page initialed.

AGREED AND ACCEPTED

No.

Sarajevo,

SELLER

BUYER

.....

.....

LIST OF ANNEXES:

BOSNA I HERCEGOVINA
FEDERACIJA BOSNE I HERCEGOVINE
AGENCIJA ZA PRIVATIZACIJU U
FEDERACIJI BOSNE I HERCEGOVINE

БОСНА И ХЕРЦЕГОВИНА
ФЕДЕРАЦИЈА БОСНЕ И ХЕРЦЕГОВИНЕ
АГЕНЦИЈА ЗА ПРИВАТИЗАЦИЈУ
У ФЕДЕРАЦИЈИ БОСНЕ И ХЕРЦЕГОВИНЕ

BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
AGENCY FOR PRIVATIZATION IN
FEDERATION OF BOSNIA AND HERZEGOVINA

Alipašina 41, Sarajevo, Tel: +387 33 212 884, 218 550 Fax: + 387 33 212 883, e-mail: apfbih@bih.net.ba

BID FORM
for the Purchase of State Equity in the Company

Remontni zavod d.d.
Travnik

November, 2012

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Schedule A – Declaration

To: The Agency for Privatization in Federation of Bosnia and Herzegovina

We, the undersigned hereby certify, acknowledge and agree as follows:

1. The undersigned is a legal entity duly organized, validly existing and in a good standing under the relevant law and has the full power and authority to submit this Bid and perform its obligations hereunder. The submission of this Bid and performance by the buyer of the obligations set forth herein have been duly authorized by all corporate action on the part of the undersigned. The obligations contained in this Bid are legal, valid and binding obligations of the undersigned. No authorization, consent, approval, licence, exemption or other action by or notice to or registration or filing with any governmental authority or administrative or regulatory body is required for submission of this Bid or performance of the obligations hereunder. Submission of this Bid and performance of the obligations hereunder does not conflict with any law, regulation or other restriction under which the buyer is obliged. The individual executing this Bid for the undersigned has been duly authorized to do so.
2. The undersigned has reviewed and understands the Tender Rules. The undersigned has abided by and will continue to abide by the Tender Rules in all respects.
3. The undersigned has performed or has had an opportunity to perform all the due diligence on the Enterprise it deems necessary and has engaged the services of all professionals it deems necessary to assist in performing such due diligence. The undersigned is submitting this sealed Bid based solely on its own independent investigations and findings and not in reliance on any information provided by the Agency for Privatization in Federation of Bosnia and Herzegovina.
4. The undersigned has reviewed the Draft to Share Purchase Agreement contained in the Tender Package. While amendments to the Share Purchase Agreement may be negotiated, the undersigned declares that such amendments will not affect the material elements of the Bid, i.e. the Bid price, future investments or employment commitments with the Share Purchase Agreement.
5. If the undersigned is selected as the Successful Bidder, the undersigned will promptly execute the Share Purchase Agreement without alteration or modification (except those which shall be included in the Share Purchase Agreement by the mutual agreement of the undersigned and the Seller).
6. If the undersigned is selected as the Successful Bidder, and then fails or refuses to enter into the Share Purchase Agreement, then the Seller shall take the Deposit as an indemnification. Hereby an agreement is achieved that damages suffered by the Seller in this case are uncertain and impossible to be precisely ascertained, so the amount of the Deposit represents a reasonable estimation of such damages.
7. The undersigned shall abide the Confidentiality Statement signed during their Bid preparation.

8. The undersigned submits this sealed Bid with the understanding that it is irrevocable and cannot be withdrawn or cancelled by the undersigned for any reason, after 16.00 hours Central European Time on February 4, 2012.
9. The undersigned confirms that its Bid will remain valid 180 (one hundred and eighty) days after the Bid Deadline.

Schedule A – Declaration	
First and last name Personal ID number:	
Position (function)	
Telephone/fax	
Name of the company and the address:	
Signature	
Place and date	

Schedule B – Legal Authorization

Attached to this Bid is the evidence that:

- The Bidder is a physical or legal entity, duly organized, validly existing and in a good standing under applicable law.
- The Bidder is legally registered in its country of origin.
- The Bidder meets all the conditions set forth in Article 12 of the Law on Privatization of Enterprises (Official Gazette of the Federation of Bosnia and Herzegovina No. 27/97, 8/99, 32/00, 45/00, 54/00, 61/01, 27/02, 33/02, 28/04, 44/04, 42/06 and 4/09), evidenced with the certified declaration. If the Bidder is a Consortium, a notarized declaration by each member of the consortium shall be required (text of the declaration is provided as Exhibit to Schedule B).
- The Bidder has duly authorized submission of the Bid and performance by the obligations set forth therein by all corporate actions.
- The individual executing the Bid on behalf of the Bidder has been duly authorized to do so.
- If the Bidder is a consortium, a notarized statement of the legal basis of the consortium and the authority of the undersigned to act on behalf of the consortium in the Bid shall be required.

Schedule B – Legal Authorization	
First and last name Personal ID number:	
Position (function)	
Telephone/fax	
Name of the company and the address:	
Signature	
Place and date	

Attach:

- 1. Court Register Excerpt**
- 2. Evidence of legal authority**
- 3. Certified declaration of meeting the conditions set forth in Article 12 of the Law on Privatization of Enterprises**
- 4. Consortium Agreement (in case the Bidder is a consortium)**

Schedule C – The Participation Fee and the Deposit

The undersigned confirms the wire transfer to the bank account of the Bidder to the bank account of the Agency for Privatization in Federation of Bosnia and Herzegovina in the amount of 2.000 KM as the Tender participation fee, as well as 50.000 KM for the Deposit upon provisions of Section 8 of Tender Rules.

Schedule C – The Participation Fee and the Deposit	
First and last name Personal ID number:	
Position (function)	
Telephone/fax	
Name of the company and the address:	
Signature	
Place and date	

(Attach the evidence of wire transfer or bank guarantee)

Schedule D – Declaration of Funds

The undersigned confirms the attachment of a certificate or other evidence of the source of funds for this Bid.

The Bidder further acknowledges and agrees that the Seller is entitled to make a full investigation into each and all of the proposed sources of funds for this Bid and the Bidder shall provide full cooperation in this investigation.

Schedule D – Declaration of Funds	
First and last name Personal ID number:	
Position (function)	
Telephone/fax	
Name of the company and the address:	
Signature	
Place and date	

(Attach a Declaration of Funds Statement)

Schedule E – The Bid

Notice: The terms used in this document are of the same meaning as those defined in the Rules of the Tender. All references to currency in the Bid must be expressed in Bosnian convertible marks (KM).

I) Price

The undersigned offers

_____ KM

(in letters) _____ KM

For the purchase of 51.00% of the state equity in the company “Remontni zavod” d.d. Travnik.

II) Investment

The undersigned offers to make Investments into the Enterprise “Remontni zavod” d.d. Travnik in the amount of

_____ KM

(in letters) _____ KM

in the next three years according with its Investment Plan attached as the Exhibit 1 to the Schedule E.

(Attach Investment Plan as Exhibit 1. to the Schedule E)

III) Employment Plan

The undersigned will take over permanent employees of the Enterprise for the period of three years since a day of closing the Purchase Agreement and offer additional employment in the next three 3 (three) years according with the Employment Plan as detailed in the Exhibit 2 to the Schedule E - Employment Plan.

(Attach the Employment Plan as Exhibit 2. to the Schedule E)

IV) Business Plan

The undersigned undertakes to implement its three-year Business Plan for the company (based on the Investment Plan and Employment Plan – Exhibit 1. and Exhibit 2. to this Schedule E), including the projected Income Statements, Balance Sheets and use of the cited Funds Sources, as presented in Exhibit 3. of this Schedule.

(Attach the Business plan according to Exhibit 3. to the Schedule E)

V) Qualifications of the Bidder

The undersigned shall present the supporting evidence (see Tender Rules for more details) as Exhibit 4. to Schedule E on its qualifications for this Bid.

(Attach relevant documentation as Exhibit 4. to the Schedule E)

Schedule E – Bid	
First and last name Personal ID number:	
Position (function)	
Telephone/fax	
Name of the company and the address:	
Signature	
Place and date	

Schedule F – The Share Purchase Agreement

The undersigned presents the Draft to Share Purchase Agreement with proposed changes.

Schedule F – The Share Purchase Agreement	
First and last name Personal ID number:	
Position (function)	
Telephone/fax	
Name of the company and the address:	
Signature	
Place and date	

(Attach the Draft to Share Purchase Agreement to this Schedule F, highlighting proposed changes)

Exhibit to SCHEDULE B

DECLARATION

I, _____, authorized for representation of the registration entity _____ (The Bidder-legal entity) pursuant to the Decision on the registration of the company with the Court Register, No. : _____ dated _____

declare under the full moral, material and criminal responsibility:

- That _____ (The Bidder as a legal entity) is neither the enterprise with unsettled liabilities upon the Public Revenues for the previous reporting period, nor is the Bidder itself either the majority owner, or is being owned by such a Company.
- That _____ (The Bidder as a physical entity) has no unsettled liabilities upon Article 12 of the Law on Privatization of Enterprises, and that I am neither a majority owner, nor being in a possession of such a company.

This Declaration is meant to serve as evidence to the aforesaid and it is to be enclosed with the Bid for participation in the Public Invitation for the Sale of 51.00% of the state capital in the company "Remontni zavod d.d. Travnik," and cannot be used for any other purpose. Therefore I sign this Declaration in person.

Place and date:

_____, _____/2012

Declaration signed by:

BOSNA I HERCEGOVINA
FEDERACIJA BOSNE I HERCEGOVINE
AGENCIJA ZA PRIVATIZACIJU U
FEDERACIJI BOSNE I HERCEGOVINE

БОСНА И ХЕРЦЕГОВИНА
ФЕДЕРАЦИЈА БОСНЕ И ХЕРЦЕГОВИНЕ
АГЕНЦИЈА ЗА ПРИВАТИЗАЦИЈУ
У ФЕДЕРАЦИЈИ БОСНЕ И ХЕРЦЕГОВИНЕ

BOSNIA AND HERZEGOVINA
FEDERATION OF BOSNIA AND HERZEGOVINA
AGENCY FOR PRIVATIZATION IN
FEDERATION OF BOSNIA AND HERZEGOVINA

Alipašina 41, Sarajevo, Tel: + 387 33 212 884, 218 550, Fax: + 387 33 212 883, e-mail: apfbih@bih.net.ba

RULES OF THE TENDER

for the Sale of State Equity in the Company

Remontni zavod d.d.

Travnik

November 2012

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1. Subject of Tender sale

Company Name:	“Remontni zavod” d.d. Travnik
Address:	Travnik, Aleja Konzula 5
Equity put up for sale:	51.00% of the subscribed company equity
Other Equity:	49.00% of the subscribed equity is private

2. Definitions

The following definitions will be used in this document:

- **“The Company”** – “Remontni zavod” d.d. Travnik
- **“State Capital”** – 51.00% of the subscribed capital; Shares of the Company
- **“The Seller ”** – The Agency for Privatization in the Federation of Bosnia and Herzegovina
- **“The Sale”** – The privatization procedures in accordance with the Book of Rules on Procedures for Sale through Public Collection of Bids (Tender) in a large-scale privatization (Official Gazette of the Federation of Bosnia and Herzegovina No. 77/04).
- **“Potential Bidder”** – Any physical or legal local or foreign entity that has signed a Confidentiality Statement and shall comply with the Rules of Tender under the signed Statement
- **“Bidder or Potential Buyer”** – Any physical or legal local or foreign entity that participate in the privatization procedure for the purchase of the state capital of a Company, that has signed the Confidentiality Statement with the Seller and shall comply with the Rules of Tender under the signed Statement
- **“The Bid”** – The Bidder’s offer to acquire the state capital in accordance with the Rules of Tender.
- **“Successful Bidder”** - The Eligible Bidder with the best Bid as judged by the criteria stated in these Rules of Tender
- **“Bid Deadline”** – Bid submission deadline

3. The Tender Package

Together with this documentation (Tender Rules), the Tender Package shall also include as follows:

- Information Memorandum,
- Draft of the Share Purchase Agreement,
- Bid Form,
- Short Profile of the Company,
- Confidentiality Statement and Request for Tender Documentation

4. Timetable

This document sets out the sequence of procedures and their duration:

Procedure	Duration		
	From	Up to	Number of days
Public call for tenders	04.12.2012	04.02.2013	60 days
Visits for due diligence	04.12.2012	04.02.2013	60 days
The deadline for submission of bids		04.02.2013	
Submission of bids to the Commission by an authorized person for the receipt of bids	05.02.2013	11.02.2013	5 days after the deadline for submission of bids
Establishing formal validity of bids	12.02.2013	18.02.2013	5 days after the submission of bids by an authorized person for the receipt of bids
Notice to the bidder of the formal legal validity of the bid	19.02.2013	21.02.2013	3 days after the day determining the bid validity
Evaluation of bids	19.02.2013	05.03.2013	15 days after determining the legal validity of bids
Approval of the Director of APF	06.03.2013	11.03.2013	5 days after determining the results of evaluating the bids
Decision proclaiming the winner	12.03.2013	18.03.2013	5 days after the approval of the director
Negotiations with the bidder	19.03.2013	08.04.2013	20 days after the date of commencement of negotiations
The signing of the Share Purchase Agreement	09.04.2013	15.04.2013	5 days after the end of negotiations, and the enforceability of the decision proclaiming the winner

Deadlines in the previous table may last as maximum deadlines what as defined by the Rules, but the Tender Commission may perform these activities in a shorter timeframe.

5. Communication

All issues related to this Tender (signing the Confidentiality Statement, requesting the documentation, Due Diligence Visits, submission of Bids, or any other subjects) should be arranged with the Seller:

Title of the Seller: Agency for Privatization in the Federation of Bosnia and Herzegovina
Address: Alipašina 41, 71000 Sarajevo, Bosnia and Herzegovina
Contact person: Mr. Muzafer Kapetan

Phones/fax: +387 33 218 550, 387 33 212 884; Fax: + 387 33 212 883
e-mail: muzaffer.kapetan@apf.gov.ba

Before taking over the documentation, the potential Bidder is obliged to sign the Confidentiality Statement and to pay the amount of 3.000,00 KM on behalf of expenses for the preparation and taking the documentation -Tender Package cited in the Item 3 of these Rules.
The mentioned amount shall be paid as determined in the Item 8 of these Rules.

6. Visit to the Company for verification of information

Each Bidder shall have the opportunity to visit the company, to examine the books and records to inspect the site and facilities, to ask questions to the management and to perform such other inspections as deemed necessary, under the following conditions:

- All Due Diligence Visits must be arranged through the Seller and undertaken by arranged schedule only in the period cited in Section 4;
- All expenses related to participation on Tender including Due Diligence are paid exclusively by the Bidder;
- All requests for coming to the contact with the management of the Company or employees or providing documentation copies, or any other activities related to Due Diligence must be arranged through the Seller;
- The Potential Bidder shall be able to review data of the company a room set aside for that purpose;
- Requests for multiple visits by a single Bidder shall be decided at the sole discretion of the Seller.

7. The Bid

The bids are submitted in a sealed envelope identified by a subject of sale title, specifying all requirements and documentation, prescribed in by the Public Invitation and the Tender Rules, including:

1. Schedule A – Declaration
2. Schedule B – Legal Authorization
3. Schedule C – Participation Fee and Deposit
4. Schedule D – Declaration of Funds
5. Schedule E – The Bid comprising:
 - Price
 - Investments
 - Employment
 - Business Plan
 - Qualifications of the Bidder
6. Schedule F – Share Purchase Agreement (proposed changes to the Draft of the Agreement)

The Bid shall be valid 180 days after the deadline for the submission of Bids.

The Bid shall be considered as formally valid:

1. if submitted on time
2. if the Remittance form of the paid Deposit and the Participation fee are submitted

3. If all Tender documentation is submitted.

8. Participation Fee, Deposit and Fee for taking over the Tender Documentation

a) Participation Fee

The Bidder is required to make a non-refundable participation fee of 2.000,00 KM for tender participation.

This amount shall be transferred to the following account:

Participation Fee (KM):

Bank Name: "INTESA SANPAOLO BANKA" d.d. Sarajevo
Account Holder: Agencija za privatizaciju u Federaciji Bosne i Hercegovine
Sarajevo, Alipašina 41
Account Number: 1540011100651792
Purpose of Payment: The Tender participation Fee

Foreign Currency Payment for participation fee

Bank Name: "INTESA SANPAOLO BANKA" d.d. Sarajevo
Account Holder: Agencija za privatizaciju u Federaciji Bosne i Hercegovine
Sarajevo , Alipašina 41
Account Number: SWIFT: UPBKBA22 ACC.530011204-037800
IBAN BA 39 1540011100651792
Purpose of Payment: The Tender participation Fee

B) Deposit

The Bidder is required to pay a deposit of KM 50.000,00 or to ensure a bank guarantee for the same amount. The guarantee on deposit must be unconditional, irrevocable and payable at the first request of the Agency, valid at least 180 days after the deadline for submission of Bids.

This amount shall be paid on this account:

Deposit (KM)

Bank name: "INTESA SANPAOLO BANKA" d.d. Sarajevo
Account Holder: Agencija za privatizaciju u Federaciji Bosne i Hercegovine
Sarajevo , Alipašina 41
Account No. 1540012000051021
Purpose of Payment: Deposit for the Tender participation fee

Foreign currency:

Bank name: "INTESA SANPAOLO BANKA" d.d. Sarajevo
Account Holder: Agencija za privatizaciju u Federaciji Bosne i Hercegovine
Sarajevo , Alipašina 41
Account No. SWIFT: UPBKBA22 ACC.530011204-037800
IBAN BA 39 1540011100651792

Purpose of Payment: Deposit for the Tender participation

c) Participation fee for taking over the Tender documentation

The Bidder is required to pay the amount of 3.000,00 KM for taking over the Tender documentation including the Information Memorandum on behalf of expenses for a documentation preparation.

This amount should be paid on the following account:

Participation fee for taking over the documentation (KM):

Bank Name: "INTESA SANPAOLO BANKA" d.d. Sarajevo
Account Holder: Agencija za privatizaciju u Federaciji Bosne i Hercegovine
Sarajevo , Alipašina 41
Account Number: 1540011100651792
Purpose of Payment: **Participation fee for taking over the documentation**

Foreign Currency Payment for taking over the documentation

Bank Name: "INTESA SANPAOLO BANKA" d.d. Sarajevo
Account Holder: Agencija za privatizaciju u Federaciji Bosne i Hercegovine
Sarajevo , Alipašina 41
Account Number: SWIFT: UPBKBA22 ACC.530011204-037800
IBAN: BA 39 1540011100651792
Purpose of Payment: **Participation fee for taking over the documentation**

Any bank fees or the exchange rate expenses shall be borne by the Bidder.

9. Documentation Submission

Each Bidder must submit its Bid in one of the official languages in use in Bosnia and Herzegovina.

The Bid may be submitted individually or by mail, no later than 16:00 hours on February 4, 2013. Each Bid must be signed in ink by the Bidder or its authorized representative. The signer of the Bid must initial in ink each page of the Bid and any alterations to the text.

The Bid must be submitted in a closed envelope with the following text: ***Ponuda za kupovinu državnog kapitala preduzeća "Remontni zavod" d.d. Travnik.*** [The Bid for the purchase of state equity in the company "Remontni zavod" d.d. Travnik]

10. Receipt and Registration of Bids

The Seller will stamp each Bid received with the date and time of its receipt which will be entered into the Register of Bids.

11. Modification or Withdrawal of Bid

A Bidder may modify or withdraw the Bid prior to the Bid Deadline by providing a written notice to the Seller at the address notified and to the attention of the individual to whom

Bid is to be submitted.

Any request to withdraw a Bid or its modification received by the Seller after the deadline shall not be accepted but will be returned to the Bidder.

Errors made in Bids may not be corrected after the deadline for the submission of Bids.

12. Official Representative of the Bidder

Each Bidder shall identify in its Bid a representative who shall serve as the Bidder's official contact to whom all communications with the Seller will be channeled.

After the expired deadline for the submission of Bids until the moment of proclaiming the Tender winner, any communication with Bidders for clarification of Bids shall be initiated by the Seller.

13. Criteria and Evaluation

13.1. Criteria

All references to the amount of currency in the Bid (e.g. price and investments) must be expressed in Bosnian Convertible Marks (KM)

The Bids shall be evaluated according to the following criteria:

- a) Price**
- b) Investments**
- c) Employment**
- d) Business Plan**
- e) Business reputation/qualifications**

Within the Business Plan the Bidder should explain the Bid motivation and development strategy of the company "Remontni zavod" d.d. Travnik for the next three years, with the basic elements of the Business Plan (especially the projected Balance Sheet and Income Statement for the first three years of business activities). The Business Plan should contain the Plan of expansion and penetration to new markets.

Together with the documentation on the business reputation, there should be some basic information about the Bidder (Annual Revenues, Income structures, realized Profit, Costs, number of employees, the level of the information system development as well as the level of work technology).

The basic evidence proof of Business reputation includes:

1. Financial Statement for the last three years
2. Auditor's Reports
4. Evidence of participation in the privatization process
5. Evidence of significant experience in the world market
6. Other information and proofs needed to evaluate business reputation

In case the Bid is submitted by a Consortium, each member of the Consortium shall submit the information referred to above-mentioned items.

13.2 Evaluation of Bids

a) Quantitative criteria:

The Bids shall be evaluated on the basis of the following evaluation procedure:
The Bids shall be evaluated relative to the highest scored Bid. It means that the Bidder evaluated best upon a particular criteria, gets the maximum points according to that criteria.

Price: **35% points**

The offered price is paid exclusively in cash.

Investments: **30% points**

Investments shall be performed within a period of three years after signing of the Share Purchase Agreement directly by the potential Buyer, not provided from resources of the company.

The potential Buyer may invest in cash or material/current assets (land and buildings, facilities and equipment, furniture and office equipment, vehicles, civil engineering works, etc.). Investment into equipment is possible if the equipment is acceptable for the Seller (function, use, condition, etc).

Investments from retained earnings of the company shall not be considered as "Investments" in this context.

The value of investments according to the Investment Plan shall be quoted in the following way:

- | | |
|---------------|------------------------------|
| - First year | 100% of the investment value |
| - Second year | 80% of the investment value |
| - Third year | 60% of the investment value |

The successful Bidder shall be obliged to provide the Bank guarantee for the planned investments, no later than the signature date of the Share Purchase Agreement.

Employment: **15% points**

Retention of the current workers for the three-year period. Bids with a fewer number of employees shall not be valued under this criteria.

The points reflect the importance of the criteria.

The best-ranked Bid, under the foregoing quantitative criteria, may get a maximum of:
80% points

b) Qualitative criteria:

-Business Plan **10% points**

-Business rating
points

10%

For Qualitative criteria – “Business Plan” and “Bidder’s Business Rating” (See Section 13.1.) Each Bidder shall be graded as follows:

- “Very good” maximum points, i.e. 100%
- “Good” 75% of maximum points
- “Average” 50 % of maximum points
- “Poor” 25% of maximum points
- “Unsatisfactory” no points

Grades	Max. points in %	Business Plan	Business Rating
Very good	100	10.0	10.0
Good	75	7.5	7.5
Average	50	5.0	5.0
Poor	25	2.5	2.5
Unsatisfactory	0	0	0

c) Total evaluation of qualitative and quantitative criteria

Quantitative criteria: max. 80 % of points

Qualitative criteria: max. 20% of points

Total: max. 100% of points

14. Notification to the Bidder

After determined evaluation of Bids results, the Seller shall pass a Decision on proclaiming the winner or a Decision proclaiming the Tender unsuccessful and shall submit the results to the Bidders.

The Seller shall submit to the Tender winner an invitation to start negotiations and inform the failed Bidders that their Bids shall remain valid until the closing date of the Share Purchase Agreement. Bidders whose Bids were not accepted shall be refunded in the amount of deposit or a bank guarantee within 30 days after the day of the Decision.

15. Negotiations

The purpose of negotiations shall be to narrow the differences between the Draft of the Share Purchase Agreement proposed by the Seller and the comments made by the Bidder together with the Bid.

Negotiations with the Bidder shall be closed within 20 days since starting negotiations.

If the Tender winner refuses to close the Share Purchase Agreement under its Bid within 20 days, the deposit shall not be refunded, i.e. it shall be kept with the Seller.

If negotiations with the best ranked Bidder fail to be finalized successfully within the period of the Bids validity, the Tender Commission shall start negotiations with the second-ranked Bidder. In the exceptional cases, the Management Board of the Agency for

Privatization in the Federation of Bosnia and Herzegovina may extend the duration of negotiations, but it may not exceed 40 days as of the day when negotiations commenced.

16. No Agreement until the Share Purchase Agreement is Signed

No agreement shall be deemed to have been reached concerning the purchase of Shares until the Seller and the Tender winner have signed the Share Purchase Agreement. Until that time, the Seller has no obligations to the Tender winner with respect to the Enterprise which is the subject of the sale.

Prior to signing the Share Purchase Agreement, the Tender winner shall be required to provide the certification issued by the competent authorities that no hindrances exist with regard to the provisions referred to in Article 12 of the Law on Privatization of Enterprises (Official Gazette of the Federation of Bosnia and Herzegovina, No. 27/97, 8/99, 32/00, 45/00, 61/01, 27/02, 33/02, 28/04, 44/04, 42/06 and 4/09).

The Tender winner shall be obliged to sign the Share Purchase Agreement, after the enforceability of the Decision proclaiming the Winner, within a 5 (five) day period after the day of finalization of negotiations.

Obligations of the Seller and the Buyer shall be particularly set forth in the Share Purchase Agreement.

17. Disclaimer

The Seller shall not make any statements or guarantees with respect to the subject of the sale other than those set forth in the Share Purchase Agreement. The Potential Bidders must undertake their own independent due diligence inspection concerning the Enterprise and submit their Bids based solely on their own independent investigation and findings and not in reliance on any information provided by the Seller.

The Seller also expressly disclaims any guarantees in oral or written form expressed or implied concerning the subject of the sale.

The Bidders shall have submitted their Bids exclusively based upon independent investigation and findings without reliance on any information provided by the Seller.

18. Seller's Right to Alter the Rules of Sale, or Cancel the Sale

The Seller shall reserve the right to alter the timetable including but not limited to any or all deadlines – at any time prior to the Deadline without prior notice and all the Bidders shall be timely informed thereof.

The Seller shall also reserve the right to cancel this Sale at any time and for any reason before or after the Bids Deadline and the public/bidders shall be timely informed thereof. The Seller shall neither bear the expenses nor a responsibility for the sale cancellation.

In case of the sale cancellation, the deposit for tender participation shall be returned to all the Bidders within 5 working days.