



Republic of Srpska
Investment-Development Bank

On the basis of Articles 5 and 15, paragraph 1, item a) of the Law on Privatization of the State-Owned Capital in Enterprises (Official Gazette of the Republic of Srpska, No. 51/06, 01/07, 53/07, 41/08, 58/09, 79/11 and 28/13), Article 4, paragraphs 3 and 4 and Article 7 of the Rules for Sale on the Stock Exchange (Official Gazette of the Republic of Srpska, No. 53/12) and the Conclusion of the Republic of Srpska Government No. 04/1-012-2-2723/18 of 11 October 2018, the Management of the Republic of Srpska Investment-Development Bank, Joint Stock Company Banja Luka, at its 97 session held on 02 November 2018 issued the following

DECISION

On Sale of a Block of Shares of the Company *Rudnici željezne rude Ljubija a.d. Prijedor* on the Stock Exchange

I

The Republic of Srpska Investment-Development Bank, Joint Stock Company Banja Luka (hereinafter: Investment-Development Bank), as the authorized seller, offers for sale 33,005,235 state-owned capital shares from the portfolio of the Share Fund of the Republic of Srpska, amounting to a total nominal value of 33,005,235 BAM, which constitutes 64.999816% of the total share capital in the company *Rudnici željezne rude Ljubija a.d. Prijedor*, by organizing an auction for a block of shares.

II

Key information about the Company and the subject matter of sale:

Name of the Joint Stock Company		Rudnici željezne rude LJUBIJA a.d. Prijedor
Symbol		LJUB-R-A
Seat of the Joint Stock Company		Jovana Raškovića 1, Prijedor
Code and name of the core activity		07.10 - mining of iron ore
Total number of shares		50,777,428
Nominal value of a share (in BAM)		1
Subject matter of sale	Number of shares	33,005,235
	% of total number	64.999816
Opening Price (in BAM)	for one share	2.0912
	for a block of shares	69,020,547.43
Minimum tick size		0.0016

III

All interested parties are eligible to participate in the auction provided they meet the following qualification criteria:

- performing mining activities, meaning exploitation of metallic mineral resources and
- total annual income generated in each of the last two business years (last business year means 2017) amounted to at least BAM 100,000,000.00 (*in words: one hundred million*)



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State bodies, organizations and enterprises from Bosnia and Herzegovina with state-owned capital exceeding 25% of the total capital, domestic physical persons and legal entities who have not settled tax liabilities cannot be buyers in the sale procedure.

IV

The auction for a block of shares will be held on the Banja Luka Stock Exchange on 17 December 2018, in the manner envisaged by Article 14 of the Rules for Sale on the Stock Exchange.

V

In order to prove eligibility, all parties interested to participate in the auction must submit the following documents to the Republic of Srpska Investment-Development Bank, no later than 3 December 2018, until 12:00 hours:

- an original or a copy of the excerpt from the competent company register of a country where the interested party has been registered, verified by the competent body of the state administration authorities, court or a notary public. In case of a foreign legal person, the document must also be apostilled by the competent body of the country of origin,
- a copy of the certified auditor's report for the last two business years (last business year means 2017), signed by the authorized person of the auditing company, verified by a notary public or a court. In case of a foreign legal person, the document must also be apostilled by the competent body of the country of origin.
- a copy of the annual business report for 2017, verified by a notary public or a court. In case of a foreign legal person, the document must also be apostilled by the competent body of the country of origin, as well as other relevant documents proving the fulfilment of the qualification criterion referred to in Point III, indent 1.
- an evidence on settled tax liabilities for domestic participants, by which it is proved that all direct and indirect taxes have been settled by the participant.

All documents made in a foreign language must be translated into Serbian language and certified by an authorized court translator. Issuing dates for documents referred to indents 1 and 4 cannot be older than 30 (*in words: thirty*) days prior to announcement of the decision on sale.

The Investment-Development Bank reserves the right to ask interested parties to provide additional documentation and written information within given deadline, as deemed necessary, in order to verify the fulfilment of qualification criteria.

The requested documentation should be submitted in a closed envelope marked "for participation in the auction with reference to *Rudnici željezne rude Ljubija a.d. Prijedor*" to the Investment-Development Bank, at the address specified in the last Article of this Decision.

VI

The Investment-Development Bank shall verify the fulfilment of the qualification criteria for persons intending to participate in the auction and issue certificates to interested parties that they are eligible to participate in the auction. Persons found eligible to participate in the auction may, upon signing of the Confidentiality Statement, obtain information about the Company at the Investment-Development Bank.



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VII

The means of payment in the sale procedure is cash.

VIII

The fee for the stock exchange transactions and brokerage commission shall be collected from the buyer.

IX

The deadline for payment is 8 days from the day of conclusion of the transaction.

X

Additional information may be obtained at:

Republic of Srpska Investment-Development Bank, Joint Stock Company Banja Luka

Vidovdanska 2, 78000 Banja Luka

Republic of Srpska, Bosnia and Herzegovina

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