**Public Offer Rules**

**PUBLIC OFFER RULES**

**for the purchase of**

**ownership share in shareholders equity of the company**

**3. MAJ Rijeka 1905 d. o. o.**

**August 2024**

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# Definitions

The following terms will be used in the document with the following meanings:

**"Company"** means the company 3. MAJ Rijeka 1905 d.o.o. with the headquarters in Rijeka, Liburnijska 3, Republic of Croatia, registered in the court register of the Commercial Court in Rijeka under registration subject number (MBS): 130074532, PIN: : 25387929862.

**"EUR"** means euro, the official currency of the Republic of Croatia.

**"Bid guarantee"** means the guarantee that the Bidder is obliged to deliver in accordance with article 8.2. of the Rules.

**"Public offer"** means the procedure for the sale of the Subject of Sale by the public collection of bids, which is carried out in accordance with these Rules.

**"Public invitation"** means the publication of a Public invitation to collect binding offers for the purchase of ownership share in shareholders equity of the company 3. MAJ Rijeka 1905 d.o.o. with the headquarters in Rijeka, Liburnijska 3, Republic of Croatia published in the media in accordance with these Rules by the Seller.

**"Purchase Agreement Draft"** means a non-binding draft of the basic provisions of the Purchase Agreement (minimum terms, conditions and method of payment of the purchase price) which serves as the basis for the implementation of negotiations and the conclusion of the Purchase Agreement, as attached to the Offer Form as Attachment J.

**"Offer"** means the offer submitted by the Bidder for the purchase of the Subject of Sale in accordance with article 7.2. of the Rules.

**"Best Bidder"** means the Bidder with the best bid evaluated based on the criteria described in these Rules.

**"Offer documentation"** means the entire documentation created on the basis of and in connection with these Rules, which is listed in detail under article 3 of the Rules.

**"Bidder or Potential Buyer"** means any legal entity or community of legal entities that has signed a Non-disclosure agreement with the Seller and complies with the rules of the public offer, i.e. a person who participates in the Public Offer with the aim of purchasing the Subject of Sale.

**"Rules"** means these Public Offer Rules for the sale of ownership share in shareholders equity of the Company and all possible further changes and/or additions to these Rules.

**"Subject of sale"** means three ownership share packages in shareholders equity of the Company, namely a share with a nominal value of EUR 2.650,00, which consists entirely of cash, second share with a total nominal value of EUR 10.155.570,00, which consists entirely of assets (equipment) and third share with a total nominal value of EUR 155.000,00, which consists entirely of real estate which together represent 100.00% of the Company’s total share capital.

**"Seller"** means the company 3. MAJ Brodogradilište d. d. with headquarters in Rijeka, Liburnijska 3, registered in the court register of the Commercial Court in Rijeka under registration subject number (MBS): 040000833, PIN: 86167814130.

**"Working day"** means a day that is not a Saturday, Sunday, or non-working day or holiday designated by law in the Republic of Croatia.

**"Deadline for bid submission"** means the last deadline for submission of bids specified in these Rules.

**"Purchase Agreement"** means the contract for the sale of the Subject of Sale concluded between the Seller and the best Bidder in the form of a notary deed or certified private document after negotiations in accordance with article 16 of the Rules;

**"Request to receive"** means the Request to receive the second part of the offer documentation in accordance with article 3 of the Rules.

Words listed in the singular include the plural and vice versa, unless otherwise indicated by the context.

The definitions and/or terms specified in these Rules are applied and serve to define and/or interpret all terms during the Public Offer, including, but not limited to, Offer documentation, bids and related attachments, communication between Seller and Bidders, and all other documents and/or or communication.

These Rules must be interpreted and applied together and in accordance with the entire Offer documentation, which forms an integral part of these Rules. If any provisions of the Offer Documentation are in conflict with these Rules, the provisions contained in the Rules shall prevail.

The provisions of the Public Procurement Act do not apply to this Public Offer, Rules and Offer Documentation.

# Subject of the public offer and basic information

**Subject of sale:**

Three ownership share packages in shareholders equity of the Company, namely a share with a nominal value of EUR 2.650,00, which consists entirely of cash, second share with a total nominal value of EUR 10.155.570,00, which consists entirely of assets (equipment) and third share with a total nominal value of EUR 155.000,00, which consists entirely of real estate which together represent 100.00% of the Company’s total share capital.

**Basic information about the subject of sale:**

Company name: 3. MAJ Rijeka 1905 d.o.o. for shipbuilding;

Headquarters: Rijeka, Liburnijska 3;

PIN: 25387929862;

Type of business: Building of ships and floating structures;

Share capital: 10.313.220,00 EUR;

Shareholders: 3.MAJ Brodogradilište d.d., PIN: 86167814130, sole shareholder

**Basic information about the Seller:**

Company name: 3. MAJ Brodogradilište d. d.;

Headquarters: Rijeka, Liburnijska 3, Republic of Croatia;

PIN: 86167814130;

Share capital: EUR 23.557.820,00;

# Offer documentation and procedure

Offer documentation includes:

* Public offer rules;
* Public invitation;
* Non-disclosure agreement;
* Offer form with related attachments.

Bidders are obliged to fill in the offer documentation in the manner specified in these Rules, the Public Invitation and/or the offer documentation and submit it to the Seller in the form and/or on the form specified in advance by these Rules or the Public Invitation.

# Activity timeline

The table below lists all activities up to the final conclusion of the Purchase Agreement with the Best Bidder.

**Table no. 1 – Sales process activities**

|  |  |
| --- | --- |
| **No.** | **Activity** |
| 1 | Decision on sale, sale method, sale conditions and starting price (Bord of directors) |
| 2 | Invitation to submit a binding offer for the purchase of ownership share |
| 3 | Offer delivery deadline |
| 4 | Analysis of received offers - consideration of formal validity and evaluation of offers |
| 5 | Decision on the best bidder |
| 6 | Negotiations with the bidder |
| 7 | Signing of the Purchase Agreement with the Best Bidder |

The entire process is expected to be completed by the end of November 2024.

# Communication

All communication and requests related to the interpretation of these Rules, the signing of the Non-disclosure agreement and the organization and visits for the due diligence process of the Company will be carried out through the Seller.

Communications will be carried out through the following persons in one of the following ways::

* **Name and surname of the representative:** Edi Kučan, director
* **Address:** Liburnijska 3, Rijeka
* **E-mail:** gmanageroffice@3maj.hr

# Due diligence

Bidders will have the opportunity to visit the Company during a certain period, review business documentation, inspect the location and facilities, ask questions to the Company's management and management staff, and perform appropriate additional necessary activities in accordance with the following conditions:

* All visits with the purpose of due diligence of the Company will be organized by the Seller and carried out within the time schedule determined by the Seller;
* All costs *related* to participation in the Public Offer, including the costs of due diligence, are borne by the Bidder;
* All requests for interviews with the management staff of the Company, in order to obtain copies of documents and/or for the purpose of any other activity related to due diligence, will be agreed exclusively with the Seller;
* The Bidder will have the opportunity to review information about the Company at the Company's headquarters, at the address Liburnijska 3, Rijeka, upon prior agreement with the person from article 5 of these Rules and in coordination with the responsible person of the Company appointed by the Company's management.
* The time limit until the expiration of which it will be possible to access the aforementioned documentation, is August 20, 2024 at 3 p.m. CET*.*

The Seller decides on all requests for extension of deadlines, on multiple visits by the same Bidder, additional data and information and/or visits after the expiration of the deadlines specified under article 6 of these Rules.

# Offers

## 7.1 Proof of Bidder's capability

### 7.1.1 Proof of Bidder's legal and business capability (documentation submitted in the process of collecting letters of interest is accepted as timely submitted in the process of submitting offers)

With each offer, the Bidder must submit a document on registration in the business, court (trade) or other appropriate register, as proof of the Bidder's legal and business capability.

The certificate of registration in the business, court (trade) or other appropriate register is issued by the authority responsible for keeping such a register in the country of the Bidder's headquarters.

It must be evident from the document on registration in the business, court (trade) or other appropriate register that the Bidder has the legal capability, i.e. the capability to be the bearer of rights and obligations, and which persons are authorized to represent the Bidder.

### 7.1.2 Proof of solvency and liquidity

With each offer, the Bidder must submit a document issued by banking and/or other financial institutions that proves the solvency and liquidity of the economic entity (BONPLUS) in accordance with the applicable regulations of the country of the Bidder's headquarters.

It must be evident from the attached documents that the Bidder's business account was not blocked during the last 12 (twelve) months before the date of issuance of the document.

### 7.1.3 Proof of financial resources

With each offer, the Bidder must submit an authentic document from a bank and/or other financial institution acceptable to the Seller, which confirms that the Bidder has the funds necessary to finance the offer, or a binding letter of intent from the bank and/or other financial institution, from which it is evident that the relevant bank and /or a financial institution has undertaken the obligation to finance the Bidder's offer.

Tak Such a document must not be older than 30 (thirty) days on the date of sending the offer by the Bidder.

##  Offer

### 7.2.1 Offer content

The offer must, in addition to the documentation listed under article 7.1. of these Rules, contain documentation and data that identify the Bidder and prove its capability, namely:

* Basic information about the legal entity expressing interest (name, address, contact person, business activity, operations, spread on the market and market share);
* Confirmation from the tax administration and/or other competent authorities on the absence of obligations on the basis of taxes, mandatory contributions and/or other public benefits;
* A statement that no liquidation proceedings, bankruptcy proceedings, pre-bankruptcy settlement proceedings or any other forced administration proceedings and/or proceedings which may lead to the termination of a legal entity or the sale of assets have been completed, initiated or opened against the Bidder in the last 2 (two) years from the date of sending the offer nor is the execution of the plan or obligations undertaken in that procedure underway, on which the authorized person's signature is certified by a public notary, and in accordance with the content as provided for in Attachment H of the Offer Form;
* Financial reports for 2021, 2022 and 2023 prepared by an authorized auditor, if there is an obligation to audit the relevant financial reports in accordance with the legislation applicable to the Bidder's operations;
* Declaration of non-punishment in accordance with the content as provided for in Attachment H. of the Offer Form, by which the Bidder confirms that neither he, as a business entity, nor a person authorized by law to represent the business entity has been legally convicted of criminal offenses as specified in Attachment H. of the Offer Form, on whose signature is certified by a public notary;
* Statement of integrity in accordance with the content as provided for in Attachment I. of the Offer Form, by which the Bidder confirms the correctness of the procedure, as well as the absence of any prohibited practice in connection with the procedure in question (action that is corruption or fraud, offering, giving or promising some inappropriate advantages that may affect the actions of an employee) and express their agreement with the audit of the entire procedure by independent experts and the acceptance of responsibility and certain sanctions (contractual penalties, unconditional termination of the contract) if the stated rules are violated, as detailed in Attachment I. of the Offer form, on which the signature of the authorized person is certified by a notary public.

The offer must meet the minimum requirements of the Public Offer from article 14.1. of these Rules. The stated minimum conditions will be an integral part of the Purchase agreement, and their violation will constitute a violation of the contractual obligation from the contract in question, as a result of which the Seller will have the right to compensation for appropriate damages and the activation of insurance funds for the good execution of the Contract.

The offer must contain all the information and documentation required by the Public invitation and these Rules.

The offer is submitted in accordance with the Offer Form, which forms an integral part of these Rules as its attachment, and contains the following elements:

* Offer form;
* Attachment A – Statement;
* Attachment B – Proof of legal and business capability;
* Attachment C – Bid guarantee;
* Attachment D – Proof of solvency and liquidity;
* Attachment E - Proof of financial means and financial position;
* Attachment F – Confirmation of the tax administration and/or other authorities on the absence of obligations;
* Attachment G – Statement on the non-existence of forced administration proceedings;
* Attachment H - Declaration of non-punishment;
* Attachment I – Statement of integrity;
* Attachment J – Purchase Agreement Draft;
* Attachment K – Bidder's Business Plan for the Company;
* Attachment L – Bidder's investment program for the Company.

The offer will be formally valid:

* 1. if it is delivered in the manner and received within the terms specified under articles 4 and 7.2.2. of these Rules;
	2. if it is delivered in the language and in the form specified under article 9 of these Rules;
	3. if a Bid Guarantee is attached in accordance with article 8 of these Rules;
	4. if documentation and evidence of fulfillment of the conditions of the Public Offer (A, B, C, D, E, F, G, H, I, J, K and L) are attached, including all prescribed attachments and/or other documentation; and
	5. if it is evident from the entire submitted documentation, and especially from the Bidder's Business Plan for the Company and the Bidder's Investment Program for the Company, that the Bidder will fulfill the minimum conditions that must be met for participation in the Public Offer, from which there are no deviations, i.e., with regard to which there is no possibility of negotiation.

The period of validity of the offer must be at least 180 (one hundred and eighty) days from the date of expiry of the deadline for submission of offers.

At the request of the Seller, the Bidder may extend the validity period of his offer.

### 7.2.2. Form and delivery of the offer

The Offer form must be signed by the Bidder or his authorized representative with a blue ballpoint pen, and each page of the offer and related attachments must be initialed by the authorized signatory.

The offer is made in paper form and must be bound as a whole in such a way as to prevent subsequent removal and/or insertion of sheets and/or parts of the offer. The pages of the offer are indicated by the page number divided by the total number of pages of the offer or the total number of pages of the offer divided by the page number.

The Bidder must mark the samples and other components of the offer in paper form that cannot be bound, mark them with the name, mark them as parts of the offer and submit them with the offer.

Corrections in the offer in paper form must be made in such a way that they are visible or provable (eg deletion or removal of letters or prints). Corrections must be confirmed with a valid signature and stamp of an authorized person of the Bidder, along with the date. The offer must be written in indelible ink.

The order of binding the offer is as follows:

1. Front page – content of the complete offer;
2. Offer form;
3. Mandatory attachments - in the order specified in the Offer Form.

The parts of the offer that cannot be bound must also be submitted with the offer in such a way that they are inserted in a plastic cover with holes on which the corresponding page number will be marked and bound with the rest of the offer in the manner specified in this article of the Rules.

The offer is delivered by registered mail or in person, in a closed and sealed envelope. Each offer must be received at the following address:

**3.MAJ Brodogradilište d.d., Liburnijska 3, 51000 Rijeka, Republic of Croatia**

The following must be indicated on the envelope:

**“** **Offer for the purchase of ownership share in shareholders equity of 3. MAJ Rijeka 1905 d.o.o. za brodogradnju – CONFIDENTIAL – BOARD OF DIRECTORS”**

The name and contact address of the Bidder must be indicated on the envelope.

Offers must be received no later than August 21, 2024, by 3 p.m. CET, regardless of the delivery method (registered mail, regular mail, etc.).

# Participation fee and bid guarantee

## Participation fee

Bidders are obliged to pay a non-refundable fee for participation in the Public Offer and preparation of offer documentation in the amount of 1.500,00 EUR.

In the case of an interested person's wish to visit the Company, the interested person is obliged to pay a non-refundable participation fee and submit proof of payment together with the Non-disclosure agreement.

Payment of the Participation Fee will be made as follows:

**Payment in EUR:**

Name of the bank: Privredna banka Zagreb d.d.

Account holder: 3.MAJ Brodogradilište d.d., Liburnijska 3, 51000 Rijeka

Account number: IBAN: HR4023400091110605277

Purpose: Participation fee payment – 3. MAJ Rijeka 1905 d. o. o.

All eventual costs, including but not limited to fees, conversion costs and exchange rate differences, shall be borne by the Bidder.

## Bid guarantee

Together with the offer, the Bidder is obliged to submit an unconditional and irrevocable bank guarantee from a first-class bank payable on first demand in the amount of 5% of the value of the offer, but not less than 515.661,00 EUR with a validity period of at least 180 (one hundred and eighty) days from the date of expiry of the deadline for submission of bids.

The bid guarantee will be returned to the Bidders in accordance with article 15 of the Rules, except in the case provided for under article 16 of the Rules.

The Bidder is obliged to provide the Seller with information on how to return the Bid guarantee. All costs, including, but not limited to, the costs of issuing and returning the Bid guarantee, shall be borne by the Bidder.

# Language and delivery of documentation

Each Bidder is obliged to submit complete documentation specified in the Public Invitation and these Rules in the Croatian language or translated into the Croatian language. Exceptionally, the delivery of documentation translated into English is allowed, with the Bidder's obligation to certify it in Croatian at the Seller's request.

The offer documentation, related attachments and/or other documentation must be submitted in the original or a certified copy.

Documentation issued by state bodies, state services, legal entities with public authority, other public bodies and/or legal entities, which prove the ability of the Bidder in accordance with article 7.1. of the Rules and/or fulfillment of the conditions of the Public Offer from article 14 of the Rules must not be older than 30 (thirty) days on the day of receipt of the offer by the Seller, unless otherwise stipulated by these Rules and the Offer Form, and must be translated into Croatian by authorized court interpreter for the Croatian language. Exceptionally, the delivery of documentation translated into English is allowed, with the Bidder's obligation to certify it in Croatian at the Seller's request.

# Receipt of offers and confirmation of receipt of documentation and public opening of offers

The seller will record the date and time of receipt on each received offer.

At the Bidder's request, the Seller will issue an official confirmation of receipt of the offer.

Received bids will be opened publicly on August 22, 2024 at 9 a.m. CET at the address 3. MAJ Brodogradilište d. d. During the public opening of bids, a record will be kept in which data on received bids (company or name of the bidder) and the offered price will be entered. The public opening of bids can only be attended by persons from article 12 of these Rules, i.e. persons authorized by persons from article 12 of these Rules to participate in the public opening of bids with a special power of attorney on which the signature of the authorized person is certified by a notary public, as well as committee members.

# Modification or withdrawal of offers

The bidder may change or withdraw the offer no later than 2 (two) days before the deadline for submitting offers by sending a written notification to the address specified under article 7 of the Rules.

Any request for withdrawal or modification of the Offer received by the Seller after the expiration of the above deadline will be rejected and returned to the Bidder, except in the case described under article 19 of the Rules.

In case of rejection of the request to withdraw or change the offer, the Bidder is fully bound by his earlier offer.

# Official representative of the bidder

Each Bidder is obliged to appoint a representative in the Offer who will be the official contact person for all communication with the Seller. All communication between the Seller and/or its advisors and individual Bidders will be carried out through the Bidders' appointed representatives.

Any communication between individual Bidders and Sellers from the expiration of the due diligence period until the selection of the Best Bidder is prohibited, except for the submission/withdrawal and/or modification of offers before the expiration of the bid submission deadline.

After the deadline for submitting offers until the selection of the Best Bidder expires, any type of communication with the Seller for the purpose of clarifying the offers will be initiated by the Seller.

# Currency

All amounts in the offer must be expressed in euros.

# Conditions of the Public Offer and offer evaluation procedure

## Minimum offer conditions

The minimum conditions that an individual Bidder must meet in order to participate in the Public Offer, from which there are no deviations, or with respect to which there is no possibility of negotiation, are as follows:

* retention of the Company's existing activity as a core activity;
* retention of the established number of employees within 4 years from the date of conclusion of the contract on the sale of shares in the Company;
* undertaking all necessary actions to maintain the existing Collective Agreement in full force during its duration, including the period of extended application in accordance with the applicable legislation of the Republic of Croatia;
* preparation of appropriate means of insurance for the execution of assumed obligations;
* preparation of the Company's "Business Plan" for the next 5 (five) years, including the investment plan for the next 5 (five) years;
* the Bidder must be a legal entity that has been validly established and has been operating for at least 3 years prior to the date of sending the offer;
* no liquidation proceedings, bankruptcy proceedings, pre-bankruptcy settlement proceedings or any other forced administration proceedings and/or proceedings which may lead to the termination of a legal entity or the sale of assets have been completed, initiated or opened against the Bidder in the last 2 (two) years from the date of sending the offer nor is the execution of the plan or obligations undertaken in that procedure underway;
* absence of obligations based on taxes, mandatory contributions and/or other public benefits.

Offers that do not meet the aforementioned minimum conditions, which cannot be subject to negotiation, will be excluded due to formal deficiencies without entering into a review and evaluation of the fulfillment of all other conditions, that is, they will not be taken into further consideration, of which the Bidder will be informed in writing.

Offers that meet the aforementioned conditions, which may be the subject of negotiations, will be taken into consideration and evaluated if they meet all other conditions of formal validity.

## Offer evaluation and notification to Bidders

Evaluation of offers will be done in such a way that the Seller and/or his advisers determine whether the offer meets the conditions of the Public Invitation and these Rules.

Offers that do not meet the minimum requirements of the Public Offer, which cannot be subject to negotiation, will be excluded due to formal deficiencies without entering into a review and evaluation of the fulfillment of all other conditions, that is, they will not be taken into further consideration, of which the Bidder will be informed in writing.

The review and evaluation of offers that are not excluded due to formal defects is performed by the Seller and his advisors. The following must be checked:

* form, content and completeness of the offer from article 7.2. of these Rules;
* fulfillment of the conditions from article 7.1. of these Rules;
* validity of the bid guarantee from article 8.2. of these Rules;
* fulfillment of the conditions from article 14.1. of these Rules.

The seller is authorized to invite the Bidders to submit additional documentation and/or clarifications, i.e. supplement the offers.

After reviewing and evaluating the formal validity and completeness of the offers in accordance with the previous paragraph of this article, the offers are ranked according to the criteria for evaluation of offers in accordance with article 14.3. of the Rules.

The seller will, in accordance with the time schedule from article 4 of the Rules, carry out the process of evaluation and assessment of offers that meet the formal requirements set out in these Rules.

The seller will freely evaluate the best offers according to the outlined indications of the key elements of the offers, the financial capability of the Bidder, the previous experience in the field of the Company's activities and the share in the relevant market and business reputation.

## Offer evaluation criteria

Offers that meet the minimum requirements of the Public Offer and the formal and special conditions determined by these Rules for that type of offer will be categorized in accordance with the offered price, whereby the Offer with the highest price shall be considered the most favorable Offer.

The Seller may, with an explanation, disqualify the Bidder whom it considers has not proven that it will be able to meet the obligations stipulated in the Offer Documentation and these Rules.

## Offer exclusion

If the Offer is not excluded due to formal deficiencies as stipulated in article 14.1. of these Rules, and before making a decision on the selection of the Best Bidder, the Seller is obliged to exclude:

* an offer that is not complete, and in particular it will be considered that the offer is not complete in the following cases:
	1. an offer that does not contain all documents, statements, certificates and credentials prescribed by these Rules in the original or a certified copy;
	2. the offer of a bidder who did not prove his capability in accordance with the Offer Documentation;
* an offer received after the deadline for offer submission;
* an offer that is contrary to the provisions of the offer documentation from article 3 of the Rules and which is not specified in accordance with article 7 of these Rules;
* an offer that contains errors, defects, contradictions or ambiguities, if the errors, defects, contradictions or ambiguities cannot be removed;
* an offer for which no Bid Guarantee has been submitted in accordance with article 8.2. of these Rules.

The Seller may, before making a decision on the selection, exclude the offer of the Bidder who has not provided the requested explanation within the set deadline or whose explanation is not acceptable to the Seller.

# Notifying the Bidder and returning the bid guarantee

The Seller will inform all Bidders who submitted offers about the results of the Public Offer within 10 (ten) Working Days from the date of the decision on the selection of the Best Bidder.

If, within 15 (fifteen) days from the start of negotiations with the Best Bidder in accordance with article 16 of these Rules, the Seller and the Best Bidder do not conclude a Purchase Agreement, the Seller will start negotiations with the second best-ranked Bidder. In that case, the Seller will adjust the deadlines from the time schedule specified in article 4 of these Rules.

The bid guarantee of Bidders whose bids are not accepted will be returned to Bidders no later than within 10 (ten) Working Days from the date of sending the notification of offer rejection.

The bid guarantee of the Best Bidder and the second ranked Best Bidder will be returned no later than 8 (eight) days from the date of payment of the purchase price by the Best Bidder with whom the Purchase Agreement and Transfer of ownership share in shareholders equity was concluded.

# Negotiations

The purpose of the negotiations is to reconcile the differences between the Purchase Agreement draft proposed by the Seller and the amendments and/or additions proposed by the Bidder in order to conclude the Purchase Agreement. The main elements of the offers will form an integral part of the Purchase Agreement.

Negotiations with the Best Bidder will be concluded within the time schedule specified under article 4 of the Rules.

In the event that the Best Bidder fails or refuses, for any reason, to agree to the terms of the Purchase Agreement, as specified in these Rules, the Bid Guarantee submitted by the Best Bidder will be activated by The Seller and the Best Bidder will not have any rights in connection with the purchase of the Subject of sale.

In this case, the Seller will invite the second ranked Best Bidder to start negotiations and set a new deadline within which the negotiations must be completed and the Purchase Agreement concluded.

# Declaration of acceptance of the Rules and offer documentation

By submitting an offer, the Bidder explicitly and irrevocably declares and guarantees that he has read and fully understood these Rules and the entire Offer documentation and that he accepts them in their entirety.

# Limitation of obligations and responsibilities

No agreement regarding the sale of the Subject of Sale shall be deemed to have been reached until the Seller and the Best Bidder have entered into a Purchase Agreement. Until that moment, the Seller will not have any obligations towards the Best Bidder in relation to the Company and/or the Subject of Sale.

After signing the Purchase Agreement, the Seller's obligations towards the Best Bidder will be exclusively determined and defined in the Purchase Agreement.

The Seller does not represent or give any warranty or guarantee, specified or implied, in connection with the Subject of Sale, except those specifically assumed in the Sales Agreement.

Bidders should conduct their own independent Due Diligence of the Company and submit their offers based solely on their independent research and findings, without reliance on any information received by the Seller, including information contained in the Information Memorandum.

# The Seller's right to cancel the Public Offer, withdraw from the sale and/or amend the Rules

The Seller reserves the right to unilaterally change the deadlines specified in the Public Offer, Rules, invitations and/or notices sent to Bidders, at any time without prior notice. Any subsequent notification will be delivered to all Bidders as soon as possible.

The seller reserves the right to, after the preliminary assessments and evaluation of the offers, invite all or individual Bidders to submit improved and/or amended offers within an additional period of 10 (ten) Working Days.

The Seller reserves the right to cancel or terminate the Public Offer and/or to withdraw from the sale or negotiations regarding the sale of the Subject of Sale, to amend the Public Offer, the Rules and/or the Offer Documentation or to exclude any Bidder from the Public Offer at any time and from for any reason, before or after the deadline for submission of offers. In this case, the Bidders have no right to demand any compensation from the Seller and/or its advisers.

The Seller will notify the Bidders in writing about the cancellation of the Public Offer, the withdrawal from the sale of the Subject of Sale and/or the amendment of the Public Offer, the Rules and/or the Offer Documentation. The seller will not bear any costs and/or responsibility in the event of cancellation of the Public Offer and/or withdrawal from the sale, i.e. from negotiations regarding the sale of the Subject of Sale and/or changes to the Public Offer, Rules and/or Offer Documentation.

In the event of cancellation of the Public Offer or abandonment of the sale of the Subject of Sale, Bid guarantees will be returned to all Bidders within 10 (ten) Working Days.

# Procedure confidentiality

Information about persons participating as Bidders in the Public Offer is kept confidential until the offers are opened. It is not allowed to provide information about received offers. The seller will store the offers in such a way that they are not accessible to unauthorized persons.

# Applicable law

The applicable law for the implementation of the Public Offer is the law of the Republic of Croatia, with the provision that commercial customs do not apply to this Public Offer.

Any dispute that may arise from and/or in connection with the Public Offer, the Rules or the Offer Documentation will be finally resolved before the competent court in Rijeka.