

This translation consists of
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Reg. No.: 6-03/1/1
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Authorized translation
from Croatian language

CONTRACT
ON SALE AND TRANSFER OF SHARES
OF THE SPORTS PUBLIC LIMITED COMPANY (PLC)
CROATIAN FOOTBALL CLUB CIBALIA VINKOVCI



CONTRACT

**ON SALE AND TRANSFER OF SHARES OF THE SPORTS PUBLIC LIMITED COMPANY
(PLC) CROATIAN FOOTBALL CLUB CIBALIA VINKOVCI**

made on XX XX 2023, between:

Grad Vinkovci, Bana Jelačića 1, Vinkovci, OIB/Identif.-No: 67648791479, represented by the Mayor, Mr. Ivan Bosančić (further in the text: Transferor),

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xxxxxxx, OIB/Identif.-No: xxxxxx, represented by xxxxx, OIB/Identif.-No: xxxxxx, (further in text: Transferee),

(further in text together: the Parties).

I. PREAMBLE

The Parties jointly state:

- (1) That the Transferor owns 67.766 regular shares in the Company of Croatian Football Club Cibalia Vinkovci š.d.d. (sports public limited company), H. D. Genschera 10b, Vinkovci, OIB/Identif.-No: 83797170458 (MBS/Subject-No: 030119655) of nominal value of 6.776.600,00 HRK - at a fixed conversion rate of 1 EUR / 7.5345 HRK, which makes 55,96703 % of share capital;
- (2) That on February 13, 2023 the Transferor published in daily newspaper Večernji list and on his web site, pursuant Decision on sale and transfer of shares of the sports public limited company Croatian Football Club CIBALIA VINKOVCI, Class: 620-01/19-01/13, Reg. No: 2188/01-01-19-2, on December 11, 2019, the City Council of the City of Vinkovci published a Public Invitation to Purchase 62,963 shares with a nominal value of 6,296,300.00 kn (six million seven hundred and seventy-six thousand and six hundred), which amounts to 52,00029% of the company's share capital of Croatian Football Club Cibalia Vinkovci š.d.d., H. D. Genschera 10b, OIB/Identif.-No: 83797170458, MBS/Subject-No: 030119655 (further in text: the Company);
 - At a fixed conversion rate of 1 EUR / 7.5345 HRK

- (3) That the Transferee delivered on XX XX 2023 to the Transferor the Tender for participation in the proceeding of Public bidding for the purchase of 62.963 Company shares, as well as the consent of the Ministry of Science, Education and Sports - Committee for professional sports clubs (Class: xx, Reg. No: xx from xx. xx. 2023) for the acquisition of significant participation in share capital of the Company;
- (4) That the Transferor has, in advance and on time, informed the Central Depository and Clearing Company Inc. Zagreb (CDCC) on this corporative action.
- (5) That pursuant Decision of the Town Council of Vinkovci Class: xx, Reg. No: xx from XX XX 2023, the Transferee has been elected as the most favourable bidder and the amount of XX HRK has been accepted for the purchase of 62.963 shares of the Company i.e. 52.00029 % of share capital of the Company, this way he gained the right to close this Contract with the Transferor;
- (6) That the Company performs activities on a part of the property of the Town of Vinkovci based on the Contract on the lease of real estate owned by the Town of Vinkovci, Class: 940-01/11-01/42, Reg. No: 2188/01-02-11-3 from June 16, 2011 and Agreement on the amendment of the Contract on the transfer of the right to use the sports facility owned by the city of Vinkovci Class: 940-01/11-01/42, Reg. No: 2188/01-02-12-6 dated February 15, 2012;
- (7) That an integral part of this Contract is a bank guarantee which is unconditional, irrevocable, payable on first call and without the right of objection, and by which the Acquirer/Transferee undertakes to guarantee the Transferor, i.e. the Company, financial stability for a period of at least 5 (five) years from the date of conclusion of this Contract, as well as the fulfilment of all assumed obligations from this Contract. A bank guarantee, with pre-defined content, forms Attachment 1 of this Contract;
- (8) That the provisions of this Contract are applicable for the distribution of the rights and obligations of the contracting parties.

II. THE SUBJECT OF THE CONTRACT, THE PURCHASE PRICE AND PAYMENT METHOD

SUBJECT OF THE CONTRACT

Article 1.

- (1) Pursuant this Contract, the Transferor sells and transfers to the Transferee, and the Transferee buys and acquires from the Transferor 62.963 regular shares of the Company, labelled as CBLA, each in nominal amount of 100,00 (one hundred) HRK, in total nominal amount of 6.296.300,00 (six million two hundred ninety-six thousand three hundred) HRK, which represents 52,00029 % of share capital of the Company.
 - At a fixed conversion rate of 1 EUR / 7.5345 HRK
- (2) The shares are regular and are registered on a name.
- (3) The shares, under label CBLA, are registered as dematerialized securities in electronic record, on the account of securities in computer system of the Central Depository and Clearing Company Inc. Zagreb.

THE PURCHASE PRICE AND PAYMENT METHOD

Article 2.

- (1) The Transferee is obliged to pay the Transferor for the shares which are the subject of this Contract the purchase price which was established by the public call for the purchase in the amount of XX (xx) HRK.
- (2) The Transferee is obliged to pay the amount of purchase price from the previous article of this Contract, minus paid guarantee in the amount of xx (xx) HRK to the Transferor within seven (7) days after the signing of this Contract, to the account of the Transferor IBAN HR xxx in Hrvatska poštanska banka.
- (3) The date of payment of the purchase price is considered the day when the amount of the purchase price from Par. 2 of this Art. is received on the account of the Transferor.
- (4) In case that the Transferee does not pay the full amount of the purchase price on time from the Par. 2 of this Article, this Contract will be considered terminated by force of law and the Transferee will lose the right of reimbursement of guarantee.
- (5) Fulfilment of obligations from this article on time is an essential part of this Contract.
- (6) The Transferor agrees that by full payment to his account he is settled in full and that he has no more claims towards the Transferee on behalf of the purchase price.

IV. LEGAL EFFECTS OF THE CONTRACT

Article 3.

- (1) In relation to the Transferor, the Transferee becomes the holder of shares which are the subject of this Contract on the day of issuing of the document from the Par. 3 of this Article.
- (2) In respect to the Company, the Transferee becomes the holder of shares which are the subject of this Contract on the day of registration of transfer of shares in the register of shares of CDCC from the name of the Transferor to the name of the Transferee.
- (3) The Transferor is obliged, within three (3) days from the day of obligation fulfilment of payment of purchase price from the Art. 2 of this Contract, to issue to the Transferee the document which will comprise of a statement in which he accepts and gives the instruction for transfer of shares from the account of the Transferor to the account of the Transferee which is kept in CDCC.

IV. THE TRANSFEROR'S GUARANTEES

Article 4.

- (1) The Transferor guarantees and states that he is the legal holder and the owner of shares which are the subject of this Contract and that he did not transfer them to other persons, that he has no collateral rights towards third parties or any other burden and rights in favour of third persons which would reduce, limit or exclude the rights of the Transferee in relation to the purchased shares.

Article 5.

- (2) By accepting the provisions of this Contract, the Transferee declares that he is acquainted or had the opportunity to get acquainted with all data and documents relating to the value and structure of the Company's share capital and shares subject to this Contract and waives the right to object to material and legal shortcomings on that basis.

Article 6.

- (1) The Transferee by purchasing shares from Art. 1 of this Contract acquires a predominant influence with 52.00029% share in the share capital in the Company.

V. TRANSFEROR'S CONTRIBUTION

ARTICLE 7.

- (1) The Transferor guarantees to the Transferee that the Company has the right of unobstructed use of the real estates registered as:

- Land plot No: 5659/1 – stadium, plot under office building and constructed plot – registered into the land registry, entry No: 9690 cadastral municipality Vinkovci and
- Land plot No: 5734 – sports grounds, Ružina ulica – written into the land registry, entry No: 7428 cadastral municipality Vinkovci,

which are included in the Contract on transfer of rights for the use of sports objects in the property of the Town of Vinkovci, Class: 940-01/11-01/42, Reg. No: 2188/01-02-11-3 from June 16, 2011, as well as the Contract on the amendment of the Contract on the assignment of the right to use the sports facility owned by the city of Vinkovci Classes: 940-01/11-01/42, Reg. No: 2188/01-02-12-6 dated February 15, 2012 and undertakes to release the Acquirer/Transferee from any claims of third parties in relation to the mentioned real estate. The Acquirer/Transferee is aware of the condition of the sports facilities and real estate provided under the said Contract.

- (2) The Parties agree that they will consider the Contracts from the Art. 1. terminated and that the right for use of sports objects by the Company will cease to exist in case the following circumstances arise:

- If the Company changes the name, stamp or seat,
- If there is a bankruptcy procedure or any other form of termination of the Company is initiated, on the day of the opening of the bankruptcy procedure,
- If the Company stops performing sports activity.

VI. TRANSFEEE'S CONTRIBUTION

Article 8.

- (1) The Transferee is obliged to keep and continue using the known name of the Company i.e. Hrvatski nogometni klub (Croatian Football Club) Cibalia Vinkovci š.d.d., after acquisition of the shares.
- (2) The Transferee is obliged to secure financial stability of the Company in the period of at least five years starting from the day of closing this Contract.

VII. INSURANCE OF FULFILLMENT OF OBLIGATIONS AND CONTRACTUAL PENALTIES

INSURANCE OF FULFILLMENT OF OBLIGATIONS OF THE ACQUIRER/TRANSFEREE

Article 9.

- (1) An integral part of this Contract is a guarantee for the proper fulfilment of all obligations assumed by this Contract in the form of a bank guarantee issued by bank xx in the amount of €663,614.04 (six sixty-three thousand six fourteen euros and four cents) HRK 5,000,000.00 (five million HRK), with the clause "payable on first demand" or "without right of objection", unconditional and with a validity period of 5 (five) years.

or

As a guarantee for the proper fulfilment of all obligations assumed by this Contract on xx. xx. 2019, the Acquirer/Transferee gave the Transferor a cash deposit in the amount of €663,614.04 (six sixty-three thousand six fourteen euros and four cents) - HRK 5,000,000.00 (five million HRK) in favour of the Transferor's account, without the right to demand a return before the expiration of the 5 (five) year period from the date of conclusion of this Contract, as well as the right to demand the corresponding statutory default interest on the given deposit.

- At a fixed conversion rate of 1 EUR / 7.5345 HRK

- (2) It is indisputable between the contracting parties that, in the event that the Acquirer/Transferee does not fulfil the obligations assumed by this Contract, the Transferor may collect a contractual penalty up to the total amount of the provided guarantee.
- (3) If the Acquirer/Transferee does not provide the guarantee for proper fulfilment from Par. 1 of this Article within the deadline, the Transferor is authorized to terminate this Contract without leaving an additional deadline for fulfilment.
- (4) The Transferor undertakes, within 30 (thirty) days from the date of fulfilment of all the obligations of the Transferee from this Contract, and after the expiry of the period referred to in Paragraph 1 of this Article, to return to the Transferee all insurance funds from this Article.

VIII. TERMINATION OF THE CONTRACT

Article 10.

- (1) In the event that the Acquirer/Transferee or the company does not fulfil its obligations under this Contract, the Transferor may terminate this Contract in the manner and under the conditions as regulated by the Articles of this Contract. In this case, it will be

considered that the termination of the contract occurred for reasons for which the Acquirer/Transferee is responsible.

- (2) If the Contract is terminated in the manner specified in Paragraph 1 of this Article, each party shall return what was received, and the Transferor shall also be entitled to compensation for the actual damage suffered.
- (3) In the event that the conditions for termination of the Contract from this Article are met, before the termination, the parties shall, at the proposal of one of the contracting parties, carry out a procedure for the peaceful resolution of the dispute. The deadline for starting the peaceful dispute resolution procedure is 15 (fifteen) days from the date of fulfilment of the conditions for termination, and the procedure must be completed within a further period of 60 (sixty) days.

FINAL PROVISIONS

COMMUNICATION BETWEEN THE PARTIES AND DISPUTE SETTLEMENT

Article 11.

- (1) The Parties agree that all their statements and written communication regarding the implementation of this Contract will produce legal effects only if they are to be sent by registered mail with return receipt to the following addresses:
 1. To the Transferor: xxxx
 2. To the Transferee: xxxxx
- (2) During the realization of the relations from this Contract, the Parties are obliged to act according to the principles of conscientiousness and honesty and that they will try to solve possible misunderstanding with an agreement, and in case of a dispute the agree on the jurisdiction of the authoritative court in Osijek.
- (3) The Parties agree that in case of a dispute regarding the previous paragraph the delivery is sent to the addresses stated in the Par. 1. of this article.

Article 12.

- (1) All possible changes and annexes to the Contract must be made in written form, must be signed by both Parties and confirmed – solemnized by the Notary public in the Republic of Croatia.
- (2) Invalidity of any of the regulations from this Contract will not affect the validity of other regulations of this Contract, and the Parties are obliged to change such invalid regulation with the valid one, in a way which it is allowed and possible, in order to achieve the purpose of the invalid regulation.
- (3) The Parties make it undisputed that the Transferee, without previous written consent of the Transferor, cannot free himself from any obligation from this Contract, in case that he transfer the shares which he acquired pursuant this Contract, irrespectively of their number, in favour of third persons.

VIII. ENTRY INTO FORCE

Article 13.

- (1) This Contract enters into force when both Parties sign and confirm it – solemnize it by the Notary public in the Republic of Croatia.
- (2) The Transferor bears the cost of Notary public's authorization – solemnization, and the Transferee bears all other costs regarding this Contract.
- (3) The Contract has been made in three (3) original copies, the Transferee receives one (1) copy, the Transferor one (1) copy and one (1) copy is for the purpose of the Notary public, and five (5) certified copies, two (2) of which are for the purposes of the Transferor, one (1) for the purposes of the Transferee, one (1) copy for the purposes of the CDCC and one (1) for the purposes of the Company.
- (4) The original copy of the Transferor's Contract will be translated into English by an authorized court interpreter for the English language, after the notarial confirmation - solemnization.

Class: 620-01/19-01/13
 Reg. No: 2196-4-2-23-
 Vinkovci, 2023

FOR THE TRANSFEROR

FOR THE TRANSFEE

xxxx

xxxxx

Annexes:

Annex 1. Bank guarantee

THE END OF TRANSLATION

AUTHORIZATION
 I, Sandra Klaić, Permanent Court Interpreter for German and English Language, appointed by the President of the County Court in Vukovar Nr. 4-SU-79/99-2 from 21.4.1999. ratify that the above translation completely corresponds to the original.

Reg.No.: 6-03/1/1
 Vinkovci, February 10, 2023

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