

AUTHORIZED TRANSLATION FROM CROATIAN LANGUAGE

CONTRACT

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

made on XX XX 2019, 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 kuna, which makes 55,96703 % of share capital;
- (2) That on December 16, the Transferor published in daily newspaper Večernji list and Sportske novosti and on his web site, pursuant Decision on sale and transfer of shares of sports public limited company HNK CIBALIA VINKOVCI, Class: 620-01/19-01/13, Reg. No: 2188/01-01-19-2 on December 11, 2019, the Town Council of the Town of Vinkovci published on December 11, 2019 Public call for the Purchase of 62.963 shares of nominal value of 6.296.300,00 (six million two hundred and ninety-six thousand, three hundred) kuna, which is 52,00029 % of share capital of the company 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);
- (3) That the Transferee delivered on XX XX 2019 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. 2019) 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 2019, the Transferee has been elected as the most favourable bidder and the amount of XX kuna 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 the activity on the part of the real estate of the Town of Vinkovci pursuant the Contract on transfer of rights to use the sports object in the property of Town of Vinkovci, Class: 940-01/11-01/42, Reg. No: 2188/01-02-11-3 from June 16, 2011 and the Contract on the amendment of the Contract on transfer of rights to use the sports object in the property of Town of Vinkovci, Class: 940-01/11-01/42, Reg. No: 2188/01-02-12-6 from February 15, 2012;
- (7) That the integral part of this Contract is the bank guarantee which is unconditional, irrevocable, payable on the first call and without the right of objection, and with which the Transferee is obliged to guarantee the Transferor, i.e. the Company, a secure financial stability during at least five (5) years starting from the day of closing this Contract, as well as the fulfilment of all commitments from this Contract. Bank guarantee, of in advance defined content, makes the annex 1. of this Contract;
- (8) That the regulations of this Contract are authoritative for the division of rights and obligations of the 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) kuna, in total nominal amount of 6.296.300,00 (six million two hundred ninety-six thousand, three hundred) kuna, which represents 52,00029 % of share capital of the Company.
- (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) kuna.
- (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) kuna 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 day when full amount of purchase price from Par. 2 of this Art. was received on the account of the Transferor will be considered the day of payment of purchase price.
- (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.

III. 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.

V. FULFILLMENT OF OBLIGATIONS TOWARDS THE CREDITORS

Article 5.

- (1) By accepting the regulations of this Contract, the Transferee states that he is acquainted with or that he has had the chance to get to know all the data and documents which relate to the value and structure of the share capital of the Company and shares which are the subject of this Contract and that he waives the right to object which would relate to material and legal deficiencies from that basis.

Article 6.

- (1) By the purchase of the shares from the Art. 1. of this Contract the Transferee acquires prevailing influence with 52,00029 % of shares in share capital in the Company.

VI. 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 annex to 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: 2188/01-02-12-6 from February 15, 2012 and is obliged to free the Transferee of any claims of the third parties in respect of the stated real estates. The Transferee is acquainted with the condition of the sports objects and the real estate which were given in the stated 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.

VII. TRANSFEREE'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.

- (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.

VIII. ENSURING COMPLIANCE WITH OBLIGATIONS AND CONTRACT PENALTIES

ENSURING COMPLIANCE WITH OBLIGATIONS OF THE TRANSFEREE

Article 9.

- (1) *The main component of this Contract is the guarantee for orderly fulfilment of all obligations assumed with this Contract in the form of bank guarantee issued by the*

bank xx for the amount of 5.000.000,00 (five million) kuna, with the clause “payable at first call” i.e. “without the right to object”, unconditionally and with the validity of five (5) years.

or

As the guarantee for orderly fulfilment of all obligations assumed by this Contract from xx x. 2019, the Transferee has given the Transferor cash deposit in the amount of 5.000.000,00 (five million) kuna in favour of the Transferor, without the right to demand refund before the deadline of five (5) years from the day of closing this Contract, as well as accompanying legal penalty interest rate on the given deposit.

- (2) Between the Parties it is indisputable that, in case that the Transferee does not fulfil the obligation assumed by this Contract, the Transferor can charge the Contractual penalty up to the total amount of delivered guarantee.
- (3) If the Transferee does not deliver the guarantee for orderly fulfilment from the Par. 1. of this article, the Transferor is authorized to terminate this Contract without leaving additional explanation.
- (4) The Transferor is obliged, within thirty (30) days from the day of fulfilment of all obligations of the Transferee from this Contract, and upon the expiration of the deadline from the Par. 1. of this article to return all means of insurance from this article to the Transferee.

CONTRACT TERMINATION

Article 10.

- (1) In case that the Transferee or the Company does not fulfil obligations from this Contract, the Transferor can terminate this Contract in a way and under conditions regulated in the articles of this Contract. In that case, it will be considered that the termination of the Contract resulted from the reasons for which the Transferee is responsible.
- (2) If it comes to the termination of the Contract in a way stated in the Par. 1. of this article, each of Parties will return what he had acquired, and the Transferor also has the right to reimbursement for the damage suffered.
- (3) In case of fulfilment of conditions for the termination of the Contract from this article, before the termination, the Parties will, on proposal of one of the Parties, conduct a proceeding of peaceful settlement of a dispute. The deadline for starting the proceeding for peaceful settlement of a dispute is fifteen (15) days from the day of fulfilment of conditions for the termination of the contract, and the proceeding must be finished within further deadline of sixty (60) days.

IX. 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.

X. ENTRY INTO FORCE

Article 13.

- (1) This Contract enters into force when both Parties sign and confirm it – solemnize it at 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 Transferor's original copy of the Contract, after notary public's authorization-solemnization will be translated into English language by the authorized Court's interpreter.

Class: 620-01/19-01/13

Reg. No: 2188(01-02-20-

Vinkovci, _____, 2020

FOR THE TRANSFEROR

FOR THE TRANSFEREE

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.: 24/1/1
Vinkovci, December 16, 2019

Interpreter
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