

Pursuant to the Article 24 paragraph 2 of the Decision on harmonization of business operation of Public Enterprise for electricity generation, distribution and trading with the Law on Public Enterprises („Official Gazette RS“, number 50/2013), Article 30 paragraph 2 item 12) of the Statute of Public Enterprise Electric Power Industry of Serbia (PE EPS number 557/5-14, dated January 30, 2014), Supervisory Board of Public Enterprise Electric Power Industry of Serbia, at 9<sup>th</sup> extraordinary session dated October 7, 2014, adopted the following

## DECISION

### 1

Public Enterprise Electric Power Industry of Serbia, Belgrade is approved the loan in the total amount of EUR 200,000,000.00, increased by the interest and loan costs, with the deadline of 4 (four) years and the grace period of 1.5 (one and a half) year, and that with commercial banks that shall be selected in public procurement procedure, with the aim of securing funds available in the period from November 2014 until the end of March 2015, for the purpose of planned and organized elimination of flood consequences and securing safe business operation of EPS Group, supply of industry and citizens, under the following conditions:

1. Public procurement subject is divided into 40 (forty) portions, identical lots that are equal and therefore not numbered, i.e. 40 (forty) portions with the equal amount of EUR 5,000,000.00 each.
2. Selection of banks – Lenders, shall be performed in an open procedure in accordance with the Article 32 of Public Procurement Law („Official Gazette RS“, number 124/12), under conditions and the manner stipulated by the Law.
3. Loan conditions:
  - Loan deadline is 4 years and includes the grace period (grace period is 1.5 year)
  - Principal repayment is 2.5 years (monthly, 30 equal installments)
  - Interest is calculated and paid (monthly and during grace period, applying the conformity method)
  - Interest rate is variable (sum of reference rate 6m EURIBOR and MARGINE)
  - One-time fee not higher than 0.25%
  - Prepayment fee is 0%
  - No additional costs in the event of possible cancellation of the part of loan.
4. Criteria for the selection of the most favorable tender: The most favorable tender is selected by applying the method of the lowest offered price according to portions under this item 1 hereof.

### 2

5. For the conduction of public procurement procedure of the loan under item 1 hereof, per portions under item 1 under 1 hereof, necessary acts shall be adopted, loan application shall be prepared in accordance with the conditions under item 1 under 3 hereof and tender documents shall be prepared in the form and content stipulated by the Public Procurement Law, Rulebook on Mandatory Elements of Tender Documents in Public Procurement Procedures and the Manner of Proving the Fulfillment of Conditions and the Rulebook on the Form and the Content of Loan Application and the form and the content of the documents on credit worthiness of the Employers.

3

General Manager of Public Enterprise Electric Power Industry of Serbia, Belgrade, shall immediately upon the adoption of this decision adopt the decision on initiation of public procurement procedure and decision on forming the committee for the conduction of the procedure of public procurement of the loan under conditions from this decision.

4

General Manager of Public Enterprise Electric Power Industry of Serbia, Belgrade shall in accordance with loan application and criteria for selection of most favorable tender from the Tender Documents based on report of the Public Procurement Committee adopt the decision on contract award of the most favorable Tenderer of the financial service of loan in portions or adopt the decision on cancellation of the procedure.

5

Public Enterprise Electric Power Industry of Serbia, Belgrade shall conclude contracts on public procurement of financial service- loan with bank whose tenders are selected as most favorable in portions from item 1 under 1 hereof in accordance with the decision on contract award.

6

General Manager of Public Enterprise Electric Power Industry of Serbia, Belgrade shall upon the completion of public procurement procedure of financial service -loan under item 1 hereof inform Supervisory Board of Public Enterprise Electric Power Industry of Serbia, Belgrade.

7.

Ministry of Mining and Energy, Ministry of Economy and Ministry of Finance should be informed about this decision in order to be introduced with the activities that Public Enterprise Electric Power Industry of Serbia, Belgrade undertakes for the purpose of securing necessary financial conditions for safe and reliable performance of business activity for which it was established.

PE EPS  
Belgrade,  
Number 2399/ 7 -14

October 7, 2014

CHAIRMAN OF SUPERVISORY BOARD

Prof Aca Marković, PhD.