

Pursuant to Article 4.2, 4.7 and 7 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina ("Official Gazette of BiH", no. 7/02, 13/03, 76/09 and 1/11), Article 36 of the Rule of Practice and Procedure of the State Electricity Regulatory Commission ("Official Gazette of BiH", no. 2/05) and Article 16 of the Licensing Rule ("Official Gazette of BiH", no. 87/12), the State Electricity Regulatory Commission, at the session held on 26.03. 2014 rendered

DECISION
ON ISSUANCE OF LICENSE FOR ACTIVITY OF INTERNATIONAL TRADE IN ELECTRICITY

1. The license shall be issued to the Company "EZPADA" d.o.o. Mostar for the performance of the activity of international trade in electricity.
2. The license referred to in Item 1 of this Decision shall be issued for the period from 1 May 2014 to 30 April 2019.
3. The license for performance of the activity of international trade in electricity containing the Licensing Conditions for the use of the license shall be an integral part of the Decision.
4. This decision shall come into force on the day of its issuance and shall be published in the "Official Gazette of BiH" and official gazettes of the Entities.

Statement of Rationale

"EZPADA" d.o.o. Mostar (hereinafter: the applicant) is a holder of the license for the international electricity trading activity, recorded in the License Register of this Commission under registration number: 05-28-342-19/08 of 25 March 2009, expiring on 30 April 2014.

In accordance with the right to use a possibility of renewing a license and fulfilling the obligation referred to in Article 54 of the Licensing Rule („Official Gazette of BiH“, No. 87/12) to express its intention to continue to perform the activity of international electricity trading no later than 120 days before the expiry of the term of the existing license, the licensee filed an application for the granting of a new license that was registered under number: 05-28-12-385/13 of 29 November 2013. The application filed shall be decided upon pursuant to internal rules and regulations of SERC and Article 7 of the Law on Transmission.

The application is submitted in a timely manner, on the prescribed forms with a proof of previously paid application fee and relevant documents which enabled SERC to understand, consider and decide upon the filed application of which SERC informed the applicant accordingly by its act number: 05-28-12-385-3/13 of 18 December 2013.

Having reviewed and checked all the formal elements of the application, first of all on 21 December 2013 SERC published a short public notice in daily newspapers and on its web site, summarizing the application and determining the deadline for submission of public comments on the filed license application until 4 January 2014.

SERC concluded that the public had not submitted any comment on the application filed for the issuance of license nor had any person expressed the interest to participate in the procedure in the capacity of the intervener upon the SERC public invitation.

The applicant fulfills indisputably all the criteria, conditions and standards prescribed by law and SERC rules and regulations to perform international electricity trading because it constantly proved its technical, legal and financial capabilities during the past years of use of the license and

provided evidence of having ensured resources, organized conditions and established professional standards to continue to perform the same activity.

Monitoring of all aspects of compliance of the applicant's present activities with the conditions and criteria for performance of the activity of international electricity trading provided SERC with the basis to initiate the renewal of the license, i.e. to prepare the initial version of the Licensing Conditions for the Performance of the Activity of International Electricity Trading which would be valid for five years.

As of 12 February 2014, this document was made available to the applicant as well as all other interested members of the public who were also provided with an opportunity to give their comments during a general hearing held on 18 February 2014 at the SERC seat in Tuzla with previous publication of an adequate notice in daily newspapers and publication of the documents on the SERC web site.

At the general hearing there were not any comments which would instigate any changes to the conditions for the use of the license, while the applicant's legal proxy submitted a statement waiving the right to provide comments, pursuant to Article 16, Para (2) of the Licensing Rule for the purpose of the efficiency of the procedure.

Taking into consideration the aforementioned, a proposal for granting the license was prepared, which was submitted to the applicant by the SERC act under number: 05-28-12-385-14/13 of 21 February 2014.

As the applicant waived the right to provide comments there were sufficient grounds to conclude that it considered that the SERC's proposal was prepared in accordance with the Law on Transmission of Electric Power, Regulator and System Operator of BiH and secondary legislation dealing with the matters concerned.

In accordance with the aforementioned, also taking into account the evidence that the applicant had been previously granted the second tier license for performance of the activities of electricity supply in the territory of BIH by the Regulatory Commission for Electricity in the Federation of Bosnia and Herzegovina registration number: 06-03-922/31/11 of 30 September 2013, SERC decided as stated in the disposition of the decision.

Pursuant to Article 9.2 of the Law on Transmission of Electric Power, Regulator and System Operator of Bosnia and Herzegovina, proceedings may be initiated before the Court of Bosnia and Herzegovina by filing a lawsuit within sixty (60) days from the day of publishing this decision.

Number: 05-28-12-385-15/13

26. March 2014

Tuzla

Chairman of the Commission

Mirsad Salkić