

Ref.170305.iigo-dns.grs.02
06.03.2017

To all mass media of Republic of Srpska

REPLY TO OPEN LETTER OF DNS DATED
20.02.2017,

attention to all members of DNS political party (including Marko Pavic),
copy to Center of Public Security Banja Luka regarding letter #13-02/1-1-39/17 dated 02.03.2017 inviting for informative conversation and statements on complain of Marko Pavic on "threatened security",
copy to Government of the Republic of Srpska

PART 1: MESSAGE TO ALL MEMBERS OF DNS:

Dear members of DNS political party,

Herewith we refer to open letter dated 20.02.2017 signed by Marko Pavic on logo letter of DNS political party regarding "pressure" on him from side of Israeli Investment Group because of Ljubija privatization.

First of all, we ask all members of DNS as well as all society of Republic of Srpska to look objectively that chairman of DNS is using political party DNS and its primary voters - citizens of City of Prijedor as a shield to hide his private interests, to hide facts of his corruption, to hide facts of huge financial damages that have been causing to Republic of Srpska with his involvement (fact/figures/documents provided further in the text and attached).

We ask to draw attention of all society of Republic of Srpska that this is unprecedented event when a politician with rank number 2 in a democratic country, a member of ruling political coalition is approaching people of his country with a complain that he is under pressure of private businessmen.

For 2 weeks we deliberately did not reply in public to such an unprecedented letter with an aim to have a look what will happen in society of Republic of Srpska.

Today we can comment that the main thing that happened is the fact that within two last weeks a corrupted politician of Republic of Srpska Marko Pavic disappeared from publicity of Republic of Srpska, definitely showing his high concern of possible responsibility for his corruption

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Za sva sredstva javnog informisanja Republike Srpske

ODGOVOR NA OTVORENO PISMO DNS-a
DATIRANO 20.02.2017.

n/r svim članovima političke stranke DNS (uključujući Marka Pavića)
kopija za Centar javne bezbjednosti Banja Luka povodom pisma #13-02/1-1-39/17 datiranog 02.03.2017. odnosno poziva na informativni razgovor i izjavu povodom žalbe Marka Pavića na „ugrožavanje sigurnosti“,
kopija za Vladu Republike Srpske

PRVI DIO: PORUKA SVIM ČLANOVIMA DNS-a

Poštovani članovi političke stranke DNS,

Ovim odgovorom se pozivamo na pismo datirano 20.02.2017. koje je potpisao Marko Pavić na memorandumu političke stranke DNS povodom „pritiska“ na njega od strane Israeli Investment Group zbog privatizacije Ljubije.

Prije svega tražimo da članovi DNS-a kao i cijelo društvo Republike Srpske objektivno sagledaju da predsjednik DNS koristi političku stranku DNS i njene primarne glasače, građane grada Prijedora kao štiti radi skrivanja svojih ličnih interes, skrivanja činjenica svog koruptivnog djelovanja, skrivanja ogromne materijalne štete prouzrokovane Republici Srpskoj njegovim umješanošću (činjenice/učesnici/dokumenti su izloženi u nastavku teksta i u prilogu).

Želimo da obratimo pažnju cijelog društva Republike Srpske da je ovo događaj bez presedana da se političar, koji po rangu stoji na drugom mjestu, u demokratskoj državi, član vladajuće političke koalicije, obraća narodu svoje države sa žalbom da je pod pritiskom privatnog biznismena.

Dvije sedmice namjerno nismo odgovorili javnosti na ovakvo pismo bez presedana, da bismo vidjeli šta će se dogoditi u društvu Republike Srpske.

Danas možemo da potvrdimo da je osnovno što se desilo to, da je u protekle dvije nedjelje korumpirani političar Republike Srpske Marko Pavić nestao iz javnosti Republike Srpske, difinitivno pokazujući svoju visoku zabrinutost zbog moguće odgovornosti za svoju

and huge financial damages that have been causing to Republic of Srpska with his involvement. For period of two week Marko Pavic has freed the society of Republic of Srpska from his public misleading statements how he is worrying about citizens of city of Prijedor and how successfully people nominated by DNS manage companies. But the statistics below show that Marko Pavic is lying and misleading people.

Concrete examples:

1.The damage to Republic of Srpska and shareholders of RZR Ljubija (which is controlled by Marko Pavic and his people), where except 65% stateowned package of shares, there are 1300 minor private shareholders mainly citizens of Prijedor, is about ONE BILLION BAM.

2.The situation in Railways of Republic of Srpska (which is managed by people of Marko Pavic) is catastrophic.

3.The situation in Auto Roads of Republic of Srpska is plunged into corruption scandals.

In order to be objective, it must be noted that there is probably one successful project created by Marko Pavic is growing of champignons in iron ore mines Ljubija. But this is example of top absurd to grow champignons instead of developing iron ore resources of Republic of Srpska.

One more self-explanatory example of hiding private interests of Marko Pavic behind backs of members of DNS and backs of citizen of city of Prijedor:

In open letter dated 20.02.2017 Marko Pavic announces that Israeli Investment Group is trying to “grab” real estate of RZR Ljubija a.d. This is one more fact of lie and misleading of people performed by Marko Pavic. 23.05.2016 we had a meeting with Marko Pavic in his office in municipality of city of Prijedor where we discussed possible cooperation between Israeli Investment Group as potential new investor and municipality of Prijedor. The main item of Memorandum is development of iron ore resources in Ljubija creating 300 new working places, social responsibility of investor. Regarding objects of real estate we suggested to transfer to city of Prijedor all objects with social status and all objects of business status to transfer to a joint Fund of development of Prijedor region. But Marko Pavic declined this Memorandum because he wanted to transfer to private ownership two most attractive locations – parking near stadium and Zelena pijaca – to his close friends and business-partners – owners of companies Niskogradnja Marjanovic and Aragosta. The construction process on

korumpiranost i ogromnu finansisku štetu koji je prouzrokovao Republici Srpskoj svojom umješanošću. Marko Pavić je na period od dvije sedmice oslobodio društvo Republike Srpske svojih obmanujućih izjava da on brine za građane grada Prijedora i da ljudi koje je nominovao DNS uspješno vode kompanije. Ali niženavedene statistike pokazuju da Marko Pavić laže i obmanjuje narod.

Konkretni primjeri:

1. Šteta nanesen Republici Srpskoj i akcionarima RŽR Ljubija (koje kontroliše Marko Pavić i njegovi ljudi) gdje pored 65% državnog paketa akcija, postoji 1300 malih privatnih akcionara, pretežno građana Prijedora, je JEDNU MILIJARDU KM.

2. Situacija sa Željeznicama Republike Srpske (kojim upravljaju ljudi Marka Pavića) je katastrofalna.

3. Situacija u Autoputevima Republike Srpske je utonula u korupcione skandale.

Da bismo bili objektivni treba zabilježiti da vjerovatno postoji jedan uspješan projekat koji je Marko Pavić kreirao, a to je uzgajanje šampinjona u rudnicima željezne rude Ljubija. Ali je ovo primjer krajnjeg apsurdna, uzgajati šampinjone umjesto razvijanja resursa željezne rude u Republici Srpskoj.

Još jedan sam po sebi objašnjiv primjer skrivanja interesa Marka Pavića iza leđa članova DNS-a i leđa građana grada Prijedora:

U otvorenom pismu datiranom 20.02.2017. Marko Pavić izjavljuje da Israeli Investment Group žele da se „dočepaju“ imovine RŽR Ljubija a.d. Ovo je još jedan primjer laži i obmanjivanja ljudi koji izvodi Marko Pavić. Dana 23.05.2016. sastali smo se sa Markom Pavićem u njegovoj kancelariji u opštini grada Prijedora gdje smo raspravljali moguću saradnju između Israel Investment Grop kao potencijalnog novog investitora i opštine Prijedor. Glavni predmet sporazuma je razvoj resursa željezne rude u Ljubiji i stvaranje 300 novih radnih mjesta, društvena odgovornost investitora. Što se tiče nekretninapredložili smo da na grad Prijedor budu preneseni svi objekti sa društvenim statusom, a da svi objekti sa poslovnim statusom budu preneseni na zajednički Fond za razvoj prijedorskog regiona. Ali je Marko Pavić odbio ovaj sporazum jer je želio da prenese u privatno vlasništvo dvije najatraktivnije lokacije – parking pokraj stadiona i Zelenu pijacu svom bliskom prijatelju i poslovnom partneru, vlasniku kompanija Niskogradnja Marjanović i Aragosta. Proces izgradnje

these objects already started. This is a proof made of concrete that every citizen of Prijedor can come and see with their own eyes – about whose interests Marko Pavic is worried. (photos of object and copy of draft of Memorandum between Israeli Investment Group and city of Prijedor attached.)

PART 2: STATEMENTS AND COMMENTS TO CENTER OF PUBLIC SECURITY BANJA LUKA REGARDING letter #13-02/1-1-39/17 dated 02.03.2017:

Starting from this letter and forthcoming facts/figures/documents we will disclose to society of Republic of Srpska all the details of what is standing behind latest events of Saga around privatization of RZR Ljubija a.d.

18.02.2017 I made a official statement on ATV (link <http://www.atvbl.com/prodaja-ljubije-izraelci-najavljuju-tuzbu-protiv-rs-marka-pavica/>) that as a reaction to decision of Government to cancel the process of privatization of state-owned capital in RZR Ljubija a.d. as **POLITICALLY-MOTIVATED** and influenced by **CORRUPTION** in DNS, a political party (a part of ruling political coalition of Republic of Srpska SNSD-DNS-SP), Israeli Investment Group prepared a claim to court against Marko Pavic and Government of Republic of Srpska. Copy of claim will go to highest international institutions in Washington and Berlin that monitor cases of **CORRUPTION** around the world.

19.02.2017 I sent a viber message to Marko Pavic with suggestion to avoid court procedure and international scandal.

20.02.2017 Marko Pavic evaluated my viber message as a “threat” and published his unprecedented open letter, and also applied to police that I “threaten” him.

In order to clarify all the details around this situation we attach below a copy of viber message, and herewith I make official statement that this is not any “threat”, but this is a warning /suggestion to avoid court procedures and international scandal that will be very harmful to Marko Pavic and to Republic of Srpska. The main meaning of viber message is a possible solution to provide international standards of transparency and competition regarding issue of RZR Ljubija a.d., and practical suggestion to proceed with Due Diligence - independent revision of RZR Ljubija and its joint-venture ArcelorMittal Prijedor d.o.o. for 12 years of activity and independent estimation of offers of two bidders Israeli

ovih objekata je već počeo. Ovo je dokaz napravljen od betona koji svaki građanin Prijedora može da dođe i da vidi svojim vlastitim očima – za čije interese je Marko Pavić zabrinut (slike objekta i kopija nacрта sporazuma između Israeli Investment Group i grada Prijedor u prilogu).

DRUGI DIO: IZJAVE I KOMENTARI ZA CENTAR JAVNE BEZBJEDNOSTI BANJA LUKA POVODOM pisma #13-02/1-1-39/17 datiranog 02.03.2017.

Počevši sa ovim pismom i predstojećim činjenicama/učesnicima/dokumentima izložićemo javnosti Republike Srpske sve detalje o tome šta stoji iz posljednjih dešavanja vezanih za Sagu oko privatizacije RŽR Ljubija a.d.

Dana 18.02.2017. dao sam zvaničnu izjavu za ATV (link <http://www.atvbl.com/prodaja-ljubije-izraelci-najavljuju-tuzbu-protiv-rs-marka-pavica/>) da su kao reakciju na odluku Vlade Republike Srpske da obustavi proces privatizacije državnog kapitala RŽR Ljubija a.d. kao **POLITIČKI MOTIVISANU** i pod uticajem **KORUPCIJE** u DNS-u, političkoj stranci (dio vladajuće političke koalicija Republike Srpske SNSD-DNS-SP) Israeli Investment Group pripremili tužbu za sud protiv Marka Pavića i Vlade Republike Srpske. Kopija tužbe će ići u najviše međunarodne institucije u Vašingtonu i Berlinu koje prate slučajeve **KORUPCIJE** širom svijeta.

Dana 19.02.2017 sam poslao poruku na Viberu Marku Paviću sa prijedlogom da izbjegne sudsku proceduru i međunarodni skandal.

Dana 20.02.2017. Marko Pavić je procijenio moju Viber poruku kao “prijetnju” i objavio svoje otvoreno pismo bez presedana i ujedno se obratio policiji da mu ja “prijetim”.

Da bismo pojasnili detalje oko ove situacije kao dodatak prilažemo kopiju Viber poruke i ovim dajem zvaničnu izjavu da do ovo nije nikakva „prijetnja“, ali je upozorenje/prijedlog da se izbjegnju sudske procedure i međunarodni skandal koji će biti vrlo štetni po Marka Pavića i Republiku Srpsku. Glavni značaj Viber poruke jeste moguće rješenje da se obezbijede međunarodni standardi transparentnosti i konkurencije povodom pitanja RŽR Ljubija a.d. i praktična sugestija da se obavi analiza poslovanja – nezavisna revizija poslovanja RŽR Ljubija i zajedničkog preduzeća ArcelorMittal Prijedor d.o.o. za 12 godina aktivnosti i da se obavi nezavisna procjena ponuda dvaju ponuđača Israeli Investment

Investment Group and ArcelorMittal dated 01.07.2016.
On the basis of results of Due Diligence, Government will consider the whole situation and decide on privatization or probably nationalization of its iron ore resources.

PART 3: REQUEST TO GOVERNMENT OF REPUBLIC OF SRPSKA

According to many official statements of top officials of Republic of Srpska the issue of invitation of foreign investors and provision for them international standards of business environment is one of top priorities of strategy of Republic of Srpska. Thus we request to perform your official statements in practice.

Regarding a complicated situation with privatization of RZR Ljubija a.d., we suggest to Government of Republic of Srpska a settlement without court procedures, namely to agree a solution via performance of Due Diligence - independent revision of RZR Ljubija and its joint-venture ArcelorMittal Prijedor d.o.o. for 12 years of activity and independent estimation of offers of two bidders Israeli Investment Group and ArcelorMittal dated 01.07.2016. On the basis of results of Due Diligence and independent estimation of offers, Government will consider the whole situation and decide on privatization or probably nationalization of its iron ore resource.

Regards,
Israeli Investment Group Overseas Inc.

Evgeny Zotov
Director
(on behalf of all shareholders and partners of Israeli Investment Group)

3 Attachments below:

Group i ArcelorMittal datiranih 01.07.2016. Na osnovu rezultata analize poslovanja, Vlada će razmatrati cijelu situaciju i odlučiti o privatizaciji ili vjerovatno o nacionalizaciji resursa zeljezne rude.

TREĆI DIO: ZAHTJEV VLADI REPUBLIKE SRPSKE

Prema brojnim zvaničnim izjavama vodećih zvaničnika Republike Srpske pitanje pozivanja stranih investitora i omogućavanja internacionalnih standarda poslovne sredine za njih je jedan od vodećih prioriteta u strategiji Republike Srpske. Stoga zahtjevamo da svoje zvanične izjave sprovedete u praksi.

Povodom komplikovane situacije oko privatizacije RŽR Ljubija a.d. predlažemo Vladi Republike Srpske nagodbu bez sudske procedure, konkretno da pristane da se obavi analiza poslovanja – nezavisna revizija poslovanja RŽR Ljubija i njenog zajedničkog preduzeća ArcelorMittal Prijedor d.o.o. za 12 godina aktivnosti i da se obavi nezavisna procjena ponuda dvaju ponuđača Israeli Investment Group i ArcelorMittal datiranih 01.07.2016. Na osnovu rezultata analize poslovanja, Vlada će razmatrati cijelu situaciju i odlučiti o privatizaciji ili vjerovatno o nacionalizaciji resursa zeljezne rude.

S poštovanjem,
Israeli Investment Group Overseas Inc.

Evgeny Zotov
Direktor
(u ime svih akcionara i partnera Israeli Investment Group)

3 Priloga niže:

Attachment 1: Viber message to Marko Pavic dated 19.02.2017

Marko, due to real moral reasons I have to warn you personally - when the documents arrive in Washington and Berlin, there is no chance to stop this machine. On Friday I met with Jelaca and warned him about very dangerous consequences for ArcelorMittal and for him personally, including that he may end up in jail, and in that case - don't blame me. This is your choice Jelaca and Pavic - instead of competition and efficient development in the industry of iron ore, you are engaged in corruption and violations in economical activity... Marko, I honestly advise you - while there is few days left until the beginning of this process and the steps that we will take, leave at the end of your political career positive image - give a statement to the public that project Ljubija needs to be completed according to all international standards, and that you support the principles of transparency and competition and that you insist on the proposal for the Government that both the bidders must together order Due Diligence - the complete independent audit of business actions of the RZR-and AMP-and for 12 years and the estimation of the final two offers (as Jelaca suggests). Based on those results, the Government will consider project Ljubija - privatization, and maybe the opposite - nationalization... After that, take sick bulletin and retire with respect and resign from the DNS because of a health condition. It's the only option under which we can stop the process... Otherwise you can expected a huge public humiliation and you will "tear down or build up coalitions" in prison...

Prilog 1: Viber poruka Marku Paviću 19.02.2017

Marko, zbog realnih moralnih razloga moram da Vas lično upozorim - kad dokumenti stignu u Vašington i Berlin, ovu mašinu nema šane zaustaviti. U petak sam se sastao sa Jelačom i upozorio ga na veoma opasne posljedice i za ArcelorMittal i za njega lično, uključujući to da on može da završi u zatvoru, i u tom slučaju ne krivite mene. Ovo je vaš izbor Jelača i Paviću - umjesto konkurencije i efikasnog razvoja u industriji željezne rude, vi se bavite korupcijom i prekršajima u ekonomskoj djelatnosti... Marko, ja Vam iskreno savjetujem - dok je još ostalo nekoliko dana do početka ovog procesa i koraka koje ćemo preduzeti, ostavite na kraju svoje političke karijere pozitivno lice - dajte izjavu za javnost da projekat Ljubija treba završiti po svim međunarodnim standardima, da Vi podržavate principe transparentnosti i konkurencije i insistirate na prijedlogu za Vladu da oba ponuđača moraju zajedno naručiti Due Diligence - kompletnu nezavisnu reviziju poslovanja RŽR-a i AMP-a za 12 godina i procjenu krajnjih dviju ponuda (kako predlaže Jelača). Na osnovu tih rezultata Vlada će razmatrati projekat Ljubija - privatizaciju, a možda i suprotno - nacionalizaciju... Poslije toga uzmite bolovanje i idite s poštovanjem u penziju i dajte ostavku iz DNS-a zbog zdravstvenog stanja. To je jedina varijanta pod kojom mi možemo zaustaviti proces... U suprotnom Vas očekuje ogromna javna sramota i Vi ćete "rušiti ili graditi koalicije" u zatvoru...

Attachment 2: photo dated 05.03.2017 of construction works at land „parking near stadium“ of RZR Ljubija a.d. This is concrete proof for issue – Who wants to „grab“ property of RZR Ljubija a.d. (as Pavic said in his open letter):

Prilog 2: slika datirana 05.03.2017. gradjevinski radovi na zemljištu „parking pokraj stadiona“ RŽR Ljubija a.d.: Ovo je dokaz od betona povodom pitanja – Ko se želi „dočepati“ imovine RŽR Ljubija a.d. (kao što je rekao Pavić u svom otvorenom pismu):



Attachment 3:

DRAFT

MEMORANDUM OF COOPERATION BETWEEN
CITY OF PRIJEDOR AND ISRAELI INVESTMENT
GROUP

Prijedor, __ May 2016

City of Prijedor (CP) on one side and Israeli Investment Group (IIG) represented by companies Israeli Investment Group Overseas Inc. and Israeli Investment Group Balkan d.o.o. Banja Luka as an investor of company RZR Ljubija a.d.Prijedor (RZR) on the other side conclude Memorandum of Cooperation on the following:

1. SOCIAL RESPONSIBILITY OF INVESTOR – On the basis of primary mining business focused on development of iron ore resources of Prijedor region, the issue of social responsibility of business is of high priority. Namely 300 new working places including full social package for employees in mining operations will be created. Investments in infrastructure of Ljubija will be performed to provide good level of living in the region. Investor provides bank guarantee 12 million KM that is 20% from value of investment 60 million.

2. DEVELOPMENT OF OTHER RESOURCES OF RZR - Except iron ore resources company RZR owns mines of clays, quartzite, coal. IIG has plans to invest and develop production of these goods that will create new working places in the region.

3. REAL ESTATE OF RZR – RZR also owns list of real estate objects. IIG declares that after all legal procedures of the acquisition of RZR, IIG as major shareholder of RZR will perform transfer of ownership of objects social character to City of Prijedor (Suhi Prijedor and Rudnicka ulica), and will create with CP on paritet basis Fond of Development of Prijedor region (FDP) in which RZR will transfer real estate objects of business character located in CP (Baltine Bare, Zelena Pijaca, Parking near stadium, Rudarski institut) and will support development of real estate projects. Also other projects interested for CP can be developed in terms of FDP.

GRAD PRIJEDOR

Prilog 3:

NACRT

MEMORANDUM O SARADNJI IZMEĐU GRADA
PRIJEDORA I ISRAELI INVESTMENT GROUP

Prijedor, __ maj 2016

Grad Prijedor (GP) s jedne strane i Israeli Investment Group (IIG), koje zastupaju kompanije Israeli Investment Group Overseas Inc. i Israeli Investment Group Balkan d.o.o Banja Luka kao investitor kompanije RŽR Ljubija a.d. Prijedor (RŽR) sa druge strane zaključuju Memorandum o saradnji za sljedeće:

1. SOCIJALNA ODGOVORNOST INVESTITORA - Na osnovu primarne djelatnosti u rudarstvu, fokusirane na razvoj resursa rude gvožđa Prijedora, pitanje socijalne odgovornosti poslovanja ima visok prioritet. Biće otvoreno najmanje 300 novih radnih mjesta, uključujući puni socijalni paket za zaposlene ljude. Investicije u infrastrukturu Ljubije vršiće se da se obezbijedi dobar nivo života u regiji. Investitor obezbjeđuje bankarsku garanciju od 12 miliona KM što je 20% od vrijednosti investicije u iznosu od 60 miliona.

2. RAZVOJ DRUGIH RESURSA RŽR - Osim resursa rude gvožđa preduzeće RŽR posjeduje rudnike gline, kvarcia, uglja. IIG planira da investira i razvija proizvodnju ovie robe koja će stvoriti nova radna mjesta u regiji.

3. IMOVINA RŽR - RŽR takođe posjeduje listu objekata nepokretne imovine. IIG izjavljuje da će poslije svih pravnih procedura sticanja vlasništva nad RŽR, IIG kao vecinski akcionar RŽR obaviti prenos vlasništva objekata socijalnog karaktera u gradu Prijedoru (Suhi Prijedor i Rudnička ulica), i stvoriti sa GP na osnovu pariteta Fond za Razvoj Prijedorske regije (FRP) u koji će RŽR prenijeti objekte imovine poslovnog karaktera, koji se nalaze u GP (Baltine Bare, Zelena Pijaca, Parking pored stadiona, Rudarski institut), te da će podržati razvoj projekata izgradnje novih nekretnina. Takodje i drugi projekti koji su zainteresovani za GP može da se razvije u okviru FRP.

ISRAELI INVESTMENT GROUP