

Picard Kentz & Rowe LLP / 17-01-10 INT/RS
1750 K Street, NW
Suite 800
Washington, DC 20006
tel +1 202 331 5003
fax +1 202 331 4011
dpicard@pkrlp.com

PICARD KENTZ & ROWE

December 31, 2018

**ATTORNEY-CLIENT COMMUNICATION
PRIVILEGED AND CONFIDENTIAL**

His Excellency Mr. Zlatan Klokic
Minister of Economic Relations and Regional Cooperation
The Government of Republika Srpska
Trg Republike Srpske 1
Banja Luka, Republika Srpska
Bosnia-Herzegovina

Re: Engagement Agreement

Dear Mr. Minister,

Picard, Kentz and Rowe LLP ("Firm") is very pleased to provide this engagement agreement for continued services to the Government of Republika Srpska.

1. Client.

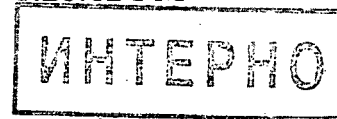
For purposes of this engagement, our client will be the Government of Republika Srpska ("RS").

2. Scope of Engagement.

We will advise and represent Republika Srpska and work with its designated representatives to provide general advice and representation regarding international legal and policy matters as requested by the Government from time to time. We anticipate these matters will include:

- RS legal rights and obligations under applicable international law including the Dayton Peace Accords and other international agreements to which the BiH is a party, such as the European Convention on Human Rights;
- RS and BiH rights and obligations vis-a-vis the Office of High Representative, the Peace Implementation Council, the UN Security Council, the OSCE, the EU, the Council of Europe, and others;

Republika Srpska
Page 2



17-01-10 INT/13

- Relations with international community;
- Legal issues related to bringing the institutions and laws of RS and BiH into conformity with the BiH constitutional framework under the Dayton Peace Accords;
- Legal issues related to bringing the institutions and laws of RS and BiH into conformity with European standards in connection with accession to the EU.

The scope of engagement under this agreement does not include representing Republika Srpska or any of its officials in matters involving the preparation and/or handling of litigation before courts or arbitral tribunals within or without BiH. Any representation involving litigation will be agreed to separately.

3. Retainer, Fees, Expenses, and Other Charges and Billing and Payment.

a. General Terms.

Republika Srpska will pay Firm a monthly retainer fee of US\$90,000 ("Monthly Retainer") for work performed under this Agreement inclusive of expenses incurred by the Firm related to the performance of such services. Republika Srpska will pay the Monthly Retainer by the 15th day of each month.

b. Billing and Payment.

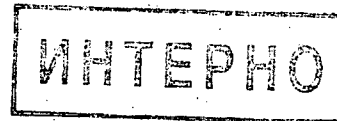
In the normal course, you will receive, on a monthly basis, a confidential statement for our Monthly Retainer. Republika Srpska agrees to make payment promptly upon receipt by the 15th day of each month as set forth in Section 3(a) above. If you have any questions or comments concerning our services or charges during the course of our representation, please bring them to my attention so that any problems can be quickly resolved.

All compensation, expense reimbursement and any other payments to us shall be remitted and paid in U.S. dollars and without withholding or deducting any tax, assessment or other governmental charge (collectively, "Tax"). If you shall be required to deduct or withhold any such Tax, or if any Tax is required to be paid by us solely on account of the services performed hereunder, you shall pay to us such additional amounts as shall be required so that the net amount received by us from you after such deduction, withholding or payment shall equal the amounts otherwise due to us.

Payments will be wire transferred to our account, pursuant to the account information that will be provided in the Firm's invoices. At the conclusion of this engagement, any remaining amounts in our retainer account will either be returned to you or applied with your consent to other outstanding matters for which we may be engaged by you.

A handwritten signature in black ink, appearing to be "C.H." or similar, located in the bottom right corner of the page.

Republika Srpska
Page 3



17-01-10 INT/18

4. Disclosure of Information/Indemnification.

Republika Srpska agrees to (1) disclose to Firm, fully, accurately, and on a timely basis, all facts that are or might be material to Firm's representation of Republika Srpska; (2) keep Firm apprised on a timely basis of all developments relating to the representation that are or might be material; and (3) otherwise cooperate fully with Firm. Firm agrees to maintain confidentiality of information gained in the course of its representation of Republika Srpska in accordance with our professional responsibilities.

5. Conflicts of Interest.

It is possible during or after the time we represent you that some other current or future client will ask us to represent it in connection with some dispute, transaction, or other matter that is not substantially related to our representation of you in which the interests of such client may be directly adverse to your interests. You acknowledge and agree that, consistent with our professional responsibilities to you, Firm may continue, or in the future undertake, to represent any existing or new client in any matter, even if the interests of such client in such matter are directly adverse to yours, as long as such matter is not substantially related to our representation of you. We agree not to represent any such clients in their assertion of claims against Republika Srpska.

6. Term of Engagement.

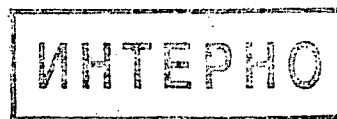
This Agreement shall enter into force on January 1, 2019 and continue for a term ending April 30, 2019.

Republika Srpska has the right to terminate our representation at any time upon written notice, and all outstanding charges will become due at that time. We reserve the right to withdraw from the representation at any time consistent with the rules of professional responsibility governing attorneys in our jurisdiction. We may also suspend or terminate work on behalf of a client that does not pay our statements within 30 days after they are rendered. Our right to withdraw as counsel shall, of course, be consistent with the applicable rules of professional responsibility.

Upon the termination of this engagement, we will either make arrangements to return to you all copies or originals of documents or materials belonging to you or otherwise constituting client records, store them at your expense, or dispose of them. You agree that we may keep copies of any such files if we so choose. You also agree that our own internal files (including but not limited to firm administrative records, time and expense reports, personnel and staffing materials, accounting records, and related documents) and attorney work product (including without limitation drafts, notes, legal memoranda, and other legal and factual research reflecting our opinions and mental impressions) pertaining to this matter are our property and will not be delivered to you at the conclusion or upon the termination of our engagement.

CT

Republika Srpska
Page 4



17.01-10 INT/19

7. Governing Law and Dispute Resolution.

Our engagement shall be governed by, and construed in accordance with, the laws of the State of New York, exclusive of the law of conflicts of laws.

All actions or proceedings arising out of or relating to this engagement shall be heard and determined in courts of the District of Columbia, United States of America; however, nothing herein shall limit the right of the parties to stipulate and agree to submit any dispute to binding arbitration in lieu of litigation.

In the event of any inconsistencies between the English version and Serbian translation of this Engagement Agreement, the English version shall prevail.

The terms of this engagement can be modified only by written agreement of all the parties hereto.

If the foregoing correctly reflects the terms and conditions of our engagement, please indicate your acceptance by executing this letter agreement in the space provided below and return it to our office.

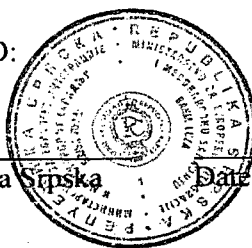
We are very pleased to have the opportunity to work with you on these matters. If you have any questions about the terms of our engagement, please do not hesitate to contact me at any time. We are very much looking forward to working with you and your colleagues.

Very truly yours,

Edward B. Rowe

AGREED TO AND ACCEPTED:

Kobilica Zlatan
For the Government of Republika Srpska



31.01.2019.

Date