

Pursuant to Conclusion of the Government of the Republic of Serbia 05 No: 023-682/2015 as of January 23rd2015, and in accordance with Article 33 of the Law on Privatization (“*Official Gazette of RoS*” no. 83/2014) and Article 11 of the Decree on Strategic Partnership (“*Official Gazette of RoS*” no. 129/2014) the Privatization Agency (hereinafter: **the Agency**) announces

PUBLIC INVITATION
for selection of a strategic investor for
Korporacija fabrika automobile Priboj a.d.Priboj,
Registration number: 07210434
(hereinafter: the Public Invitation)

Code of procedure: JP 03/15

The Agency invites all interested domestic and foreign legal entities to participate in the procedure of privatization of Korporacija fabrika automobile Priboj a.d.Priboj (hereinafter: **the Privatization Entity**), by a model of strategic partnership through a joint venture by establishment of a new company, whose founders are the Republic of Serbia and strategic investor, by a method of collection of bids, to submit their applications for the selection of a strategic investor (hereinafter: **the Application**).

1. Subject of the Public Invitation

The subject of the Public Invitation is selection of the strategic investor who will, together with the Republic of Serbia, establish a new company.

Contribution of the Republic of Serbia in the new company shall be the part of Privatization Entity’s property acquired by the Republic of Serbia through "giving in payment" (*datio in solutum*) based on the claims it has towards the Privatization Entity.

The minimal contribution of strategic investor is defined at minimum EUR 1,000,000 in cash and at least EUR 5,000,000 in rights/kind.

2. Information on the Privatization Entity:

According to the information from the Register of Business Entities kept by the Serbian Business Registers Agency:

Business name:	Korporacija fabrika automobila Priboj, shareholders company, Priboj
Registration number:	07210434
Capital structure:	Social owned capital: 86,49973% Shareholders capital: 13,50027%
Value of the capital:	inscribed and paid-in pecuniary basic capital: 549.777.000,00 RSD

More details on the Privatization Entity are available at:

<http://www.priv.rs/Agencija+za+privatizaciju/90/Fap+korporacija+ad.shtml/seo=/companyid=398/#company>.

Information memorandum, Instruction to Bidders and Draft of the Agreement on Strategic Partnership (hereinafter: **the Privatization Documents**) shall be available to all interested persons upon signing of the Confidentiality Agreement and payment of the fee for purchasing of the Privatization Documents.

The fee for purchasing of the Privatization Documents amounts to **EUR 5,000 (five thousand euros)** (hereinafter: **the Fee**) in RSD counter value calculated using the mid exchange rate of the National Bank of Serbia at the day of invoicing.

Privatization Documents shall be available as of February 27, 2015.

3. Right to submit the application

The Strategic investor may be domestic or foreign legal entity. The Strategic investor may also be domestic and foreign legal entities organized under a consortium for the strategic partnership, which have authorized one legal entity for representation in its capacity of a consortium leader.

The Strategic investor has to fulfill all conditions from Article 12 of the Law on Privatization.

The right to submit the Application has interested domestic or foreign legal entity (hereinafter: **the Applicant**) which has purchased the Privatization Documents, signed the Confidentiality Agreement and which cumulatively fulfils the Qualification Conditions given below.

It shall be deemed that the interested strategic investor meets the qualification conditions if said conditions are met by either a parent company, a majority-owned subsidiary or a related party controlled by the same ultimate parent of the strategic investor.

Conditions may be met by either individual entity or in combination of one or more members of the same group. (i.e. entities controlled by the same ultimate parent).

In case that the qualification conditions are met by strategic investor through another related individual entity or group of entities, that individual entity or group of entities is/are obliged for the strategic investor's obligations in a manner that will be defined in the Instructions to Bidders.

The Qualification Conditions for the Applicant are as follows:

1. Paid a deposit for seriousness of a bid or submitted a Bid Bond issued by a first-class bank in the amount of EUR 50,000.00 (fifty thousand euros).
2. To submit the statement under material and criminal responsibility, which confirms that it has been introduced to all provisions of applicable local, national, regional and international anticorruption regulations, including but not limited to international conventions, resolutions, laws, bylaws, statutes, decrees, standards, and that Applicant will comply with them in his operations in the newly established company.
3. That on the consolidated level the Applicant and/or a group of companies in which the Applicant is a member, has generated revenue of minimum EUR 20,000,000.00 (twenty million euros) for 2013.
4. The Bidder must be existing manufacturer of commercial trucks and protected military vehicles, which will be proved in a manner defined by the document Instruction to Bidders.
5. The Bidder must be a holder of official WMI (World Manufacturer Identifier) code according to ISO 3780 standard, which will be proved in a manner defined by the document Instruction to Bidders.
6. The Bidder must possess modern product and production technology and related process know-how for manufacturing of commercial trucks, which will be proved in a manner set forth in Instruction to Bidders.
7. The Bidder must possess modern product and production technology and related process know-how for manufacturing of protected military vehicles, which will be proved in a manner set forth in Instruction to Bidders.

In case of submission of the Application by the consortium, each member of the consortium has to fulfill qualification conditions from item 2 individually, while qualification conditions from item 1, item 3, item 4, item 5, item 6 and item 7 have to be fulfilled by the consortium leader.

If the Applicant is to be the consortium, it is necessary to cumulatively fulfill the following conditions:

- That all members of the consortium have rendered a Decision on establishment and entering into the consortium;

- That all members of the consortium have executed the written Consortium Agreement, certified before the competent body;
- That each member of the consortium shall have an unlimited joint and several liability for obligations arising out of or related to the Public Invitation – Code of invitation JP 03/15, in accordance with the Consortium Agreement;
- That the Consortium Agreement specifies the percentage of participation of each member of the consortium, whereas one consortium member must have at least 51% of participation in the Consortium (hereinafter: **the Consortium Leader**)
- That all members of the consortium shall have signed a certified power of attorney authorizing its member for representing the consortium;
- That all members of consortium have signed the Confidentiality Agreement;
- That at least one of the consortium members has purchased the Privatization Documents.

4. Purchase of the Privatization Documents

Written request for purchase of the Privatization Documents (hereinafter: **the Request**) should be submitted to **the Agency in a written form via mail at the address Terazije 23, 11000 Belgrade, Republic of Serbia and/or via fax number +381 (11) 30 20 881 and/or via email to the address marijailic@priv.rs and mantal@priv.rs with a remark “Request for purchase of Privatization Documents - code of procedure: JP 03/15“.**

Request, among other things, has to contain all contact details of the sender of the Request (full business name, registered seat, registration number and tax identification number, email address, contact telephone and fax), otherwise it shall be considered as unacceptable and the Agency shall not respond to it.

Request has to be delivered to the Agency until **20 March, 2015, at the latest.**

Upon receiving the Request, the authorized person of the sender of the Request shall be provided with the invoice for payment of the fee and the Confidentiality Agreement via mail, fax or email.

Before taking over of the Privatization Documents, all senders of the Requests are obliged to enter into the Confidentiality Agreement drafted by the Agency.

Upon delivery of the signed Confidentiality Agreement by the sender of the Request to the Agency, the proof on authorization for person who has executed the Confidentiality Agreement as well as the proof on payment of the Fee, the Agency shall deliver the Privatization Documents to the sender of Request via mail or handover to its authorized representative in the premises of the Agency.

The Agency shall not be liable for any loss or delay in delivery of any document.

5. Submission of Applications

Final deadline for submission of Applications is April 1, 2015, until 15:00 (Belgrade time).

Application shall be submitted to the Agency within closed envelope, together with the bid and all in accordance with the manner defined in the Instruction to Bidders.

Applications which do not contain evidence of fulfillment of conditions referred to in section 3 of this Public Invitations shall not be taken into consideration.

The form and content of the Application, including the form and content of the Applicant's statements on compliance with the qualification requirements for the status of the Strategic Investor are more precisely defined in the Instruction to bidders.

6. Deposit or Bank Guarantee

The precondition for consideration of the Applications is the payment of a deposit or delivery of the bid bond issued by the first class bank (hereinafter: **the Deposit**) in the amount of **EUR 50,000 (fifty thousand euros)**.

7. Amendments of Public Invitation

If necessary, the Agency reserves the right to modify all or some of the elements of this Public Invitation.

8. Questions and additional clarifications

For all questions regarding this Public Invitation, interested persons may contact the following persons, either in Serbian or in English.

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