

**THE GOVERNMENT OF MONTENEGRO**  
**THE PRIVATIZATION AND CAPITAL INVESTMENT COUNCIL**



Tender Commission for Privatization hereby announces:

## **PUBLIC INVITATION**

for participation in the public tender („Tender”) for the sale of 51% of capital expressed in 1,703,458 shares of the company and for the award of rights to subscription of new shares by means of capital increase and to purchase of the remaining shares owned by the State of Montenegro and state institutions in accordance with the terms of the Tender

### **JOINT STOCK COMPANY "MONTECARGO" PODGORICA**

1. The subject-matter of this Tender is sale of 1,703,458 (one million seven hundred three thousand four hundred fifty-eight) shares of the company AD Montecargo Podgorica (the „**Company**” or „**AD Montecargo**”), owned by the State of Montenegro, i.e. 51.00% of the share capital of the Company and award of right to the selected qualified investor of this Tender (the “Selected Investor”) to subscribe new shares through capital increase and the right to purchase the remaining shares owned by the State of Montenegro and state institutions from the paragraph 2 of the section 1 herein in accordance with the Tender terms, with obligation of the Selected Investor to propose and implement the compulsory Investment Plan and Social Program.

The selected investor may acquire the right after 3 (three) years, subject to unequivocal fulfilment of success indicators that are to be defined through fulfillment of commitments from the Investment Plan and commitments from the Social Program as defined in the sale purchase agreement, to acquire and subscribe new shares in the Company, in the amount of implemented commitments from the Investment Plan, through capital increase. Moreover, after the expiry of the 3 (three) year period, subject to unequivocal fulfillment of success indicators that are to be defined in the sale purchase agreement as the investment commitments and commitments from the social program, the Government shall offer the Selected Investor to purchase additional remaining shares of the Company owned by the State of Montenegro, Investment and Development Fund of Montenegro JSC, The Fund for Pension and Disability Insurance of Montenegro and Employment Bureau of Montenegro (total of 1,223,679 remaining shares or 87.6358% of the existing capital), at the price per share as gained at the Tender.

2. Company Details

The Company is a joint stock company incorporated and existing under the laws of Montenegro, registered at the Central Register of Commercial Entities under the registration number 40385650, with the total registered capital in the nominal amount of EUR 17,463,786.05 (*seventeen million four hundred sixty three thousand seven hundred eighty six euros and 5 cents*), divided into 3,340,114 (*three million three hundred and forty thousand one hundred and fourteen*) shares. The nominal value of each share amounts to EUR 5.2285.

The company identification number is 02758628.

The code of the Company’s core activity is 4920 – railroad cargo transport.

More detailed information regarding the Company is provided in the Tender Documents that will be available to the Tender participants upon signing the Confidentiality Statement and purchasing the Tender Documents.

3. Participation in the Tender shall be allowed to all interested parties (including consortiums) who have purchased the Tender Documents and signed the Confidentiality Statement in accordance with sections 6 and 7 of this Public Invitation (the "**Tender Participant**").
4. Tender Participant may submit a Bid on the Tender if it demonstrates in accordance with the Tender terms that it meets the following criteria:
  - (i) a bidder has to demonstrate in the manner specified in Tender Documents that it has been registered and that it has experience in the field of railroad cargo transport of at least three (3) last years that precede this Public Invitation, and
  - (ii) a bidder has to demonstrate in the manner specified in the Tender Documents that it had a total freight turnover by the means of railroad cargo transport in the volume of at least three (3) million tons in the last business year that precedes this Public Invitation, and
  - (iii) a bidder has to demonstrate in the manner specified in the Tender Documents that it made annual business revenue of at least EUR 25 million (*twenty five million euro*) solely by freight transport in railway traffic in the last business year that precedes the Public Invitation;requirements (i) and (ii) and (iii) from this section 4 (together the „**Qualifying Requirements**") have to be cumulatively fulfilled.

A Tender Participant that is directly owned (with 100% of ownership) by an entity that fulfils the Qualification Requirements is also entitled to submit a bid.

Fulfillment of the Qualifying Requirements shall be evaluated upon the receipt and opening of the bid packages.

The documents that must be submitted for the purpose of evaluating the fulfillment of the Qualifying Requirements shall be specified in the Tender Documents, which will be delivered to Tender Participants in accordance with section 7 and 8.

5. Tender Participant may form a consortium with other entities prior to or after the purchase of tender documents and such consortium may submit a bid under the following conditions:
  - a) Member of the consortium with majority share in the consortium individually fulfills Qualifying Requirements in accordance with the section 4 of the Public Invitation; and
  - b) All consortium members shall deliver within the Bid a certified statement accepting the unlimited joint and several liability of the consortium members for the obligations arising from the Tender and privatization agreement.
6. The Tender Participant is to submit its Bid in accordance with the regulations and procedures stipulated by the Instructions to Bidders, which are contained in the Tender Documents.
7. The Tender Commission for Privatization (the „Tender Commission“) hereby invites interested parties to submit a written request for purchase of Tender Documents (the "**Request**") with a clear indication "Request for Purchase of Tender Documents" not later than 25 November 2016 at 15:00 hours (local time).
8. After receiving the Request, the Secretary of the Tender Commission shall deliver to the interested parties by mail, e-mail or fax, the instructions for payment of the fee for the tender documents in the amount of EUR 10,000 (the "**Tender Documents Fee**"), as well as the Confidentiality Statement. The Tender Participants shall, without delay, provide the Tender Commission and the Advisor with the signed Confidentiality Statement and make the payment of the Tender Documents Fee. The Confidentiality Statement must be delivered to the Tender Commission and the payment of the Tender Documents Fee must be made to the account of the Privatization and Capital Investments Council (the „Council“), not later than 30 November 2016.

Immediately upon the receipt of the signed Confidentiality Statement and confirmation by the Privatization and Capital Investments Council that the Tender Documents Fee has been paid, the Advisor shall provide the Tender Participants with the Tender Documents by e-mail. The Tender

Participant is obliged to submit to the Secretary of the Tender Commission a written confirmation on receipt of the Tender Documents.

9. The Tender Participant shall be provided with opportunity to visit the Company and with the access to data room in the period from 24 October 2016 until 25 November 2016, upon agreement with the Advisor.
10. A Tender Bid must be submitted in accordance with regulations and procedures prescribed by the Tender Documents and such Bid must arrive to the address of the Tender Commission **not later than 8 December 2016 at 12:00 hours** (local time), at the latest. The Tender Commission reserves the right to amend this deadline if needed.
11. Together with the bid, the bidder shall pay the deposit or submit a Bid Bond in favour of the Privatization and Capital Investments Council, in the amount of EUR 200,000 (*two hundred thousand Euro*), in the form of an unconditional bank guarantee, payable on first demand, issued by a bank that has a credit rating of at least BBB according to Standard and Poor's Agency, or by a bank approved by the Tender Commission, in its sole discretion, upon previously submitted written request by the Tender Participant.
12. The Bidder with whom the sale and purchase agreement will be signed shall be obliged to pay the amount of the purchase price in cash, within the deadline specified by the Sale Agreement.
13. The Tender Commission for Privatization reserves the right to amend particular provisions of this Public Invitation, including provisions that define specific deadlines.
14. For all inquiries regarding this Public Invitation, interested parties may contact the Tender Commission and Advisor at the following addresses:

THE TENDER COMMISSION	THE ADVISOR
<p data-bbox="245 1061 671 1115"><b>Tender Commission for Privatization Branko Vujovic, President</b></p> <p data-bbox="245 1144 560 1254">Moskovska 17/A, M/C1 81000 Podgorica, Crna Gora tel: +382 20 235 565 fax: +382 20 513 503</p> <p data-bbox="245 1283 711 1364">Ivana Šaranović Jovičević, Secretary of the Tender Commission e-mail: <a href="mailto:ivana.saranovic@ano.co.me">ivana.saranovic@ano.co.me</a></p>	<p data-bbox="804 1061 1283 1088"><b>Advokatska kancelarija Zorica Đukanović</b></p> <p data-bbox="804 1144 1117 1254">Moskovska 13, III/23 81000 Podgorica, Crna Gora Tel. +382 20 205 540 Fax: +382 20 205 541;</p> <p data-bbox="804 1283 1334 1364">Zorica Đukanović, attorney at law, Advisor for the Tender Commission e-mail: <a href="mailto:ak-zorica.djukanovic@t-com.me">ak-zorica.djukanovic@t-com.me</a></p>