

**CONTRACT FOR CONSULTANTS' SERVICES**

**For**

**Consultants to prepare Auction Documentation  
For  
Pool 4-Belgrade and East Serbia Veterinary Stations  
(GP 74)**

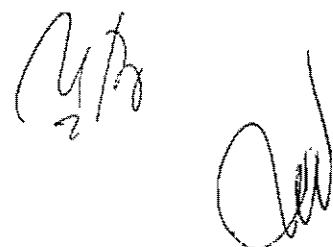
between

**Privatization Agency  
Republic of Serbia  
Terazije 23  
11000 Belgrade  
Republic of Serbia**

and

**FIMAKS d.o.o.  
Sulejiceva 10/I  
11420 Smederevska Palanka  
Republic of Serbia**

Dated: December 06, 2007



### I. Form of Contract LUMP-SUM

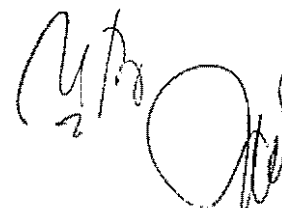
This CONTRACT (hereinafter called the "Contract") is made the 06 day of the month of December, 2007, between, on the one hand, **Privatization Agency**, Republic of Serbia, having a place of business at Terazije 23, Belgrade (hereinafter called the "Client") and, on the other hand, **FIMAKS d.o.o.**, having a place of business at Sulejiceva 10/I, 11420 Smederevska Palanka, Republic of Serbia (hereinafter called the "Consultant").

#### WHEREAS

- (a) the Client has requested the Consultant to provide certain consulting services as defined in this Contract (hereinafter called the "Services");
- (b) the Consultant, having represented to the Client that it has the required professional skills, and personnel and technical resources, has agreed to provide the Services on the terms and conditions set forth in this Contract;
- (c) the Client has received for a Grant from the International Development Association (hereinafter called the "Association") towards the cost of the Services and intends to apply a portion of the proceeds of this Grant to eligible payments under this Contract, it being understood (i) that payments by the Association will be made only at the request of the Client and upon approval by the Association, (ii) that such payments will be subject, in all respects, to the terms and conditions of the agreement providing for the Grant, and (iii) that no party other than the Client shall derive any rights from the agreement providing for the Grant or have any claim to the Grant proceeds;

NOW THEREFORE the parties hereto hereby agree as follows:

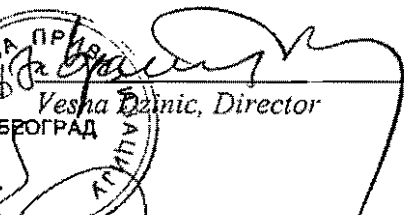
- 1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
  - (a) The General Conditions of Contract;
  - (b) The Special Conditions of Contract;
  - (c) The following Appendices:
    - Appendix A: Description of Services \_\_\_\_\_
    - Appendix B: Reporting Requirements \_\_\_\_\_
    - Appendix C: Key Personnel and Sub-Consultants \_\_\_\_\_
    - Appendix D: Breakdown of Contract Price in Foreign Currency \_\_\_\_\_ Not used
    - Appendix E: Breakdown of Contract Price in Local Currency \_\_\_\_\_
    - Appendix F: Services and Facilities Provided by the Client \_\_\_\_\_
    - Appendix G: Form of Advance Payment Guarantee \_\_\_\_\_ Not used



2. The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:
- (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
  - (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

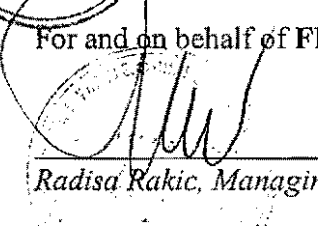
IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of Privatization Agency, Republic of Serbia

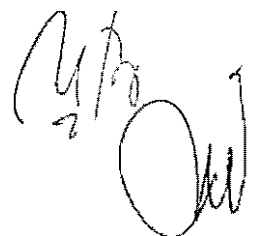


Vesna Dzanic, Director

For and on behalf of FIMAKS d.o.o., Republic of Serbia



Radisa Rakic, Managing Director



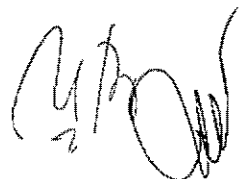
## II. General Conditions of Contract

### 1. GENERAL PROVISIONS

#### 1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in the Government's country, or in such other country as may be specified in the Special Conditions of Contract (SC), as they may be issued and in force from time to time.
- (b) "Bank" means the International Bank for Reconstruction and Development, Washington, D.C., U.S.A., or the International Development Association, Washington, D.C., U.S.A.
- (c) "Consultant" means any private or public entity that will provide the Services to the Client under the Contract.
- (d) "Contract" means the Contract signed by the Parties and all the attached documents listed in its Clause 1, that is these General Conditions (GC), the Special Conditions (SC), and the Appendices.
- (e) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;
- (f) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1.
- (g) "Foreign Currency" means any currency other than the currency of the Client's country.
- (h) "GC" means these General Conditions of Contract.
- (i) "Government" means the Government of the Client's country.
- (j) "Local Currency" means the currency of the Client's country.
- (k) "Member" means any of the entities that make up the joint venture/consortium/association, and "Members" means all these entities.
- (l) "Party" means the Client or the Consultant, as the case may be, and "Parties" means both of them.
- (m) "Personnel" means persons hired by the Consultant or by any Sub-Consultants and assigned to the performance of the Services or any part thereof.



- (n) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented.
- (o) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto.
- (p) "Sub-Consultants" means any person or entity to whom/which the Consultant subcontracts any part of the Services.
- (q) "In writing" means communicated in written form with proof of receipt.

**1.2 Law  
Governing  
Contract**

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

**1.3 Language**

This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

**1.4 Notices**

**1.4.1**

Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent to such Party at the address specified in the SC.

**1.4.2**

A Party may change its address for notice hereunder by giving the other Party notice in writing of such change to the address specified in the SC.

**1.5 Location**

The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.

**1.6 Authority of  
Member in  
Charge**

In case the Consultant consists of a joint venture/ consortium/ association of more than one entity, the Members hereby authorize the entity specified in the SC to act on their behalf in exercising all the Consultant's rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.

**1.7 Authorized  
Representa-  
tives**

Any action required or permitted to be taken, and any document required or permitted to be executed under this Contract by the Client or the Consultant may be taken or executed by the officials specified in the SC.

**1.8 Taxes and Duties**

The Consultant, Sub-Consultants, and their Personnel shall pay such indirect taxes, duties, fees, and other impositions levied under the Applicable Law as specified in the SC, the amount of which is deemed to have been included in the Contract Price.

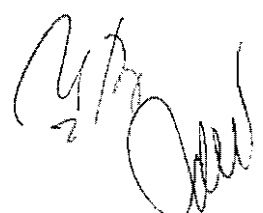
**1.9 Fraud and Corruption****1.9.1 Definitions**

It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as Consultants under Bank-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts. In pursuance of this policy, the Bank:

- (a) defines, for the purpose of this provision, the terms set forth below as follows:
  - (i) "corrupt practice" means the offering, receiving, or soliciting, directly or indirectly, of any thing of value to influence the action of a public official in the selection process or in contract execution;
  - (ii) "fraudulent practice" means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;
  - (iii) "collusive practices" means a scheme or arrangement between two or more consultants, with or without the knowledge of the Borrower, designed to establish prices at artificial, noncompetitive levels;
  - (iv) "coercive practices" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;

**1.9.2 Measures to be Taken**

- (b) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan were engaged in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;
- (c) will sanction a Consultant, including declaring the Consultant ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the Consultant has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive

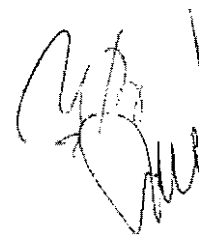


practices in competing for, or in executing, a Bank-financed contract;

- 1.9.3. Commissions and Fees** (d) will require the successful Consultant to disclose any commissions or fees that may have been paid or are to be paid to agents, representatives, or commission agents with respect to the selection process or execution of the contract. The information disclosed must include at least the name and address of the agent, representative, or commission agent, the amount and currency, and the purpose of the commission or fee.

## **2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT**

- 2.1 Effectiveness of Contract** This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC. The date the Contract comes into effect is defined as the Effective Date.
- 2.2 Commencement of Services** The Consultant shall begin carrying out the Services not later than the number of days after the Effective Date specified in the SC.
- 2.3 Expiration of Contract** Unless terminated earlier pursuant to Clause GC 2.6 hereof, this Contract shall expire at the end of such time period after the Effective Date as specified in the SC.
- 2.4 Modifications or Variations** Any modification or variation of the terms and conditions of this Contract, including any modification or variation of the scope of the Services, may only be made by written agreement between the Parties. However, each Party shall give due consideration to any proposals for modification or variation made by the other Party.
- 2.5 Force Majeure**
- 2.5.1 Definition** For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.
- 2.5.2 No Breach of Contract** The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this



Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

**2.5.3 Extension of Time**

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

**2.5.4 Payments**

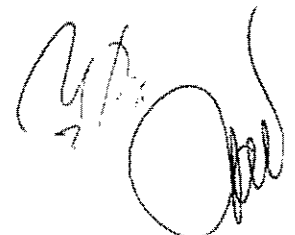
During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultant shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

**2.6 Termination**

**2.6.1 By the Client**

The Client may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through (f) of this Clause GC 2.6.1. In such an occurrence the Client shall give a not less than thirty (30) days' written notice of termination to the Consultant, and sixty (60) days' in the case of the event referred to in (e).

- (a) If the Consultant does not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing.
- (b) If the Consultant becomes insolvent or bankrupt.
- (c) If the Consultant, in the judgment of the Client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
- (d) If, as the result of Force Majeure, the Consultant are unable to perform a material portion of the Services for a period of not less than sixty (60) days.
- (e) If the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (f) If the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof.





- 2.6.2 By the Consultant** The Consultants may terminate this Contract, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause GC 2.6.2:
- (a) If the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GC 7 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue.
  - (b) If, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.
  - (c) If the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.
- 2.6.3 Payment upon Termination** Upon termination of this Contract pursuant to Clauses GC 2.6.1 or GC 2.6.2, the Client shall make the following payments to the Consultant:
- (a) payment pursuant to Clause GC 6 for Services satisfactorily performed prior to the effective date of termination;
  - (b) except in the case of termination pursuant to paragraphs (a) through (c), and (f) of Clause GC 2.6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.

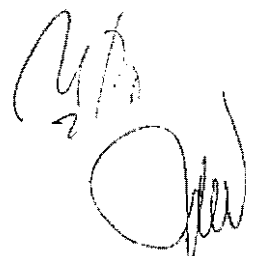
### 3. OBLIGATIONS OF THE CONSULTANT

#### 3.1 General

- 3.1.1 Standard of Performance** The Consultant shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional standards and practices, and shall observe sound management practices, and employ appropriate technology and safe and effective equipment, machinery, materials and methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Sub-Consultants or third Parties.



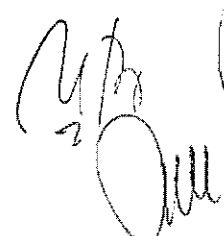
- 3.2 Conflict of Interests** The Consultant shall hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflict with other assignments or their own corporate interests.
- 3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.** The payment of the Consultant pursuant to Clause GC 6 shall constitute the Consultant's only payment in connection with this Contract or the Services, and the Consultant shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultant shall use their best efforts to ensure that the Personnel, any Sub-Consultants, and agents of either of them similarly shall not receive any such additional payment.
- 3.2.2 Consultant and Affiliates Not to be Otherwise Interested in Project** The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub-Consultants and any entity affiliated with such Sub-Consultants, shall be disqualified from providing goods, works or services (other than consulting services) resulting from or directly related to the Consultant's Services for the preparation or implementation of the project.
- 3.2.3 Prohibition of Conflicting Activities** The Consultant shall not engage, and shall cause their Personnel as well as their Sub-Consultants and their Personnel not to engage, either directly or indirectly, in any business or professional activities which would conflict with the activities assigned to them under this Contract.
- 3.3 Confidentiality** Except with the prior written consent of the Client, the Consultant and the Personnel shall not at any time communicate to any person or entity any confidential information acquired in the course of the Services, nor shall the Consultant and the Personnel make public the recommendations formulated in the course of, or as a result of, the Services.
- 3.4 Insurance to be Taken Out by the Consultant** The Consultant (a) shall take out and maintain, and shall cause any Sub-Consultants to take out and maintain, at their (or the Sub-Consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.



- 3.5 Consultant's Actions Requiring Client's Prior Approval** The Consultant shall obtain the Client's prior approval in writing before taking any of the following actions:
- (a) entering into a subcontract for the performance of any part of the Services,
  - (b) appointing such members of the Personnel not listed by name in Appendix C, and
  - (c) any other action that may be specified in the SC.
- 3.6 Reporting Obligations**
- (a) The Consultant shall submit to the Client the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.
  - (b) Final reports shall be delivered in CD ROM in addition to the hard copies specified in said Appendix.
- 3.7 Documents Prepared by the Consultant to be the Property of the Client**
- (a) All plans, drawings, specifications, designs, reports, other documents and software submitted by the Consultant under this Contract shall become and remain the property of the Client, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof.
  - (b) The Consultant may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.
- 3.8 Accounting, Inspection and Auditing** The Consultant (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof, and (ii) shall periodically permit the Client or its designated representative and/or the Bank, and up to two years from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client or the Bank, if so required by the Client or the Bank as the case may be.

#### 4. CONSULTANT'S PERSONNEL

- 4.1 Description of Personnel** The Consultant shall employ and provide such qualified and experienced Personnel and Sub-Consultants as are required to carry out the Services. The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultant's Key Personnel are described in Appendix C. The Key



Personnel and Sub-Consultants listed by title as well as by name in Appendix C are hereby approved by the Client.

**4.2 Removal  
and/or  
Replacement  
of Personnel**

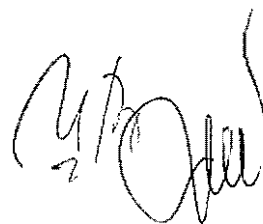
- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultant, such as retirement, death, medical incapacity, among others, it becomes necessary to replace any of the Key Personnel, the Consultant shall provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Client's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Client.
- (c) The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

**5. OBLIGATIONS OF THE CLIENT**

- 5.1 Assistance and Exemptions** The Client shall use its best efforts to ensure that the Government shall provide the Consultant such assistance and exemptions as specified in the SC.
- 5.2 Change in the Applicable Law Related to Taxes and Duties** If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses GC 6.2 (a) or (b), as the case may be.
- 5.3 Services and Facilities** The Client shall make available free of charge to the Consultant the Services and Facilities listed under Appendix F.

**6. PAYMENTS TO THE CONSULTANT**

- 6.1 Lump-Sum Payment** The total payment due to the Consultant shall not exceed the Contract Price which is an all inclusive fixed lump-sum covering all costs required to carry out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above



the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.

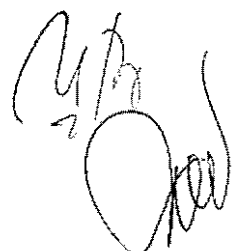
- 6.2 Contract Price** (a) The price payable in foreign currency/currencies is set forth in the SC.
- (b) The price payable in local currency is set forth in the SC.
- 6.3 Payment for Additional Services** For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump-sum price is provided in Appendices D and E.
- 6.4 Terms and Conditions of Payment** Payments will be made to the account of the Consultant and according to the payment schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultant of an advance payment guarantee for the same amount, and shall be valid for the period stated in the SC. Such guarantee shall be in the form set forth in Appendix G hereto, or in such other form, as the Client shall have approved in writing. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the Consultant has submitted an invoice to the Client specifying the amount due.
- 6.5 Interest on Delayed Payments** If the Client has delayed payments beyond fifteen (15) days after the due date stated in the Clause SC 6.4, interest shall be paid to the Consultant for each day of delay at the rate stated in the SC.

## 7. GOOD FAITH

- 7.1 Good Faith** The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

## 8. SETTLEMENT OF DISPUTES

- 8.1 Amicable Settlement** The Parties agree that the avoidance or early resolution of disputes is crucial for a smooth execution of the Contract and the success of the assignment. The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.
- 8.2 Dispute Resolution** Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

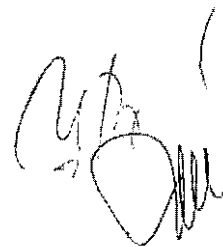


**III. Special Conditions of Contract**

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1.3	This Contract has been executed in the English language, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
1.4	<p>The addresses are:</p> <p>Client: Privatization Agency, Republic of Serbia, Public auction center, Terazije 23, 11000 Belgrade, Republic of Serbia</p> <p>Attention: Marko Đokić, Project Manager</p> <p>Facsimile: +381 11 3020 881</p> <p>E-mail: <a href="mailto:mdjokic@priv.yu">mdjokic@priv.yu</a></p> <p>Consultant: FIMAKS d.o.o. RoS, Sulejiceva 10/I, 11240 Smederevska Palanka, Republic of Serbia</p> <p>Attention: Radisa Rakic, Managing Director</p> <p>Facsimile: +381 26 321 854</p> <p>E-mail: <a href="mailto:rrakic@fimaks.co.yu">rrakic@fimaks.co.yu</a></p>
1.7	<p>The Authorized Representatives are:</p> <p>For the Client: Marko Đokić, Project Manager</p> <p>Facsimile: +381 11 3020 881</p> <p>E-mail: <a href="mailto:mdjokic@priv.yu">mdjokic@priv.yu</a></p>

	<p>For the Consultant: Radisa Rakic, Managing Director</p> <p>Facsimile: +381 26 321 854</p> <p>E-mail: <a href="mailto:rrakic@fimaks.co.yu">rrakic@fimaks.co.yu</a></p>
1.8	The Client warrants that the Consultant shall be exempt from VAT in respect of payments of Contract price made to the Consultant in connection with the carrying out of the Services.
2.2	The date for the commencement of Services is immediately after signing of Contract.
2.3	The period shall be 5(five) months from the Effective Date of this Contract, i.e. April 10, 2008 or such later date as the parties may agree in writing <sup>1</sup> . Such written agreement shall not be necessary if the extension is required so as to conclude the sales activities that have already been initiated.
3.2.3	During the validity period of this Contract and for a period of two years after its expiration, the Consultants shall not engage, and shall cause their Personnel as well as their Sub consultants and their Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Contract, nor shall they engage in the activity of an advisor (directly or indirectly) of potential purchasers of such assets.
3.4	<p>The risks and the coverage shall be as follows:</p> <ul style="list-style-type: none"><li>(a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government's country by the Consultant or its Personnel or any Sub-Consultants or their Personnel, as defined in the Applicable Law;</li><li>(b) Third Party liability insurance, as defined in the Applicable Law;</li><li>(c) professional liability insurance, as defined in the Applicable Law; For the sake of clarity, the amount insured for this type of insurance pertinent to Consultant's insurance policies is not less than three times the total remuneration payable to the Consultant as per this Contract;</li><li>(d) employer's liability and workers' compensation insurance in respect of</li></ul>

<sup>1</sup> If needed, the Contract will be extended, upon official extension of the Closing Date of the Grant.

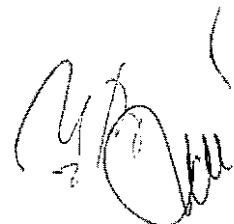


	<p>the Personnel of the Consultant and of any Sub-Consultants, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and</p> <p>(e) insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultant's property used in the performance of the Services, and (iii) any documents prepared by the Consultant in the performance of the Services.</p>
3.5 (c)	Submission by the Consultants of any information related to the project to the potential investors or other entities, as well as publication of the information related to the project in mass media, require Client's prior approval in writing.
3.7 (b)	The Consultant shall not use these documents and software for purposes unrelated to this Contract without the prior written approval of the Client.
5.1	The Client shall use its best efforts to provide the Consultant with the information on the Companies. The Client will make available all information in its possession regarding the Companies in the Project.
6.2(a)	The amount in foreign currency is: <i>N/A</i>
6.2(b)	<p>The amount in local currency is:</p> <p>1. The Contract price (excluding VAT ) of the Project is:</p> <p><b>RSD7.399.100,00</b> (RSD seven million three hundred ninety nine thousand one hundred)</p>





6.4	<p>The accounts are:</p> <p>for foreign currency or currencies: N/A</p> <p>for local currency:</p> <p>Name of the bank: Vojvodjanska banka</p> <p>Bank account: 355-1005653-63</p> <p>PIB: 101401154</p> <p>Payments shall be made according to the following schedule:</p> <p>The <b>Contract Price</b> for shall be paid in installments based on the completion of specific milestones as follows:</p> <p>(i) 10% Down payment upon Commencement of Services</p> <p>(ii) 40% Upon providing the Capital Valuation and Privatization Program to the Agency</p> <p>(iii) 50% Approval of Privatization Program and Capital Valuation</p> <p>The fee for (i) shall be paid upon commencement of Services. Payments for (ii), and (iii), shall be made whenever subject deliverable for an individual Company is approved by the Client. Such approval or comments thereof is to be given within 14 working days of the Client's receipt of request for approval</p> <p>The fees for each deliverable shall be the percentage as envisaged above divided by the total number of the Companies</p> <p>In case that the Consultant does not submit the report within the prescribed period, or the documents stated in the Appendix A- part 2, in accordance with the stages and deadlines given in the Appendix B, the fee shall be reduced in the following way (for each company):</p> <p>5% for the delay up to 7 (seven) days upon the commencement of the deadline set in the Work Dynamics in the Appendix B;</p> <p>10% for the delay from 8 (eight) to 15 (fifteen) days upon the commencement of the deadline set in the Work Dynamics in the Appendix B;</p> <p>15% for the delay of more than 15 (fifteen) days upon the commencement of the deadline set in the Work Dynamics in the Appendix B.</p> <p>In case of the delay of over 30 (thirty) days, the Client has the right to terminate the Contract, provided that the notice in writing has been</p>
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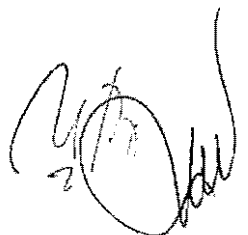


	<p>previously issued according to which the Contract shall be considered terminated 5 (five) days upon the notice in writing is received by the Consultant, if within that period the Consultant does not submit the report, i.e. the documents, regardless of the requirements provided by the Clause 4.5.</p> <p>Exceptionally, in case of valid reasons, the Consultant can miss the deadlines, with previous timely notice, and the Client's approval in writing. Those reasons could be the company's refusal to cooperate, the delay of the company in obtaining the necessary privatization documents, and some other valid reasons. The Client has to be informed on the possible delay at least 7 (seven) days prior to the expiry of the deadline; otherwise, no reasons for delay shall be taken into consideration.</p>
6.5	<p>Payment of the Contract Price shall be due within thirty (30) days of approval and submission of invoice for each of the relevant documents specified in Clause 6.4.</p> <p>The interest rate is the rate applied to the delayed payments set out in the Applicable Law.</p> <p>If the Client had taken all necessary and possible measures to execute the payment, but due to any reason beyond the control of the Client, the Consultants had not received the payment or received it with delay, such circumstances shall not be considered as "delayed payment".</p> <p>If the Client has disapproved the deliverables by the Consultants in the manner specified in Clause 6.4, and subsequently has not made the payment, such circumstances shall not be considered as "delayed payment".</p>
8.2	<p>Any dispute, controversy, or claim arising out of or relating to this Contract, or the breach, termination, or invalidity thereof, shall be settled by Commercial Court in Belgrade</p>



#### **IV. Appendices**

##### **APPENDIX A – DESCRIPTION OF SERVICES**

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A1: WORK PLAN - SUMMARY TABLE

Nº	Activity	Week (4 weeks = 1 month)																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	<b>I STAGE</b>																				
1	The first meeting of the representatives of the Client, Consultant and the Subject of Privatisation	■																			
2	Preparatory meeting of Team members – participants in the Project	■																			
3	First visit of the Subject of Privatization	■	■																		
4	The first report to the Client			■																	
	<b>II STAGE</b>																				
5	Processing of the documentation taken-over	■	■	■	■																
6	Second visit of the Subject of Privatization				■	■	■	■	■												
7	Capital Value Assessment				■	■	■	■	■	■	■	■	■	■	■						
8	Preparation of the Brief Profile of the Subject of Privatization					■	■	■	■	■	■	■									
9	Second report to the Client									■											



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24/12/2019

**A2: DETAILED SCOPE OF WORK**

for  
**Consultants to prepare Auction Documents for Pool 4-Belgrade and East Serbia veterinary stations**

**1. Objective of the assignment**

The Privatization Agency of the Republic of Serbia (hereinafter "PA") intends to engage Consultants for drafting Auction Documents towards acceleration of privatization process for the companies undergoing auction privatization, that is, for the purpose of upgrading the quality of the Auction Documents. Therefore, PA created the pools of companies (hereinafter: "Pool") for which the Consultants shall be engaged on the tasks of preparation of required documentation for public auction method, as per the requirements set out in this ToR.

**GROUP 4 - BELGRADE AND EAST SERBIA**

<b>Name</b>	<b>Number of empl.</b>
Vet Station Grocka, Grocka	11
Vet Station Kovin, Skorenovac	18
Vet Station Rača, Rača	24
Vet Station Lajkovac, Lajkovac	9
Vet Station Ub, Ub	21
Vet Station Topola, Topola <sup>2</sup>	28
Vet Station Lazarevac, Lazarevac	21
Vet Station Mladenovac, Mladenovac	18
Vet Station Beograd	14
Vet Station Obrenovac	19
Vet Station Knjača	13
Vet Station Zemun, Dobanovci	14
Vet Station Golubac, Golubac	18
Vet Station Kladovo, Kladovo	23
Vet Station Kučevo, Kučevo	27
Vet Station Majdanpek, Majdanpek	9
Vet Station Malo Crniće, Malo Crniće	11
Vet Station Petrovac, Petrovac	18
Vet Station Smederevo, Smederevo	17
Vet Station Smederevska Palanka	16
Vet Station Svilajnac, Svilajnac	14
Vet Station Velika Plana, Velika Plana	26
Vet Station Žabari, Žabari	27
Vet Station Žagubica, Žagubica	14
Vet Station Zaječar, Zaječar	13
Vet Station, Požarevac	24
<b>Total: 26</b>	

The Company Prospects are available on the following web site: [www.priv.yu](http://www.priv.yu).

<sup>2</sup> The PA keeps the right to replace subject veterinary station with other one during execution of the contract

## 2. Scope of Services

The Consultant shall organize the team consisting of the following members: team leader, valuator, financial advisor, legal advisor and other technical staff.

Each Consultant is allowed to form a consortium or to engage sub-contractors. However, only eligible Consultants qualified in the selection process can be engaged for execution of the described activities.

### Preparation of the Auction Documents

1. Preparation of short Company Profiles
2. Capital valuation of the company
3. Preparation of the Privatization Program
4. Preparation of amendments to the standard Sale and Purchase Agreements provided by the PA

## 3. Description of activities:

1.1 The Consultant shall prepare the Company Profile in Serbian and English, the form of which shall be provided by the PA. In addition to this, the Consultant is expected to actively encourage potential investors, organize presentations and conferences, and prepare publications and advertisements in the local (and foreign if required) printed and electronic media. Exceptionally, if the Consultant considers that engagement of additional resources would be vital for successful privatization of the selected companies, he/she can propose it to the PA. PA shall decide as to the adequacy of such proposal, reach special Decision and revise the ToR accordingly.

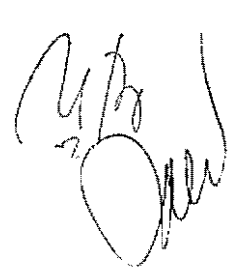
1.2. The Consultant shall systematize and realistically disclose liabilities of companies. In that respect, on PA's request and as per PA's instructions, the Consultant shall also prepare analytical review of company's liabilities.

The Consultant is also responsible for preparation of all relevant property-rights-related documents which served as the base for the Company's capital valuation.

The Consultant is under obligation to contact the Republic Geodetic Authority (hereinafter "RGA") for each individual company as well as to provide the RGA Report (document issued by the RGA, defining the legal status of immovable assets, that is, pointing to the actions required for the registration of assets). PA shall provide all relevant contacts within the RGA to the Consultant.

In case that the Company has share capital, the Consultant shall advise the Company on the requirement of compliance with the Central Security and Clearing House Registry, as well as to provide the necessary professional support to perform compliance within the shortest possible period. Along with the Privatization Program and the Capital Valuation, it is also necessary to enclose the Certificate on compliance with the Central Registry, as well as the list of shareholders.

The Consultant is required to perform the Company's capital valuation using the Discounted Cash Flow (DCF) method, with correction using the Liquidation Value (LV) method, in line with the Decree on the sale of capital and assets by public auction method (hereinafter: "Decree") as well





as the Decree on methodology for valuation of capital and assets ("Official Gazette of the Republic of Serbia" nos. 45/2001, 45/2002)

Along with the DCF and LV valuation, the Consultant shall also enclose the valuation prepared using the Adjusted Book Value (ABV) method.

In keeping with the Decree on methodology for valuation of capital and assets ("Official Gazette of the Republic of Serbia" nos. 45/2001, 45/2002 and 19/2003), PA can determine that for certain companies, the so called "adjusted book value" (hereinafter: "ABV") is not applicable, i.e. it is negative, and for such companies PA shall engage the Consultants for new capital valuation and for execution of other tasks envisaged under this ToR.

For the purpose of applying the DCF method, in cooperation with the Company, the Consultant shall prepare the projection of the expected future financial performance. The Consultant shall also suggest various scenarios for determining the range of capital value under different circumstances. The valuation shall include indicative value of the Company based on the applied valuation method and assumptions.

In case that the Consultant determines that it is impossible to prepare Privatization Program and Capital Valuation, he/she shall notify the PA thereof in writing, justifying the reasons confirming the above, as well as to suggest options for conclusion of the privatization process.

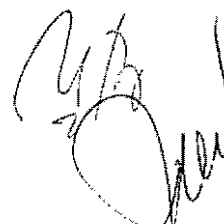
Also, the Consultant shall submit to PA all documents envisaged under Articles 53-62 of the Decree on the sale of capital and assets by public auction, that he/she received from the Company and the relevant authorities and which are in any aspect related to specific Company.

The Consultant shall submit the Report on justification as well as the documents without delay, no later than 10 (ten) days from the date when the Consultant determined that it is impossible to prepare the Privatization Program and Capital Valuation.

1.3 Privatization Program (hereinafter "PP") is the key document within preparations for the auction sale. It includes all information of interest to a potential investor in his decision making towards purchase of 70% of the social/state capital of the company, as well as for investments following the purchase. The Consultant shall prepare the PP according to the Decree on the sale of capital and assets by public auction method (Official Gazette of the RoS no. 52/05).

1.4. Upon submission of Capital Valuation and Privatization Program for the Company, the PA shall conduct verification of submitted data to ensure that it meets the requirements of the Decree and that it contains no significant errors. If there are any deficiencies with any PP the Consultant will work with the enterprise and/or relevant coordinator to correct the PP. The consultant will then pass such PP to the PA for verification. Should the PA require any additional corrections or amendments to the PP the consultant will work with the enterprise and/or coordinator to ensure that required changes are made.

1.5 If necessary, the Consultant shall prepare his proposal of the parts of the Sale and Purchase Agreement for specific company, bearing in mind particularly: potential social program, minimum investment requirements, continuity of production, and other elements of the Agreement related to specific features of the company in question.



**APPENDIX B - REPORTING REQUIREMENTS**

The Consultant will work with the PA's assigned Project Manager on a daily basis.

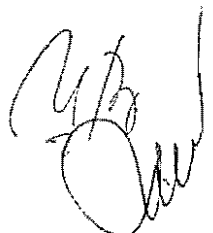
The Consultant will also provide regular progress reports to the PA and ad-hoc progress reports, at any time, if requested by the PA, as well as the following reports:

Deliverable	Indicative Date
<b>Key Deliverables</b>	
Capital Valuation	D1 plus 12 weeks
Privatization Program	D1 plus 12 weeks
<b>Supporting Documents</b>	
Company Profile:	D1 plus 8 weeks
Draft amendments to standard SPA form	D1 plus 10 weeks

D 1 - Commencement Date of the assignment

If it is requested by the PA, the Consultant shall, at any time, prepare progress reports during each of the aforementioned phases.

The Consultant shall prepare the documents in three copies for the PA. In case there are foreign potential buyers, the Consultant is required to prepare the appropriate number of copies in English as well.



## APPENDIX C - KEY PERSONNEL AND SUB-CONSULTANTS

## I TEAM COMPOSITION AND TASK ASSIGNMENTS

Professional Staff				
Name of Staff	Firm	Area of Expertise	Position Assigned	Task Assigned
Radiša Rakić	FIMAKS	Bc. Economics	Project Manager	<p>Project Manager, plans, organizes and coordinates the Team, supervises and inspects processes and tasks in the way stipulated by the procedures according to the Standard JUS ISO 9001: 2001</p> <p>Makes final review and inspection of the Study on Capital assessment and Privatization Program and approves them for copying.</p> <p>Approves the Brief Company Profile.</p> <p>Contacts possible investors based on applications of interest of interest expressed in personal contact,</p> <p>Determines marketing Plan for presentation of the Subject of privatization.</p> <p>Prepares draft modifications and amendments of the standard contract for sale – purchase, if necessary.</p>
Milica Rakić	FIMAKS	Bc. Economics	Head Expert for Capital Value Assessment	<p>Prepares all required documentation of the Subject of Privatization for work on Capital Assessment and preparation of Privatization Program – status, ownership, financial, commercial, technical and other documentation and information required for work of professional teams (financial, legal and technical).</p> <p>Processes general parts related to identification</p>

				<p>data of the Subject of Privatization. Joins the segments-separates of the processing to the form of the Study on Capital Assessment and Privatization Program complete with documentation – enclosures and makes an in-house presentation with the Professional Team Members to Project Manager. After the presentation is approved, hands the Study on Capital Assessment and Privatization Program over to Project Manager for inspection and releasing for copying. Arranges for possible corrections and reworks by team members at request of Project Manager. Prepares the Brief Company Profile of the Subject of privatization in the standard form in the Serbian language and arranges for it to be translated to English if necessary.</p>
Miladin Petronijević	Retired	Bc. Economics	Head Financial Expert	<p>Processes financial analysis of business and financial situation of the Subject of Privatization and assesses capital value according to the methods KKV, DNT. Makes Capital Value Assessment according to the method LV (excluding evaluation of basic assets). Participates in preparation of Privatization Program. Prepares elements for composing the Brief Company Profile. Coordinates work of Financial Team.</p>
Snežana Batinić	PALANAČKI KISELJAK	Bc.Economics	Financial Team Member	<p>Processes financial analysis of business and financial situation of the Subject of Privatization, assesses capital value according to the method KKV, estimates position of the Subject on the market and makes financial projections for evaluation according to the method DNT. Makes</p>



				Capital Value assessment according to the methods LV (excluding evaluation of basic assets). Participates in preparation of Privatization Program. Prepares elements for composing the Brief Company Profile of the Subject of Privatization.
Dragan Ilić	FIMAKS	Ma. Legal Sci.	Legal Team Manager	Processes all legal issues for preparation of Capital value assessment and Privatization Program of the Subject of Privatization: general parts, registration, status, history, organization, staff and staff structure, real estate, mortgages and litigations, disputable issues, way of their settlement and providing of required clarifications and opinions. Coordinates work of the Legal Team.
Živorad Živanović	FIMAKS BROKER	Lawyer	Legal Team Member	Processes all legal issues for preparation of Capital value assessment and Privatization Program of the Subject of Privatization: general parts, registration, status, history, organization, staff and staff structure, real estate, mortgages and litigations, disputable issues, way of their settlement and providing of required clarifications and opinions.
Dragan Stanković	FIMAKS	Bc. Mech. Eng..	Equipment Evaluator	Analyzes and estimates technical equipment of the subject of Privatization and investments in previous period of time. Assesses liquidation value of equipment and estimates level of conformance with requirements of the Standard-Regulation. Prepares documentation and information required for work of Professional Teams (Financial, Legal).



				Makes projection of required investments in the subject of Privatization and suggests level of mandatory investment of Buyer for Privatization Program.
Radojica Subotić	GARANT VIS	Bc. Mech. Eng...	Equipment Evaluator	Analyzes and estimates technical equipment of the subject of Privatization and investments in previous period of time. Assesses liquidation value of equipment and estimates level of conformance with requirements of the Standard-Regulation. Prepares documentation and information required for work of Professional Teams (Financial, Legal). Makes projection of required investments in the subject of Privatization and suggests level of mandatory investment of Buyer for Privatization Program.
Duško Milićević	JP Direction for Construction	Bc.Civ.Eng..	Buildings Evaluator	Analyzes and estimates technical suitability and condition of facilities of the Subject of Privatization. Estimates liquidation value of buildings, low-build objects and building land. Makes projection of investments in the subject of Privatization and suggests level of mandatory investments of Buyer for Privatization Program.
Petar Popović	Retired	Architect	Buildings Evaluator	Analyzes and estimates technical suitability and condition of facilities of the Subject of



				Privatization. Estimates liquidation value of Buildings, low-build objects and building land. Makes projection of investments in the subject of Privatization and suggests level of mandatory investments of Buyer for Privatization Program.
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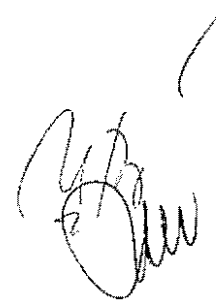
## II STAFFING SCHEDULE

Nº	Staff name	Staff input																				Total input staff-months		
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Home	Field	Total
Local																								
1	Radiša Rakić																					1		3,5
2	Milica Rakić																					4	0	4,0
3	Miladin Petronijević																					4	1	5,0
4	Snežana Batinić																					4	0	4,0
5	Dragan Ilić																					3,5	0,5	4,0
6	Živorad Živanović																					1,5	0,5	2,0
7	Dragan Stanković																					1	1	2,0
8	Radojica Subotić																					1	1	2,0
9	Duško Milićević																					1	1	2,0
10	Petar Popović																					1	1	2,0
11	Supporting staff																					4,5	0	4,5
													Sub-total									8,5		
													Total										35,0	



**APPENDIX D - BREAKDOWN OF CONTRACT PRICE IN FOREIGN CURRENCY**

*N/A*

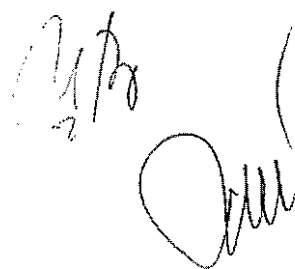
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**APPENDIX E – BREAKDOWN OF CONTRACT PRICE IN LOCAL CURRENCY****SUMMARY OF COSTS**

<i>Item</i>	<i>RSD</i>
Contact price	7.399.100,00

**BREAKDOWN OF CONTRACT PRICE**

<i>Cost component</i>	<i>RSD</i>
Remuneration	5.895.600,00
Reimbursable Expenses	1.503.500,00
Subtotals	7.399.100,00



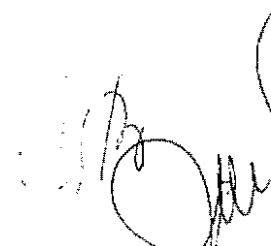
## BREAKDOWN OF REMUNERATION

Name	Position	Staff month input	Staff-month input	Staff-month Rate (RSD)	Total (RSD)
<b>Local Staff</b>					
Radiša Rakić	Project Manager	[Home]	1.0	434.285,7	434.285,7
		[Field]	2.5	434.285,7	1.085.714,3
Milica Rakić	Head Expert for Capital Value Assessment	[Home]	4.0	160.000,0	640.000,0
Miladin Petronijević	Head Financial Expert	[Home]	4.0	158.400,0	633.600,0
		[Field]	1.0	158.400,0	158.400,0
Snežana Batinić	Financial Team member	[Home]	4.0	120.000,0	480.000,0
Dragan Ilić	Legal Team Manager	[Home]	3.5	158.400,0	554.400,0
		[Field]	0.5	158.400,0	79.200,0
Živorad Živanović	Legal Team member	[Home]	1.5	135.000,0	202.500,0
		[Field]	0.5	135.000,0	67.500,0
Dragan Stanković	Equipment Evaluator	[Home]	1.0	150.000,0	150.000,0
		[Field]	1.0	150.000,0	150.000,0
Radojica Subotić	Equipment Evaluator	[Home]	1.0	150.000,0	150.000,0
		[Field]	1.0	150.000,0	150.000,0
Duško Milićević	Building Evaluator	[Home]	1.0	150.000,0	150.000,0
		[Field]	1.0	150.000,0	150.000,0
Petar Popović	Building Evaluator	[Home]	1.0	150.000,0	150.000,0
		[Field]	1.0	150.000,0	150.000,0
Supporting Staff		[Home]	4.5	80.000,00	360.000,0
<b>Subtotal</b>					<b>5.895.600,00</b>

**BREAKDOWN OF REIMBURSABLE EXPENSES**

N°	Description	Unit	Quantity	Unit Cost <sup>3</sup> in RSD	Total amount in RSD
1.	Daily allowances	allowance	225	2.000,00	450.000,00
2.	Hotel accommodation	trip	75	1.600,00	120.000,00
3.	Other traveling expanses (highway tolls, public parking and other immediate traveling expanses)	trip	75	400,00	30.000,00
4.	Car use expenses	trip	75	5.000,00	375.000,00
5.	Printing of reports	report	130	3.000,00	390.000,00
6.	Translation	page	390	150,00	58.500,00
7.	Advertising	advertising	1	30.000,00	30.000,00
8.	Presentation expenses	presentatio n	1	50.000,00	50.000,00
	<b>Sub total</b>				<b>1.503.500,00</b>

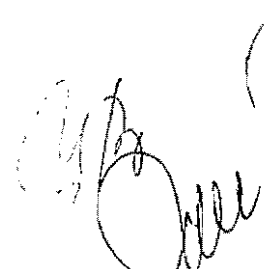
<sup>3</sup> The rates indicated shall be used to establish payments for possible additional services required by the Client



**APPENDIX F - SERVICES AND FACILITIES PROVIDED BY THE CLIENT**

The Client undertakes, on a confidential basis, to make available to the Consultant any relevant information, which is or becomes known to the Client prior or in the course of the assignment.

For avoidance of doubt, the Client is not providing office space, secretarial or administrative assistance or other facilities except for: a) arranging for the Company visits and meetings with Company's management; b) arranging the kick-off meeting; and c) providing office space in the course of contract negotiations.

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ДОНАЦИЈА ЕАР ЗА ПОДРШКУ ПРИВАТИЗАЦИЈИ  
(TF 054025)

КОНСУЛТАНТСКИ  
УГОВОР

ЗА ИЗРАДУ АУКЦИЈСКЕ ДОКУМЕНТАЦИЈЕ  
ВЕТЕРИНАРСКИХ СТАНИЦА НА ТЕРИТОРИЈИ БЕОГРАДА И ИСТОЧНЕ СРБИЈЕ(ПУЛ 4)  
ГП 74

ИЗМЕЂУ  
АГЕНЦИЈЕ ЗА ПРИВАТИЗАЦИЈУ, РЕПУБЛИКА СРБИЈА  
И  
ФИМАКС д.о.о., Република Србија и

06. ДЕЦЕМБАР 2007.

ПРЕДМЕТ ОБРАДО:

  
МИЛЕНА КОСТАДИНОВИЋ, РУКОВОДИЛАЦ ПРОЈЕКТА, ЦЕНТАР ЗА УПРАВЉАЊЕ ПРОЈЕКТИМА

  
ВУК ПЕРИЋ, РУКОВОДИЛАЦ ПРОЈЕКТА, ЦЕНТАР ЗА АУКЦИЈЕ

ОДГОВОРНО ЛИЦЕ:

  
ЗОРИЦА ПЕТРОВИЋ  
ДИРЕКТОР ЦЕНТРА ЗА УПРАВЉАЊЕ ПРОЈЕКТИМА

САГЛАСАН:

  
ИЛИЈАНА СТАМЕНКОВИЋ  
ДИРЕКТОР ЦЕНТРА ЗА АУКЦИЈЕ

