

GOVERNMENT OF MONTENEGRO
COUNCIL FOR PRIVATIZATION AND CAPITAL PROJECTS



Tender commission for privatization hereby announces the:

PUBLIC INVITATION

for participation on the tender (“**The Tender**”) for the sale of 100% stake capital expressed through in the company:

LIMITED LIABILITY COMPANY "MONTENEGRO DEFENCE INDUSTRY" - PODGORICA

1. The subject of this tender is the sale of 100% (one hundred percent) stake capital of the Limited liability company "Montenegro Defence Industry" - Podgorica (the „**Company**“ or the “**MDI AD**”).

The capital that is subject of sale is 100% owned by the Government of Montenegro.

2. Details about the Company

The Company is a limited liability company founded and existing in accordance with the Montenegrin legislation, and registered with the Central Register of the Commercial Entities under the registration file no: 50088820.

Company Registration Number: 02236575

Identification number of the core activity of the Company: 4690, non-specialized wholesale.

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 the interested parties (including consortiums) who have purchased the Tender Documents and signed the Confidentiality Statement, in accordance with sections 7 and 8 of this Public Invitation (“**The Tender Participant**”).
4. A Bid on the Tender may be submitted by a Tender Participant, provided that Tender Participant or its related entities has never been in the list of companies that has breached or violated the sanctions imposed by United Nations Security Council or EU, and provided that it fulfills one of the following criteria:
 - (i) it has been registered for and has experience in core business activity of the Company: the trade of weapons and military equipment for minimum period of last 3 (three) years, that precede this Public Invitation and had a total revenue from core business of at least 5,000,000 EUR (*five million EUR*) in last business year (2013); or
 - (ii) it had a total revenue of at least 15,000,000 EUR (*fifteen million EUR*) in last business year (2013) that precedes this Public Invitation, and has letter of intention or signed

agreement for management with the company that fulfills criteria under section 4. (i) above of this Public Invitation.

(Separately “**Qualification Requirement**” and together “**Qualification Requirements**”).

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

Fulfillment of the Qualification Requirements shall be examined following to the receipt and opening of the Bid packages.

Documentation that must be submitted as evidence of the fulfillment of the Qualification Requirements shall be determined in the Tender Documents, which will be delivered to the Tender Participants in accordance with sections 7. and 8.

5. The Tender Participant that purchased the Tender Documents, may form a consortium with other entities, and such consortium may submit a bid under the condition that members of the consortium majority ownership and control rights in the consortium together fulfill the Qualification Requirements.

The Consortium Agreement must contain, inter alia, provisions that clearly and unequivocally stipulate and define unlimited joint and several liability of all members of the consortium for the obligations arising from the Bid, the Tender and the Sale and Purchase Agreement.

6. The Tender Participant is to submit its Bid in accordance with the regulations and procedures stipulated in the Instructions to Bidders that are contained in the Tender Documents.
7. The Tender Commission for privatization (the “Tender Commission”), hereby invites interested parties to submit a written request to purchase the Tender Documents (“**The Request**”) that should be clearly entitled “The Request for Purchase of the Tender documents”.
8. Upon receiving the Request, the Secretary of the Tender Commission will provide interested parties with instructions for the payment of the fee for the tender documents (“**The Tender Documents Fee**”) in the amount of 5,000 EUR (*five thousand EUR*) by mail, e-mail or fax, as well as with the Confidentiality Statement. The Tender Participants shall, without delay, return duly signed Confidentiality Statement to the Secretary of the Tender Commission and pay the Tender Documents Fee.

Immediately upon receiving a duly signed Confidentiality Statement and confirmation from the Council for Privatization and Capital Projects 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 a written confirmation of a receipt of the Tender Documents to the Secretary of the Tender Commission.

9. The Tender Participant will be provided with the opportunity to visit the Company and to access the Data Room upon agreement with the Advisor.
10. A Bid on the Tender must be submitted in accordance with the rules and procedure prescribed in the Tender Documents, and such Bid must arrive at the address of the Tender Commission not later than **October 15, 2014 at 12:00 pm** (local time), at the latest. The Tender Commission reserves the right to amend this deadline if needed.
11. Along with submission of its Bid, a Bidder must pay a Deposit or submit a Bid Bond in favor of the Council for Privatization and Capital Projects, in the amount of EUR 200,000 (*two hundred thousand Euro*), in the form of an unconditional and on-demand bank guarantee, issued by a bank with at least BBB credit rating, according to the 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. A 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 determined in the Sale and Purchase Agreement.
13. The Tender Commission reserves the right to amend the particular provisions from this Public Invitation including deadlines.
14. All inquiries relating to this Public Invitation, interested parties should address to the Tender Commission and the Advisor at the following addresses:

TENDER COMMISSION	ADVISOR
<p>Mr. Branko Vujović, President Tender Commission for privatization</p> <p>Moskovska 17/A, M/C1 81000 Podgorica, Montenegro tel: +382 20 235 565; fax: +382 20 513 503;</p> <p>Attn. Mrs. Ivana Šaranović Jovičević, Secretary of the Tender Commission e-mail: ivana.saranovic@ano.co.me</p>	<p>Advokatska kancelarija Zorica Đukanović</p> <p>Moskovska 13, III/23 81000 Podgorica, Montenegro Tel. +382 20 205 540; Fax: +382 20 205 541;</p> <p>Attn. Mrs. Zorica Đukanović, Attorney at law , Advisor e-mail: ak-zorica.djukanovic@t-com.me</p>