

Pursuant to Article 3 of the Law on Privatisation of Economy (Official Gazette of the Republic of Montenegro no. 23/96, 6/99, 59/00 and 42/04), at its session held on 7th February 2018 the Government of Montenegro adopted the following

DECISION

ON

THE PRIVATISATION PLAN FOR 2019

(Official Gazette of Montenegro, no.13/19 dated 1/03/2019)

1. The Privatisation Plan for 2019 is hereby established and it shall be an integral part of this Decision.
2. This Decision shall enter into force on the eight day following that of its publication in the Official Gazette of Montenegro.

Number: 07-356
Podgorica, 7th February 2019
Government of Montenegro
Prime Minister,
Duško Marković, s.r.

PRIVATISATION PLAN FOR 2019

I. INTRODUCTORY NOTES

The Law on Privatisation of Economy (Official Gazette of the Republic of Montenegro 23/96, 6/99, 59/00 and 42/04) stipulates that privatisation shall be made in accordance with annual privatisation plans adopted by the Government of Montenegro (hereinafter referred to as the "Government") upon proposal of the Privatisation and Capital Investment Council (hereinafter referred to as the "Council"), which shall be published in the media.

The Privatisation Plan for 2019 was prepared on the basis of proposals of ministries, State funds, as well as tender committees of the Council. The Privatisation Plan shall contain in particular:

- privatisation objectives, manner and detailed terms and conditions with deadlines of their fulfilment;
- privatisation methods;
- a list of companies together with the number and ownership structure of shares that are to be privatised in each company;
- a list of locations to be subject of tourism valorisation; and
- social aspect of privatisation.

II. MAIN PRIVATISATION OBJECTIVES

The Privatisation Plan identifies main privatisation objectives and other aspects of this process, methods and manner of privatisation, together with a defined list of companies and the percentage of their share capital to be privatised.

The main objective of the Montenegrin economic policy is reflected in a higher economic growth, ensuring new jobs and employment, increasing investments and export and creating the basis for higher income and growth of citizens' standard of living, together with the increase of competitiveness of the Montenegrin economy.

The Government will achieve this objective through a combination of economic and fiscal measures, structural reforms and improved business environment.

The priority will be to significantly eliminate barriers to new investments. The Government will, *inter alia*, encourage new investments in particular. One way to encourage investments is certainly to privatise the companies that have not been privatised, as well as to valorise tourism locations.

In such a context, the main privatisation objective is the increase of competitiveness and efficiency of operations of companies, encouragement of foreign investments and entrepreneurship in all sectors, increase of employment and improved standard of living.

III. METHODS AND MANNERS OF PRIVATISATION

Privatisation in 2019 will be based on privatisation methods and manners adjusted to the free market demands.

1. SALE OF SHARES AND PROPERTY BY PUBLIC TENDERS

- a) Pursuant to the Decision of the Council, for the following privatisation company process of the implementation of the tender will be continued:
 1. Institute "Dr. Simo Milošević" JSC, Igalo (sale of shares and/or capital increase), and
- b) Preparation and implementation of public tenders shall be initiated for privatisation of the following companies:
 1. HG "Budva Riviera" JSC, Budva (sale of shares following restructuring),
 2. "Castello Montenegro" JSC - Pljevlja (sale of shares),
 3. "Black Metallurgy Institute" JSC - Niksic (sale of shares and/or recapitalization).

MAIN DETAILS ABOUT COMPANIES AND SUBJECT OF TENDERS

1) Institute for Physical Medicine, Rehabilitation and Rheumatology "Dr. Simo Milošević" JSC, Igalo

1.1 Main details about the Joint Stock Company

The Institute for Physical Medicine, Rehabilitation and Rheumatology "Dr. Simo Milošević" JSC, Igalo is a Joint Stock Company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0000823, with the total registered capital in nominal amount of EUR 59.240.278,65 divided into 382.351 shares. The nominal value of shares amounts to EUR 154,9369. Identification number of the Company is 02008386. The code of the Company's core activity is 8610.

1.2 Subject of the Tender

Subject of the Tender is the sale of 215.954 shares and/or capital increase of the Company Institute for Physical Medicine, Rehabilitation and Rheumatology "Dr. Simo Milošević" JSC, Igalo, i.e. 56.4806% of share capital of the Company, with obligation of the Company to implement the Investment Programme and/or capital increase.

The share capital that is the subject of the sale is owned by the State and the property rights are exercised by the Government (73.387 shares or 19.1936%), Investment and Development Fund of Montenegro (90.411 shares or 23.6461%), Health Insurance Fund of Montenegro (39.117 shares or 10.2307%) and the Employment Agency of Montenegro (13.039 shares or 3.4102%).

1.3 Status

Public call for sale of 56.4806% of the share capital of the Institute Dr. Simo Milosevic AD Igalo was announced on October 16, 2018 with deadline for submission of bids until January 14, 2019. One offer was submitted within the stipulated deadline by the Consortium Philibert, a.s. and Vile Oliva LLC.

After the conducted tender, the Tender Commission for privatisation will submit to the Council the Report on the results of the tender.

2) Hotel Group "Budva Riviera" JSC, Budva

2.1 Main details about the Joint Stock Company

HG "Budva Riviera" JSC, Budva is a Joint Stock Company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 40004651 with the total registered capital in the nominal amount of EUR 80.897.155,70. The nominal value of each share amounts to EUR 9.9740. The registration number of the Company is 02005328. The code and name of the Company's core activity is 55110, hotel and similar accommodation.

2.2 Status

In the company HG "Budva Riviera" JSC Budva, the implementation of the restructuring program is in progress.

3) "Castello Montenegro" JSC – Pljevlja

3.1 Main details about the Joint Stock Company

"Castello Montenegro" JSC – Pljevlja is a Joint Stock Company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 40006434 with the total registered capital in the nominal amount of EUR 1.927.123,46. The nominal value of each share amounts to EUR 6.0128. The registration number of

the Company is 02010127. The code and name of the Company's core activity is 1412, the production of working clothes.

3.2 Subject of the Tender

Subject of the Tender is the sale of 51.1159% of share capital of the Company "Castello Montenegro" JSC – Pljevlja JSC, i.e. 326.992 shares, consists of the following structure of capital and number of shares: 86.7387% of the capital owned by the Ministry of Finance (278.002 shares) and 0.0736% of the capital owned by the Government of Montenegro (236 shares).

3.3 Status

The Tender Commission for Privatization has selected a legal advisor.

4) "Black Metallurgy Institute" JSC – Niksic

4.1 Main details about the Joint Stock Company

"Black Metallurgy Institute" JSC – Niksic is a Joint Stock Company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 40004230 with the total registered capital in the nominal amount of EUR 5.220.145,22. The nominal value of each share amounts to EUR 8.1602. The registration number of the Company is 02040760. The code and name of the Company's core activity is 7120, the technical testing and analysis.

4.2. Subject of the Tender

Subject of the Tender is the sale of 51.1159% of the capital increase of the Company "Black Metallurgy Institute" JSC, Niksic i.e. 326,992 shares consists of the following structure of capital and number of shares: 20,4270% owned by the State (130.673 shares), 19,0368% owned by the Pension and Disability Insurance Fund (121,780 shares), 6,3456% owned by the Employment Agency of Montenegro (40,593) and 5,3065% owned by the Compensation Fund (33,946 shares).

The list of companies/property to be privatised by the Public Tender is given in Annex 1 as an integral part of this Plan.

2. VALORISATION OF TOURISM LOCATIONS OR COMPANIES THROUGH PUBLIC PRIVATE PARTNERSHIP

2.1. Implementation of the tenders launched for the following locations:

1. Masline Valley – “Utjeha” Odrač Bay, Bušat, Bar Municipality;
2. The location between Njivice and Sutorina mouth, Herceg Novi Municipality;
3. Location "Donja Arza", Herceg Novi Municipality;
4. Location "Kabala for", Herceg Novi Municipality;
5. The Project of tourism valorisation of the location “Mrkovi – Bijela Stijena”, Luštica, Herceg Novi Municipality;
6. The Project of Tourist complex Ecolodge Lovćen – National Park Lovćen, Cetinje;

2.2. The relevant Tender Committees shall continue with regular activities on the analysis of current situation and preparation of tender documents¹, in accordance with the procedure for selection of investors for long-term lease for valorisation of the following locations or companies:

- 1) Ada Bojana, Ulcinj Municipality - tourism valorisation of the location through development, construction, financing and management of exclusive tourism complex and long-term lease of the Ada Island;
- 2) Tourism valorisation of the locations included in the Special Purpose Spatial Plan "Bjelasica and Komovi" - Cmiljača and Žarski, municipalities of Mojkovac and Bijelo Polje.

MAIN DETAILS ABOUT LOCATIONS/COMPANIES

I Implementation of the launched/published tender:

1) Masline Valley – “Utjeha”, Odrač Bay, Bušat, Bar

PROJECT DESCRIPTION: Cove Masline is around 15 km away from Bar towards Ulcinj. Hinterland of the Cove accommodates a small settlement and beach in the Cove Masline is around 200 m long, and the average width of the beach is 20 m. The beach is a typical example of the so-called pocket beaches, created between two rocky bays. The beach is directly exposed to influences of waves coming from the west. The total area of the land that is the subject of valorisation is 29.829 m² and includes parts of cadastral parcels: 2876, 2877 and 4085/3.

¹ Within the analysis, prior to the announcement of public call, the consultants will work on elaborates for all locations, based on which the exact area of the locations will be defined, if necessary to conduct a parceration and to regulate the real estate sheets.

PROPERTY RELATIONS: Owned by the State of Montenegro; there is burden "Coastal Zone". The respective land includes one object under construction owned by Bar Municipality.

PLANNING DOCUMENTS: The location is in the scope of the Spatial Plan of Special Purpose for the Coastal Zone (Sector 59) which provides basic guidelines for the development of this location. Currently, there is no detailed elaboration for the development of this location. Accordingly, before starting the construction, detailed elaboration of this location is required based on the general guidelines set out in the aforementioned planning document.

2) Location between Njivice and the Sutorina mouth, Herceg Novi

PROJECT DESCRIPTION: The location what is the subject of the Tender includes 30.597 m² of land and belonging space of aquatorium. The land is located south from the Sutorina River mouth, and north from the Njivice settlement. The location that is a subject of valorisation includes the area which borders: the beach on the location "Pećine" on the north, Njivice-Kobila-Prevlaka road on the west, Njivice settlement on the south and the sea coast on the east side. The land that is the subject of the tender is registered in the real estate folio in the land register 1003, cadastral municipality Sutorina, Herceg Novi Municipality, as the property of the State of Montenegro and includes the following cadastral parcels: 5828/9 area of 5.008 m², 5828/10 area of 13.510 m², 5828/11 area of 1.759 m², 5828/12 area of 2.561 m², 5828/13 area of 95 m², 5828/14 area of 283 m², 5828/16 area 219 m², 5828/17 area of 578 m², 5828/18 area of 778 m², 5828/19 area of 363 m², 5829/2 area of 834 m², 5829/3 area of 546 m², 5829/4 area of 309 m², 5829/5 area of 50 m², 5829/6 area of 728 m², 5829/7 area of 25 m², 5829/8 area of 73 m², 5829/9 area of 114 m², 5829/10 area of 602 m², 5829/11 area of 157 m², 5829/12 area of 344 m², 5829/13 area of 1.537 m², 5829/14 area of 38 m².

PROPERTY RELATIONS: The State of Montenegro owns the land that is the subject of the valorisation and there are no burdens and restriction, except the burden "Coastal Zone". Subdivision of the land was performed in accordance with the planning document.

PLANNING DOCUMENTS: The location is in the scope of the State Study of Location for "Sector 1" that address the area Kobila - Njivice - Sutorina mouth.

At the location, the plan envisages the construction of a hotel category of minimum 4* and a capacity of up to 75 beds with accompanying facilities.

3) Location "Donja Arza", Herceg Novi

PROJECT DESCRIPTION: The location that is the subject of the Tender includes 94.681m² of land and belonging space of aquatorium. It is located near the Arza Fortress, the Austrian-Hungarian structure located on the island of the same name, and near the Žanjice Beach on the road to the Blue Cave.

PROPERTY RELATIONS: The land that is the subject of the Tender is registered in the real estate folio in the land register number 755, cadastral municipality Radovanići, Herceg Novi Municipality, as the property of the State of Montenegro, and includes cadastral parcels: 3230/12 area of 93.330m² and 1850 area of 1.351m²

PLANNING DOCUMENTS: The location is elaborated in detail through the State Study of Location "Sector 34" - zone "C" and zone "F". The planning document envisages the construction of hotel with a capacity of up to 226 beds and 12 villas with a total capacity of 72 beds, with accompanying facilities. The planned category of tourist complex is 5*.

4) Location "Kabala for", Herceg Novi

PROJECT DESCRIPTION: The land is located on the east coast at the entrance to the Bay of Kotor, on the peninsula Luštica, in the locality of Kabala For. Territorial, the land belongs to the municipality of Herceg Novi. The land that is subject to valorisation is registred in the real estate folio in the land register number 242 KO Rose. The land area is 12.121 m² and consists of the following cadastral parcels 1537/2 (527 m²), 1539/2 (737 m²), 1539/3 (92 m²), 1539/4 (3.639 m²), 1539/5 (4.645 m²), 1539/6 (1,870 m²), 1539/7 (583 m²) and 1539/8 (28 m²).

PROPERTY RELATIONS: The State of Montenegro owns the land.

PLANNING DOCUMENTS: This location is defined by the Decision on adoption of the Study of Location Sector 32 (Official Gazette of Montenegro 71/09), as a part of facilities of the hotel and the tourism settlement "Kabala for". The plan envisages the construction of 6 rent-a-pull villas on the location of a total capacity of up to 24 beds. The planned categorization of the tourist complex is 5 stars.

5) The Project of tourism valorisation of the location "Mrkovi – Bijela Stijena", Luštica, Herceg Novi

PROJECT DESCRIPTION/ PLANNING DOCUMENTS: The site is located on the Luštica Peninsula, "Mrkovi - Bijela Stijena", Herceg Novi Municipality. A part of the land is located in the Coastal Zone. Also, the site is located in the immediate vicinity of the future mixed-use resort - a hotel complex which is, according to the Spatial Plan of Herceg Novi Municipality, planned for

construction of a luxury hotel complex of 5* category. Hotel-turism complex that is planned near of the location is designed in the spirit of the development of the entire location and the surrounding of preserved nature and autochthonous characteristics of Luštica.

PROPERTY RELATIONS: The location that is the subject of the valorisation is registered in the real estate folio in the land register number 242 - cadastral parcel 1563/2, castral municipalities Rose and Mrkovi, Herceg Novi - land register number 24 - cadastral parcel 1537/1, land register number 185 - cadastral parcel 1537/2 and land register number 24 - cadastral parcel 1529 and part of the cadastral parcel 41 area of 41.122m², recorded in land register number 24 castral municipality Mrkovi. The state of Montenegro owns the location and municipality of Herceg Novi has a right to dispose of property. The Municipal Assembly of Herceg Novi has adopted the Decision on initiating the procedure for granting long-term lease of land and transferring authorizations. All castradal parcels are recorded by the burden "Coastal Zone".

PLANNING DOCUMENTS: The Special Purpose Spatial Plan for the coastal zone covers the location ("Official Gazzete of MNE", no. 56/18).

6) The Project of Tourist complex Ecolodge Lovćen – National Park Lovćen, Cetinje

PROJECT DESCRIPTION: The location includes land that covers an area of 41,787m², recorded in land register number 1544, and includes cadastral parcels no. 6208, 6381/3 and 6381/4, castral municipality Njeguši, Cetinje, as well as the object of the mountain home, registered at cadastral parcels no. 6208, castral municipality Njeguši, Cetinje.

The locations is in attractive area of the National Park Lovcen, in the scope of Special Purpose Spatial Plan for the Lovćen National Park. The location is located in the centre of the National Park Lovćen, at Ivanova korita, not far from the local road connecting Cetinje with Boka Bay, near children's resorts and bungalows of the National Park.

PROPERTY RELATIONS: The location is in the ownership of Montenegro.

PLANNING DOCUMENTS: In accordance with the Detailed elaboration of the location of Ivanova korita within the Special Purpose Spatial Plan for the National Park Lovćen ("Official Gazette of the Republic of Montenegro", no.19/97 and "Official Gazette of Montenegro" no. 34/14), the reconstruction and adaptation of the ruined mountain home is foreseen. Any additional investments in the National Park shall be carried out in accordance with the Law and Plan of temporary facilities in the area of the National Park "Lovćen". The plan of temporary facilities in the area of the National Park "Lovćen" for the period 2017-2019 envisages the construction of up to 30 Ecolodge houses of up to 38m², an adventure park, an artificial alpine wall, playgrounds for children and other facilities.

7) Tourism valorisation of the location Ada Bojana, Ulcinj

PROJECT DESCRIPTION: The size of the island is approx. 522 ha. The valorisation of one part is planned, together with awarding the right to develop and manage the unique, high-quality tourist complex that offers a range of leisure and recreation activities. It is envisaged that the complex has at least one 4+* or 5* hotel, which will be managed by a well-known international tourism operator(s). In addition, the opportunity to develop villas and other residential accommodation for long-term lease, as a part of an integral plan, will be considered. Development of the complex is planned in the north-west part of the island (part of capacities to be allocated for a nudist centre), by the sandy beach. The location also includes vegetation zone on the dunes in the hinterland of the beach, nature reserve (in the south-east part) with forests, marshes and meadows.

PROPERTY RELATIONS: The area of Ada Bojana covers the land of a total area of approx. 522 ha, registered in the land registers 110 and 236 cadastral municipality Gornji Štoj, as a subject of state ownership and disposal of the Government of Montenegro (Land register 110), ie the property of Montenegro and land user - HTP Ulcinj Riviera AD Ulcinj (Land register 236). There is a burden "Coastal Zone".

PLANNING DOCUMENTS: The location is covered by the Special Purpose Spatial Plan for the coastal zone (sector 67), based on which will be done a detailed elaboration of this area, in accordance with the general guidelines settled in aforementioned planning document ("Official Gazzete of MNE", no. 56/18).

8) Tourism valorisation of the locations included in the Special Purpose Spatial Plan "Bjelasica and Komovi" – Cmiljača and Žarski

PROJECT DESCRIPTION: The zone of the base settlement Cmiljača is located in the northern part of the territory of Bjelasica, in the territory of Bijelo Polje Municipality, in the north-east part of the zone of the Mountain Centre Žarski at 1.620 m.a.s.l., north from ski terrains, and it extends over 7.5 ha. Access to the base settlement is organized from the east, from the direction of Bijelo Polje, and is connected with the ski plateau of the base settlement Žarski which is located between mountain tops Mušnica and Govedarica.

The concept of organization of the base settlement of the Mountain Centre - base settlement Cmiljača should ensure accommodation capacities for tourists in the vicinity of ski lifts and tracks of the ski area Žarski. Cmiljača will be used as an additional accommodation capacity during winter months and the main capacity of summer tourist destination. The commercial zone is located in the base settlement Žarski. A road connection to Žarski is planned on the route of the existing unpaved road to connect base settlements Žarski and Cmiljača. The concept of the zone of ski tracks is such that it represents an integrated network.

PROPERTY RELATIONS: The location of Cmiljaca is mostly owned by the state of Montenegro, while in smaller part it is privately owned. The base settlement covers the area of 142.515 m², of which 85.007 m² are state-owned, and includes the following cadastral parcels:

4267/1, 4267/2, 4267/3, 4267/4, 4267/5, 4267/6, 4268/1, 4151/15, 4151/16, 4151/17, 4151/18, 4151/19, 4151/20, 4151/21, 4151/22, 4151/23, 4151/24, 4151/25, 4151/26, 4151/27, 4151/28. Private property area covers 57.508 m² and includes the following cadastral parcels of the castral municipality Majstorovina, Bijelo Polje Municipality: 3881/1, 3881/2, 3882/1, 3883/3, 3884/1, 3884/2, 3884/3, 3885/1, 3885/2, 3885/3, 3885/4, 3886/1, 3886/2, 3886/3, 3886/4, 3886/5.

When it comes to the location of Žarski, it is located in two castral municipalities – CM Bjelojevići – Mojkovac and CM Majstorovina – Bijelo Polje. Smaller part of the location of Žarski is owned by the state of Montenegro, while the bigger part is privately owned. The base settlement covers the area of 1.789.652 m², of which 707.435 m² are state-owned (disposal right holders are Mojkovac or the Government of Montenegro), while 1.082.217 m² are private property².

PLANNING DOCUMENTS: The location is elaborated in details by the Special Purpose Spatial Plan Bjelasica and Komovi and by the Detailed Elaboration of the location Cmiljača (Official Gazette of Montenegro 4/11). The base settlement of the Mountain Centre Cmiljača includes a zone with 4 hotels and 22 bungalows and starting points of ski lifts, with the total of 1995 beds. A network of pedestrian paths is planned within the base settlement, which connects all facilities of the settlement and allows natural mobility of users while complying with the configuration of the terrain. The zone of ski tracks is interpolated into the zone of the base settlement so as to ensure ideal accessibility to skiers.

INVESTMENT VALUE: Investment value of cca. EUR 41 mil.

The list of all locations is contained in Annex 2 which is an integral part of this Plan.

3. SALE OF SHARES AT THE STOCK EXCHANGE

On the basis of the proposal of the Government of Montenegro, Pension and Disability Fund of Montenegro, Employment Agency of Montenegro and Investment and Development Fund of Montenegro, shares of the following companies will be offered for sale through the stock exchange:

1. Papir JSC Podgorica;
2. "Agrotransport" JSC – Podgorica;
3. HTE "Berane" JSC – Berane;
4. "Dekor" JSC – Rožaje;
5. "Metal produkt" JSC – Podgorica;
6. "Montenegroturist" JSC – Budva;

² On the basis of the Elaboration of expropriation, estimated value of the land for expropriation in the castral municipality Bjelojevići – Mojkovac is EUR 127.791, for the land situated on the following cadastral parcels: 3917, 3931, 3932, 3934, 3933, 3935, 3940, 3939, 3938, 3936.

7. "Crnogoracoop" JSC – Danilovgrad;
8. "Ibarmond" JSC – Rožaje.

1. "PAPIR" JSC - PODGORICA

"Papir" JSC - Podgorica is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0003382/4, with the total registered capital in the nominal amount of EUR 378.356,08 divided into 14.800 shares. Nominal value of each share amounts to EUR 25,5646. The Company's core activity is non-specialized wholesale, code 4690. Identification number of the Company is 02017083. The subject of the sale is 23,9865% of share capital of "Papir" JSC – Podgorica which is owned by the Employment Agency of Montenegro, which represents 6,0135% of share capital (890 shares) and the Pension and Disability Insurance Fund of Montenegro 17,9730% (2.660 shares). Shares of this Company were not subject of trade through stock exchange in 2018.

2. "AGROTRANSPORT" JSC – PODGORICA

"Agrotransport" JSC – Podgorica is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0006912/4, with the total registered capital in the nominal amount of EUR 1.867.216,47 divided into 36.519 shares. Nominal value of each share amounts to EUR 51,1300. The Company's core activity is freight transport by road, code 4941. Identification number of the Company is 02026341. The subject of sale is 52,4139% of share capital owned by the Investment and Development Fund of Montenegro 44,9246% (16.406 shares) and the Employment Agency of Montenegro 7,4893% (2.735 shares). Shares of this Company were not subject of trade through stock exchange in 2018.

3. HTE "BERANE" JSC - BERANE

HTE "Berane" JSC - Berane is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0000804/5, with the total registered capital in the nominal amount of EUR 5.176.815,02 divided into 267.800 shares. Nominal value of each share amounts to EUR 19,3309. The Company's core activity is hotel and similar accommodation, code 5510. The identification number of the Company is 02009030. The subject of sale is 15,3544% of share capital (41.119 shares) owned by the Investment and Development Fund of Montenegro. Shares of this Company were not subject of trade through stock exchange in 2018.

4. "DEKOR" JSC - ROŽAJE

"Dekor" JSC - Rožaje is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0005313/10, with the total registered capital in the nominal amount of EUR 4.647.837,4332 divided into 681.781 shares. Nominal value of each share amounts to EUR 6,8172. The Company's core activity is production of other paper and cardboard products, code 1729. The identification number of the Company is 02028565. The subject of sale is the total of 22,5948%, of which 16,9461% of share capital of JSC "Dekor" - Rožaje expressed through 115.535 shares is owned by the Pension and Disability Insurance Fund of Montenegro, and 5,6487% of share capital expressed through 38.512 shares is owned by the Employment Agency of Montenegro. Shares of this Company were not subject of trade through stock exchange in 2018.

5. "METAL PRODUKT" JSC - PODGORICA

"Metal produkt" JSC - Podgorica is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0006874/9, with the total registered capital in the nominal amount of EUR 380.016,30 divided into 20.175 shares. Nominal value of each share amounts to EUR 18,8360. The Company's core activity is repair of household appliances and home and garden equipment, code 9522. The identification number of the Company is 02091747. The subject of sale is 8,3724% of share capital, of which the Employment Agency of Montenegro owns 6,1717% (1.335 shares) and the Pension and Disability Insurance Fund of Montenegro owns 2,2007% (444 shares). Shares of this Company were not subject of trade through stock exchange in 2018.

6. "MONTENEGROTURIST" JSC – BUDVA

"Montenegroturist" JSC – Budva is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4-0005882/19, with the total registered capital in the nominal amount of EUR 2.062.059,21 divided into 524.697 shares. Nominal value of each share amounts to EUR 3,9300. The Company's core activity is the activity of tour-operators, code 7912. The identification number of the Company is 02005379. The subject of sale is 29,6706% of share capital of "Montenegroturist" JSC - Budva, of which the Employment Agency of Montenegro owns 7,4176% (38.920 shares) and the Pension and Disability Insurance Fund of Montenegro owns 22,2530% (116.761 shares). Shares of this Company were not subject of trade through stock exchange in 2018.

7. "CRNAGORACOOP" JSC - DANILOVGRAD

"Crnagoracoop" JSC - Danilovgrad is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 4000326. The Company's core activity is processing of tea and coffee, code 1083. The identification number of the Company is 02000326. The subject of sale is 10,6294% of share capital of "Crnagoracoop" JSC - Danilovgrad expressed through 54,651 shares owned by the

Investment and Development Fund of Montenegro. Current market price of shares is EUR 0.2000. Shares of this Company were not subject of trade through stock exchange in 2018.

8. "IBARMOND" JSC - ROŽAJE

"Ibarmond" JSC - Rožaje is a joint stock company incorporated and operating under the laws of Montenegro, registered in the Central Register of Business Entities under the registration number 40003530. The Company's core activity is - engineering activities and related technical consultancy, code 7112. The identification number of the Company is 02052466. The subject of sale is 5,0664% of share capital of "Ibarmond" JSC - Rožaje expressed through 8.255 shares owned by the Investment and Development Fund of Montenegro. Current market price of shares is EUR 1.50.

The companies to be privatised by sale through stock exchange are listed in Annex 3 which is an integral part of this Plan.

The sale of shares of the companies listed in Annex 3 of this Plan, whose starting price (nominal price of shares) has been reduced by 95% due to stock price fluctuations, can be offered under different conditions through auction stock exchange with prior consent of the Privatisation and Capital Investment Council, in accordance with the sale of package of shares (sale of the total number of shares to a single buyer) as defined by the Rules of Montenegroberza. The sale of shares will be stopped for the companies that introduce bankruptcy during the year.

4. SALE OF SHARES AND PROPERTY BY PUBLIC AUCTION

Parts of property, shares, i.e. stakes in companies will be sold by public auction on the grounds of prior decisions of owners.

For companies where the State or State Funds are the majority owners, the Privatisation and Capital Investment Council will approve the decision to sell the property whose values exceeds EUR 50.000.

5. COMPANIES OR PROPERTY NOT INCLUDED IN THE PLAN

If a company or property is not included in this Plan, or if there is a need to change methods and manners of privatisation, the Council will decide on the method and principle of privatisation in accordance with the Law on Privatisation of Economy.

The Privatisation Plan may be complemented on the basis of a proposal of the project for valorisation of a specific location by competent ministries - on the initiative of a potential investor, as well as on the proposal of the owner of a part of the share capital in the companies listed in Annex 3 of this Plan.

IV. SOCIAL ASPECTS OF PRIVATISATION

It is necessary to include settlement of social issues as a contractual obligation when privatising companies through public tenders and ensure credible guarantees and termination clauses should a failure to meet contractual obligations occur. It is also necessary to envisage obligation to settle social issues for other methods and manners of privatisation, with the exception of the sale through stock exchange.

Annex 1

Companies to be privatised through public tenders

No.	Company	% of capital to be privatised	Structure of the capital to be privatised					
			State	PDI Fund	Employment Agency	Investment and Development Fund	Compensation Fund	Health Insurance Fund
1	Institute "Dr. Simo Milošević" JSC - Igalo (sale of shares and/or capital increase)	56,4806%	19,1936%		3,4102%	23,6461%		10,2307%
2	HG "Budva Riviera" JSC Budva (sale of shares)	58,7334%	41,6353%	12,8236%	4,2745%			
3	"Castello Montenegro" JSC Pljevlja	86,8123%	86,8123%					
4	"Black Metallurgy Institute" JSC – Niksic	51,1159%	20,4270%	19,0368%	6,3456%		5,3065%	

Annex 2

Locations to be valorised through public-private partnership

I	List of locations	Expected income from lease in EUR	Expected investment in EUR
1	Masline Valley – “Utjeha”, Odrač Bay, Bušat, Bar		
2	Location between Njivice and the Sutorina mouth, Herceg Novi Municipality		
3	Location "Donja Arza", Herceg Novi Municipality		
4	Location "Kabala for", Herceg Novi Municipality		
5	Project of tourism valorisation of the location “Mrkovi – Bijela Stijena”, Luštica, Herceg Novi Municipality		
6	The Project of Tourist complex Ecolodge Lovćen – National Park Lovćen, Cetinje		
7	Ada Bojana - tourism valorisation of the location through development, construction, financing and management of exclusive tourist complex and long-term lease of the Ada Island, Ulcinj		
8	Tourism valorisation of the locations included in the Special Purpose Spatial Plan “Bjelasica and Komovi” – Cmiljača and Žarski, municipalities of Mojkovac and Bijelo Polje		cca 41 milion

Companies to be privatised through stock exchange sale

No.	Company	% of capital to be privatised	Structure of the capital to be privatised			
			State	PDI Fund	Employment Agency	Investment and Development Fund
1	"Papir" JSC, Podgorica	23,9865%		17,9730%	6,0135%	
2	"Agrotransport" JSC, Podgorica	52,4139%			7,4893%	44,9246%
3	HTP "Berane" JSC, Berane	15,3544%				15,3544%
4	"Dekor" JSC, Rožaje	22,5948%		16,9461%	5,6487%	
5	"Metalprodukt" JSC, Podgorica	8,3724%		2,2007%	6,1717%	
6	"Montenegroturist" JSC, Budva	29,6706%		22,2530%	7,4176%	
7	"Crnogoracoop" JSC, Danilovgrad	10,6294%				10,6294%
8	"Ibarmond" JSC, Rožaje	5,0664%				5,0664%

The estimated value of the land for expropriation in the castral municipality Bjelojevići – Mojkovac is EUR 954.568 for the land situated on the following cadastral parcels: 525, 526, 527, 718, 536, 516, 515, 507, 508, 509, 511, 510, 475, 522, 523, 524, 477, 476, 472, 480, 486, 500, 502, 501, 503, 504, 498, 499, 497, 496, 505, 506, 581, 582, 580, 584, 579, 577, 576, 574, 573, 690, 692, 569, 568, 564, 563, 562, 561, 560, 558, 556, 571, 554, 696, 553/2, 699/2, 688, 689, 570, 572, 694, 717, 719, 539, 540, 546, 545, 535, 534, 530, 528, 529, 531, 547, 548/1, 549/1, 550/1, 520, 521, 519, 474/1, 574/2.