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Ласла Гала 22, 21000 Нови Сад    Тел. : директор 021 489 55 13 ; Факс 528 109    Call Centar 0800 300 330  
ТИР : 205-133835-66    ПИБ : 100236944    www.stanns.rs    ; office@stanns.rs

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**TENDER DOCUMENTATION**

**FOR THE PUBLIC PROCUREMENT OF A PRIVATE PARTNER FOR THE  
PURPOSE OF CONCLUDING A CONTRACT ON PUBLIC-PRIVATE  
PARTNERSHIP FOR THE JOINT MAINTENANCE AND REPAIR OF  
RESIDENTIAL AND COMMERCIAL BUILDINGS, PROVIDING STREET  
LIGHTING AND CHIMNEY SWEEPING SERVICES  
-OPEN PROCEDURE-  
(PUBLIC PROCUREMENT CODE: JH 11/2017)**

**Novi Sad  
September 2017**

Pursuant to Art. 32 and 61 of the Public Procurement Law ("Official Gazette of Republic of Serbia", no. 124/12, 14/15 and 68/15), Law on public-private partnership and concessions ("Official Gazette of Republic of Serbia", No 88/11, 15/16 and 104/16) and Art. 2 of the Rules on Mandatory Elements of Tender Documents in Public Procurement Procedures and the Manner of Proving the Fulfilment of Requirements ("Official Gazette of Republic of Serbia", no. 86/15), Regulation on Civil Supervisor ("Official Gazette of Republic of Serbia", no. 29/13), Decision of the Assembly of the City of Novi Sad on the adoption of the Public-Private Partnership Project for the Maintenance and Repair of Residential and Commercial Buildings, Providing Public Lighting and Chimney Sweeping Services („Official Gazette of the City of Novi Sad", no. 74/16), the following was prepared:

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# 1.BASIC INFORMATION ON PUBLIC PROCUREMENT

## 1.1 INFORMATION ON THE PROCURING ENTITY

The procuring entities are:

- Public Utility Company for Maintenance of Residential and Business Premises “Stan Novi Sad”, based in Novi Sad, Lasla Gala no. 22, Company Registration Number: 08114854, Taxpayer Identification Number: 100236944 (hereinafter: JKP Stan), and
- The City of Novi Sad, based in Novi Sad, Trg slobode no. 1, Company Registration Number: 08179115, Taxpayer Identification Number: 109924914(hereinafter: “the City of Novi Sad”).

JKP Stan Novi Sad and the City of Novi Sad will hereinafter be jointly referred to as “contracting authority” or “contracting authorities”.

Pursuant to the Decision of the Assembly of the City of Novi Sad no. 020-1688/2016-I issued on 30.11.2016, published in the “Official Gazette of the City of Novi Sad”, no. 74/2016 from 30.11.2016, the City of Novi Sad has authorized TJKP Stan Novi Sad to initiate and carry out this public procurement for selection of most favorable bidder (private partner) with who the City of Novi Sad and JKP Stan shall enter into the public contract – contract on public-private partnership for joint performance of the activities of maintenance and repair of residential and commercial buildings, providing street lighting and chimney sweeping services.

- Procuring entity’s address: Lasla Gala no. 22, 21000 Novi Sad
- Procuring entity’s website: [www.stanns.rs](http://www.stanns.rs)
- Type of public procurement procedure: open procedure
- Subject of public procurement: services
- The procedure is conducted for the purpose of: concluding a public procurement contract – public contract on a public-private partnership for the joint maintenance and repair of residential and commercial buildings, providing street lighting and chimney sweeping services
- Reserved procurement: no
- Electronic auction: no
- Contact person: Ranković Zoran, e-mail: [zrankovic@stanns.rs](mailto:zrankovic@stanns.rs)
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## 1.2 INFORMATION ON THE SUBJECT OF PUBLIC PROCUREMENT

Name and marking from the Common Procurement Vocabulary:

- Various repair and maintenance services – 50800000-3
- Street lighting maintenance services – 50232100-01
- Furnace and chimney sweeping services – 90915000-4

Procurement is not formed by parties.

## 2. SPECIFICATION

### FOR THE PUBLIC PROCUREMENT OF A PRIVATE PARTNER FOR THE PURPOSE OF CONCLUDING A CONTRACT ON A PUBLIC-PRIVATE PARTNERSHIP FOR THE JOINT MAINTENANCE AND REPAIR OF RESIDENTIAL AND COMMERCIAL BUILDINGS, PROVIDING STREET LIGHTING AND CHIMNEY SWEEP SERVICES

#### Name and description of requested service:

Maintenance and repair services for residential and commercial buildings, providing street lighting and chimney sweeping services.

The procuring entity JKP Stan performs the maintenance and repair of commercial and residential buildings, as well as the public services entrusted to them by the City of Novi Sad, which are: (1) providing street lighting and (2) providing chimney sweeping services

The subject of this public procurement is the selection of a private partner that will conclude a public-private partnership contract (hereinafter: "Public Contract") with the procuring entities the City of Novi Sad and JKP Stan, in the form of an institutional public-private partnership with the aim of establishing a special-purpose vehicle (hereinafter: "SPV") from The Law on Public-Private Partnership and Concessions ("Official Gazette of the Republic of Serbia", no. 88/11, 15/16 and 104/16) (hereinafter: "LPPPC").

Regarding the *activity of residential and commercial building maintenance*, JKP Stan shall terminate all existing contracts on maintenance of buildings, in the manner determined in the content of Model of contract on public-private partnership which is integral part of this tender documentation. After registration and after fulfillment of all conditions for practicing this activity, SPV shall send bids to all former and current users of JKP Stan services for concluding (1) contracts that will transfer the existing rights and obligations with unchanged content from JKP Stan in favour and at the expense of the SPV, that is (2) new contracts on the maintenance and repair of residential and commercial buildings with SPV as the new contractor.

Regarding the *utility activity of street lighting procurement*, the City of Novi Sad will, for a period of 10 (ten) years (validity period of the Public Contract), entrust SPV with the exclusive performance of this public service, in the form of specially made decisions:

By the Decision on the Urban Design of the City of Novi Sad ("Official Gazette of the City of Novi Sad", no. 56/12, 9/13, 26/13, 69/13, 13/14, 28/14, 33/15 and 74/16 and "Official Gazette of the City of Novi Sad" No 36/14 – decision of Constitutional court), it has been stipulated that street lighting consists of a system of facilities, installations and devices for the illumination of public areas, outer parts of buildings and other facilities, and that providing street lighting includes the maintenance, adaptation and improvement of facilities and installations of street lighting (replacement of luminaries, replacement of other worn or damaged elements, cleaning, anti-corrosive protection and the cleaning of and protective lining of luminaries, as well as other measures in order to protect and maintain the use value of street lighting).

The provision of street lighting was entrusted in favour of JKP Stan, which shall carry out these activities in accordance with the annual *program* adopted by the City Council of the City of Novi Sad. The procedure of preparation, manipulation and description of works on the public

lighting system is regulated by the Ordinance on preparation, manipulation and description of works (“Official Gazette of the City of Novi Sad”, no 15/16 and 19/17) adopted by the City Council of the City of Novi Sad.

Since the assets for realization of the program of maintenance of street lighting on the territory of the City of Novi Sad are procured entirely from the budget of the City of Novi Sad for each year particularly, SPV shall have duty to perform the public tender procedure for procurement of material necessary for maintenance and procurement of street lighting, in accordance with article 4 paragraph 3 of Public procurement law.

Regarding *the utility activity of chimney sweep services*, City of Novi Sad shall, for the period of 10 (in letters: ten) years (period of Public contract) in favor of SPV vest exclusive right to perform these utility services.

By the Decision on Chimney Sweeping Services (“The Official Gazette of the City of Novi Sad, no. 26/13 and 28/14), the City of Novi Sad has defined the following chimney sweeping services: cleaning of chimney pipes and heating facilities and devices; cleaning of ventilation channels and devices, and control of chimney pipes and heating facilities and devices and ventilation channels and devices. Article 4 of the *Decision on Chimney Sweeping Services* stipulates that the chimney services are performed by JKP Stan.

Detailed description of the services of maintenance and repair of residential and commercial buildings, street lighting procurement and chimney sweep services and the overview and scope in which those services shall be performed shall be done by JKP Stan Novi Sad, given in the Attachment No 1: “Technical description of the activity of JKP Stan” which makes the integral part of Tender documentation.

The rights and obligations of both partners (public and private) are the subject of a detailed description in the contents of the model of the Public Contract and the model of the Contract on Founding SPE, which are an integral part of this tender documentation.

**The deadline for starting the realization of the public contract and the duration of the public contract:**

The public contract will be concluded for a period of 10 (ten) years, starting from the date of signing by the Procuring Entity, and after the Assembly of the City of Novi Sad has given its consent to the final draft of the Public Contract, in accordance with Article 47 of the LPPPC.

**Place of service:**

The place of service is the City of Novi Sad and around inhabited places mentioned in the content of Attachment 1: “Technical description of the activity of JKP Stan” which makes the integral part of Tender documentation.

### **3. CONDITIONS FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC PROCUREMENT REFERRED TO IN ART. 75 AND 76 OF THE LAW ON PUBLIC PROCUREMENT AND INSTRUCTIONS ON HOW TO PROVE THE FULFILLMENT OF ADDITIONAL CONDITIONS**

#### **3.1 MANDATORY CONDITIONS FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC PROCUREMENT REFERRED TO IN ART. 75 OF THE LAW ON PUBLIC PROCUREMENT AND INSTRUCTIONS ON HOW TO PROVE THE FULFILLMENT OF ADDITIONAL CONDITIONS**

Participant in the public tender procedure may be any domestic or foreign natural or legal person. Groups of above mentioned persons may submit the bids or act as participants in the procedure. Contracting authority shall not ask from all groups of persons to have particular legal form to take part in the procedure. However, participants whose bid has been estimated to be the most favorable and which has no particular form in accordance with law which regulates the position of commercial entities, a certain legal form shall be asked for award of public contract, according to the law which regulates the position of commercial entities. Bidder shall have to organize, establish and register in BRA as the special legal form, not later then the term established for signing the contract from the part of bidder and that new legal form shall enter into the Contract on public-private partnership with the Public partner and also the Contract on Formation of SPV as the limited liability company.

The bidder and the bidder from the group of bidders shall have the right to participation in the procedure of public procurement if they fulfil the mandatory conditions referred to in Art. 75 of the Law on Public Procurement.

**1) that the bidder is registered with the competent authority, i.e. registered in the appropriate register (Art. 75, Paragraph 1, Item 1) LPP);**

#### *Evidence for legal entities*

Excerpt from commercial register of Business registers agency or excerpt from the competent Commercial court.

*Remark: Bidders registered in the register of Business registers agency shall not submit the Excerpt from Business registers agency, which is publicly available on the internet page of Business registers agency.*

**2) that he/she and his/her representative have not been convicted of any criminal offence as a member of an organized crime group, that he/she has not been convicted of criminal offences against the economy, criminal acts against the environment, the criminal act of receiving or giving bribes, the criminal act of fraud (Art. 75, Paragraph 1, Item 2) LPP);**

#### *Evidence for legal entities:*

a) Excerpt from the criminal records, i.e. the certificate of the competent basic court in the area where the head office of the local legal person is located, i.e. the head office of a branch office or of a branch of a foreign legal entity, confirming that a legal person has not been convicted of criminal offenses against the economy, criminal acts against the environment, the criminal act of receiving or giving bribes, the criminal act of fraud. Note: If certificate form one of the competent courts includes data from criminal records for crimes that are within the jurisdiction of the basic and

higher court, it is sufficient to submit only that certificate.

b) Excerpt from the criminal records of the Special Department for Organized Crime of the Higher Court in Belgrade, which confirms that the legal entity has not been convicted of any of the criminal offenses of organized crime;

c) Excerpt from the criminal records, i.e. the certificate of the competent police administration of the Ministry of Internal Affairs, confirming that the legal representative of the bidder has not been convicted of criminal offenses against the economy, criminal acts against the environment, the criminal act of receiving or giving bribes, the criminal act of fraud, or any act of organized crime (request may be submitted by place of birth or by place of residence of the legal representative). If the bidder has several legal representatives, he/she is obliged to submit evidence for each of them. The evidence referred to above may be older than two months prior to the opening of bids.

***Evidence for entrepreneurs and natural persons:***

Excerpt from the criminal records, i.e. the certificate of the competent police administration of the Ministry of Internal Affairs, confirming that he/she was not convicted of any criminal offense as a member of an organized crime group, that he/she was not convicted of criminal offenses against the economy, criminal acts against the environment, the criminal act of receiving or giving bribes, the criminal act of fraud (request may be submitted by place of birth or by place of residence).

The evidence referred to above may be older than two months prior to the opening of bids.

**3) that he/she has settled the due taxes, contributions and other public duties in accordance with the regulations of the Republic of Serbia or a foreign country in case he/she has his/her headquarters in its territory (Art. 75, Paragraph 1, Item 4) LPP).**

***Evidence for legal entities, entrepreneurs and natural persons:***

Certificate of the Tax Administration of the Ministry of Finance that he/she has settled the due taxes, contributions and other public fees, and certificates of the competent local government (city/municipality) that he/she has settled obligations on the basis of the original local public revenues. Tax payer which has realized the right for inactivity of tax debt according to the law which regulated the sign off of interests and inactivity of tax debt shall submit the certificate from Tax administration of Ministry of finance i.e. competent self government on tax debt inactivity. Tax payer which has right to sign off of debt in accordance with the law which regulates privatization submits the certificate of Agency for privatization that the bidder is in privatization procedure.

The evidence referred to above may be older than two months prior to the opening of bids.

***Remark with points 1) to 3):***

*Bidders who are registered in the Registered of bidders kept by Business registers agency shall have no duty to submit data on fulfillment of conditions from the points 1) to 3) but it is desirable to deliver the prove on registration in Register of bidders or statement (in the free form) which confirms that they are registered in the Register of bidders.*

*Bidder may, instead of evidence on fulfillment of data from points 1) to 3) or previous paragraph of this remark, submit the Statement on fulfillment of mandatory conditions from the article 75 paragraph 1 of Public procurement law, given under full material and criminal responsibility that the bidder fulfills mandatory conditions for participation in the public tender procedure provided in the article 75 paragraph 1 point 1) to 3) of this part of tender documentation, signed and verified from the part of competent person (form in the tender documentation) while the Bidder shall, before decision on awarding the contract, from the bidder whose offer has been, according to the expert report on estimation of bids of Tender commission, estimated as the most favorable, ask to submit the copy of evidence on fulfillment of mandatory conditions.*



*Contracting authority may ask these evidences also from other bidders.*

**4) to have valid license for collection and transportation of dangerous and no-dangerous waste for the following index numbers: 100104 (flying ash during burning of oil and dust from the boiler), 200141 (waste from cleaning the chimney) and 100101 (ash, cinder and dust from boiler, apart from dust from boiler mentioned in 100104).**

*Evidence for legal entities, entrepreneurs and natural persons:*

Valid license for collection and transport of subject waste issued by the competent authority which issues the Ministry competent for the environment protection or other competent authority of autonomous province and local self-government.

*Remark: If the bid would be submitted by the group of bidders, this conditions shall be fulfilled by the bidder to whom, in accordance with the agreement on participation in joint bid, submitted by the group, has been vested to execute the part of procurement for which the fulfillment of that condition is necessary.*

**5) The Bidder is obliged, when compiling his/her bid, to state explicitly that, when compiling his/her bid, he/she complied with the obligations arising from the applicable regulations on protection at work, employment and working conditions, environmental protection, as well as that he/she has no prohibition on performing the activity in force at the time of submission of the tender .**

*Evidence for legal entities, entrepreneurs and natural persons:*

Statement that the same has acted in accordance with obligations from the article 75 paragraph 2 of Public procurement law including obligation which derive from valid regulations on protection at work, employment and working conditions, environmental protection, as well as that he/she has no prohibition on performing the activity in force at the time of submission of the tender. *(form included in the tender documentation).*

### **3.2 ADDITIONAL CONDITIONS FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC PROCUREMENT REFERRED TO IN ART. 76 OF THE LAW ON PUBLIC PROCUREMENT AND INSTRUCTIONS ON HOW TO PROVE THE FULFILLMENT OF ADDITIONAL CONDITIONS**

Apart from mandatory conditions, the procuring entity in the public procurement procedure requests the fulfilment of the following additional conditions from the article 76 of the Public procurement law. Bidder needs to prove in the public tender procedure:

**1) to prove that the bankruptcy or liquidation procedure hasn't been initiated against him**

***Evidence for commercial entities and entrepreneurs***

Certificate of Business registers Agency that the bankruptcy or liquidation procedure hasn't been initiated against him, nor that it seized to exit due to the court or decision of other authority with mandatory power and certificate of the competent commercial court that the previous bankruptcy procedure has not been initiated against the same.

**2) to meet the requirement of financial capacity:**

**a) that in the past 3 (three) business years (2014, 2015 and 2016), his/her total income was in the amount of at least 300.000.000,00 dinars (three hundred million and 00/100) without VAT**

***Evidence for commercial entities:***

Balance sheet for Year 2014, 2015 and 2016, on the regulated form, with the opinion of the authorized auditor,

Or

Financial standing report for public procurement (BON JN) for Year 2014, 2015 and 2016 issued by the Business registers agency or from another competent authority.

***Evidence for entrepreneurs and natural persons:***

Report on realized turnover at business bank for Years 2014, 2015 and 2016.

***Remark: If the Bidder is not the subject of an audit in accordance with the Accounting and Auditing Law, he/she is obliged to submit the relevant act along with the balance sheets – a decision on classification in accordance with legal provisions.***

*For foreign bidders whose business revenues have been expressed in the foreign currency, for calculation in dinars the average rate of National Bank of Serbia on the day of expiry of term for submitting the bids shall be used.*

**b) that in the past 24 (twenty four) months from the date of the publication of the public invitation for this public procurement, he/she did not have his/her business account blocked for 10 or more days in continuity.**

***Evidence for commercial entities, entrepreneurs and natural persons:***

Certificate from National Bank of Serbia on number of days of insolvency for requested period.

***Remark: If the data on number of days of insolvency for the requested period is available on***

the internet page of National bank of Serbia, the bidder is not obliged to deliver the requested evidence.

**3) to meet the requirement of business capacity :**

**a)** that he/she has continuously carried out maintenance and repair works for residential and/or commercial buildings of the total surface of at least 500.000(in letters: five hundred thousand) m<sup>2</sup> in each of the stated calendar years (2014, 2015 and 2016);

***Evidence for commercial entities, entrepreneurs and natural persons:***

Excerpt from financial records (informational system) of bidder with data on the name of the bidder with stated phone number, contact persons of bidder, address of service provision and surface for maintenance, date of entering into and period of validity of contract, year of provision or realization of services and value of invoiced services for that year.

**b)** That the bidder has performed the activity of procurement (maintenance, adaptation and improvement of installations) of street lighting for totally at least 15.000 of installed lamp posts, in the last three years prior to the announcement of invitation for submitting the bids on the Port for public procurement.

***Evidence for commercial entities, entrepreneurs and natural persons:***

Certificate on references issued by the referent contracting authority of services/works or competent authority that bidder has performed the activity of procurement (maintenance, adaptation and improvement of installations) of street lighting with the data on the number of installed lamp-posts.

**v)** That he/she has continuously carried out chimney sweep services (services of maintenance and repair of chimneys and ventilation holes) for the facilities with a total surface area of at least 1.000.000,00 m<sup>2</sup> (one million 00/100 square meters) in each of the past 3 (three) calendar years (2014, 2015 and 2016);

***Evidence for commercial entities, entrepreneurs and natural persons:***

Excerpt from financial records (informational system) of bidder with data on the name of the bidder with stated phone number, contact persons of bidder, address of service provision and surface of facilities where chimney sweep services were provided, date of entering into and period of validity of contract, year of provision or realization of services and value of invoiced services for that year and Certificate on references issued by the referent contracting authority or competent authority which contains data on year of service provision and total surface of facilities in which the bidder has provided the subject services in that year (if the bidder has provided this service as the utility service).

**g)** That bidder has established system of quality management according to the standard ISO 9001 or other corresponding standard.

***Evidence for commercial entities, entrepreneurs and natural persons:***

A photocopy of a valid certificate for the quality management system according to the ISO9001standard. With valid certificate it is necessary to deliver certificate on accreditation of certification body. If in the moment of expiration of deadline for submission of bids the certificate is older than one year, it is necessary to deliver also the report on annual supervision.

**d) That bidder owns a valid certificate and has an established environmental management system ISO 14001:**

A photocopy of a valid certificate for the environmental management system ISO 14001. With valid certificate it is necessary to deliver certificate on accreditation of certification body. If in the moment of expiration of deadline for submission of bids the certificate is older than one year, it is necessary to deliver also the report on annual supervision.

**4) to meet the requirement of personnel capacity:**

**For this condition to be fulfilled, the bidder must have a at least 4 (four) employed (employment contract or on another basis) persons with a university level (VII, seven) of vocational education, i.e.:**

- at least 2 (two) persons – graduate mechanical engineer;
- at least 1 (one) person – graduate civil engineer; at least 1 (one) person – graduate electrical engineer.

***Evidence for commercial entities, entrepreneurs and natural persons:***

- *For employed persons in an employment contract with the bidder* – photocopies of valid contracts on employment and corresponding "M" forms, which confirm the registration, change or cancellation of compulsory social security and a photocopy of a diploma certifying that the acquired profession matches the one from the requested areas for the employees

- *For persons not in an employment contract with the bidder* – photocopies of valid contracts on employment engagement with the bidder and a photocopy of a diploma certifying that the acquired profession matches the one from the requested areas for the employees.

**5) to meet the requirement of technical capacity:**

For this condition to be fulfilled, the bidder must have at his/her disposal (as his/her personal property or used on the basis of a lease or lease contract) the following equipment:

- at least 2 (two) vehicles – aerial work platforms with baskets; at least 1 (one) flue gas detection sensor (Ress, Testo, Woehler and the like);
- at least 1 (one) sensor for reading SO in ppm or mg/m<sup>3</sup>;
- at least 1 (one) flue gas analyser;
- at least 1 (one) a camera with the option of video recording, for recording the interior of flue-gas facilities and ventilation channels
- at least 1 (one) instrument for chimney pressure testing according to SRPS EN 1443 table 5, and
- an apparatus for measuring sufficient air supply in the furnace (4Ra-test).

***Evidences for legal persons, entrepreneurs and natural persons:***

A copy of an excerpt from the books of the bidder's fixed assets and/or a copy of the lease or lease contract for items that are the subject of the required technical capacity for the execution of the public procurement in question. If some of the required equipment is purchased in 2017, it is necessary to provide a photocopy of the sales contract or an invoice belonging to the bidder for that equipment.

*Remark: A bidders from a group of bidders prove the fulfilment of additional conditions for participation in the public procurement procedure together with other bidders. Additional condition regarding financial capacity under the point 2 a) and under the point 3 a) and 3 b) is sufficient to be fulfilled by on bidder from the group of bidders or that the same conditions is filled jointly. Additional condition regarding financial capacity under the point 2.b) is sufficient to be fulfilled by on of the participants in joint bid.*

### 3.3 GENERAL REMARKS ON PROVING THE FULFILLMENT OF CONDITIONS

Bidders registered in the register kept by the Business Registers Agency do not have to submit the proof referred to in the points 1) to 3) of mandatory conditions, but it is advisable to submit the evidence on registration in the Bidder Register or statement (in the free form) which declares that they have been registered in the Bidder Register.

Bidder may, instead of evidences from the points 1) to 3) from the previous paragraph of this remark, submit the Declaration on fulfillment of mandatory conditions from the article 75 paragraph 1 of the Public procurement law, given under the full material and criminal responsibility that the bidder fulfills mandatory conditions for taking part in public tender procedure, given in the article 75 paragraph 1 point 1) to 4) of Public procurement law, and/or points 1) to 3) of this part of tender documentation, written and verified by the competent authority (form in the content of tender documentation), where the Contracting authority shall, before making of the decision on contract awarding, from the Bidder whose bid has been granted as the most favorable according to the report on expert estimation of bids from tender documentation, ask to submit the copy of evidence on fulfillment of mandatory conditions. Contracting authority may ask for evidence from other bidders.

Evidence of the fulfilment of requirements can be submitted in uncertified copies. Before issuing a contract award decision, the procuring entity may require from the bidder whose offer is deemed to be the most favourable one on the basis of the report of the public procurement commission to provide the original or certified copy of all or some of the evidence on the fulfilment of the requirements.

If the bidder does not submit the original or certified copy of the requested evidence for inspection within the deadline which cannot be shorter than 5 (five) days from the day of submitting the request for the submission of the documentation, the tenderer will **reject his bid as inadmissible**.

Bidder has no duty to submit the evidences which are publicly available on the internet pages of competent authorities.

Contracting authority shall not reject the bid as inadmissible, if it doesn't contain the evidence determined by the tender documentation, if the bidder stated in the bid internet page of the competent authorities on which requested data are publicly available.

If proof of fulfilment of requirements is an electronic document, the bidder delivers a copy of the electronic document in writing, in accordance with the law governing the electronic document.

If the bidder is based in another country, the procuring entity may check whether the documents by which the bidder proves the fulfilment of the required conditions are issued by the competent authorities of that country.

If the bidder was not able to obtain the requested documents within the deadline for submitting a bid, because they could not have been issued according to the regulations of the country in which the bidder has his/her head office by the time of submission of the bid and if he/she provides the appropriate evidence for this along with bid, the procuring entity will allow the bidder to subsequently deliver the requested documents within the appropriate time limit.

If, in the country where the bidder is based, the evidence required by the tender documentation is not issued, the bidder may, instead of evidence, enclose his/her written statement, given under substantive and criminal liability verified before a judicial or administrative authority, public notary or other competent authority of that state.

All documents which are, according to the Hague convention from October 5<sup>th</sup>, 1961, considered to be official documents and which have been issued by the bodies of foreign countries, ought to be provided with the Apostille certificate of the authority of the country which has issued that document, so that its validity is confirmed. This obligation specially regards to: (1) documentation issued by the body or the officer of state jurisdiction (2) administrative documents

(3) documents issued by or verified by the public notary and (4) official declarations, such as statements on registration in public books, verification of correctness of date, verification of signature etc when put to the private documents.

The bidder is obliged to notify the procuring entity, in writing, without any delay, of any change regarding the fulfilment of the requirements from the public procurement procedure that occurs until the decision on awarding the contract, i.e. the concluding of the contract, i.e. during the validity period of the public procurement contract, and to document it in the prescribed manner.

## 4.CRITERION FOR CONTRACT AWARDING

The criterion is a measure used to assess, compare and evaluate offers.

The criterion for awarding a public procurement contract for the selection of a private partner for the purpose of concluding a public-private partnership contract for the joint maintenance and repair of residential and commercial buildings, providing street lighting and chimney sweeping services, (public procurement code: JN 11/2017) is the **most economically advantageous bid**.

Criterion the most advantageous bid, consists of the following elements and sub-elements and criteria:

Ordinary No	Name	Maximal number of weighting points		
1.	PRICE	Total offered value for services of maintenance and repair of residential and commercial buildings	15	TOTAL 90
		Total offered value for services of street lighting procurement	50	
		Price of chimney sweep services	25	
2.	BUSINESS PLAN	10	TOTAL 10	
<b>TOTAL</b>		<b>100</b>		

### 1.PRICE

#### 1.1.Total offered value of service of maintenance and repair of residential and business buildings

Bid with the lowest total offered value shall receive the maximal number of weighting points – 15 weighting points.

Other bids shall be evaluated by the following formula:

$$\frac{\text{lowest total offered value} \times 15}{\text{total offered value from the ranking bid}}$$

Prices which bidder offers for the each singular item may not be higher than the prices listed in the following table:

Ordinary No.	DESCRIPTION	Measure of unit	Quantity	Maximal unit price in dinars without VAT
I	Regular monthly maintenance of the elevator , 4-6 stands	unit	1	4.271,67
	Regular monthly maintenance of the elevator, 7-9 stands	unit	1	6.836,67
	Regular monthly maintenance of the elevator, 10-13 stands	unit	1	10.253,33
	Regular monthly maintenance of the elevator, 14 and more stands	unit	1	14.526,67
II	Regular monthly maintenance of hydrophore – hydrocelle	unit	1	3.750,00
III	Monthly costs of emergency service (surface of residential area)	m <sup>2</sup>	1	3,11
IV	Monthly costs of administration services (surface of residential area)	m <sup>2</sup>	1	1,20
V	Monthly costs of hygiene maintenance (cleaning surface)	m <sup>2</sup>	1	15,74
VI	Monthly tracking the work of gas boiler and heating in the facility during heating season (heating surface)	m <sup>2</sup>	1	5,00
	Monthly tracking of work of gas device for preparation of warm consuming water (heating surface)	m <sup>2</sup>	1	3,00

Bid shall include all the items from the table. Bid of the bidders for whom any offered price for the singular item exceeds the amount from the table, it shall be rejected as inadmissible. For the purpose of expert estimation of offers and weighting, the total offered values is going to be taken into account, or sum of unit prices for the table.

**I) Regular monthly maintenance of an elevator includes:**

1. Checking the correctness of all safety devices and especially the work of safety device of brake of driving device, catching device, speed limiter, end switches, buffers, doors of driving shaft and lock the door of driving shaft.
2. Checking the ropes and chains and other bearer assets and their connection with the cabin and counter weight.
3. Checking of the drag realized by the force of friction.
4. Checking the isolation of all electrical circuits and their connection with its grounding.
5. Checking the plug-inns for lighting conductor installation.
6. Cleaning and lubricating the parts of elevator.
7. Checking the correctness of work of elevator during driving from stand to stand along driving shaft in both directions and lubricating the parts of an elevator, and also when stopping.
8. Checking the emergency exits.
9. Checking the correctness of driving and managing devices of an elevator.

**II) Regular monthly maintenance of hydrophore -hydrocele includes:**

- 1) Control of work with fitting of armature of hydro device (manometer, safety valve, pressing switch, discharge valve).
- 2) Control of work of engine and pump with bi-metal adjustment and time relays.
- 3) Overview and control of hydro device signalization.

**III) Works of emergency service**

- 1) Liberates persons and objects from the stuck elevator and commissioning of the elevator when the sticking has not been caused by the breakdown.



2. Shelling the waterworks installation or heating installation if the pipes are visible and approachable, or watering the sewerage pipes.
3. Drawing of sewer pipe from pouring part of sanitary device to the coal pit.
4. Closing the water during breakdown of waterworks, sewerage or installation of central heating if by the standard method of shelling or watering the breakdown may not be fixed.
5. Irradiation of central heating installation.
6. Intervention in case of fire or flood for shutting down the installation and plant.

**IV) Administrative services provision – analytical registers**

1. Keeping record on contracting, changes of contracted conditions and contractual parties.
2. Keeping record on technical equipment of residential building
3. Keeping record on manager of residential unity and authorized persons.
4. Keeping record on realized worksheets, offers and special contracts.
5. Keeping record on regular monthly maintenance and works of current and investment maintenance.

**V) Works on hygiene maintenance of common areas of building**

1. Down floor sweeping
2. Elevator sweeping
3. Sweeping around the building 1 m
4. Sweeping of stairs
5. Sweeping of walls
6. Washing the stairs and the whole down floor
7. Works are being done three times a week.

**VI) Tracking the work of gas boiler room includes:**

1. Checking the tightness of of gas ramp and gas installation in the boiler room and outside to the set, with the spray for detection of gas leak and gas detector.
2. Visual check of flame burning with the possibility of regulation of relation between the gas and air.
3. Checking of the circular pumps.
4. Checking of the pressure of water in heating installation with the use of refill and irradiation of installations
5. Checking the expansion vessel,, checking the pressure and refill of air in case of emergency.
6. Visual check of manometer work, hand check of correctness of working and safety of boiler room thermostat and checking the safety valves, cleaning the filth catchers and lubricating valve pins
7. Checking the work of automatics, timer, electric and engine drive of three-arm valve, with the possibility of fixing the working regime according to the worksheet of manager of residential unity..

**1.2. Total offered value for the services of public lighting provision**

An offer with the lowest total value offered obtains the maximum weighting factor number – 50 weighting factors.

Other offers are estimated according to the following formula:

$$\frac{\text{the lowest total offered value} \times 50}{\text{total offered value from the offer that is subject to classification}}$$

The prices offered by the bidder for each item cannot exceed the prices provided in the following table:

No.	Description	Unit of measurement	Quantity	Maximum unit cost in RSD with no VAT included
1	2	3	4	5
1	Manual digging of 2 <sup>nd</sup> category of buildings' foundations and trenches 1-2m wide and 2m deep; 1m <sup>3</sup> and transportation of excess earth to a landfill	m <sup>3</sup>	1	825.00
2	Backfilling tranches with earth obtained from excavation (done manually or with machines) followed by compaction in 20cm thick layers; 1m <sup>3</sup>	m <sup>3</sup>	1	275.00
3	Land use planning of 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> category; 1m <sup>3</sup> with earth obtained from excavation	m <sup>3</sup>	1	185.00
4	Embedding and making concrete – Procurement of material, transportation to the embedding point and making the concrete in a (contractor's) concrete mixer on the embedding point; 1m <sup>3</sup>	m <sup>3</sup>	1	13,310.00
5	Formworks for concrete foundations – procurement, transportation to the embedding point, making, assembly and disassembly	m <sup>2</sup>	1	528.00
6	Beating, breaking concrete – asphalt, 10cm thick, manually	m <sup>2</sup>	1	1,155.00
7	Beating, breaking concrete – asphalt, 10-20cm thick, manually	m <sup>2</sup>	1	1,265.00
8	Beating, breaking up to 10cm thick concrete, by using the contractor's compressor	m <sup>2</sup>	1	1,155.00
9	Beating, breaking 10 to 15cm thick concrete by using the contractor's compressor	m <sup>2</sup>	1	1,265.00
10	Beating, breaking 15 to 20cm thick concrete by using the contractor's compressor	m <sup>2</sup>	1	1,705.00
11	Beating, breaking 20 to 25cm thick concrete by using the contractor's compressor	m <sup>2</sup>	1	2,310.00
12	Beating, breaking 25 to 30cm thick concrete by using the contractor's compressor	m <sup>2</sup>	1	2,695.00
13	Breaking up to 2cm thick asphalt by using the contractor's compressor	m <sup>2</sup>	1	495.00
14	Breaking up to 4cm thick asphalt by using the contractor's compressor	m <sup>2</sup>	1	715.00
15	Breaking up to 8cm thick asphalt by using the contractor's Compressor	m <sup>2</sup>	1	1,210.00
16	Breaking reinforced concrete pavement (plateau) by using the contractor's machine (cutting reinforcement, casting aside broken concrete pavement). The price includes the operation of the machine.	m <sup>2</sup>	1	3,575.00
17	Cutting up to 5cm thick concrete – asphalt by using the contractor's machine	m	1	495.00
18	Cutting 5 to 10cm thick concrete – asphalt by using the contractor's machine	m	1	660.00
19	Cutting 10 to 15cm thick concrete – asphalt by using the contractor's machine	m	1	825.00
20	Repairing up to 10cm thick concrete (making the sub base, making and embedding concrete and formwork – using the contractor's material)	m <sup>2</sup>	1	3,135.00

21	Repairing up to 15cm thick concrete (making the sub base, making and embedding concrete and formwork – using the contractor’s material)	m <sup>2</sup>	1	3,905.00
22	Repairing reinforced 12cm thick concrete surfaces (making the sub base, making and embedding reinforcement, concrete and formwork – using the contractor’s material)	m <sup>2</sup>	1	3,685.00
23	Repairing reinforced 16cm thick concrete surfaces (making the sub base, making and embedding reinforcement, concrete and formwork – using the contractor’s material)	m <sup>2</sup>	1	4,906.00
24	Working with compressor belonging to the Procuring Entity (labour cost per unit of employee per hour)	hour	1	2,310.00
25	Transportation of excavation waste or material by contractor’s vehicle.	m <sup>3</sup>	1	1,045.00
26	Digging working ditches for a machine and helping with drilling.. – manual digging of 2 <sup>nd</sup> category for 1-2m wide and 2m deep working ditches; 3m <sup>3</sup> with throwing the earth aside.	pcs	1	11,990.00
27	Machine under road drilling by using the contractor’s machine, diameter up to $\phi$ 110mm. The cost includes the operation of the machine.	m	1	2,376.00
28	Manual digging for 2 <sup>nd</sup> category for working ditches 1-2m wide and 2m deep, 1.8m <sup>3</sup> with throwing the earth aside.	m	1	1,650.00
29	Manual under road drilling up to 3m long and 1m deep.	m	1	1,595.00
30	Manual under road drilling over 3m long and 1m deep.	m	1	1,980.00
31	Hard 110 x 3.2mm PVC pipe set under the driveway and pavement by under road drilling	m	1	825.00
32	A – Purchasing hard PVC pipes 110 x 3.2mm, up to 4m long	m	1	297.00
33	B – Setting up PVC protection pipes	m	1	413.00
34	Repairing damages – building a solid brick wall in PCM (1:3:9), 3m high	m <sup>2</sup>	1	1,595.00
35	Hour of unskilled workers on hold	hour	1	440.00
36	Setting up and removing ditch shields	m	1	49.00
37	Delivering, setting up and removing pedestrian crossings on the construction site (for 10m)	pcs	1	2,475.00
38	Taking out behaton bricks – putting them aside in a convenient place until the pavement repair	m <sup>2</sup>	1	379.00
39	Setting – returning behaton bricks, plus making the base and leveling	m <sup>2</sup>	1	1,196.00
40	Extracting macadam	m <sup>2</sup>	1	660.00
41	Setting – returning macadam, plus procuring and pouring sand	m <sup>2</sup>	1	1,375.00
42	Manual sand loading to vehicle	m <sup>3</sup>	1	220.00
43	Purchasing and spreading sand in the cable ditch with compacting – sand procurement, transportation to the construction site and transportation with contractor’s construction trolley down the route.	m <sup>3</sup>	1	1,595.00
44	Procuring and spreading crushed stone (or gravel) in the cable ditch with compacting – purchasing crushed stone or gravel, its transportation to the construction site and transportation by construction trolley down the route.	m <sup>3</sup>	1	3,190.00
45	GEOMECHANICAL EXAMINATION OF SOIL COMPACTION WITH CREATING ATTESTATION	pcs	1	6,996.00
46	concrete –factory-made	m <sup>3</sup>	1	11,880.00
47	cement	kg	1	22.00
48	lime	kg	1	16.00

49	gravel	m <sup>3</sup>	1	2,310.00
50	sand	m <sup>3</sup>	1	1,375.00
51	crushed stone	m <sup>3</sup>	1	3,080.00
52	billets and planks for the formwork	m <sup>3</sup>	1	29,700.00
53	brick	m	1	15.00
54	Dismantling a damaged post and taking its pieces to the storage space, reconnecting the post spot i.e. bringing (neighboring posts) PL to operational state, arranging and electromechanically securing the area, and protecting the cables and the connection plate (all within 12h)	pcs	1	8,250.00
55	Creating concrete foundation at the workshop, concrete MB39 with dimensions given in meters. During concrete creation, set access PVC pipes $\phi$ 75(110)mm and double "K" fork, pole anchors and central hook $\phi$ 22 for foundation transportation and embedding. Together with creating the foundation base made of compacted gravel, 10cm thick. Calculation made according to completed, transported and embedded concrete foundation. Dimensions and shape of the foundation to be stated for each post spot depending on the installations nearby! After the assembly, the sand is poured around the foundation and compacted by using water; under parking space, crushed stone near the top. Dimensions 0.7 x 0.7 x 1.1m anchors 0.3 x 0.3m.	pcs	1	11,550.00
56	Creating concrete foundation at the workshop, concrete MB30 with dimensions given in meters. During concrete creation, set access PVC pipes $\phi$ 75(110)mm and double "K" fork, pole anchors and central hook $\phi$ 22 for foundation transportation and embedding. Together with creating the foundation base made of compacted gravel, 10cm thick. Calculation made according to completed, transported and embedded concrete foundation. Dimensions and shape of the foundation to be stated for each post spot depending on the installations nearby! After the assembly, the sand is poured around the foundation and compacted by using water; under parking space, crushed stone near the top. Dimensions 0.7 x 0.7 x 0.9m anchors 0.3 x 0.3m.	pcs	1	10,450.00
57	Creating concrete foundation at the workshop, concrete MB30 with dimensions given in meters. During concrete creation, set access PVC pipes $\phi$ 75(110)mm and double "K" fork, pole anchors and central hook $\phi$ 22 for foundation transportation and embedding. Together with creating the foundation base made of compacted gravel, 10cm thick. Calculation made according to completed, transported and embedded concrete foundation. Dimensions and shape of the foundation to be stated for each post spot depending on the installations nearby! After the assembly, the sand is poured around the foundation and compacted by using water; under parking space, crushed stone near the top. Dimensions 0.6 x 0.6 x 0.9m anchors 0.2 x 0.2m.	pcs	1	9,900.00
58	Disassembly – breaking the existing concrete foundation, embedding the new foundation (0.8 x 0.8 x 1) with anchors and all the follow up electrical assembly works, as well as all construction works on embedding and arranging the area and returning it to the previous condition.	pcs	1	16,390.00

59	Repairing/correcting the existing foundation, correcting the anchors, follow up electrical assembly works, arranging the area around the foundation (material not included)	pcs	1	5,470.00
60	Creating and setting up mechanical protection of cables on the existing anchors (with painting)	pcs	1	4,488.00
61	Setting up the existing mechanical protection of cables on existing anchors	pcs	1	2,640.00
62	Review of consumer SSRO PL (public lighting) network (photo - records)	pcs	1	2,433.00
63	Creating consumer PL network - overground	pcs	1	15,213.00
64	Intervention on repairing the defect on PL network because of knotted conductors	pcs	1	10,655.00
65	Assembling two spacers on PL network	pcs	1	2,770.00
66	Assembling terminal block connections (couple) to the lamp	pcs	1	2,770.00
67	Assembling electrical terminal (couple)	pcs	1	3,094.00
68	Assembling notched conductor clips	pcs	1	3,392.00
69	Replacing insulators on PL network	pcs	1	5,119.00
70	Replacing PL conductors on SKS network – 1 place	pcs	1	8,208.00
71	Replacing PL conductors on AlČe network – 1 place	pcs	1	6,929.00
72	Replacing PL conductors on PVC network – 1 place	pcs	1	5,651.00
73	Creating PL consumer network – underground	pcs	1	6,379.00
74	Localization of the defected cable section	pcs	1	4,505.00
75	Post disconnection with reconnection	pcs	1	979.00
76	Identifying the defect on the cable (measuring vehicle)	pcs	1	6,748.00
77	Measuring the protective grounding of the post	pcs	1	924.00
78	Post grounding replacement	pcs	1	880.00
79	Assembling the cable paddles at the end of the drain wire (by post)	pcs	1	880.00
80	Repairing the cable jacket	pcs	1	880.00
81	Assembling the clips on PL cables	pcs	1	2,937.00
82	Replacing defective PL cable between two posts	pcs	1	7,183.00
83	Replacing defective PL cable between TS and SSRO	pcs	1	5,489.00
84	Examining and connecting billboards to PL network	pcs	1	3,212.00
85	Disconnecting billboards from PL network	pcs	1	3,272.00
86	Examining and connecting banderoles to PL network	pcs	1	2,205.00
87	Disconnecting and taking off banderoles from PL posts	pcs	1	2,728.00
88	Replacing PL POST 4.5m on existing anchors	pcs	1	16,500.00
89	Replacing PL POST 9.5m on existing anchors	pcs	1	17,765.00
90	Embedding reinforced concrete post 9-11m	pcs	1	17,765.00
91	Replacing the light pole on PL post – single arm	pcs	1	5,225.00
92	Replacing the light pole on PL POST – double arm	pcs	1	6,501.00
93	Replacing the light pole on PL post – triple arm	pcs	1	7,029.00
94	Replacing lamps on wooden, concrete and steel lighting posts	pcs	1	2,530.00
95	Replacing lamps on PL POST from 8m to 11m	pcs	1	2,035.00
96	Replacing lamps on PL post from 3.5m to 5.5m	pcs	1	1,661.00
97	Replacing lamps on a building facade	pcs	1	2,310.00
98	Replacing lids on PL post	pcs	1	415.00
99	Replacing RPO-4 isolation plates	pcs	1	1,222.00
100	Replacing lamp lids on wooden, concrete and steel lighting posts	pcs	1	1,204.00

101	Replacing lamp lids on PL POST from 8m – 11m	pcs	1	1,204.00
102	Replacing lamp lids on PL POST from 3.5m to 5.5m	pcs	1	962.00
103	Replacing lamp sun covers on PL POST 8.5m – 11m	pcs	1	1,204.00
104	Replacing lamp sun covers on wooden, concrete and steel lighting posts	pcs	1	1,204.00
105	Replacing lamp sun covers on PL POST from 3.5m to 5.5m	pcs	1	962.00
106	Replacing risers from RPO board to the lamp	pcs	1	3,245.00
107	Measuring SSRO protective grounding	pcs	1	885.00
108	Photo relay build-in	pcs	1	2,163.00
109	Photo relay replacement	pcs	1	1,460.00
110	Wiring XX PL block in Tx 20-10/0.4kV	pcs	1	14,579.00
111	Wiring SSRO PL	pcs	1	10,637.00
112	Replacing RTK devices – switchable clock	pcs	1	4,037.00
113	Replacing the switch spool	pcs	1	2,745.00
114	Installing the full XX PL block in TS 20-10/0.4kV and PO	pcs	1	22,914.00
115	Installing the full SSRO PL	pcs	1	13,178.00
116	Replacing NH fuses	pcs	1	746.00
117	Replacing fuse patrons - UZ	pcs	1	484.00
118	Power switch replacement	pcs	1	2,865.00
119	Replacing EV1 distribution cabinet	pcs	1	3,789.00
120	Replacing the switch	pcs	1	2,865.00
121	Replacing pedestal of UZ fuses	pcs	1	1,225.00
122	Replacing automatic fuse in SSRO PL or PL block	pcs	1	992.00
123	Replacing 3-pole fuse switch on XX PL block	pcs	1	7,550.00
124	Systematic bulb replacement	pcs	1	754.00
125	Defection of lamp failure	pcs	1	1,342.00
126	Replacing bulb neck E27	pcs	1	506.00
127	Replacing bulb neck E40	pcs	1	506.00
128	Bulb replacement	pcs	1	1,078.00
129	Replacing electronic ballast in the lamp (set)	pcs	1	374.00
130	Replacing FRA fuses in the lamp	pcs	1	159.00
131	Protective glass replacement	pcs	1	429.00
132	Replacing – installing automatic fuse in the lamp	pcs	1	379.00
133	Replacing electronic ballasts in the PL post	pcs	1	297.00
134	Replacing FRA fuses in the PL post	pcs	1	126.00
135	Floodlight assembly	pcs	1	1,897.00
136	PL network examination	pcs	1	4,829.00
137	Lamp repair at the workshop	pcs	1	1,056.00
138	Block audit – free-standing electric cabinet PL	pcs	1	1,265.00
139	Replacing UZ fuse pedestal	pcs	1	1,693.00
140	Replacing FRA fuse pedestal	pcs	1	715.00
141	Making installations on a building façade (by a floodlight)	pcs	1	3,239.00
142	Floodlight repair at the workshop	pcs	1	1,045.00
143	Replacing the floodlight holder	pcs	1	2,871.00
144	Floodlight replacement	pcs	1	3,201.00
145	Operating the switch on and switch off of PL block in TS 20-10/0.4 kV	pcs	1	2,501.00

146	Operating the switch off or switch off of PL supply	pcs	1	1,802.00
147	Washing and cleaning the lamp (housing, glass and lid)	pcs	1	273.00
148	Refunding digging up expenses (bringing the dug up traffic area to previous condition)	pcs	1	18,352.00
149	Post processing service at the workshop – (post shortening, making and strengthening – welding the fundamental panel) DESCRIPTION: according to the standard PL post processing technology for JP ZIG NS.	pcs	1	7,139.00
150	Post cleaning and painting service at the workshop – calculation by running post meter)	m	1	781.00
151	Post cleaning and painting service on the spot – calculation by running post meter	m	1	1,078.00
152	An hour of work on non-standardized jobs (employees with university education)	hour	1	1,250.00
153	An hour of work on non-standardized jobs (employees with college education)	hour	1	971.00
154	An hour of work on non-standardized jobs (highly skilled employees)	hour	1	900.00
155	An hour of work on non-standardized jobs (high school graduate employees)	hour	1	821.00
156	An hour of work on non-standardized jobs (skilled employees)	hour	1	760.00
157	An hour of work on non-standardized jobs (half-skilled employees)	hour	1	641.00
158	An hour of work on non-standardized jobs (unskilled employees)	hour	1	557.00
159	For every engaged hour – Zastava 10	hour	1	9.00
160	Distance - Zastava 10	km	1	52.00
161	Engaged hour – Truck with hydraulic platform	hour	1	1,075.00
162	Moto hour – Truck with hydraulic platform	hour	1	2,984.00
163	Distance – Truck with hydraulic platform	km	1	85.00
164	Engaged hour - Truck with hydraulic arm	hour	1	1,210.00
165	Moto hour – Truck with hydraulic arm	hour	1	4,876.00
166	Distance - Truck with hydraulic arm	km	1	133.00
167	Petrol electric generator	hour	1	660.00

The offer needs to comprise all items from the table. A bidder's offer where any offered price for a single item exceeds the amount from the table, shall **be refused as unacceptable**. For the purpose of expertise assessment of offers and weighting, the total offered amount i.e. sum of individual prices from the table shall be taken into consideration.

### ***1.3. Price for chimney sweep services***

Bid with the lowest total offered value shall receive the maximal number of weighting points – 25 weighting points.

Other bids shall be evaluated by the following formula:

$$\frac{\text{lowest total offered value} \times 25}{\text{total offered value from the ranking bid}}$$

*The highest price which bidder may offer is 0,83 din/m<sup>2</sup> of surface of residential or commercial premises, without calculated VAT on monthly level. Bid of the bidder who offers the higher price of the stated, shall be rejected as inadmissible.*

## **2 BUSINESS PLAN**

The bidders' business plan should present the direct investments of the private partner and the investments of the SPE (purpose, amounts, dynamics, etc.) for a period of 10 years, i.e. from the conclusion of the Public-Private Contract. A business plan for a period of 10 years should anticipate the necessary resources (material, human and financial) for its realization, with an analysis of all potential effects on the future economic position of the SPE, as well as the manner of managing the SPE.

The business plan is submitted in free form, and in addition to the ones previously described, it should contain the following elements:

### **1. PROJECT DESCRIPTION**

### **2. AN ANALYSIS OF THE DEVELOPMENTAL POSSIBILITIES AND CAPACITIES OF THE BIDDER**

- 2.1. Basic information on the bidder
- 2.2. Position on the market regarding sale and procurement
- 2.3. Investment activity
- 2.4. Technical and personnel equipment
  - 2.4.1. Technical equipment
  - 2.4.2. Personnel equipment
- 2.5. The economic and financial results – the business dealings of the bidder
  - 2.5.1. Balance sheet for the period of the previous three years
  - 2.5.2. Income statement for the period of the previous three years
- 2.6. Final evaluation of the development possibilities and capabilities of the bidders

### **3. MARKET ANALYSIS**

- 3.1. Sales market
- 3.2. Procurement market

### **4. TECHNICAL AND TECHNOLOGICAL BASES**

- 4.1. Range and scope of services
- 4.2. Capacity assessment and choice of equipment and tools
- 4.3. Workforce plan

### **5. LOCATION ANALYSIS**

### **6. MEASURES OF PROTECTION**

- 6.1. Measures of protection of the environment
- 6.2. Occupational safety measures



## 7. ECONOMIC AND FINANCIAL ANALYSIS

- 7.1. The scope and structure of investments in fixed assets
- 7.2. Calculation of required working capital
- 7.3. Calculation of operating expenses and total revenue generation
- 7.4. Sources of financing and obligations towards the sources
  - 7.4.1. Sources of financing
  - 7.4.2. Obligations towards the sources
- 7.5. Cash flows of the project
  - 7.5.1. Dynamic plan of the Income Statement
  - 7.5.2. Financial flow of the project
  - 7.5.3. Economic flow of the project

## 8. FINANCIAL AND MARKET EVALUATION OF THE PROJECT

- 8.1. Static evaluation of the project's economic efficiency
- 8.2. Dynamic evaluation of the project's economic efficiency
  - 8.2.1. Net present value
  - 8.2.2. Internal rate of return
  - 8.2.3. Time of return of invested capital

## 9. SUMMATIVE EVALUTATION

Weighting points according to this criterion are awarded in the following manner:

the bidder has not delivered the business plan	0 weighting points
the bidder has delivered a business plan which does not contain all of the specified elements	5 weighting points
the bidder has delivered a business plan which contains all of the specified elements	10 weighting points

*Note: The rounding of the obtained weighting points according to each of the sub-elements of the criteria is done to two decimal places. In order to avoid the impossibility of assigning weighting points caused by multiplying by zero, the total offered value for maintenance and repair services for residential and commercial buildings, the total offered value for street lighting procurement services and the price for chimney-sweeping services cannot be less than 0.01 dinars.*

In the event that there are two or more bids with the same number of weighting points, the bid of the bidder who has received a higher number of weighting points based on the element of the price criterion will be selected as the most economically advantageous bid. If two or more bids also have the same number of weighting points based on the element of the price criterion, the bid of the bidder that has offered the lowest total offered value for the public lighting procurement services will be selected.

In the event that the most economically advantageous bid cannot be determined even in the previously stated manner, the Commission will, in accordance with Article 84, Paragraph 4 of the Law on Public Procurement, draw lots as a way to award the contract.

The Commission will send a written invitation to bidders who submit equal offers by all specified criteria to attend the selection procedure of the most economically advantageous bid, i.e. the contract awarding, by drawing lots.

The drawing process will be conducted publicly in the premises of the Procuring Entity, in Novi Sad, Lasla Gala no. 22. The procedure will be conducted by the Tender Commission.

The Commission will keep a record of the contract award procedure by drawing lots. The Commission will provide technical conditions for the implementation of the selection procedure of the most economically advantageous bid by drawing lots. The drawing of lots shall be done publicly by the procuring entity, in the presence of the bidders, and this will be done by writing the names of the bidders on separate pieces of paper of the same size and colour, which will be placed into a box from which only one piece of paper will be drawn. The bidder whose name is on the piece of paper that was drawn will be awarded the contract. The same criteria are also applied to the ranking of offers of other bidders. To the bidders who do not attend this procedure, the procuring entity shall submit a record of the drawing of lots.

## 5. INSTRUCTION FOR BIDDERS ON HOW TO MAKE A BID

The instruction for bidders on how to make a bid (hereinafter: instruction) contains the following information on the requirements of the procuring entity regarding the content of the bid, as well as the conditions under which the public procurement procedure is conducted:

### 5.1 .INFORMATION ON LANGUAGE

The bid must be made in Serbian. The public procurement procedure is conducted in the Serbian language.

A bidder with a head office in another country may attach a part of the bid which is related to proving the fulfilment of the requirements referred to in Article 75 and Article 76 of the LPP in English as well. If the procuring entity, in the course of a professional evaluation of bids, determines that that part should be translated into the Serbian language, he/she shall determine the deadline for the bidder to carry out the translation of that part of the bid. The translation must be certified by a court interpreter and submitted with a copy in the English language. Documents submitted in another language must be translated into Serbian by a court interpreter and handed over together with a certified translation into the Serbian language.

The public tender for the submission of bids, the general part of the tender documentation, in addition to annexes and forms, the model of the contract on the public private partnership and the model of the contract on the establishment of a limited liability company, can be downloaded in the English language at the Public Procurement Portal: [portal.ujn.gov.rs](http://portal.ujn.gov.rs) or on the website of the procuring entity: [www.stanns.rs](http://www.stanns.rs). In the event of a difference in the contents of the published tender documents in Serbian and English, the contents of the tender documentation published in the Serbian language shall be applied.

### 5.2 HOW TO SUBMIT A BID

The bidder can submit only one **bid**. The bid is submitted in written form, in one copy, on the form from the tender documentation, and it must be clear and unequivocal, legibly filled in – typed or written in indelible ink, certified and signed by the bidder’s authorized person at the indicated places in the annexes, and containing all required evidence on the fulfilment of the conditions for participation in the procurement procedure. The bidder submits the bid in a closed enveloped or box, closed in such a manner that it is possible to determine with certainty during the opening of bids that it is being opened for the first time.

The bid is made by the bidder by entering the requested information in the forms that are an integral part of the tender documentation. Any errors made when completing the bid form, which have been corrected by the bidder, must be separately certified by the signature of the authorized person.

It is preferable that all the documents submitted along with the bid be bound together and sealed with a tape – spiral, so that individual sheets or attachments cannot be inserted, removed or replaced, without visibly damaging the papers or the seal.

The bids, along with the corresponding documentation, are delivered by post or in person, at the procuring entity’s address: JKP Stan Novi Sad, 21000 Novi Sad, Lasla Gala No. 22. The envelope must contain the label: “Bid for the public procurement of a private partner for the purpose of concluding a public-private partnership contract for the joint maintenance and repair of residential and commercial buildings, providing street lighting and chimney sweeping services, (code: JN 11/2017 – DO NOT OPEN)“, and on the back it should contain the bidder’s

name and address, their phone number, as well as the name and surname of the contact person. In case a bid is submitted by a group of bidders, it is advisable to indicate on the envelope that it is a group of bidders and to indicate the names and addresses of all participants in the joint offer.

In addition to the evidence on the fulfilment of mandatory and additional conditions and financial security, alongside the bid, the following shall be submitted:

- **an agreement by which the bidders from the group commit to each other and to the procuring entity to perform the public procurement**, in the manner stipulated in the tender documentation - signed by all bidders from the group of bidders (if a bid is submitted by a group of bidders).
- a filled in, stamped and signed **Bid Template** (the template is part of the tender documentation);
- a filled in, stamped and signed **Statement Form of Independent Bid** (the template is part of the tender documentation);
- a filled in, stamped and signed **Statement Form on Issuing Bills of Exchange**, in the manner determined by the Tender Documentation (the template is part of the tender documentation);
- a filled in, stamped and signed **Price Structure Template** with instructions on how to complete it (the template is part of the tender documentation);
- **a model of the public-private partnership contract** – filled in at all indicated places and signed and sealed at the last page of the model of the contract, by which the bidder confirms that he/she accepts the elements of the model of the contract (the model is part of the tender documentation)
- **a model of the contract on founding a limited liability company** – filled in at all indicated places and signed and sealed at the last page of the model of the contract, by which it is confirmed that the elements of the model of the contract are accepted (the model is part of the tender documentation)
- **a business plan** which represents an element of the criterion for assessing bids. The bid of the bidder who does not deliver a business plan will not be denied as unacceptable, but the bidder will not receive weighting points based on this element of the criterion;
- The bid may contain a filled in, stamped and signed form **Costs of the Preparation of the Bid** (the template is part of the tender documentation);

Forms and models are filled in such a way that the bidder enters the data at the intended empty spaces. The shaded parts of forms and models, as well as the parts where it is stated that they are to be filled in by the Public Partner, are not filled out by the bidder.

A timely bid is a bid that has been received by the procuring entity within the deadline specified in the tender for bid submission. Upon receiving a certain offer, the procuring entity will mark the time of receipt and record the number and the date of the bid according to the order of arrival on the envelope or box in which the bid is placed. If the offer is delivered directly, the procuring entity shall submit a receipt to the bidder indicating the date and time of the receipt of the bid.

The bid that the procuring entity did not receive within the deadline set for submitting bids, i.e. that was received after the expiration of the day and time the bid could be submitted, shall be deemed untimely.

The opening of bids is public. Any interested person can attend the opening of bids. Only authorized representatives of the bidders can actively participate in the bid opening process. The bidder's representative is obliged to submit a **duly certified authorization (signed and stamped) for participation in the opening of bids**.

All forms in the tender documentation must be completed, certified and signed by the authorized person of the bidder. The forms and statements that are an integral part of the tender

documentation must be legibly filled in by the bidder, i.e. they must enter the data in the blank fields provided for them, or circle the already given elements in the forms and statements, so that they are completely filled out and the content is clear and unambiguous.

If a bid is submitted by a group of bidders, all forms and statements, in addition to the statement form that he/she has complied with the obligations arising from the applicable regulations on protection at work, employment and working conditions, environmental protection, as well as that he/she does not have a ban on performing the activity in force at the time of submitting a bid, are filled out, certified and signed by the authorized person of the member of the group of bidders who is designated as the contractor, that is, the person who will submit the bid and who will represent the group of bidders before the procuring entity. The statement form that he/she has complied with the obligations arising from the applicable regulations on protection at work, employment and working conditions, environmental protection, as well as not having a ban on performing the activity in force at the time of bid submission, are filled out, certified and signed by each bidder from the bidder group.

The bid must contain all the elements requested in the tender documentation and subsequently sent additional information and explanations or amendments and additions.

The bidder who does not use a seal in his business in accordance with the law and the founding act, is not obliged to certify the requested documentation with a stamp.

If the procuring entity, within the deadline for submission of bids, changes or inserts additions to the tender documentation, he/she is obliged to publish the amendments without delay on the Public Procurement Portal and on his/her website. If the procuring entity changes or inserts additions to the tender documentation eight or fewer days before the deadline for the submission of bids, the procuring entity is obliged to extend the deadline for the submission of bids and publish a notice on the extension of the deadline for the submission of bids. Upon expiration of the deadline for the submission of bids, the procuring entity cannot change or insert additions to the tender documentation.

### **5.3 LOTS**

The related public procurement has not been formed according to lots.

### **5.4 BID WITH VARIANTS**

Bids with variants are not allowed.

### **5.5 AMENDMENT, SUPPLEMENT AND REVOCATION OF A BID**

Within the deadline for the submission of a bid, the bidder may modify, supplement or revoke his/her bid, in the manner in which a bid is submitted.

The amendment, supplement or revocation of the bid is delivered, by post or directly, to the address of the Procuring Entity: JKP Stan Novi Sad, 21000 Novi Sad, Lasla Gala no. 22. The envelope must indicate whether it is an amendment, supplement or revocation, as well as the subject and the code of the public procurement, along with the label "DO NOT OPEN".

### **5.6 INDEPENDENT PARTICIPATION, SUBCONTRACTING, AND PARTICIPATION IN JOINT BID**

A person who has submitted a bid independently cannot participate in a joint bid at the same time, nor can a single person participate in several joint bids.

## **5.7 SUBCONTRACTING**

The tender documentation does not stipulate submitting a bid with subcontractors, in accordance with the content of Article 17, paragraph 1 and Article 20, paragraph 5, item 3 of The Law on Public-Private Partnership and Concessions (LPPPC).

The SPE will, in accordance with the content of Article 17, paragraph 4 of the LPPPC, with the prior approval of the Public Partner, have the right to conclude contracts with subcontractors (Subcontracting).

Subcontracting with subcontractors is possible only if the proposed subcontractor fulfils the conditions specified in this tender documentation and the conditions stipulated by the valid regulations for performing professional activity in terms of economic and financial status, as well as technical and/or professional qualifications for performing his/her part of contractual obligations.

In the case of subcontracting, the private partner has unlimited joint and several liability for the performance of contractual obligations of the subcontractor.

## **5.8 JOINT BID**

A bid can be submitted by a group of bidders. An integral part of the joint bid is an agreement by which the bidders from the group commit to each other and to the procuring entity to execute the public procurement, and which must contain data on:

- the group member who will be the contractor, i.e. who will submit the bid, sign forms and models and who will represent the bidder group before the procuring entity;
- the description of the work of each of the bidders from the bidder group in the execution of the contract, and especially in the procurement of chimney-sweeping services;
- the bidder who will, on behalf of the group of bidders, provide means of financial security for the seriousness of the offer;

The bidders who submit a joint bid have unlimited joint and several liability to the procuring entity.

The procuring entity will not ask the group of bidders to have a certain legal form in order to participate in the procedure. However, if the offer of a group of bidders is deemed to be the most economically advantageous, the group will require a certain legal form upon the awarding of a public contract, and according to the provisions of the law regulating the legal position of companies. The group of bidders must be organized, established and registered in the Business Registers Agency (BRA) as a separate legal form, at the latest by the date determined as the deadline for signing the contract by the bidders, and this new legal form will conclude with the Public Partner a Public-Private Partnership Agreement and an Agreement on the establishment of SPE, as a limited liability company.

A cooperative can submit a bid independently, on its name but for account of cooperative members or a joint bid on behalf of a cooperative member.

If a cooperative is submitting a bid in its name for obligations arising from the public procurement procedure and the public procurement contract, the cooperative and cooperative members shall be responsible in accordance with the law.

If a cooperative submits a joint offer on behalf of a cooperative member for the obligations arising from the public procurement procedure and the public procurement contract, the cooperative members shall be jointly and severally liable.

## **5.9 MEANS AND CONDITIONS OF PAYMENT BY THE PROCURING ENTITIES, VALIDITY PERIOD OF BID AND OTHER**

**Means of payment:** The conditions related primarily to the means of payment of entrusted public utility services are regulated in the contents of the model of the Public Contract which forms an integral part of the tender documentation.

**The validity period of the bid** cannot be shorter than 90 (ninety) days from the day of opening of the bids. In case the bidder offers a shorter period, his bid will be **rejected as unacceptable**. In case of expiration of the validity period of the bid, the procuring entity shall ask the bidder in writing to extend the validity period of the bid. A bidder who accepts the request to extend the validity period of a bid cannot alter the bid.

**Validity Period of a Public Contract:** The Public Contract is concluded for a period of 10 (ten) years, starting from the day of signing by both partners.

## **5.10 VALUE OF PUBLIC PROCUREMENT AND CURRENCY**

**The value of the public procurement:** In accordance with the content of Article 66, paragraph 3, item 1 of the LPP, and the fact that the public procurement for the purpose of concluding a contract for a period of 10 (ten) years is in question, the procuring entity determines the maximum value of this public procurement for an amount corresponding to the sum of the amounts of expected payments by the procuring entities and users for the provided utility services of providing public lighting and chimney-sweeping services during the duration of the Public Contract, i.e. in the amount of 1.773.218.084,40 (one billion seven hundred seventy-three million two hundred eighteen thousand and eighty-four and 40/100) dinars.

**Currency:** Bidders will provide their bids exclusively in the currency of dinar (RSD). All payment terms that are the responsibility of the procuring entities are precisely stated in the Contents of the Public Contract. The procuring entity will **reject the bid** if the bidder does not accept all or some of the payment terms and conditions, which are foreseen as the obligations of the bidder (investments, the cost of consultant payment and other).

## **5.11 FINANCIAL SECURITY GUARANTEE**

**Financial security guarantee for the seriousness of the bid:** The bidder is obliged to provide, along with the bid, the financial security guarantee for the seriousness of the bid, by which he/she ensures the fulfillment of his/her obligations in the public procurement procedure in the form of – **a bank guarantee for the seriousness of the bid** in the amount of 6.000.000.00 (six million) in order to protect the procuring entity from the risk of the bidder's withdrawal from the submitted bid or cancellation by the selected bidder from the conclusion of the contract, or the risk of failure to provide a bank guarantee for the quality of work performance by the selected bidder. The procuring entity will accept the bank guarantee for the seriousness of the offer that will be expressed in euro (EUR), if the amount in the guarantee, in dinar counter-value at the middle exchange rate of the National Bank of Serbia calculated on the day of the issuance of the bank guarantee, is equal to or higher than the required amount.

The bank guarantee for the seriousness of the bid must be issued as irrevocable, unconditional, renewable, payable at first call and without the right of objection, in favour of the City of Novi Sad, and it should be valid at least 15 (fifteen) days longer than the expiration date of the bid. The procuring entity will realize the bank guarantee provided with the bid if the bidder withdraws, revokes or changes his/her bid after the expiration of the deadline for the submission of the bid, if the selected bidder gives up on concluding the contract and if the selected bidder does not

submit a bank guarantee for the quality of work performance within the prescribed deadline from the day of the concluding of the contract. The bidder who accepts the request for the extension of the validity period of the bid must also extend the validity period of the bank guarantee.

After the expiration of the validity period of the bank guarantee, the procuring entity shall return the submitted bank guarantees for the seriousness of the bid to all bidders, except for the bidder whose tender was deemed the most economically advantageous, to whom the bank guarantee for the seriousness of the bid will be returned after the procuring entity has taken over the bank guarantee for the quality of work performance

The filed bank guarantee cannot contain additional terms for payment, shorter deadlines than those specified by the procuring entity, a smaller amount than the one determined by the procuring entity or a changed jurisdiction for settling disputes.

The Bidder may submit a guarantee from a foreign bank only if the credit rating assigned to that bank corresponds to a minimum level of credit quality 3 (three) (investment grade). The credit rating is assigned by the rating agency on the list of similar rating agencies published in accordance with regulations by the National Bank of Serbia or a similar rating agency which is on the list of registered and certified rating agencies published by the European Securities and Markets Authorities (ESMA). The procuring entity can check the reliability of the issuer of the bank guarantee through the National Bank of Serbia.

**A means of financial security for the quality of work performance:** The bidder is obliged to submit a **binding letter of intent of the bidder's bank for the issuance of a bank guarantee for the quality performance of work in** the amount of 12.000.000,00 (twelve million) dinars with clauses "irrevocable, unconditional, payable at first call, without the right of objection" in favor of the City of Novi Sad, valid for at least 15 days longer than the expiry of the validity period of the offer.

The procuring entity may, through the National Bank of Serbia, check the creditworthiness of the issuer of the binding letter of intent for the issuance of a bank guarantee for the quality of work performance.

In the event that the bidder does not submit the required binding letter of intent in his/her bid that was issued by one of his/her banks, the procuring entity will **reject** his/her bid due to significant defects.

After the expiration of the validity period of the binding letter of intent, the procuring entity will return all of the submitted binding letters of intent of the bidder's bank to all of the bidders, except for the bidder with whom the contract has been concluded, to whom the binding letter of intent will be returned after the procuring entity has taken over the bank guarantee for the quality of work performance.

As a means of financial security, **the bidder to whom the contract was awarded** will provide the procuring entity with **a bank guarantee for quality of work performance** no later than 30 (thirty) days from the date of conclusion of the Public Contract, in the amount of 12.000.000,00 (twelve million) dinars. The procuring entity will accept the bank guarantee for quality of work performance, which will be expressed in euro (EUR), if the amount in the guarantee, in dinar counter-value according to the middle exchange rate of the National Bank of Serbia calculated on the day of issuing of the bank guarantee, is equal to or higher than the required amount.

The bank guarantee for quality of work performance must be issued as irrevocable, unconditional, renewable, payable at first call and without the right of objection in favour of the City of Novi Sad, and valid for at least 12 (twelve) months from the day of issuance.

The selected bidder will be obliged to submit to the procuring entity at least 30 (thirty) days before the expiration of the bank guarantee for quality of work performance for the current period



of 12 (twelve) months, a renewed bank guarantee for quality of work performance issued as irrevocable, unconditional, renewable, payable at first call, and without the right of objection in favour of the City of Novi Sad, in the amount of 12.000.000,00 (twelve million) dinars, with a validity period of an additional 12 (twelve) months from the day of issuance.

The selected bidder will not be obliged to renew the bank guarantee for quality of work performance under the same conditions, and after the SPE settles the commitments to the current creditors of JKP Stan Novi Sad. Under this condition, the procuring entity will return the original bank guarantee for quality of work performance to the selected bidder. In the event that the selected bidder fails to proceed in the aforementioned manner, i.e. fails to submit a renewed bank guarantee for quality of work performance of the same kind, the Public Contract shall be deemed terminated, unless both contracting parties leave it in effect in writing.

In the event that the bank guarantee for quality of work performance is realized and charged, and the Public Contract remains in force, the selected bidder will be obliged to deliver the bank guarantee for quality of work performance of the same kind to the procuring entity as soon as possible, and this can be no longer than 30 (thirty) days from the date of receipt of the procuring entity's notice that he has realized and charged the bank guarantee for quality of work performance.

The procuring entity will realize and charged the bank guarantee for quality of work performance in case the selected bidder fails to perform the obligations in accordance with the Public-Private Partnership Contract that will be concluded with the procuring entities.

Non-delivery of a bank guarantee for quality of work performance is a termination requirement.

The submitted bank guarantee for quality of work performance cannot contain additional conditions for payment, shorter deadlines than those specified by the procuring entity, a smaller amount than the one determined by the procuring entity or a changed jurisdiction for settling disputes.

The selected bidder may submit a guarantee from a foreign bank only if the credit rating assigned to that bank corresponds to a minimum level of credit quality 3 (three) (investment grade). The credit rating is assigned by the rating agency on the list of similar rating agencies published in accordance with regulations by the National Bank of Serbia or a similar rating agency which is on the list of registered and certified rating agencies published by the European Securities and Markets Authorities (ESMA).

After the SPE settles its obligations to the creditors of JKP Stan, the bidder will not be obliged to renew the bank guarantee for quality of work performance, but will be obliged to deliver **the means of financial security for quality of work performance, in the form of his/her own blank bill of exchange** (signed by an authorized person), registered in the Registry of Bills of Exchange and Mandates of the National Bank of Serbia with a draft authorization – a letter in the amount of 12.000.000,00 (twelve million) dinars.

The bidder is obliged to submit a copy of the card with the deposited signatures of the authorized person of the bidder, as well as proof of the registration of the bill of exchange, along with the means of financial security – the bill of exchange with the draft authorization.

The means of financial security for quality of work performance – the bill of exchange must be valid for at least 30 (thirty) days longer than the expiration of the contract validity period. The procuring entity may realize a means of security for quality of work performance in the event that the bidder fails to fulfil his/her obligations within the deadlines and in the manner stipulated by the contract.

The filed means of financial security cannot contain additional terms for payment, shorter deadlines, a lower amount or changed jurisdiction for dispute resolution. Accordingly, the bidder is obliged to submit (**along with the bid**) a filled out, stamped and signed **Statement Form on Issuing a Bill of Exchange**, in the manner determined by the tender documentation (*the form is part of the tender documentation*).

## 5.12 DATA PROTECTION

The procuring entity is obliged to:

- keep confidential all the information on the bidders included in the bid that the bidder has, as such, in accordance with the law, indicated in the bid;
- refuse to provide information that would imply a breach of the confidentiality of the information received in the bid;
- keep the names of interested persons, bidders and applicants, as well as the information on submitted bids, i.e. applications as a business secret, until the opening of bids, i.e. applications.

Evidence of the fulfilment of mandatory conditions, prices and other information from the bid that are relevant for the application of the elements of the criteria and the ranking of the bid shall not be considered as confidential.

The procuring entity shall treat as confidential the data in the bid contained in the documents designated as such, i.e. those that contain the label “CONFIDENTIAL” in the upper right corner, as well as the signature of the authorized person of the bidder that is under the aforementioned label.

If only certain information contained in the document submitted along with the bid is considered confidential, the confidential information must be marked in red and the label “CONFIDENTIAL” must be next to it, and the signature of the authorized person of the bidder must be under the aforementioned label.

The procuring entity is not responsible for the confidentiality of the information that is not marked in the described manner.

## 5.13 ADDITIONAL INFORMATION OR CLARIFICATIONS

The interested person may, in writing, request additional information or clarification from the procuring entity regarding the preparation of the bid, whereby he/she may also inform the procuring entity about identified defects and irregularities in the tender documentation, no later than five days before the deadline for the submission of bids expires. Additional information or clarifications regarding the preparation of the bid can be requested exclusively in writing by the bidder, by submitting a request to the address: Public Utility Enterprise (JKP) Stan Novi Sad, 21000 Novi Sad, Lasla Gala no. 22, or to the e-mail address: [zrankovic@stanns.rs](mailto:zrankovic@stanns.rs) with a note: "Questions related to the public procurement of a private partner for the purpose of concluding a public-private partnership contract for the joint maintenance and repair of residential and commercial buildings, providing street lighting and chimney sweeping services (code: JN 11/2017)".

The procuring entity shall, within three days from the date of receipt of the request, publish the response on the Public Procurement Portal and on his/her website.

Communication in the public procurement procedure is also carried out in writing, i.e. by post or e-mail, in relation to the performance of public procurement tasks. Requesting additional information or clarifications regarding the preparation of a bid by phone is not allowed.

If the document from the public procurement procedure has been delivered by the procuring entity or by the bidder via e-mail, the party that submitted the bid shall require the other party to confirm in the same manner the receipt of that document, which the other party is obliged to do when necessary as evidence that the delivery was made.

#### **5.14 ADDITIONAL INFORMATION AFTER THE OPENING OF BIDS**

The procuring entity may request from the bidder additional clarifications that will help him/her review, evaluate and compare bids, and he/she may also make an inspection by the bidder. In this case, the procuring entity shall leave a reasonable deadline for the bidder to act upon the procuring entity's request, i.e. to enable the procuring entity to make an inspection by the bidder

The procuring entity may not request, permit or offer changes in the elements of the bid that are of relevance to the application of the contract award criteria, i.e. a change that would make the bid that is inadequate or unacceptable adequate or acceptable, unless otherwise arising from the nature of the public procurement procedure.

The procuring entity may, with the consent of the bidder, make corrections of the calculation errors noted during the consideration of the bid upon the completion of the bid opening procedure.

If the bidder does not agree with the correction of calculation errors, the procuring entity will **reject his/her bid as unacceptable**.

#### **5.15 NOTICE ON PAYMENTS FOR USE OF PATENTS**

The fee for the use of patents, as well as liability for the infringement of protected intellectual property rights of third parties shall be borne by the bidder.

#### **5.16 SUBMITTING AN APPLICATION FOR THE PROTECTION OF RIGHTS**

An application for the protection of rights can be submitted by the bidder, i.e. by the interested person who has an interest in awarding a contract in the public procurement procedure in question, and who has suffered damage or could suffer damage due to the conduct of the procuring entity that is contrary to the provisions of the LPP (hereinafter: the applicant).

The application for the protection of rights can be submitted by the Public Procurement Directorate, the State Audit Institution, the public attorney and the civil supervisor. The said authorities and organizations are not obliged to submit an application for the protection of rights at the request of a bidder i.e. an interested person who has an interest in awarding a contract in the procurement procedure in question, and who has suffered damage or could suffer damage due to the conduct of the procuring entity that is contrary to the provisions of the LPP, if this person did not exercise the right to apply.

The application for the protection of rights shall be submitted to the procuring entity, and a copy of it shall be simultaneously submitted to the Republic Commission for the Protection of Rights in Public Procurement Procedures (hereinafter: the Republic Commission).

The application for the protection of rights shall be delivered to the procuring entity, directly to the Procuring Entity's address or by registered post with a return receipt. The application for the protection of rights cannot be submitted by e-mail. The application for the protection of rights can be filed during the entire public procurement procedure, against every action of the procuring entity, unless otherwise specified in the LPP.

The application for the protection of rights challenging the nature of the procedure, the content of the invitation to the submission of bids or tender documentation shall be considered timely if it is received by the procuring entity no later than seven days before the expiration of the deadline for the submission of bids, regardless of the manner of delivery, and if the applicant pointed out to the procuring entity any deficiencies and irregularities in accordance with Article 63,

Paragraph 2 of the LPP, and the procuring entity did not remove them.

The application for the protection of rights challenging the actions undertaken by the procuring entity before the expiration of the deadline for the submission of bids, and after the expiration of the deadline referred to in Article 149, Paragraph 3 of the LPP, shall be deemed timely if it is submitted no later than the expiration of the deadline for the submission of bids.

After making a decision on awarding a contract and the decision on terminating the procedure, the deadline for submitting an application for the protection of rights is 10 (ten) days from the date of publication of the decision on the Public Procurement Portal.

The application for the protection of rights cannot challenge the actions of the procuring entity undertaken in the public procurement procedure if the applicant was or could have been familiar with the reasons for its submission before the expiration of the deadline for submitting a request under Article 149, Paragraphs 3 and 4 of the LPP, and the applicant did not submit it before the expiration of that deadline.

If the application for the protection of rights is once again filed in the same procurement procedure by the same applicant, the actions of the procuring entity of which the applicant was aware of or could have been aware of during the filing of the previous request cannot be challenged in that request.

The application for the protection of rights does not withhold further activities of the procuring entity in the public procurement procedure in accordance with the provisions of Article 150 of the LPP.

The procuring entity publishes a notice on the submitted application for the protection of rights on the Public Procurement Portal and on his/her website at the latest within 2 (two) days from the date of receipt of the application for the protection of rights.

The application for the protection of rights contains:

- 1) the name and address of the applicant and the contact person;
- 2) the name and address of the procuring entity;
- 3) information on the public procurement that is the subject of the request, i.e. on the decision of the contracting authority;
- 4) violations of regulations regulating the public procurement procedure;
- 5) facts and evidence as proof of these violations;
- 6) confirmation of payment of fees from Article 156 of the Law on Public Procurement;
- 7) the applicant's signature.

If the submitted application for the protection of rights does not contain all of the mentioned mandatory elements, the procuring entity will reject such an application by a conclusion. The procuring entity delivers the conclusion to the Republic Commission within three days from the date of its adoption. The applicant may file a complaint with the Republic Commission against the procuring entity's conclusion within three days from the date of receipt of the conclusion, while the copy of the complaint is simultaneously submitted to the procuring entity.

The applicant of the application for the protection of rights is obliged to deposit to the account of the budget of the Republic of Serbia a tax fee of:

- 1) 250.000,00 (two hundred fifty thousand and 00/100) dinars if the application for the protection of rights is submitted before the opening of bids;
- 2) 0.1% (10/100 percent) of the estimated value of the public procurement, i.e. the value of the contract, if the application for the protection of rights is submitted after the opening of bids. Considering the type of the public procurement procedure, the offered price, i.e. the total offered amount, serves only as the basis for applying the element of the criterion for the selection of the most economically advantageous bid, and does not represent the value at which the contract will be concluded. The procuring entity considers that it is more appropriate to determine the tax fee in relation to the value of

the contract, determined in accordance with the LPPPC. The estimated value of the public procurement was determined to be 1.773.218.084,40 (one billion seven hundred seventy-three million two hundred eighteen thousand eighty-four and 40/100) dinars, and the value of the contract is 684.772.000,00 (six hundred eighty-four million seven hundred and seventy-two thousand and 00/100) dinars.

As evidence of payment of the tax fee, in the sense of Article 151, Paragraph 1, Item 6 of the LPP, the following shall be accepted:

**1. Certificate on the payment of fees** referred to in Article 156 of the Law on Public Procurement that contains the following elements:

(1) it is to be issued by the bank and should contain the bank's seal;

(2) it is to be proof of the payment of the fee, which means that the certificate must contain the information that the order for payment of the tax fee, i.e. the order for the transfer of funds has been realized, as well as the date of execution of the order.

(3) the amount of the tax fee referred to in Article 156 of the LPP that is being deposited;

(4) account number: 840-30678845-06;

(5) payment code: 153 or 253;

(6) reference number: information on the number or label of public procurement on the basis of which the application for the protection of rights is submitted (in that order);

(7) purpose; procuring entity's name; the number or label of public procurement on the basis of which the application for the protection of rights is submitted;

(8) user: the budget of the Republic of Serbia;

(9) the name of the payer, i.e. the name of the applicant of the application for the protection of the rights for which the fee was paid;

(10) the signature of the bank's authorized person.

**2. Payment order**, the first copy, certified by the authorized person's signature and the seal of the bank or post, which contains all the other elements listed in the certificate on the payment of the fee.

**3. A certificate issued by the Republic of Serbia**, the Ministry of Finance, the Treasury Department, signed and stamped, containing all the elements listed in the certificate on the payment of the fee, other than those referred to in (1) and (10) (for applicants for the protection of rights who have an account opened within the respective consolidated treasury account, which is kept in the Treasury Department – budget users, users of funds of compulsory social security organizations and other users of public funds);

**4. A certificate issued by the National Bank of Serbia**, which contains all the elements listed in the certificate on the payment of fees (for applicants for the protection of rights who have an account with the National Bank of Serbia in accordance with the law and other regulations, banks and other entities).

The procedure for protecting the rights of bidders is regulated by the provisions of Art. 138 – 166 of the Law on Public Procurement.

## 5.17 REASONS FOR THE REJECTION OF A BID

The bid shall be rejected:

If it is not acceptable: An acceptable bid is a bid which is timely, which the procuring entity did not refuse due to significant defects, which is suitable, which does not restrict or condition the rights of the procuring entity or the obligations of the bidder.

If it is not timely: A timely bid is a bid that has been received by the procuring entity within the deadline specified in the invitation to bid submission.

If it contains significant defects: Significant defects of the bid are:

- if the bidder does not prove that he/she fulfils the mandatory conditions for participation;
- if the bidder does not prove that he/she fulfils the additional conditions for participation;
- if the bidder has not submitted the requested means of security;
- if the offered bid deadline is shorter than prescribed;
- if the bid contains some other defects due to which it is not possible to determine the actual contents of the bid or to compare it with other bids.

If it is not suitable: A suitable bid is a bid which is timely and for which has been determined that it fully meets all the requirements of the technical specification.

The bid of the bidder who offers conditions, amounts and deadlines in the manner contrary to the one described in the chapter Criteria for the Selection of the Most Economically Advantageous Bid will be rejected as unacceptable.

In the event that the bidder offers a shorter deadline than the one prescribed, his/her bid will be rejected as unacceptable.

Should the bidder fail to submit the original or the certified copy of the requested evidence for inspection within the appropriate deadline, which cannot be shorter than 5 (five) days, the procuring entity will reject his/her bid as unacceptable.

In the event that the person who participated in the planning of the public procurement, the preparation of the tender documentation or some of its parts, and the related person performs as a bidder or cooperates with bidders when preparing the bid, the procuring entity will reject such a bid as unacceptable.

If the bidder has, directly or indirectly, given, offered or suggested some profit, or attempted to find out confidential information or in any way affect the conduct of the procuring entity during the public procurement procedure, the procuring entity shall reject such a bid as unacceptable.

The procuring entity may reject the bid if he/she has evidence that the bidder has in a public procurement procedure in the previous 3 (three) years:

- acted contrary to the prohibition in Art. 23 and 25 of the LPP;
- made a violation of competition;
- provided false information in the bid or without justified reasons refused to conclude a public procurement contract after the contract was awarded to him/her;
- refused to deliver the evidence and the means of security to which he/she committed in the bid.

The procuring entity may reject the bid if he/she has evidence that the bidder has not fulfilled his/her obligations under previously concluded public procurement contracts relating to the same subject of procurement for the period of the previous 3 (three) years prior to the publication of the invitation to bid submission.

If the bidder who independently submitted the bid simultaneously participates in a joint offer, or the same person participates in several joint bids, the procuring entity will reject such a bid as unacceptable.

The procuring entity may reject the bid if he/she has a final court decision or a final decision of another competent authority; a document on the realized means of securing fulfilment of obligations in the public procurement procedure or the fulfilment of contractual obligations; a document on the charged contracted penalty; in the event that there are complaints from consumers i.e. users, if they are not remedied within the agreed time limit; a report of the supervisory authority on performed works that are not in accordance with the project i.e. contract; a statement of termination of the contract due to failure to fulfil the essential elements of the contract given in the manner and under the conditions provided by the law governing the obligatory relations; proof of engagement in the execution of a public procurement contract for persons not designated in the bid as subcontractors i.e. members of the group of bidders; other appropriate evidence suitable to the subject of public procurement, which relates to the fulfilment of obligations in previous public procurement procedures or to previously concluded public procurement contracts.

## **5.18 DEADLINE FOR THE DECISION ON CONTRACT AWARDING**

The deadline for the decision on contract awarding is 90 (ninety) days from the day of the opening of bids.

## **5.19 DECISION ON CANCELLING THE PROCEDURE**

The procuring entity is obliged to cancel the public procurement procedure if the conditions for awarding the contract under Article 107 of the LPP are not met.

The procuring entity may cancel the public procurement procedure for objective and provable reasons which could not have been anticipated at the time of the initiation of the procedure and which prevent the completion of the procedure that has begun, i.e. due to which the need of the procuring entity for the procurement in question has ceased to exist, and because of this it will not be repeated during the same budget year, i.e. in the following 6 (six) months.

In accordance with Article 47, Paragraph 1 of the LPPPC, the procuring entity shall, within three days from the day when the decision on the award of the contract becomes final, submit to the Assembly of the City of Novi Sad the final draft of the Public Contract (the Model of the Contract on Public-Private Partnership is part of this tender documentation), including attachments that form an integral part thereof, for the granting of consent. If the Assembly of the City of Novi Sad does not make a decision giving its consent to the final draft of the Public-Private Partnership Contract within 30 days from the date of delivery of the Public Contract, the Procuring Entity shall issue a decision terminating the public procurement procedure.

## **5.20 INSIGHT INTO DOCUMENTS**

The representative of the bidder taking part in the bid opening process shall have the right to inspect the data from the bids that are entered in the record on the opening of bids during the opening of bids.

The bidder has the right to inspect the documentation on the conducted public procurement procedure after the decision on the award of the contract, i.e. the decision on the termination of the procedure, regarding which a written request can be submitted to the procuring entity by e-mail and post.

The procuring entity shall enable the person submitting the aforementioned request to inspect the documentation and the copying of documentation from the procedure at the applicant's expense, within two days from the date of receipt of the written request, with the obligation to protect the data in accordance with Art. 14 and 15 of the LPP and the content of the tender documentation.

## **5.21 CONCLUSION OF THE CONTRACT**

The procuring entity shall, within three days from the date when the decision on the award of the contract becomes legally binding, submit to the Assembly of the City of Novi Sad the final draft of the Public Contract including the annexes that are an integral part of it for the purpose of giving consent.

The Assembly of the City of Novi Sad is obliged to decide on giving consent to the final draft of the Public Contract within 30 (thirty) days from the date of delivery.

After the Assembly of the City of Novi Sad has given its consent to the final draft of the Public Contract, the procuring entity is obliged to submit the Public Contract for signing to the bidder to whom it was awarded, within eight days from the date of the awarding of consent by the Assembly. The bidder is obliged to sign the contract within three working days from the date of

delivery of the contract for signing.

If the bidder to whom the contract was awarded refuses to conclude a public procurement contract, or does not sign it within the prescribed time limit, the procuring entity may conclude a contract with the first next best bidder. If, in this case, due to the methodology for assigning weighting points, it is necessary to determine the first next best bidder, the procuring entity will again perform a professional evaluation of the bids and make a new decision on awarding the contract. In either case, whether the procuring entity makes a new decision on the award of a contract or only awards the contract to the first next most favourable bidder, the new final draft of the Public Contract, including the annexes that are an integral part of it, shall be submitted to the Assembly of the City for approval, in the same procedure as for the original submitted draft.



## 6. MODEL OF CONTRACT ON PUBLIC-PRIVATE PARTNERSHIP

In accordance with the article 9 paragraph 4 of Law on public-private partnership and Concessions ("Official Gazette of RS", No. 88/11, 15/16 and 104/16),

1. **City of Novi Sad**, Trg slobode 1 Novi Sad, Company Number: 08965498, TIN: 109924914 (hereinafter: "City") represented by the Mayor Milos Vucevic and
2. **Public Utility Company for maintenance of residential and business premises "Stan" Novi Sad**, Lasla Gala 22, Novi Sad, Company Number: 08114854, TIN: 100236944 represented by Milos Curcic, both in the competence of contracting authorities (hereinafter: "Public partner") on one part and

(Bidder writes full or shortened business name from Commercial Register (if the same is legal entity or entrepreneur) or first and last name (if the same is natural person) or if there is a group of bidders here it is stated the holder of joint bid)

with the Seat / residence in \_\_\_\_\_ Street, No. \_\_\_\_\_, Company Number: \_\_\_\_\_, TIN: \_\_\_\_\_, PIN (if the same is natural person): \_\_\_\_\_ (hereinafter: **„Private partner“**), represented by \_\_\_\_\_, (state position, first and last name)

on \_\_\_\_\_, Year \_\_\_\_\_ \* enter into the (\* empty spaces shall be filled in by the Public partner on the day of signing the Contract)

### **CONTRACT ON PUBLIC-PRIVATE PARTNERSHIP FOR JOINT PERFORMANCE OF THE ACTIVITY OF MAINTENANCE AND REPAIR OF RESIDENTIAL AND BUSINESS BUILDINGS, STREET LIGHTING PROCUREMENT AND CHIMNEY SWEEP SERVICES**

**(Hereinafter: Contract)**

#### **INTRODUCTORY REMARKS**

##### **Interpretation:**

In the Contract, unless the opposite intention is obvious:

- singular includes plural and vice versa;
- referral to any person includes also its legal heirs and referral to the person in certain status excludes that person in any other status or as the individual;
- referral to one gender includes also another gender;
- referral to any Contract or document means that contract and the document with all the changes and amendments which create legal effect in the relevant moment;

- referral to any regulation or its provision includes referral to any changes and amendments to that regulation and any subsequently adopted regulation or its provision, which substitutes the regulation or provision of the regulation to which it has been primary referred;
- term “ including” (together with connected term “includes”) shall not restrict generality of the description given before that term;
- regarding definition of any period of time “from” shall have the meaning “from including” and “to” shall have the meaning “to including”;
- content and titles in the Contract have been stated only for referral and shall not represent part of the Contract and shall not be taken into consideration during interpretation of the Contract;
- referral in the text of the Contract to the articles, points and attachments is referral to articles, points and attachments of the Contract, unless stated otherwise. Referral in any attachment to articles, points and attachments is referral to articles, points and attachments of the Contract, unless stated otherwise;
- in case of discrepancy between the provisions of the Contract and any Attachment which is the integral part of the Contract, Contract provisions shall have precedence.

## **Previous statements**

### **Article 1**

Contractual parties previously state:

- City of Novi Sad has formed the Working group for preparation and drafting of the proposal of business rehabilitation plan for JKP Stan;
- that City of Novi Sad has received the proposal of interested person for realization of the project of public-private partnership, pursuant to the article 19 of the Law on Public-private partnership and concession (“Official Gazette of RS”. No. 88/11, 15/16 and 104/16), (hereinafter also: LPPPC”);
- that the City of Novi Sad and JKP Stan, as the public bodies, have drafted the Project of public-private partnership for the activity of maintenance and repair of residential and business buildings, procurement of enlightening and provision of the services of a chimney sweep (hereinafter: PPP Project”);
- that on November 10<sup>th</sup>, 2016 Commission for public-private partnership has given a positive Notion No. 81/16 that the JPP Project may be realized in the form of public-private partnership;
- that on November 30<sup>th</sup>, 2016, Assembly of the City of Novi Sad has awarded Decision on adoption of PPP Project under the number 020-1688/2016-I, which decision has been announced on November 30<sup>th</sup>, 2016 in the “Official Gazette of the City of Novi Sad”, No. 74/16;
- that on March 31<sup>th</sup>, year 2017 Contracting authorities have awarded Decision on implementation of public tender by more contracting authorities, number 769, all according to the authority from the article 50 of Public Procurement Law (“Official Gazette of RS”. No.124/12, 14/15 and 68/15), hereinafter: “PPL”);
- that on May 17<sup>th</sup>, Year 2017, Contracting authorities have awarded Decision on amendments of Decision on implementation of the public tender by more contracting authorities number 1189;
- that on September 20<sup>th</sup>, Year 2017, Contracting authorities have awarded decision on amendment of decision on implementation of public tender procedure by more contracting authorities number 2272;

- that on June 20<sup>th</sup>, 2017 JKP Stan has awarded Resolution on putting out of force Resolution of formation of the commission No 1343 from 30<sup>th</sup> May, Year 2017, number 1562;
- than on June 20<sup>th</sup>, 2017 JKP Stan has adopted Resolution on formation of Commission for public tender of services in an opened procedure No.1576;
- that on September 26<sup>th</sup>, Year 2017, JKP Stan has adopted (a) Changes and amendments of decision on initiation of public procurement procedure No. 11/2017 and (b) Changes and amendments of resolution on formation of Commission for public tender of services in an opened procedure No. 2312/1;
- that on September 29<sup>th</sup>, Year 2017 the tender documentation for public tender for selection of private partner for entering into contract on public-private partnership for joint performance of activity of maintenance and repair of residential and business buildings, street lighting procurement and chimney sweep services in an opened procedure, code of public procurement PP No. 11/2017 (hereinafter: Tender documentation) in accordance with law, comprehensively and completely;
- that on September 29<sup>th</sup>, Year 2017 the Public announcement for submission of proposals has been announced, which contains all elements regulated by provisions of LPPPC and LPP;
- that the most favorable bid has been delivered timely and in accordance with law, tender documentation and Public announcement, together with bank guarantee for seriousness of the bid;
- that during the selection of the most favorable bid the criteria in accordance with LC, LPPPC, tender documentation and Public announcement;
- that on \_\_\_\_\_(\*), Year 2017 Project team of contracting authority in the position of Commission for public tender has drafted report on competent estimation of bids, taking into account all criteria and information,
- that on \_\_\_\_\_(\*), Year 2017 Contracting authority has made decision on awarding the Contract id est selection of private partner, which decision has become final on \_\_\_\_\_(\*), Year 2017;
- that on \_\_\_\_\_(\*), Year 2017 Assembly of the City of Novi Sad has given consent to the final version of Contract draft, including attachments which make its constituent part, pursuant to authorization from the article 47 of LPPPC.

*(\*empty spaces shall be filled in by the Public partner on the day of entering into the Contract)*

## **Object of the Contract**

### **Article 2**

Object of the Contract shall be regulation of rights and obligations between the Public and the Private partner regarding public-private partnership for joint practicing of the activities of maintenance and repair of residential and business buildings, procurement of enlightening and rendering the services of a chimney sweep, in accordance with the JPP Project and Decision on adoption of PPP Project (“Official Gazette of the City of Novi Sad”, No. 74/16) and executed procedure of public procurement for selection of private partner for entering into the contract on public-private partnership for joint practicing of the activities of maintenance and repair of residential and business buildings, procurement of enlightening and rendering the services of a chimney sweep, in an open procedure under the number PP 11/2017 (hereinafter: Public procurement) and Decision on selection of most favorable bidder awarded on \* \_\_\_\_\_ under the number\* \_\_\_\_\_ (\* shall be filled in by the Public partner on the day of entering into the Contract).

Day of entering into Contract (hereinafter: Day of signing) shall be the day when

representatives of both contractual parties shall sign the same Contract.

Contract shall be entered into after executed procedure of public procurement as the integral part of the public-private partnership procedure (hereinafter: "PPP"). Public partner has selected form of institutional JPP, which shall be realized through the founding and business of the Special purpose vehicle (hereinafter: "SPV"), in which co-founders and co-owners of equity interest shall be Private partner with 70% (in letters: seventy percent) of equity interest and Public partner with 30 % (in letters: thirty percent) of equity interest, including 15% (in letters: fifteen percent) of equity interest in favor of the City of Novi Sad and 15% (in letters: fifteen percent) in favor of JKP Stan.

SPV shall perform the following activities:

**- Activity of maintenance and repair of residential and business buildings** shall be performed based on the Contract on maintenance of buildings which SPV shall, as service provider, enter into with legal representatives of residential unities, or owners of residential and business buildings, as ordering parties, based on principles of commercial business and under conditions which SPV shall contract with ordering parties. Object of services may be maintenance and repair of buildings, including masonry and other construction-craftsman works, maintenance of heating installations, lifts, water-work and sewerage installations and other here non mentioned works for which SPV shall have manager and other conditions to contract and execute.

**- Activity of street lighting procurement** is utility activity which performance has been regulated by Decision on urban design of the City of Novi Sad ("Official Gazette of the City of Novi Sad", No 56/12, 9/13, 26/13 and 69/13,"Official Gazette of the City of Novi Sad" No. 36/14 – Decision of Constitutional Court and "Official Gazette of the City of Novi Sad" No. 13/14, 28/14, 33/15 and 74/16) which intakes maintenance, adaptation and improvement of buildings and installations of the street lighting system.

System of street lighting intakes facilities, equipment, installations and equipment for enlightening of public surfaces, outside parts of buildings and other facilities and also fluorescent advertising marks connected to the system of street lighting. Under the term "procurement of street lighting" the works on maintenance, adaptation and improvement of street lighting shall be understood, which shall encompass works on: replacement of lighting bodies and other wasted or damaged elements, cleaning, anti-corrosion protection and washing the pillars and protective compresses of lighting bodies and other measures for the purpose of protection and maintenance of use value of street lighting. System of street lighting includes equipment, installation and equipment appropriated for enlightening of facilities and ambient complexes which have historical, architectural, culture, administrative, commercial and other significance for the City of Novi Sad.

SPV shall practice this utility activity based on the Decision of the City of Novi Sad on commitment of the practicing of the activity of street lighting procurement, also based on contract on procurement of street lighting which shall be entered into by the City of Novi Sad as the contracting authority, from one part and SPV as the services executor, from the other part. Assets for provision of utility service of street lighting procurement shall be secured in the budget of the City of Novi Sad.

**- Activity of rendering the chimney sweep services includes:**

- cleaning of smoke pipes and heating appliances and equipment,
- cleaning of ventilation channels and equipment and
- control of smoke pipes and fuel facilities and equipment and ventilation channels and equipment.

Chimney sweep services shall be performed for the purpose of securing proper functioning of smoke pipes and fuel facilities and equipment, ventilation channels and equipment, preventive protection of life and property from fire, environment protection and energy efficiency in accordance with Decision on chimney sweep services ( Official Gazette of the City of Novi Sad", No. 26/13 and 28/14).

Chimney sweep services shall be charged directly from service users, according to the prices from the bid which private partner has given in the public tender procedure. The price of this service may be changed by the decision adopted by Supervisory Board of SPV, with the previous consent of the City Council of the City of Novi Sad. Users of this service shall be natural/legal persons who are owners or users of apartments in the residential building or users of family residential building and owners or users of business premises and facilities in which there are smoke pipe facilities, spare smoke pipe facilities, fuel equipment, ventilation channels and equipment.

In the Attachment No. 1 - Technical description of the activity of JKP Stan in tender documentation all three basic activities which shall be practiced by SPV shall be described in details, and all available technical data on the current scope of practicing these activities by JKP Stan.

## **Obligations of Contracting Parties**

### **Mutual obligations of Private and Public Partners**

#### **Article 3**

Public and Private partner commit themselves to jointly fulfill the following obligations:

- to open temporary account, within 10 (in letters: ten) days of the day of entering into Contract, in the commercial bank in the Republic of Serbia, for payment of pecuniary share capital of SPV, in accordance with the content of model of Contract on establishment of SPV (hereinafter: “Corporate Charter”);
- to appoint all persons who shall execute jobs in managing bodies of SPV within 15 (in letters: fifteen) days from the day of entering into Contract, which persons shall fulfill all necessary legal conditions for practicing vested jobs;
- to register establishment of SPV in the competent commercial register – Business registers Agency, based on the signed Corporate charter and to harmonize its work and business practice with the Law on utility services, LPPPC, Company Law, Law on public property, Law on budget system and other laws, Decision on vesting utility services of street lighting procurement and provision of chimney sweep services, other relevant regulations and general acts, Contract and good business practice;
- to keep the subscribed and signed in and paid in share capital of SPV in an unchanged amount during the whole period of validity of Contract;
- to open an account in the commercial bank in the Republic of Serbia within 10 (in letters: ten) working days, and to transfer the total signed in paid in pecuniary share capital of SPV from the temporary account of SPV;
- to make payment within 5 (in letters: five) days from opening of the business account of SPV and payment of subscribed and paid in pecuniary share capital to that account, from business account of SPV to the account of the City of Novi Sad, in the amount of 162,045,000.00(in letters: one hundred sixty two million forty five thousand 00/100) dinars in accordance with content of payment instruction which the Public partner shall deliver to SPV on the day of opening the business account of SPV and in accordance with Contract and Corporate Charter;
- adopt and realize business plan for the following year;
- to make investments into basic assets of SPV starting from second year of business of SPV (second business year) until expiration of validity of Contract, in the amount not smaller than 5% (in letters: five percent) of total book keeping value of basic assets in the property

- of SPV established on the first day of the beginning of business year for which the investment has been made and market value of basic assets which have been given to SPV for usage by JKP Stan and which value has been established on the day of transfer of right of usage for investment in basic assets of SPV, ll in accordance with Contract;
- to take care of obligations towards creditors of JKP Stan, which have been created and registred in financial registers of JKP Stan on June 30<sup>th</sup>, Year 2017. Takeover of debt shall be done according to the sectional view of status on the day of June 30<sup>th</sup>, Year 2017, which has been confirmed by the responsible person or persons authorized for drafting financial reports, in the manner that the interest shall not be calculated on the amount which has been transferred according to the financial records on the day of June 30<sup>th</sup>, Year 2017, for demands which have been the subject of settlement;
  - not to perform recapitalization by the third party during the validity of the Contract or any other type of investment by which the third party would acquire contribution in the share capital or voting rights in SPV, that rights in share capital of SPV and equity interest in SPV won't be the object of pledge, that SPV won't issue securities and other financial instruments which offer possibility of contribution of third persons in the capital or management of SPV;
  - to provide all the necessary conditions for practicing of all activities for which it shall be registered or for practicing the activities which are the subject of PPP, not later than 30 days (in letters: thirty) from the day of registration of SPV;
  - to use the facility in Novi Sad, in Lasla Gala Street No.22, to maintain the same on the account of SPV at least in the state the facility has been in the moment when it had been transferred for usage and return it into at least the same state and transfer it back to the City of Novi Sad, after expiration of the Contract;
  - to execute all legal and practical activities for transfer of right of usage of movable assets given for usage to SPV in accordance with Contract, law and by-laws;
  - to send to the current users of JKP Stand bids for entering into new contracts on maintenance and repair of residential and business buildings with SPV, as the new contractor;
  - to perform competently, efficiently the vested utility activities while practicing business of SPV, in accordance with decisions of the Assembly of the City of Novi Sad on vesting utility services of street lighting procurement and provision of chimney sweep services, which shall be adopted in the terms regulated by tender documentation and Contract and decisions which regulate the practicing of those activities;
  - to take over measures for maintenance, development and protection of utility facilities, plants and equipment, which serve for practicing the vested utility services;
  - to form Commission for follow up of the realization of the Contract within 30 (in letters: thirty) days from registration of SPV, in the way that both partners name 2 (in letters: two) persons with the experience for practicing the activity which SPV shall practice, in the manner regulated in the article 26 of the Contract;
  - to take over all the necessary legal and practical activities for liquidation of SPV, after expiration of the Contract, in accordance with regulations which regulate the status of companies, or stepping out of either Public or Private partner from SPV and, if the regulations in force would allow that, providing preconditions for SPV to continue to practice the activity of maintenance of building with Public or Private partner as the sole founder.
  - To comply with the prices from the bid of private partner, or prices of those services established based on the content of decisions stated in the article 14 of the Contract, regulating the amount, manner of calculation and charging of services which shall be practiced by SPV.

## Special duties of Private Partner

### Article 4

Private Partner commits to, apart from fulfillment of duties taken from the article 3 of the Contract, fulfill additional duties which include (a) **general duties**, which relate to all activities which shall be performed by SPV and (b) **special duties**, which are specific for particular activities which are the subject of PPP.

#### 1. General duties:

- to make payment, to the temporary business account of SPV, of pecuniary amount of 162,045,000.00 (in letters: one hundred sixty two million forty five thousand 00/100) dinars within 10 (in letters: ten) days from entering into the Contract or right after opening of a temporal business account of the SPV in the business bank in the Republic of Serbia, as his pecuniary share capital;
- to make payments of loans of founders in the favor of SPV (which shall not increase share capital of SPV) for the purpose of (a) payment of regular business costs in case that revenues of SPV would not be satisfying for that purpose and (b) payment of the assumed debts of JKP Stan or any other assumed obligations towards creditors of JKP Stan, in case that the amount of assumed debts or any other obligations towards the creditors of JKP Stan may not be possible to settle from the net profit of SPV;
- to apply own knowledge and experience (“know-how”) in the phase of organization of work in order to enable work engagement of satisfying and necessary number of persons who have an adequate competency for practicing activities which represent contractual duty of SPV towards utility services users;
- to introduce regulated standards ISO 9001 and ISO 14001 within 18 (in letters: eighteen) months from the day of registration of SPV, which shall be acquired by the accredited certification body and also to maintain established standards until the expiration of Contract duration or termination of SPV;
- to organize efficient, competent and economic business management of SPV, constant improvement of practicing of all services and enlarge the number of users of maintenance and repair services for residential and business buildings;
- to manage the share capital subscribed by the JKP Stan and/or by the City of Novi Sad as the “good family father”, “good entrepreneur” and “good expert” and to take care of regular renewal and quality maintenance of vehicles, equipment and other movables which serve for practicing the activity of SPV and/or to commit not to sell or in any other manner transfer, pledge, borrow, or lease for usage to the third person without prior written consent of the Public partner.

#### 2. Duties regarding renewal of the activity of maintenance and repair of residential and business buildings:

- to enable considerably higher level of quality of provision of services by the SPV in relation to the current level of quality of services provided by JKP Stan and for the purpose (a) to organize an efficient system of communication with the users of services (complaint of breakdown, working hours 24/7, time for exit of intervention crews etc) (b) enable constant improvement of competences of engaged persons and (c) to prepare and organize constant provision of SPV with the necessary amount of the equipment, primary material, HTZ equipment and other necessary conditions to practice the contracted services in the fastest and most quality manner.

### **3. For practicing activity of street lighting procurement and chimney seep services:**

- to enable implementation of all conditions for practicing these activities within 30 (in letters: thirty) days from the day of registration of SPV and to organize the work and business activities of SPV in the manner which enables permanent and undisturbed provision of trusted utility services to the users of those services under conditions and in the manner regulated by the law, other regulations, standard, normative or other general act;
- to manage business of SPV in the manner that the measures of maintenance, development and protection of utility facilities, plants and equipment serve for practicing the vested utility services;
- to introduce to the business practice of SPV an efficient system of checking of street lighting or detection of breakdowns and to provide constant improvement of that system;
- to organize business so that SPV practices regular planned and when necessary extraordinary maintenance of street lighting system of the City of Novi Sad, in accordance with Decision of the City of Novi Sad on commitment of the practicing of the activity of street lighting procurement and chimney sweep services;
- to introduce the new technical-technological solutions, which shall represent up to date technology, from the standpoint of electric energy consumption and ecology efficiency;
- to organize business activities so that SPV performs constant planned control of smoke pipes and fuel facilities and equipment and also ventilation channels and equipment, to take care of proper application and worthiness of those installations, to warn the users of chimney sweep services on the possibility of harmful consequences of usage of broken smoke and/or ventilation pipes and equipment;
- to enable that SPV additionally in relation to the regular controls, after users call, removes breakdowns in smoke pipes, fuel and ventilation facilities and equipment;
- to organize occasional public education of property owners on manner of maintenance and dangers of incorrect smoke and ventilation equipment.

### **Special obligations of Public partner**

#### **Article 5**

Public partner commits to:

- take over from private partner and in a proper way maintain means of financial security which have been regulated in the content of tender documentation;
  - to enable that SPV acquires all the necessary conditions, permits and consents for doing business, which conditions, permits and consents are under the authority of the City of Novi Sad;
  - to transfer into the property of SPV all movables (vehicles, equipment etc) which have been stated in the tender documentation as the contribution in kind of Public partner, within 15 (in letters: fifteen) days from the date of registration of SPV, which have been stated in the content of the Attachment 2 – List of vehicles, basic assets, and small inventory of JKP Stan with the assessed market value in the tender documentation, in accordance with relevant laws and by-laws. Decision on transfer of basic assets shall come into force on 30<sup>th</sup> day from the day of registration of SPV;
1. to transfer within 15 days from the day of registration of SPV, in the favor of SPV the right of usage of the facility in Novi Sad, in Lasla Gala Street No 22, for period of 10 (in letters: ten) years, or for the period of validity of Contract in the manner regulated by relevant laws and by-laws. Decision on transfer of the right of usage shall come into force on 30<sup>th</sup> day from the day of registration of SPV and shall be written in the relevant evidence of the competent Land register;



- to commit with the Decision of the City of Novi Sad to SPV practice of utility activities of procurement of street lighting and chimney sweep services (hereinafter: “**Decision on commitment of the activity**”) for the period of 10 (in letters: ten) years or for the period of validity of Contract, within 30 (in letters: thirty) days from registration of SPV;
- to take care of regular payment of duties of compensation for rendered utility services which shall be provided by SPV, which shall be paid from the budget of the City of Novi Sad (street lighting procurement) in the manner regulated in the Contract.

Pursuant to article 47 paragraph 6 of LPPPC and for avoiding any doubt, Public partner, as the public body, shall not be responsible for realization of PPP and its possible consequences.

## **Subcontracting**

### **Article 6**

SPV shall, in accordance with the article 17 paragraph 4 of LPPPC, with the previous consent Public contract, shall have right to enter into contract with sub-contractors.

Subcontracting with the subcontractors is possible only if suggested subcontractor fulfills conditions set in the tender documentation and conditions regulated by regulations in force for practicing professional activity regarding economy and financial status and also technical and/or expert competence for executing its part of contractual obligations.

In case of subcontracting, Private partner shall have unlimited liability for execution of contracted obligations of subcontractor.

## **Risk distribution among partners**

### **Article 7**

#### **Risk distribution on the part of Public partner:**

- risk of business activities of JKP, meaning practicing utility activities of securing street lighting and chimney sweep services before entering into force of Contract and start of work of SPV, before expiry of 30<sup>th</sup> day of the day of registration of SPV;
- risk of fulfillment of contracting duties from the contract on maintenance and repair of residential and business buildings up to the expiry of 30<sup>th</sup> day of the day of registration of SPV;
- risk of fulfillment of obligations towards employees which shall not enter into the work contract with SPV, in accordance with Program for solving the surplus labor in JKP Stan;
- risk of regular payment of compensation for provided utility service of street lighting in favor of SPV;
- risk of regular payment of calculated and charged amount of compensation for chimney sweep services, by the company which practices activities of joint charge of utility services (and chimney sweep services), which has been founded by the City of Novi Sad.

#### **Risk on the part of Private Partner:**

- - risk of non-acceptance of offers of current users of services of JKP Stan for entering into new contracts on maintenance and repair of residential and business buildings with SPV, as the new contractor;
- - market risk or risk of demand, which represents the probability of occurrence of negative consequences on practicing the activities of maintenance of buildings from the part of SPV, (decrease of demand for services etc);
- - risk of payment of difference between the amount of costs of regular business activities

and amount of realized net profit, which arises as the negative residue between the amount of business revenues which SPV shall realize and net profit and amount of sum of all costs which shall arise from the regular business activities of SPV, increased for the taken obligations of JKP Stan towards the creditors of JKP Stan;

- - risk of non-securing necessary standards for business activities of SPV.

#### **Mutual Risks for both Partners:**

- - risk of charge of due demands which JKP Stan has towards its debtors, which demands shall be transferred in the form of assignation or transfer of demands in favor of SPV;
- - risk of payment of assumed debts of JKP Stan or any other assumed duties towards creditors of JKP Stan through allocation of net profit of SPV, in accordance with the Contract;
- - risk of receiving all the necessary approvals and permits for practicing activity of SPV, which shall not be obtained by the City of Novi Sad;
- - risk of fulfillment of annual Business plans of SPV;
- - risk of change of regulations harmful for SPV, which changes shall not depend on decision making on the level of the City of Novi Sad.

### **Financing of Projects, Business Plan and Insurance**

#### **Article 8**

Private partner shall commit itself to finance realization of PPP with its own assets or from the assets which shall be approved to the Private partner by financial institutions, in accordance with assumed duties from the Contract and Corporate charter and also in accordance with the Business plans which shall be adopted for the each following calendar year concluding with the end of December of the current year.

Both partners shall jointly, as co-founders, open temporary account with the business bank in the Republic of Serbia within 10 days (in letters: ten) days from the day of entering into the Contract, for the purpose of payment of share (pecuniary) capital of SPV. Private partner has duty to immediately pay pecuniary amount of 162,045,000.00 (in letters: one hundred sixty two million forty five thousand 00/100) dinars, to the temporary account of SPV. After registration of SPV and opening of permanent business account of SPV in business bank in the Republic of Serbia on which the pecuniary assets from the temporary account of SPV shall be transferred, in accordance with Contract and Corporate charter, SPV shall within 5 (in letters: five) days pay the amount of 162,045,000.00 (in letters: one hundred sixty two million forty five thousand 00/100) dinars on the account of the City of Novi Sad in accordance with the content of the instruction for payment which Public partner shall deliver to SPV on the day of opening business account of SPV.

The City of Novi Sad shall, from the paid amount from the paragraph 2 of this article, primary pay the delayed salaries and all other benefits from the working relation of the employees in JKP Stan and for the payment of costs which derive from drafted program for solving the surplus labor in JKP Stan. Possible remaining pecuniary assets shall be used for payment of obligations of JKP Stan towards the competent tax administration.

SPV shall have duty to pay the costs of business and obligations regarding assumed obligations towards creditors of SPV primary from the revenues he makes, and possible from the net profit realized by SPV. Missing pecuniary assets shall be provided by the Private partner in the form of loans of founders which shall not effect the share capital of SPV. Private partner shall have no right to calculate and charge the interest on loans given to the SPV.

## **Article 9**

Public and Private partner shall on the proposal of Supervisory Board, in the form of decision of General meeting, adopt the Business program for the following calendar year, concluding with the end of each calendar year of the duration of the contract, keeping account on the content of Business plan which Private partner has delivered with the bid.

Public partner shall retain the right of control of application of Business program of SPV, specially in the part concerning the foreseen development of business in relation to the given analyses of the existing state in the time of drafting the Business program and also the whole realization of Business plan which Private partner has delivered with the bid.

If within duration of the Contract Public partner establishes that Business program has not been realized in the period of at least two consecutive years and that the deviation has substantial effect on the PPP project results and obviously doesn't respond to expectations of partners in the time of entering into the Contract, he may address the Commission for tracking the realization of Contract or use other mechanisms of protection of his rights and interests from the Contract.

## **Article 10**

Private partner shall, using managing rights in SPV, provide that all movable and immovable property of SPV would be insured of usual risks, in proportion with the value of property and potential risks, which shall include partially or totally, temporal or permanent damage and destruction of things which make property of SPV.

## **Standards and quality of Service**

### **Article 11**

Private partner commits to obtain and implement into the business of SPV within 18 (in letters: eighteen) month from the day of registration of SPV: (a) certificate for system of quality management system according to ISO 9001 standard and (b) certificate for systems of management of environmental protection according to the ISO 14001 standard, to harmonize his business activities with the implemented standards, and to implement the new standards which shall be demanded by the activity of SPV during the period of duration of the Contract.

Private partner takes over duty to establish and maintain high and competent level of provision of services in practicing utility services of procurement of street lighting and provision of chimney sweep services on the territory of the City Novi Sad, pursuant to regulated and established technical, technological and other standards, in the interest of all citizens of the City of Novi Sad, as service users, in accordance with obligations which shall be content of decision on vesting these activities by the City of Novi Sad and regulations which regulate the manner of practicing the vested utility activities.

Public partner shall have right to check the quality and standards of provision of vested utility services, to check the public opinion (service users) on quality of provision of those services in accordance with the law (opinion research and similar). In case of dissatisfaction of Public partner and/or service users with the manner and quality of vested activities, Public partner may initiate procedure for Contract termination in the manner regulated in the Contract.

## **Requests regarding SPV**

### **Article 12**

**Foundation, equity interests and legal form of SPV:**

- Public and private partner shall, as the co-founders, found the commercial entity as the Special purpose vehicle in accordance with LPPPC. Corporate Charter – Model of the Contract of establishment of SPV is contained in the Form 19 of tender documentation in the procedure of public procurement for selection of private partner for entering into contract on public-private partnership for joint practicing the activities of maintenance and repair of residential and business buildings, street lighting procurement and provision of chimney sweep services (PP No 11/17).
- Equity interest of private partner in SPV shall contain 70% (in letters: seventy percent) while the equity interest of public partner shall be 30% (in letters: thirty percent), while JKP Stan shall have 15% (in letters: fifteen percent) and the City of Novi Sad shall have 15% (in letters: fifteen percent). Corporate Charter shall regulate that mutual preemption right of equity interest between the Public partners (JKP Stan and the City of Novi Sad) and the manner of limitation of disposal of Public partner of his equity interest, further the manner and conditions of encumbrance of equity interest and other rights and obligations regarding equity interest in SPV. The pledge and/or preemption right on the equity interests of JKP Stan in SPV in favor of the City of Novi Sad shall be registered in the competent Commercial register, BRA, based on the securing of the demands which the City of Novi Sad has towards JKP Stan.
- SPV shall be founded in the form of bicameral limited liability company, in accordance with Corporate Charter and Company Law (“Official Gazette of RS No 36/11, 99/11, 83/14 – other law 5/15) and such form shall not be changed during the period of validity of Contract.

#### **Share capital:**

- Share capital of SPV amounts in total 162,045,200.00 (in letters: one hundred sixty two million forty five thousand two hundred 00/100) dinars, and it consists of pecuniary contributions and contributions in kind which shall be paid in in total, or brought in before registration, in a manner provided in a Corporate Charter.
- Total subscribed and paid pecuniary contribution of Private partner amounts 162,045,000.00 (in letters: one hundred sixty two million forty five thousand 00/100) dinars.
- Total subscribed and brought in contribution in kind of JKP Stan as the Public partner amounts 100 (in letters: one hundred and 00/100) dinars.
- Total subscribed and brought in contribution in kind of the City of Novi Sad as the Public partner amounts 100 (in letters: one hundred and 00/100) dinars.

#### **Organizational structure**

Management in SPV has been organized as bicameral, and Company bodies are:

1. General Meeting
2. Supervisory Board
3. Director.

General Meeting of SPV is made of Founders and the manner of decision making has been regulated by the Corporate Charter.

Supervisory Board shall have 5 (in letters: five) members, out of which 3 (in letters: three) shall be appointed by the private partner and 2 (in letters: two) members shall be appointed by the Public partner. Authority, manner of work and other questions regarding Supervisory Board shall be regulated by the Corporate charter.

Director of SPV shall be selected and resolved by the Supervisory Board. Competence, manner of selection, responsibility and other questions regarding the function of Director of SPV shall be regulated by Corporate Charter.

#### **Activity – business activities of SPV:**

Predominant activity of SPV shall be:

- 43.29 Other installation works in construction.

Apart from predominant activity, SPV shall practice the following activities:

- 81.2 Cleaning services:
  - Internal and external cleaning of all types of buildings, specialized cleaning of facilities;
  - Disinfection of buildings and destroying vermin in the buildings.
- 81.22 Services of other cleaning of buildings and equipment:
  - Specialized cleaning of buildings, such as washing of windows or greenhouses, sweep of chimneys, fireplaces, ventilation passages and gasoline engines.
- 43.21 Electrical and power Transmission Installation
  - Includes installation of electrical systems in all types of buildings and other facilities: setting installations: electrical lines and plugs inn; telecommunication lines, computer network lines, cable TV, including optical cables; satellite antennas, illumination systems, fire alarms, alarm systems against burglaries, street illumination and electrical signals, plugging in the electrical devices for households, including floor heating.

City of Novi Sad, as the Public partner, may appoint SPV as organization to which the practicing of works in public interested has been vested, in the form of special decision of the competent body of the City of Novi Sad, in accordance with the article 62 and in connection with the articles 60 and 61 of Law on Residence and Maintenance of Buildings (“Official Gazette of RS” No. 104/2016) and the content of bylaws which adoption shall be expected with the purpose of elaboration of content of Law on Residence and Maintenance of Buildings.

SPV shall have seat and practice activity in business premises in Novi Sad, in Lasla Gala Street No. 22.

#### **Other – reserved questions:**

Reserved issues are questions on which all founders shall decide unanimously. Under reserved issues shall be understood:

1. Causing and/or initiating bankruptcy or liquidation procedure over SPV;
2. Status changes and legal form changes;
3. Disposal/selling the equity interest, including the own equity interest;
4. Pledging equity interest;
5. Increase/decrease of share capital, issuing other securities or similar instruments which give property rights on share capital of SPV or voting rights in SPV;
6. Adoption of business program for the next year;
7. Entering into/breaching the Contract which value exceeds the amount of 30%(in letters: thirty percent of value of property in the possession of SPV, and property which has been transferred to SPV for usage, in accordance with the law which regulates the position of commercial entities;
8. Distribution of profit and manner of covering the losses;
9. Change of Corporate charter;
10. Establishment of new depending companies from the part of SPV or obtaining equity interests/shares in other companies;
11. Sell of property, investment into basic assets and access to other capital investments over the value of 30%(in letters: thirty percent of value of property in the possession of SPV, and property which has been transferred to SPV for usage in accordance with the law which regulates the position of commercial entities unless if that has been provided by the adopted Program of business for the following year;
12. Guarantees for obligations of third persons;

13. Change of accountancy principles and rules;
14. Significant increase/decrease of number of employees (over 10% (in letters: ten percent));
15. Entering into/change of Collective agreement;
16. Additional pays in into SPV;
17. Decrease of rights of members of SPV;
18. Approval of legal business or activity in the case of personal interest;
19. Manner of termination of SPV;

If the Private partner would submit written request and proposal for solving one of reserved issues with corresponding documentation to the authorized person/body of Public partner and Public partner would not answer to that request within 5 (in letters: five) working days, it shall be considered that the consent of Public partner has been given.

### **Assets (objects, money and rights) which relate to the PPP Project**

#### **Article 13**

##### **Objects, movable and immovable**

JKP Stan as the Public partner shall transfer the right of usage in favor of SPV on the movable objects (equipment, vehicles, mechanization) which has been stated according to the name, quality and pecuniary value in the content of the Attachment No. 2 – List of vehicles, basic assets and small inventory of JKP Stan with estimated market value in tender documentation, in accordance with law and by-laws.

Basic assets (movable objects) in the property of JKP Stan, which shall be transferred to possession actual of SPV, shall remain in the property of JKP Stan until the expiration of validity of Contract.

Private partner with the signature on the Contract states that he has been introduced with the fact that on the majority of basic assets there is encumbrance of prohibition to sell and pledge and that the part of movable assets from the Attachment No. 2 – List of vehicles, basic assets and small inventory of JKP Stan with estimated market value in tender documentation, is the subject of execution procedure by the creditors of JKP Stan (objects registered and estimated in the execution procedures).

Private partner with his signature on this states that the objects which shall be transferred to SPV for usage shall not be the object of disposal from the part of SPV and that all registered objects shall actually remain kept on the address on which the same have been listed in the execution procedure.

Contracting parties commit themselves to accept and do not interrupt adoption and execution of Conclusions on selling, Conclusion on service, and other acts and deeds of creditors of JKP Stan taken in accordance with the Law on Enforcement and Security (" Official Gazette of the Republic of Serbia" no. 106/2015, 106/2016 – authentic interpretation)

Objects mentioned in the Attachment No.2 of tender documentation which shall not be the subject of execution by the creditors of JKP Stan and objects on which the encumbrances connected with execution procedure seize to exist, SPV shall use until the expiration of validity of Contract, after what the same shall be transferred to the possession actual of Public partner. Movable used by SPV, which shall not be fit for usage due to the amortization or other reasons during the validity of Contract, shall be used up by the Public partner, upon the proposal of SPV.

In January, Year 2017, the estimation of value of vehicles and mechanization with the status on December 21<sup>st</sup>, year 2015. In the Attachment No.2 List of vehicles, basic assets and small inventory of JKP Stan with estimated market value in tender documentation, it has been stated

which vehicles represent the subject of pledge and/or compulsory execution in favor of creditors of JKP Stan.

City of Novi Sad, as the public partner, shall transfer in favor of SPV the right to use without charge the business premises placed in Novi Sad, in Lasla Gala Street No 22, in accordance with relevant laws and bylaws.

Public partner shall have duty to put this immovable on disposal, free of all persons who shall not be engaged in work in SPV, not later than 30<sup>th</sup> (in letters: thirtieth) day from the day of registration of SPV. SPV shall takeover from then all costs regarding the usage of above mentioned business premises, including the maintenance costs.

Private partner commits to, based on obtaining the property, lease, usage and leasing enable that SPV to have on its disposal assets which are necessary for practicing of all SPV activities. Assets which SPV obtains in its property based on obligation of investment into basic assets in accordance with the Contract, after the expiration of the period of validity of Contract shall be transferred into the property of Public partner.

SPV shall on 30<sup>th</sup> day from the day of registration takeover from JKP Stan existing supplies of material necessary for practicing the activity, which has been stored in the business premises of JKP Stan. Approximate value of supplies on the day of announcement of Public announcement for filing the bids and tender documentation amounts 11,500,000.00 (in letters: eleven million five hundred thousand) dinars without VAT. SPV has obligation to, on the day of expiration of Contract, transfer to the Public partner supplies in the same or larger value from the value of supplies in the moment of takeover, which value shall be express according to an average rate of currency EUR (EUR) calculated on the day of takeover, or to pay to the Public partner pecuniary counter value. Delivery of objects transferred for usage to SPV shall be stated by drafting the minutes on delivery, which shall be signed by the public and private partner.

## **Money**

Public partner, as co-founder of SPV, shall have no obligation to make autonomous and own pecuniary investments and/or payments in relation to the business and maintenance of the activity of SPV, except obligations of payment of appropriated share capital.

Private partner shall have duty to, right after opening of the temporary account of SPV in the business bank in the Republic of Serbia, pay to the temporary account the pecuniary amount of 162,045,000.00 (in letters: one hundred sixty two million forty five thousand and 00/100) dinars, on the account of own pecuniary contribution into SPV. After registration of SPV and opening of permanent business account of SPV in the business bank in the Republic of Serbia, on which the pecuniary assets shall be transferred from the temporary account of SPV, in accordance with the Contract and Corporate Charter, SPV shall, within 5 (in letters: five) working days pay the amount of 162,045,000.00 (in letters: one hundred sixty two million forty five thousand and 00/100) dinars to the account of the City of Novi Sad in accordance with the content of instruction for payment which Public partner shall deliver to SPV on the day of opening the business account of SPV.

City of Novi Sad shall enable the payment of all obligations towards the employees in JKP Stan from the paid amount from the paragraph 2 of this article, then severance pays and other costs from the program of solving the surplus of employees in JKP Stan. Severance pays shall be paid in accordance with the remaining available assets, after payment of all found duties toward employees, in accordance with the program of solving the surplus of employees (right after founding the SPV) and in that sense it is necessary to put the biggest possible effort in a good faith. If the amount of pecuniary contribution of Private partner would not be sufficient for payment of obligations towards the employees in JKP Stan and payment of severance pays for surplus labor, employees shall be settled in proportion to their demands. Eventual remaining pecuniary assets shall be used for payment of duties of JKP Stan towards competent Tax administration.

Private partner shall, in the form of loan of founders, finance the costs of regular business of SPV, including payment of obligations according to the assumed debts towards the (payment of debts towards creditors of JKP Stan etc.). Private partner has right of return of loans paid in primary from current revenues of SPV and possible from net profit of SPV, under condition that pecuniary assets dedicated for return of loan would not necessary for the cover of losses of SPV or settlement of creditors of SPV and duties taken towards the creditors of JKP Stan.

Both partners, as the co-founders of SPV, shall takeover the obligation to, starting from the second year of business and up to the expiration of Contract, make investments into basic assets of SPV in the amount of 5% (in letters: five percent) of total book-keeping value of all basic assets in the property of SPV established on the first day of the business year for which the investment shall be made and at least 5 % of market value of basic assets which have been given for usage to by JKP Stan and which value has been established on the day of transfer of right of usage, for the purpose of investment into basic assets of SPV, in accordance with the Contract.

## **Rights**

Public partner shall commit himself to, within the period not longer than 30 (in letters: thirty) days, practice the procedure for adopting the decision of the Assembly of the City of Novi Sad on vesting the utility activities of street lighting procurement and provision of chimney sweep services for the territory of the City of Novi Sad in favor of SPV, for the period of 10 (in letters: ten) years.

Public partner shall commit, during the period of validity of Contract, not to practice alone or by vesting to the third person practicing of utility activities of street lighting procurement or provision of chimney sweep services, or to found the public utility company or company which would practice the activity of commercial maintenance and repair of residential and business buildings (except buildings in public property).

There shall be possibility to, in the form of special decision of the City of Novi Sad, assign the capacity of organization to which it has been vested to practice the activities of public interest in the area of residence, from the article 62 and in connection with the articles 60 and 61 of the Law on residence and maintenance of buildings. Adoption of this decision shall depend on the content of bylaws which shall be adopted in the function of implementation of the content of Law on residence and maintenance of buildings and the fact that whether SPV shall fulfill all conditions from this law or the future bylaws in the time of adoption of decision of the Assembly of the City of Novi Sad.

If SPV acquires the status of organization to which it has been trusted to practice the activities of public interest in the area of residence, service shall be provided according to the valid price list for provision of services of maintenance and repair of buildings, on the cost of the City of Novi Sad, in accordance with the content of Law on residence and maintenance of buildings.

JKP Stan shall terminate all contracts on maintenance and repair of residential and business buildings by sending the Notice of termination of contract to the users of services with termination period which shall come into force after expiration of 30 days from the day of registration of SPV, taking into account that the termination of Contract shall not be harmful for JKP Stan. SPV shall send at the same time with sending of notices on termination of existing contracts to residential and business buildings, offer to them entering into new contracts on maintenance and repair, where SPV shall be stated as the service provider.

Transfer of property and usage of objects in favor of SPV shall be realized in the way that objects would be practically put on disposal of SPV, on the day of expiration of 30<sup>th</sup> day of the day of registration of SPV.

JKP Stan shall provide services of maintenance of buildings from the existing contracts concluding with the expiration of 30<sup>th</sup> day from the day of registration of SPV. SPV shall have no right to vest to the third parties the part of the total execution of the service



which shall be the subject of contract on maintenance and repair of residential and business buildings without direct and written consent of Public partner. Also, Public partner shall have no right to alone or as the co-founder of another company practices the activity of maintenance and repair of residential and business buildings, apart from the buildings in the property of the City of Novi Sad (Non compete clause).

Private partner agrees to make an insight into content of court procedures in which JKP Stan is actively or passively legitimized party and which have been finally closed before June 30<sup>th</sup>, Year 2017.

## **Charge of Utility Services**

### **Article 14**

Public partner shall commit to provide for and make conditions for regular monthly payments of bills for provided utility services of street lighting and chimney sweep services in favor of SPV.

#### ***Manner and conditions of payment of service of maintenance and repair of residential and business buildings:***

SPV shall calculate and charge the services of maintenance and repair of residential and business buildings which are determined in the form of price structure maximally according to the prices stated in the mentioned form and in accordance with contracts entered into with service users. Prices of services which have not been contained in the form of structure of the price, shall be determined by the Supervisory Board of SPV. SPV may, in accordance with business policy, provide services of maintenance and repair of buildings for lower prices from the prices determined in the above mentioned manner. Maximal prices determined in the form of structure of the price are valid for the period of one year from the day of establishment of SPV. After that, Supervisory Board of SPV may establish new prices for this services, in accordance with the business policy and status in the market.

#### ***Manner and conditions of payment of the service of provision (maintenance) of street lighting:***

SPV shall calculate and charge for the services of street lighting by issuing monthly bills with calculated carried through works and spent material and equipment, in accordance with prices determined in the form of structure of the price and contract with the relevant City administration. Prices of services which have not been contained in the form of structure of the price, shall be determined by the Supervisory Board of SPV with the previous consent of the City council. In case of considerable monetary disturbances, which may cause considerable and obvious disproportion between the value of provided service from the part of SPV and price of utility services and also if other circumstances emerge which could not have been foreseen in the moment of drafting of the same (considerable increased or decreased scope of business and services and similar), SPV may request from the City of Novi Sad increase or decrease of prices for provided services in the procedure regulate for the determination of utility services.

Apart from increase or decrease, SPV may suggest to the City of Novi Sad harmonization of prices with the index of consumer prices in case of continuous increase or decrease of index of consumer prices in the period of at least two subsequent years.

Since the assets for realization of program of maintenance of street lighting on the territory of Novi Sad shall be provided in whole in the budget of the City of Novi Sad for the each year particularly, SPV shall have duty to implement the procedure of public tender for provision of the material necessary for maintenance or procurement of street lighting, in accordance with the article 4

paragraph 3 of the Law on public procurement and shall invoice to the competent City administration the material according to the prices received in the tender procedure. In period before the SPV implements tender procedure, the same shall invoice for the material to the relevant City administration according to the prices from the last contract entered into between JKP Stan and supplier to whom the contract has been awarded in the public tender procedure. Total value of provided services may not exceed the amount of assets foreseen in the Program of financing certain utility services for each current year. Public partner commits to, during realization of Contract provides at minimum 60,000,000.00 (in letters: sixty million) dinars, without calculated VAT by Program of financing certain utility activities. SPV shall draft and deliver to the competent city administration bills for provided utility services of procurement of street lighting monthly, before 10<sup>th</sup> in month for services provided in the previous month. Deadline for payment shall be 45 (in letters: forty five) days from the day of receipt of correctly drafted invoice.

***Manner and conditions for payment for provision of chimney sweep services:***

Provision of chimney sweep services, directly from users of services and based on the contract which SPV shall enter into with JKP "Informatika" Novi Sad, through joint charge, in accordance with decision which regulates chimney sweep services. In case of unanimous decision of partners, SPV shall be able to organize and execute charge of procured chimney sweep services directly from service users. In case of considerable monetary disturbances, which may cause considerable and obvious disproportion between the value of provided service from the part of SPV and price of utility services and also if other circumstances emerge which could not have been foreseen in the moment of drafting of the same (considerable increased or decreased scope of business and services and similar), SPV may request from the City of Novi Sad increase or decrease of prices for provided services in the procedure regulate for the determination of utility services.

Apart from increase or decrease, SPV may suggest to the City of Novi Sad harmonization of prices with the index of consumer prices in case of continuous increase or decrease of index of consumer prices in the period of at least two subsequent years.

**Mechanisms for decreasing the Contribution**

**Article 15**

In cases in which members of Supervisory Board of SPV appointed by the Public partner and/or the City of Novi Sad, in the procedure of supervision over execution of duties from the part of SPV, establish that SPV occasionally and/or continuously performs duty of maintenance of buildings and/or vested utility activities lower than up to the expected quality, the following mechanism for possible decrease of contribution shall be established:

**- Activity of maintenance and repair of residential and business buildings:** due to the legal nature of performance of this duty and charge of provided services, contractual parties shall not contract particular mechanism for decrease of contribution since the same shall be charged directly from users of services and based on the content of bilateral binding contract which shall be entered into with residential unities and other beneficiaries of management right in residential buildings. However, members of Supervisory board appointed by Public partner shall inform the competent authority of the City of Novi Sad as the co-founder of SPV on recognized failures in performance of this activity. Public partner shall, in accordance with contracted and statutory rights, take over some measures for correction of recognized failures in performance of this activities for the purpose of prevention of damage, which may come due to the lack of fulfillment of duties from the contracts entered into with users of services.

**- Duty of street lighting procurement:** In case that Supervisory board of the City of Novi Sad, during execution of supervision over performance of vested utility activity of street lighting

procurement establishes that SPV has not performed or has not performed the works or part of works of street lighting procurement in a contracted manner, the City of Novi Sad shall decrease the contribution of SPV in the value of calculated and invoiced, but unfinished works or finished up to the lower quality of works or installed material. SPV shall have right to discredit the contribution decreased in such a manner, based on the rules for dispute resolution, regulated by this contract.

**- Activity of provision of chimney sweep services:** Due to the legal nature of practicing this activity and charge of provided services, contractual parties shall not contract special mechanism for decrease of contribution since the same shall be charged directly from service users. Members of Supervisory board appointed from the part of Public partner shall inform the competent authority of the City of Novi Sad as the co-founder of SPV on recognized failures in practicing this activity. Public partner shall, in accordance with contracted and statutory rights, take over some measures for correction of recognized failures in performance of this activities for the purpose of prevention of damage, which may come due to the lack of fulfillment of duties from the content of the decision of the City of Novi Sad which regulates the manner of practicing this activity.

### **Article 16**

In case of significant monetary disruptions, which would cause significant and obvious discrepancy between the value of provided service from the part of SPV and the price of utility services, SPV may ask that the City of Novi Sad increases or decreases the price for provided services, in the procedure regulated for determination of prices of utility services.

Apart from increase or decrease, SPV may suggest to the City of Novi Sad harmonization of prices with the increase of index of consumer prices in case of continued increase or decrease of index of consumer prices in the period of at least 2 (in letters: two) consecutive years.

On the day of announcement of the public announcement for collection of bids for selection of the most favorable bidder (private partner) with whom the City and JKP Stan shall enter into the public contract – contract on public-private partnership for joint practicing of the activity of maintenance and repair of residential and business buildings, street lighting procurement and provision of chimney sweep services, prices for practicing the activities which shall be done by SPV shall be determined in the manner regulated in the articles 12 and 24 of Decision on harmonization of Decision on organization of work organization “Stan” from Novi Sad as the public company for residential services, or Supervisory board determines the price of utility and other services provided by JKP “Stan” with previous consent given by the City council of the City of Novi Sad.

### **Article 17**

In case of dispute between the contracted parties regarding the charge of utility services and resolution of that dispute according to the rules established by this Contract, SPV shall have no right to discontinue practicing the activity and shall have the obligation to provide continuous provision of vested utility services for the whole period of validity of Contract.

### **Revenues of SPV, payment of participation in profit**

### **Article 18**

After payment of all duties which SPV shall take over from JKP Stan, including the duty to invest the amount of 5% (in letters: five percent) of total book-keeping value of all basic assets in the property of SPV established on the first day of the business year for which the investment shall be made and at least 5 % of market value of basic assets which have been given for usage to by JKP

Stan and which value has been established on the day of transfer of right of usage, public and private partner shall have right to the payment of dividend, in accordance with equity interests in SPV, based on results and drafted official financial report for business year.

#### **Unrevised semi-annual net revenue and expenditure of SPV**

SPV shall draft and deliver to the Public and Private partner, for each year of validity of Contract, concluding with July 31<sup>st</sup> and January 31<sup>st</sup>:

- unrevised semi-annual balance sheet of SPV with particularly stated charge of net revenue and expenditures of SPV for period between January 1<sup>st</sup> and June 30<sup>th</sup> and between July 1<sup>st</sup> to December 31<sup>st</sup>;
- within 10 (in letters: ten) working days from the day of delivery of unrevised semi-annual report on net revenues and expenditures of SPV, shall pay to the Public and Private partner participation in the profit in accordance with participation in equity interests of SPV and realized net revenues and expenditures expressed in unrevised half-year balance sheet.

#### **Revised annual net revenue and expenditure of SPV**

SPV shall, within not later than 90 (in letters: ninety) days from the day of the end of each fiscal year of duration of the Contract, deliver to the Public and private partner:

- annual financial report for just finished fiscal year, revised from the part of an independent auditor with particularly stated net revenues and expenditures of SPV for that fiscal year;
- special appendix with the financial report, with remark that it is the report on collation, for expression of possible difference between the paid contributions to the partner based on the unrevised semi-annual reports and real amount which would belong to them based on the determined net annual revenues and expenditures of SPV from revised report.

If SPV has paid to partners smaller amount than corresponding based on the difference between the paid amount based on the semi-annual unrevised report and revised annual report, emerged difference shall be paid to the partners within 15 (in letters: fifteen) working days from the day of delivery of revised annual report. If SPV has paid to the partners larger amount than corresponding based on the participation in the profit, higher paid amount shall be deducted from the next payment based on the semi-year unrevised report.

Compensations based on the participation in the profit of SPV shall be paid to the partners in the currency dinar (RSD). Also, other payments from the Contract shall be made in the currency dinar (RSD). Exceptionally, with the consent of the Government of the Republic of Serbia, certain payments of SPV may be executed in the foreign currency.

### **Takeover of debts of JKP Stan**

#### **Article 19**

In the Attachment No.4 – State of duties and demands of JKP Stan stated in the business reports on the day of June 30<sup>th</sup>, Year 2017 in tender documentation are stated obligations of JKP Stan on the day June 30<sup>th</sup>, Year 2017, which state has been confirmed from the part of responsible person or the person authorized for drafting the financial reports.

In the period of 3 (in letters: three) month starting from the day of registration, SPV shall have duty to offer to all creditors of JKP Stan to take over due debt (main debt and interest) with the status on June 30<sup>th</sup>, Year 2017 and clearance of that debt within 60 (in letters: sixty) equal monthly installments.

Takeover of debt shall be done according to the sectional view of status on the day of June 30<sup>th</sup>, Year 2017, which has been confirmed by the responsible person or persons authorized for

drafting financial reports, in the manner that the interest shall not be calculated on the amount which has been transferred according to the financial records on the day of June 30<sup>th</sup>, Year 2017, for demands which have been the subject of settlement. If SPV would be in delay with the payment of duties more than two monthly installments in relation determined dynamics which shall be regulated by the particular agreement through the contracts concluded with the creditors of JKP Stan, Private partner shall breach the Contract to the prejudice of Public partner and this shall be considered to be important element of the Contract.

In the period starting from the fourth month from the day of registration, SPV shall, in the equal monthly installments, according to the content of contracts which SPV shall take over debts of JKP Stan, pay of all creditors of JKP Stan which accept offer of SPV for takeover of the debt on the conditions stated thereof, or by division of debit amount in 60 equal monthly installments. Payment of the taken debt shall be unconditioned, but SPV shall have right to, in direct subsequent negotiations with creditors, contract possibly different conditions of payment from the ones stated thereof.

SPV shall settle the taken debts toward creditors of JKP Stan primary from the current business and possibly from net profit. Private partner shall pay the missing pecuniary assets for settlement of taken obligations towards creditors of JKP Stan in the form of loans of the founder. Loans of the founder shall have no influence on the paid and registered share capital of SPV and Private partner shall make return of loans in the manner determined in the Contract.

SPV shall have duty to draft the written proposal of model of contract on takeover of debt for all creditors of JKP Stan within 10 (in letters: ten) days from the day of registration and to deliver that draft to competent authority of Public partner for review and consent. If the Public partner gives consent to the proposal, JKP Stan shall, in the competence of the debtor, sign such contract on takeover of debt within 5 (in letters: five) days, after what all proposals of contract on takeover of debt, signed by SPV as undertaker of debt and JKP Stan as debtor shall be sent to the creditors of JKP Stan.

Important element of Contract is above mentioned obligation of Private partner to, in the form of loans of founders (without influence to the amount of share capital of SPV) provide sufficient pecuniary amounts for payment of costs of regular business of SPV and taken obligations towards creditors of SPV.

### **Obligations towards Tax Administration**

Based on the Order of Tax administration from the March, Year 2014, the agreement with JKP Stan has been reached on postponing the payment of tax debt which on the December 31<sup>st</sup>, Year 2013, has been in the amount of 228 million dinars of capital sum and 185 million of dinars of conditional interest. Agreement regulates settlement of obligations based on the capital sum in 48 (in letters: forty eight) monthly installments with regular-current interest and together with current due obligations. Interest in the amount of 185 million dinars shall represent, after signed agreement, conditional interest which shall be signed of under condition that installments and current obligation would be paid regularly. Status of obligations under the signed agreement on September 25<sup>th</sup>, Year 2017 amounts 28,481,306.64 (in letters: twenty eight million four hundred eighty one thousand tree hundred six and 64/100) dinars.

SPV shall have obligation to accede to the debt which JKP Stan has towards tax administration with the status on 30<sup>th</sup> day from the day of registration of SPV and to continue from that day with payment of obligations towards tax administration according to the dynamics from the mentioned Agreement. Each due installment of obligation shall be paid within due date, without any delay. Breach of this obligation represents grounds for breach of contract to the prejudice of private partner.

Bidders may make an insight in the content of the Agreement.

## **Article 20**

Total obligation which SPV shall takeover in the form of takeover of debt from JKP Stan on the day of June 30<sup>th</sup>, Year 2017, towards all creditors of JKP Stan except from Tax administration, amounts 509.022.124,96 dinars (Attachment No. 4 – Status of obligations and demands of JKP Stan registered in the financial registers on the day of June 30<sup>th</sup>, Year 2017) , which has been confirmed by the competent person or persons authorized for drafting the financial reports.

## **Article 21**

Content of bids for takeover of debts of JKP Stan shall be in accordance with the article 145 or articles 446 – 450 of the Law of Contracts and Torts (“Official Gazette of SFRJ”, No. 29/78, 39/85, 45/89 – USJ and 57/89, “ Official Gazette of SRJ”, No, 31/93 and “Official Gazette of SCG”, No 1/03 – Constitutional charter).

## **Takeover of demands**

### **Article 22**

Total chargeable and irrecoverable demands which JKP Stan, as the creditor shall have towards his debtors on 30<sup>th</sup> day from the day of registration of SPV, which shall be transferred to SPV in the form of the contract on transfer of demands (cession) in accordance with 436-445 of Law of Contracts and Torts. Contracts on transfer of demand shall be entered into within not later than 30 (in letters: thirty) days from the day of registration of SPV and shall enter into force after expiration of 30<sup>th</sup> day from the day of registration of SPV. SPV shall inform debtors of JKP Stan in writing on executed cession.

For demands which are the subject of transfer, JKP Stan has not done the estimation of possibility of recovery or legal analyses of its demands. Presented values of the amount of demands in the Attachment No. 4 – status of demands and obligation of JKP Stan on June 30<sup>th</sup>, Year 2017 registered in financial registers, represent only book-keeping values while the correction of values of those demands is stated in the special account. It is recommended for bidders to make an estimation of possibility of recovery and legal analyses of demands of JKP Stan, prior to filing a bid.

## **Rights and obligations regarding employed persons in JKP Stan**

### **Article 23**

JKP Stan shall, in accordance with the content of articles 153 to 160 of labor Law (“Official Gazette of RS”, No. 24/2005, 61/2005, 54/2009, 32/2013, 75/2014 and 13/2017 – decision of CC) adopt Program on resolution of labor surplus (hereinafter: Program) since with registration and initiation of work of SPV there shall be technological, economic and organizational changes in business in JKP Stan and discontinuance of need for the work of the major number of employees in JKP Stan.

For the purpose of fulfillment of obligation from the Article 154 of labor Law, Public partner has informed bidders on number and structure of employees in JKP Stan, in the form of attachment with tender documentation (Attachment No. 3 – List of employees in JKP Stan with qualification structure).

Private partner commits to, within 10 days from the day of signing the Contract, delivers to JKP Stan the list of at list 138 persons which are in the employment relationship with JKP Sta, to

which SPV shall offer entering into the labor contract, as the measure for employment, in accordance with Program.

Labor contracts from the previous paragraph shall be entered into within the term not later than 30 (in letters: thirty) days from the day of registration of SPV, while it shall enter into force on 30<sup>th</sup> day from the day of registration of SPV. Mentioned labor contracts shall be entered into for indefinite time or definite time not shorter than 24 (in letters: twenty four) month.

JKP Stan, private partner and SPV shall have duty to harmonize activities regarding realization of Program, with the purpose of resolving the issue of surplus labor to which the labor contracts with SPV shall be offered shall imply that the day of termination of employment in JKP Stan shall enter into force a day earlier from the day when the employment contract which the employee shall enter into with SPV shall come into force.

Employment contracts which SPV enters into in the manner regulated by this article, shall contain the same or more favorable conditions in relation to the employment contracts which those persons had with JKP Stan, specially regarding salaries and other remunerations. SPV shall have duty to pay attention to the stage and type of professional education, work experience and other elements which make the content of employment contracts, which should not be illegal and entered into to the prejudice of employees.

#### **Article 24**

JKP Stan shall have an exclusive responsibility and duty for payment of all due and unpaid obligations from employment relationship towards currently employed persons in JKP Stan or for payment of obligations towards employed persons or persons for whose work there is no more need in JKP Stan, according to the adopted Program.

The City of Novi Sad shall enable the payment of all topical obligations towards the employees of JKP Stan, severance pays and other costs from the program of employees' surplus resolution in JKP Stan, from the paid pecuniary contribution of private partner. Severance payments shall be paid in accordance with disposable assets, after payment of all topical obligations towards employees, in accordance with the program of resolution of employees' surplus (right after foundation of SPV) and it is in that sense important to put a greatest possible effort in a good faith. If the amount of pecuniary contribution of Private partner would not be enough for settlement of obligations towards employees in JKP and payment of severance pays for labor surplus, employees shall be settled in proportion with their demands. Possible remaining pecuniary assets shall be used for payment of obligations of JKP Stan towards the competent Tax administration.

### **Statements and Guarantees of Contracting Parties**

#### **Article 25**

Both partners, Private and Public state and guarantee that:

- they have been legally organized and they perform their activity in accordance with laws of the Republic of Serbia and \_\_\_\_\_ (insert the name of state of Bidder if it's not RS);
- that for entering into the Contract and execution of contractual parties they have all necessary approvals from their management and decision making authorities;
- they enter into the Contract legally and that it represents the legal and valid obligation of partners;
- entering into and fulfillment of Contract is not in opposition with any provision, nor it represents breach of any contract or any other legal business which binds partners or any valid decision of any court, any regulatory agency or other body which has jurisdiction over

- partners;
- entering into and fulfillment of Contract from the part of partners, fulfillment of provisions of Contract and realization of PPP Project is not in opposition with any provision of law, court decision or decision of any other competent state authority in relation to partners.

## **Commission for Keeping Track of Realization of Project**

### **Article 26**

For the purpose of keeping track of realization of Contract, within 30 (in letters: thirty) days from the day of registration of SPV, both partners shall appoint members of Commission for keeping track of realization of the Contract, which shall consist of 2 (in letters: two) representatives of Private partner and 2 (in letters: two) representatives of Public partner. Proposed persons may not be engaged in any kind of work relationship at partners.

Commission shall hold regular meetings at least twice during calendar year and extraordinary according to the need and decide on issues regarding the implementation of the Contract.

The first president from the members proposed by the Private partner shall be selected on the first session of the Commission.

President of the Commission shall call the sessions of Commission and manage its work, draft the minutes from the Meetings and deliver it to other members for adoption.

President of Commission shall be selected for the period of one Year.

After expiration of the mandate of the first president, president of Commission shall be selected alternately from the part of members which the partners have proposed.

Members of Commission shall have equal right to vote and no one shall be able to put veto on the decision. Decisions of Commission shall be adopted by the majority of votes and in case of equal number of votes, it shall be considered that the Decision of disputed issue has not been adopted.

Commission may engage competent persons for the purpose of provision of advisory and other expert services and form expert teams for certain issues regarding the implementation of the Contract, and also authorize a certain person to take over deeds and measures necessary for the control of quality of practicing the vested utility activities or provision of services.

## **Supervision over Realization of the Contract**

### **Article 27**

In accordance with the LPPPC, Public partner shall have duty to continuously keep track of practicing of the vested utility activities from the part of SPV and execution of obligations of SPV and Private partner from the Contract and Corporate charter.

Members of Supervisory Board of SPV which have been appointed by the Public partner shall have duty to:

1. at least once a year ask from the Private partner special periodic reports on its work, activities and fulfillment of obligations taken according to the JPP Project;
2. inform Ministry competent for finances or the body of Autonomous Province or body of Local Self-government Municipality competent for finances, on received periodic reports;
3. keep special documentation regarding the business of SPV during the period of validity of Contract, to ask from Private partner once a year report on all connected commercial entities of Private partner to whom the Contract has been awarded and also on sub-contractors;
4. to keep documentation regarding the vesting of utility activity until the expiration of the



period of validity of Contract. After expiration of the period of validity of Contract, documentation shall be kept in accordance with special regulations which regulate keeping the archive documentation;

5. within not more than 30 (in letters; thirty) days from the day of receipt of the request from Ministry competent for finances, or the body of Autonomous Province or body of Local Self-government Municipality competent for finances, delivers all the necessary data on practicing the vested utility activities;
6. inform the competent District Attorney's Department on acts of disrespect of the Contract, when the reasons for initiation of certain procedures by the competent District Attorney's Department exist.

Public partner shall have duty to, in case of unsettled debts of Private partner which derive from the Contract, takes over all measures of supervision and enforced collection and all other legal action in accordance with the provisions of the Contract and other authorities and provision of LPPPC.

## **Article 28**

Members of Supervisory Board which have been appointed by the Public partner, timely and in written form inform the Ministry competent for finances, or the body of Autonomous Province or body of Local Self-government Municipality competent for finances on all inspected irregularities and taken measures not later than 30 (in letters: thirty) days from the day of inspected irregularity, and/or taken measure.

Private partner in the function of management of SPV, in his own name or in the name of SPV, shall have duty to act on the request of Public partner or Ministry competent for finances, or the body of Autonomous Province or body of Local Self-government Municipality competent for finances or the body of the City of Novi Sad competent for finances, if the same has been asked for the confirmation on execution of the taken contractual duties and other important data on compliance with the Contract, within 30 (in letters: thirty) days from receipt of such a request. In case of non-execution of such a request from the paragraph 2 of this article, Public partner shall have duty to inform competent District Attorney's Department and supervisory and inspection authorities and also to initiate all the necessary deeds and measures for correction of inspected irregularities.

Public partner shall have duty to inform Ministry competent for finances, or the body of Autonomous Province or body of Local Self-government Municipality competent for finances on taken measures from the paragraph 4 of this article within 15 (in letters: fifteen) days from the day of taking these measures and regularly informs on all actions taken during realization of mentioned measures.

## **Breach of Contract**

### **Article 29**

Breach of Contract from the part of Private partner shall be considered to be if the Private partner:

- avoids to fulfill all acts and/or shall not deliver all what he has duty to deliver according to the content of tender documentation, including content of both models of contract from the tender documentation;
- would give or has given untrue and/or incorrect data which have been decisive for grading the fulfillment of conditions for taking part in selection of the most favorable bid;
- by his own guilt shall not commence with realization of the PPP Project in accordance with

- the Contract;
- performs other acts or misses to perform necessary acts which are in opposition with the Contract;
  - transfers to the third person his rights from the Contract without prior explicit written consent of the Public partner;
  - would not organize the business of SPV in accordance with the adopted annual Programs of business, Contract and Corporate charter or if business results of SPV would considerably depart from the results anticipated in the Programs of business;
  - would not comply with the maximal price of utility services for street lighting procurement and chimney sweep services, or established price for maintenance of buildings based on the contracts entered into with the service users;
  - would not provide vested utility services in quality manner and according to the standards in accordance with Contracts and decisions on vesting utility services and other regulations and documents which regulate legal and practical business activities for vested utility activities;
  - breaches any other important obligation regulated in the Contract or Corporate charter, especially if he manages the business of SPV in the manner which is injurious for the interests of Public partner and users of utility services.

### **Article 30**

Public partner shall breach the Contract if:

- omits to comply with and executes or provides fulfillment of all obligations regulated in the content of tender documentation, including the Contract and Corporate charter;
- omits to provide that the City of Novi Sad executes the commitment of payment for provided utility services of street lighting procurement in the manner regulated in the Contract;
- with his acting or omission considerably complicates the business of SPV without grounded reason, misusing his rights, moreover statutory rights in SPV from the Corporate charter.

### **Article 31**

In case that one of the partners breaches the Contract, the other partner has right to:

- inform Commission for realization of the Contract, with the request that Commission determines that there has been breach of right from the Contract and recommends the manner of resolution of the existing dispute for the purpose of damage compensation to the damaged partner and prevention from its further making and duration;
- notify in written form other partner on breach of Contract, demands written explanation on reasons of Contract breach and request that those reasons would be completely removed without delay i.e. not later than 90 (in letters: ninety) days;
- request for compensation of specific material damage caused by the breach of Contract (real damage and lost profit);
- request the breach of Contract.

### **Disadvantageous amendment of Law**

#### **Article 32**

Disadvantageous amendment of law shall exist if, after the entering into the Contract, there would be law amendment which:

- makes illegal, non-executable, voidable or null any other substantial obligation of both partners or SPV from the contract;
- makes it illegal that any partner gives or receives certain pecuniary amount (including interest) based on the Contract or that any partner which fulfills any considerable obligation or enjoys or executes some important right from the Contract or
- sets material restrictions (except from those restrictions which exist on the day of entering into the Contract) which prevent Private partner to execute repatriation of capital, profit or other pecuniary assets.
- If some of disadvantageous law amendments from the paragraph 1 of this article occurs, in duration of at least 90 (in letters: ninety) days in continuity and if the Contract may not be amended in the scope which is necessary for the Private and Public partner to be brought into the position where they were in the moment of entering into the Contract, where the period of validity of Contract in no case should be longer than 10 (in letters: ten) Years, partner who has been struck by the disadvantageous law amendment shall have the right to breach the Contract. Breach of Contract shall come into force within 30 (in letters: thirty) days from the day when the party which has not been struck by law amendment receives the notice from the other party on breach of Contract.

## **Breach of Contract**

### **Article 33**

#### Notice of termination of Contract

In case of termination of Contract which may not be in the terms regulated in the Contract or in case of disadvantageous amendment of law which would not be removed in the manner regulated by the article 34 of the Contract, partner which has not breached the Contract may deliver written Notice of termination to the other partner and Commission for tracking the realization of the Contract, in which he shall clearly and in details explain the breach of the Contract by the other partner.

This Contract shall be terminated on the day determined in the Notice of termination, but this shall not be before expiration of 45 (in letters: forty five) days from the day when the Notice of termination has been delivered to the other partner. This term may be prolonged for not more than 60 (in letters: sixty days, in case that Commission proposed to contracting parties the attempt of reconciliation. In that case, both partners have obligation to answer to the call of Commission for the attempt of reconciliation and if reconciliation would not succeed, Notice of termination shall come into force and have legal effect after the attempt of reconciliation.

In case of vis major and disadvantageous amendment of law, if the consequences of case of vis major would endure in the continuously period of 6 (in letters: six) months or longer without agreement of partners on measures for resolving the disputes from the Contract, or in case of disadvantageous amendments of law which would not be resolved in the manner regulated in the article 32 of the Contract, both partners shall have right to terminate the Contract by delivering to the other partner the Notice of termination which shall enter into force within 30 (in letters: thirty) days from delivery of Notice of termination to the other party.

## **Rights and obligations in case of Termination**

### **Article 34**

Partners shall continue to fulfill their duties from the Contract in expectation of final resolution of dispute which has been initiated by the partner which has received and contested the

Notice of termination in accordance with the Contract and also for the period of reconciliation procedure in front of Commission.

Usage of right to terminate the Contract shall not prevent partner who terminates the Contract to use other legal instruments provided by law.

### **Article 35**

In case that Public partner terminates the Contract for the breach of Contract by the Private partner, found property, movable and immovable assets and rights on that established in favor of SPV in the moment of termination shall remain in the public property of Public partner and SPV shall have duty to execute return of everything received based on the Contract, except from pecuniary contribution of Private partner.

In case that Private partner terminates the Contract due to the breach of Contract by the Public partner, Private partner has sole and exclusive right to compensation in the value of investments made for the purpose of realization of Business plan by he moment of termination, and which may be proven by valid documentation.

In case of termination of Contract due to the vs major or disadvantageous amendments of law, the obligations of both parties terminate and each party may demand the return of what it has invested based on the Contract, according to the rules of returning the acquired without the purpose, provisions of LPPPC and rules of civil law which regulate contractual relations and damage compensation.

## **Termination of Contract**

### **Article 36**

After expiration of Contract, all the rights and duties of partners terminate and SPV also terminates to exist. If regulations in force would enable it, partners shall enter into negotiations with the purpose of enabling that SPV continues to perform activity of maintenance and repair of residential and business buildings with Private partner as the sole founder.

Facilities, equipment and plants and supplies which represent the property of SPV, after expiration of validity of Contract shall be transferred to the Public partner and shall become a public property or the pecuniary counter-value of supplies shall be paid of in accordance with the Contract, unless partners agree that Private partner buys off from the Public partner a certain part of the property of SPV, which after the termination of the validity of Contract shall become public property and which shall not be in the function of the subject of the Contract, according to the provisions of LPPPC and Law on Public property.

Public and Private partner shall, in proportion identical to their equity interests in SPV, make division of newly created property of SPV which has not been connected to the activity of Contract, in accordance with articles 57 paragraph 3 in relation to the article 7 paragraph 2 point 7) of LPPPC.

Public partner shall, not later than 3 (in letters: three) month before expiration of Contract adopt corresponding Decisions on vesting the utility activities performed by SPV in the favor of other entities.

For avoiding any doubt, Private partner shall not have right to keep the right to practice utility activity of general or local interest while, on the other part, the City of Novi Sad and JKP Stan shall bear no responsibility in case that the users of service of SPV up to that time, after expiration of contract with SPV, don't enter into the new contract with Private partner in the area of maintenance and repair of residential and business buildings. Private partner shall be able to continue to practice the activity of maintenance of residential buildings even after expiration of

validity of Contract, including the activity of maintenance of residential and business buildings which SPV has maintained before the expiry of Contract, but may not directly or through the dependent legal entities initiate to and/or practices independently the activity of maintenance of residential and business buildings during the validity of Contract, under the threat of breach of the Contract in the prejudice of Private partner.

Costs of enforced liquidation procedure of SPV shall be covered by Private partner.

## **Vis major (Superior force)**

### **Article 37**

Contracting party shall not have right to sue other contractual party for breach of duties regulated in the Contract or to call to account for suffered damage or loss due to the breach in such an extent in the breach has been caused by the vis major case.

Case of vis major shall imply any unforeseeable and insuperable external circumstance which is beyond control of partner who suffers that sort of circumstance and which makes execution of the duty impossible for that partner and particularly, but not limited to, includes also: state of war (declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, rebel, rising, civil riot, terrorist act, terroristic campaign and political sabotage, natural disaster, other legal prohibition and other causes which the party who calls on may not control.

### **Article 38**

In case of occurrence of vis major, the partner who has been struck by it has duty to inform other partner as soon as reasonably possible, but not later than within 7 (in letters: seven) days from the day of occurrence of the case of vis major or its termination if the case of vis major has disabled the sending of such notice. Notice shall contain the details on the case of vis major, evidence on the effect of the case of vis major to the possibility of execution of the obligation and proposal of actions which need to be taken in order to diminish the effects of vis major case.

As soon as reasonably possible, the partners shall consult among each other in a good faith and invest their best efforts to arrange the measures which shall ease the effects of the case of vis major and disable further execution of the Contract.

Partners shall put their best efforts, all the time after the occurrence of vis major case, in order to prevent or diminish consequences of caused delay of fulfillment or unfulfillment of contractual obligations and Private partner shall in any moment of duration of vis major take over all the necessary steps in order to overcome or diminish the effects of the case of vis major.

Suffered partner shall inform other partner as soon as possible on the fact that the case of vis major has terminated and that it effects no longer on execution of obligations regulated by this Contract. After such notice, the execution of rights and obligations from Contract shall continue under the same conditions which existed before the case of vis major.

## **Dispute resolution**

### **Article 39**

In case that any dispute occurs among partners, misunderstanding or demand from or in relation to the Contract, or its breach, termination or validity, partner which recons to be damaged is

obliged to, primary and without delay address to the Commission and to try in an above described manner, to obtain the decision of the Commission. If the Commission decides that there has been the breach of Contract, both partners shall have obligation to accept recommendation of the Commission on the manner of solving the occurred dispute.

If Commission may not decide on a disputable matter, damaged partner shall send to other partner notice with detailed description of reasons for which he believes to be damaged and call the other party to urgent direct negotiations on resolution of the disputable matter.

After receipt of written notice from the paragraph 2 of this article, partners shall within 20 (in letters: twenty) days from the day of receipt of such notice try to solve the matter in good fate through the direct negotiations of their representatives, with the right to consensually include also the members of the Commission. In case that the agreement may not be reached within the mentioned period of 20 (in letters: twenty) days or in other longer period if the partners make such an arrangement, dispute shall be resolved in accordance with the procedure for dispute resolution from the Contract.

#### **Article 40**

Any dispute, misunderstanding or request which may arise from the Contract or is in relation to the Contract or its breach, termination or annulment and which has not been resolved by negotiations in accordance with the Contract, shall be finally resolved by the Belgrade arbitration center (BAC) in accordance with the arbitration rules of the Commission of United Nations for International Trade Law (UNCITRAL). Dispute shall be resolved before of the council of 3 (in letters: three) arbiters, while arbitration council shall hold session in Belgrade, Republic of Serbia and dispute shall be plead in the Serbian language, according to the material law of the Republic of Serbia.

If this Contract would be entered into with the Bidder which has the seat in the foreign country, the Private partner selected in such way shall have right to choose arbitration from the part of International arbitration center in Vienna, Republic of Austria (“Vienna International Arbitration Center”) in accordance with arbitration rules of the Commission of United Nations for International Trade Law (UNCITRAL). Dispute shall be resolved before the council of 3 (in letters: three) arbiters, while arbitration council shall hold session in Belgrade, Republic of Serbia and dispute shall be plead in the English language, according to the material law of the Republic of Serbia.

Arbitration decision adopted in accordance with this article of Contract shall be final and legally binding for the partners.

#### **Notices**

#### **Article 41**

All notices and other communication regarding the Contract shall be done in written form and shall be delivered personally or through the courier or through the fax or electronic mail to the following address:

For the Private partner: \_\_\_\_\_

For the attention of: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Address: \_\_\_\_\_

For the Public partner: \_\_\_\_\_ (\*)

For the attention of: \_\_\_\_\_ (\*)  
Fax: \_\_\_\_\_ (\*)  
E-mail: \_\_\_\_\_ (\*)  
Address: \_\_\_\_\_ (\*)

(\* empty spaces shall be filled in by the Public partner on the day of signing the Contract)

whereas the contracting parties may change the address to which they send notifications, after previous written information send to other party within 30 days (in letters: thirty) days in accordance with this point.

Any information send in accordance with this point shall be considered to be duly delivered if (1) it has been delivered by registered post or by courier, after delivery (2) if it has been sent by fax or electronic mail after delivery and receipt of electronic certificate of receipt, or if the delivery and receipt has been made on the day which is not working day – in 9 (in letters: nine) hours according to the local time of the first following Working day.

### **Condition subsequent**

#### **Article 42**

Private partner shall have duty to, after entering into the Contract:

- to deliver to the Public partner bank guarantee – guarantee for successful execution of work, pursuant to conditions from the tender documentation;
- to pay the amount of 7,400,000.00(in letters:seven million four hundred thousand and 00/100) dinars without tax to the bank account number 340-24229-90 which is opened with Erste Bank a.d. Novi Sad to the Consultant of Public Partner, lawyer Zevedji Oliver, attorney in Novi Sad, based on the content of the Contract on provision of legal consultancy services which has been entered into on May 6<sup>th</sup> of 2016 between JKP Stan, as the service provider and Zevedji Oliver, Attorney at Law in Novi Sad, as the service provider.

The conditions stated in the paragraph 1 of this Article represent condition subsequent.

For the Contracting authority:

For Executor:

\_\_\_\_\_

\_\_\_\_\_

L.S. Of Contracting authority:

L.S. Of Executor:

Remarks:

- Model of Contract shall be filled in, signed by the responsible person of Bidder and verified by the stamp;
- Public partner obliges to deliver the signed Contract to the Ministry authorized for the finances for its registration into the Register of Public Contracts.

## **7. MODEL OF CONTRACT FOR THE ESTABLISHMENT OF LIMITED LIABILITY COMPANY "STAN NS" D.O.O. NOVI SAD**

Based on the Article 9 paragraph 4 of the Law on Public-Private Partnership and Concessions ("*Official Gazette of the Republic of Serbia*", No. 88/11 and 15/16), in connection with the Article 141 of Law on Companies ("*Official Gazette of the Republic of Serbia*", No. 36/11, 99/11, 83/14 – other Law and 5/15) and the Public Contract – Contract on Public-Private Partnership No. \_\_\_\_\_ from \_\_\_\_\_, Year 201\_,

1. " \_\_\_\_\_ " (LEGAL PERSON/ENTREPRENEUR)
2. **CITY OF NOVI SAD**, Trg slobode 1, Novi Sad, Company Number: 08965498, TIN: 109924914 (hereinafter: "City") represented by the Mayor Milos Vucevic,
3. **PUBLIC UTILITY COMPANY FOR MAINTENANCE OF RESIDENTIAL AND BUSINESS PREMISES "STAN" NOVI SAD**, Lasla Gala 22, Novi Sad, Company Number: 08114854, TIN: 100236944 (hereinafter: "JKP "Stan" Novi Sad") represented by Milos Curcic

on \_\_\_\_\_, Year \_\_\_\_\_, enter into the

## **CONTRACT FOR THE ESTABLISHMENT OF THE LIMITED LIABILITY COMPANY "STAN NS" D.O.O. NOVI SAD**

### **I. INTRODUCTORY CLAUSES**

#### **Article 1**

The Limited liability Company "STAN NS" Novi Sad has been founded as the bipartite Company (hereinafter: "Company") with this Contract, for the purpose of the activities of maintenance and repair of residential and business buildings, procurement of street lighting and chimney sweep services on the territory of the City of Novi Sad, all in accordance with the Contract on Public-Private Partnership No. \_\_\_\_\_ from \_\_\_\_\_, Year 201\_ (hereinafter: "Public Contract").

#### **Acquisition of the status of Legal Personal**

#### **Article 2**

Company acquires the status of legal person by registration in accordance with the law which regulates the registration of companies.



## **Duration of Company**

### **Article 3**

Company is founded for a definite period of time, on period of 10 (in letters: ten) Years.

Company may extend the duration or continue the activities as the Company founded for an indefinite period of time if before the expiration of the period of time on which it has been founded or before the end of the liquidation procedure the General Meeting of the Company adopts the decision thereof (hereinafter: "General Meeting") and that decision would be registered in the same period of time, in accordance with the law which regulates the registration of companies.

## **Content of the Contract**

### **Article 4**

This Contract regulates:

- 2.1.1 registered Name and the Seat of the Members of the Company;
- 2.1.2 registered Name and the Seat of the Company;
- 2.1.3 predominant business activity;
- 2.1.4 total amount of Company net assets;
- 2.1.5 amount of pecuniary contribution, or pecuniary value and description of contribution in kind of each Member of the Company;
- 2.1.6 time of payment of the pecuniary contribution, or making of the contribution in kind in a Company's Share Capital;
- 2.1.7 share of each member of the Company in total Share capital expressed in percentage;
- 2.1.8 disposal of shares in the Company;
- 2.1.9 rights, obligations and responsibilities of the Members of the Company;
- 2.1.10 conditions and manner of distribution of the Company's profit;
- 2.1.11 determination of the bodies of the Company and its competencies;
- 2.1.12 representation of the Company;
- 2.1.13 trade secret;
- 2.1.14 special liabilities to the Company;
- 2.1.15 duration and termination of the Company;
- 2.1.16 other issues.

## **II. REGISTERED NAME AND SEAT**

### **Article 5**

The Company shall operate under its registered name and abbreviated registered name.

#### **Registered Name of the Company**

### **Article 6**

Registered name of the Company is "STAN NS" d.o.o. Novi Sad.

#### **Abbreviated registered Name**

## **Article 7**

Abbreviated registered name of the Company is: "STAN NS"d.o.o.

### **Seat of the Company**

## **Article 8**

Seat of the Company is in Novi Sad, Lasla Gala 22 Street.

Company may change it's registered name and the seat.

Decision on change of the registered name and seat shall be adopted by the General Meeting.

### **Seal of the Company**

## **Article 9**

Company shall have the seal and the stamp.

Seal of the Company shall have a round shape, which shall contain registered name of the Company and it shall be written in Serbian language in the Cyrillic script.

Stamp of the Company shall have rectangular shape and shall contain registered name, place and date and it shall serve for the receipt and expedition of the mail.

The Director of the Company shall decide in particular bylaw on the manner of use, keeping and destroying the seal and on the number of it's samples.

Company may have it's mark which designates the activity of the Company.

Layout and the content of the mark from the paragraph 5 of this Article and the manner of use shall be determined by the General Meeting.

### **Use of Registered Name and other Information in Documents**

## **Article 10**

Business correspondence and other documents of a Company addressed to third parties, including (memorandums, letters, invoices, orders, writs and other documents of company, including those in electronic form), shall contain the following data: its business or abbreviated registered name, registered office, Company registration number and tax identification number.

## **III. ACTIVITIES OF THE COMPANY**

### **Article 11**

Predominant activity of the Company is:

- 43.29 – other installation works in construction.

Apart from the activity from the paragraph 1 of this Article, the Company may also perform any other business activities:

- 43.21 – installation of the electrical equipment;

- 81.2 - cleaning services;
- 81.22 – services of other cleaning of the buildings and the equipment.

#### **Article 12**

Apart from the activity from the Article 11 of this Contract, Company may perform other activities which have not been registered in the Company register, including foreign trade activity, if it fulfills the conditions regulated by the law.

### **IV. INTERNAL ORGANISATION OF THE COMPANY**

#### **Article 13**

For the purpose of realization of business results and depending on the nature of process and conditions of work and also for the purpose of engagement of work capacities, work in the Company shall be organized in the frame of corresponding organizational units, in accordance with this Contract and other Bylaws of the Company.

#### **Article 14**

Internal organization and systematization of the work places in the Company shall be regulated by the Director's decision.

### **V. BRANCHES OF THE COMPANY**

#### **Article 15**

Company may form one or more branches, which represent organizational units which shall not have legal personality.

Branches of the Company shall have it's own seat and representatives and shall act on behalf and for the account of the Company in transactions.

Branches of the Company may be registered in accordance with the law regulating registration of legal entities.

### **VI. ACQUIRING COMPANY MEMBER STATUS AND RECORDS OF COMPANY MEMBER INFORMATION**

#### **Acquisition and Termination of Company Member Status**

#### **Article 16**

The status of a Company member shall be acquired on the date of registration of ownership of equity interest in accordance with the law regulating registration of legal entities.

The status of a Company member shall be terminated on the date of registration of termination of Company member status member in accordance with the law regulating registration of legal entities.

## **Records of Company Members' Information and Delivery to Company Members**

### **Article 17**

A Company shall keep records of addresses designated by each member, each co-owner of equity interests and each joint attorney-in-fact of co-owners of equity interests as their mailing address for all communications sent by the Company and notified to the Company as such, it being understood that such persons may designate an electronic mail address as their mailing address (records of Company member information).

A director shall be liable to the Company and to a person referred to in paragraph 1 of this Article for the accuracy and timeliness of entering Company member information in the records and shall issue a certificate of entry or status of such records on request from the person concerned.

A person referred to in paragraph 1 of this Article shall notify his/her mailing address and any change of such address to the Company without delay, and in any case not later than eight days of the date when such change occurred.

Delivery of communications on Company members shall be done to the addresses stated in the records of Company member information, in accordance with Company Law (hereinafter: "CL").

## **VII. SHARE CAPITAL AND FOUNDERS OF THE COMPANY**

### **Share capital of the Company**

#### **Article 18**

Share capital of the Company amounts in total **162,045,200.00(in letters: one hundred sixty two million forty five thousand two hundred 00/100) dinars**, and it consists of pecuniary contributions which have been paid in full before the registration of the Company on \_\_. \_\_, Year 201\_\_.

### **Founders of the Company**

#### **Article 19**

Founders of the Company are:

– “\_\_\_\_\_” (LEGAL PERSON/ENTREPRENEUR), with subscribed and paid pecuniary contribution in the amount of 162,045,000.00(in letters: one hundred sixty two million forty five thousand 00/100) dinars, which makes **70%** of total share capital of the Company.

– **CITY OF NOVI SAD**, Trg Slobode 1, Novi Sad, Company Number: 08965498, TIN: 109924914, with subscribed and made contribution in kind in the amount of 100.00 (in letters: one hundred and 00/100) dinars in rights, which makes **15%** of total share capital of the Company,

– **JKP "STAN" Novi Sad**, Lasla Gala 22, Novi Sad Company Number: 08114854, TIN: 100236944 with subscribed and made contribution in kind in the amount of

100.00 (in letters: one hundred and 00/100) dinars in movables, which makes **15%** of total share capital of the Company.

### **Increase of the Company's Share capital**

#### **Article 20**

Share capital shall be increased through:

- New contributions by of existing members or an acceding member;
- Conversion of Company's reserves or profit to share capital;
- Swap (conversion) of debt to share capital;
- Statutory changes that result in share capital increase;
- Swap (conversion) of additional pay-ins to share capital.
- 

Share capital shall be increased pursuant to a unanimous decision of the General Meeting.

Company members shall have a preferential subscription right to equity interests at the time of share capital increase through new contributions proportionately to their equity interests, unless provided otherwise by this Contract or Public Contract.

### **Share Capital Reduction**

#### **Article 21**

A Company's share capital may be reduced by a decision of its General Meeting, but not below the minimal amount of share capital provided for in CL.

## **VIII. RIGHTS, OBLIGATIONS AND RESPONSIBILITIES OF THE MEMBERS**

### **Rights attached to Equity Interest**

#### **Article 22**

A Company members shall have the following rights:

- right to be informed, in accordance with CL;
- The right to take part in work and to vote in the General Meeting, in accordance with this Contract;
- The right to a share in the Company's profit, in accordance with this Contract and Public Contract;
- The right to a share in residual assets;
- The right to control and supervise the business of the Company and its bodies;
- Other rights provided for in the CL.

### **Right to be informed**

#### **Article 23**

Member of the Company is entitled to the approach to the bylaws and documents of the Company in accordance with CL.

## **The right to take part in work of the General Meeting**

### **Article 24**

Member of the Company is entitled to take part in the work and to vote in the General Meeting, in accordance with this Contract.

## **Property rights of the Company s Members**

### **Article 25**

Property rights of the Company s Members are:

- right to a share in the Company's profit (dividend), proportionately to their equity interests unless provided otherwise by the unanimous decision of the Company members;
- right to a share in residual assets in case of termination of the Company, proportionately to their equity interests unless provided otherwise by the unanimous decision of the Company members, after the settlement of claims of debtors and payment of costs of bankruptcy/ liquidation proceedings;
- right to disposal of the equity interests or right to sell and encumbrance of the equity interests, in accordance with this Contract and Public Contract.

## **Control and monitoring**

### **Article 26**

Company member controls and monitors business transactions of Company bodies as it follows:

- in accordance with the principle of publicity of business transactions of Company bodies,
- making an insight in business acts and documents regulated by this Contract.

## **IX. EQUITY INTREST**

### **A. COMPANY'S OWN EQUITY INTEREST**

#### **Acquisition of Own Equity Interest**

### **Article 27.**

Company's own equity interest shall be any equity interest or part thereof acquired by a Company from one of its members.

A Company may acquire own equity interests pursuant to unanimous a decision of the General Meeting:

- 1) In an unencumbered transaction;
- 2) Upon expulsion of a Company member;

- 3) Upon exit of a Company member;
- 4) Through redemption of equity interest or part thereof from a Company member;
- 5) Through compulsory redemption of equity interest of a deceased member, if a Company has this right under its corporate charter;
- 6) Following a status change, in accordance with this Law.

A Company may acquire an own equity interest only if the acquired equity interest is fully paid in, except in cases of expulsion of Company member, compulsory redemption of equity interest of a deceased member, when the Company member is the natural person and status changes in accordance with CL, when the Company may acquire the equity interest which is not paid in entirely.

A Company shall pay compensation for acquisition of own equity interest in cases of redemption of equity interest or part thereof only from reserves available for that purpose.

A Company may not acquire own equity interest if this would result in its remaining without Company members.

The acquisition of equity interest in a Company by its controlled Company shall be deemed to be acquisition of own equity interest within the meaning of CL.

Any transaction in which a Company acquires contrary to the provisions of this Article shall be null and void.

### **Company's Rights attached to Own Equity Interest**

#### **Article 28**

A Company shall not have voting rights from its own equity interests and such equity interests shall not be included in the quorum of the General Meeting.

Own equity interest shall not entitle a Company to a share in profit.

### **Disposal of Own Equity Interest**

#### **Article 29**

A Company may:

- 1) Distribute its own equity interest to Company members in proportion to the share of their equity interests in the Company's share capital, in accordance with a decision of the General Meeting;
- 2) Transfer its own equity interest to a Company member or a third party for remuneration, in which case each Company member shall have a pre-emption right proportionate to the amount of his/her equity interest in the Company;
- 3) Cancel its own equity interest, in which case it shall be required to reduce its share capital.

The General Meeting shall pass a decision on disposal of own equity interest unanimously.

## **B. FREEDOM OF TRANSFER OF EQUITY INTERESTS**

### **Basic rule**

#### **Article 30**

Equity interests shall be transferred in accordance with this Contract and Public Contract.

### **Preemption right**

#### **Article 31**

City shall have a preemption right (right of prior acquisition) to equity interest of the Company member JKP "Stan" Novi Sad, in case that equity interest would be subject of transfer to a third party, including the cases:

- In an unencumbered or encumbered transfer to a third party,
- public auction procedure,
- enforcement procedure or out-of-court-settlement,
- liquidation procedure,
- bankruptcy procedure and
- any statutory change.

Company members shall have a preemption right to equity interest subject to transfer to a third party, in accordance with the procedure regulated by the CL, except in cases regulated in paragraph 1 of this Article.

If equity interest is sold through public solicitation of bids, auctioning or a similar procedure (public sale), a Company member wishing to use his/her preemption right may exercise that right only in such procedure.

Company member whose equity interest is the subject of public auctioning from the paragraph 3 should duly inform other Company members on initiated public auctioning procedure.

In case of unencumbered transfer of equity interest, members of the Company shall have the preemption right subjected to the unencumbered transfer to the third party, in accordance with rules of procedure for the right to acquire the equity interest.

### **Transfer of Equity Interest with Company's Consent**

#### **Article 32**

Equity interest in a Company may be transferred to a person who is not a Company member only with the prior consent of the Company.

In cases referred to in paragraph 1 of this Article, a transferor of equity interest must submit a request for consent to the Company concerned, which request shall, in addition to the identity of the transferee, contain also all essential elements of an equity interest transfer Contract it intends to enter into.

A decision referred to in paragraph 1 of this Article shall be made by the General Meeting unanimously.



If within 30 days (in letters: thirty) of the date of receipt of a request for consent a Company does not inform a transferor of equity interest that such consent is denied, such transferor of equity interests shall be authorized to transfer the equity interest under the conditions stated in the request within the further 30 (in letters: thirty) days.

### **Company's Right to Choose Buyer of Equity Interest**

#### **Article 33**

Instead of giving consent provided for in Article 32 of this Contract, a Company shall be authorised to designate a third party to which a transferor of equity interests may transfer equity interest under the same conditions, in which case a transferor of equity interest may transfer his/her equity interest solely to that third party under such conditions.

A decision referred to in paragraph 1 of this Article shall be made by the General Meeting unanimously.

If a third party referred to in paragraph 1 of this Article fails to enter into and certify a subject to the conditions set out in the request provided for in Article 32 paragraph 2 of this Law within 15 days (in letters: fifteen) of the date when a transferor of equity interest was notified of such decision of the Company for reasons beyond the control of a transferor of equity interest, such transferor of equity interest shall have the right to sell the equity interest to a third party of his/her choice under the same conditions within the further 30 (in letters: thirty) days.

If a third party designated by the Company enters into and certifies an equity interest transfer Contract, the Company shall be jointly liable to the transferor of equity interest for the payment of the purchase price together with that party.

If a Company makes a decision referred to in paragraph 1 of this Article and if equity interest is transferred in a public sale procedure, Article 31 paragraph 3 of this Contract shall apply.

### **Judgement in Lieu of Consent**

#### **Article 34**

If a Company notifies a transferor of equity interest that the consent he/she requested is denied, but fails to designate a third party in accordance with Article 33 of this Contract, such transferor of equity interest may bring legal action against the Company before the competent court to obtain a judgment in lieu of the Company's consent.

If a court passes a judgment in lieu of a Company's consent, the Company concerned shall have the right to designate a buyer of equity interest provided for in Article 33 of this Contract, while the period provided for in Article 33 paragraph 3 of this Contract shall commence on the date when such judgment becomes final and enforceable.

### **Sale of Equity Interest in Enforcement Procedure or Out-of-court Settlement**

#### **Article 35**

In case of sale of equity interest in an enforcement procedure or in a procedure of court or out-of-court settlement in accordance with the law governing lien on movable property entered in a

register Company members who have a preemption right in relation to that equity interest shall retain that right, prior consent from the Article 32 of this Contract shall not be necessary for the sale of equity interest, but the Company shall have the right to designate a buyer of equity interest in accordance with Article 33 of this Contract.

**Transfer of Equity Interest through Inheritance (in case that Company member is a natural person)**

**Article 36**

In case of death of a Company member, that member's heirs shall acquire his/her equity interest in accordance with the law governing inheritance.

On request of the Company or an heir of a deceased Company member, the court in charge of probate proceedings with regard to such deceased Company member may appoint a temporary inheritance trustee who shall exercise membership rights in the Company on behalf and for the account of heirs of such deceased Company member.

**Compulsory redemption of Equity Interest from Heir (in case that Company member is a natural person)**

**Article 37**

Members of the Company the City and JKP "STAN" Novi Sad shall have the right to, within 6 (in letters: six) months of death of a Company member, but in any case not later than 3 (in letters: three) months of the date of registration of a heir of a deceased Company member as a Company member in accordance with the law regulating registration of legal entities, decide on compulsory redemption of equity interest from the deceased member's heirs.

Decision referred to in paragraph 1 of this Article shall be made by the General Meeting by a simple majority of votes of all Company members, in which case the equity interest of a deceased member shall not be taken into account for the purposes of determination of quorum.

Members of the Company the City and JKP "STAN" Novi Sad shall notify the Company in writing of their exercise of that right within the period set in paragraph 1 of this Article.

A director shall forward a decision referred to in paragraph 2 of this Article or a notification referred to in paragraph 3 of this Article to the Commercial register for the purpose of making a note of exercise of the right to compulsory redemption in that register.

From the date of making of a note referred to in paragraph 4 of this Article to the date of payment of compensation for equity interest, the heirs of a deceased member may not exercise their voting rights in the General Meeting.

**Compensation for Compulsory redemption of Equity Interest (in case that Company member is a natural person)**

**Article 38**

Compensation for compulsory redemption of equity interest from the Article 37 of this Contract shall be determined in proportion with the participation of that equity interest in total book value of the property of the Company on the day of adoption of the decision on compulsory

redemption of the equity interest and shall be paid to the heirs of the deceased within the 30 (in letters: thirty) days from the date of service to the Company of a final and enforceable probate decision which designates heirs of a deceased member with regard to his/her equity interest.

A Company shall not make a decision provided for in Article 37 paragraph 1 of this Contract if the payment of compensation in accordance with such decision would contravene the provisions of the CL pertaining to payment restrictions.

### **Division of Equity Interest**

#### **Article 39**

The equity interest of a Company member may not be divided in any case.

### **Pledging of Equity Interest**

#### **Article 40**

A Company member may pledge equity interest or a portion of equity interests only with the prior consent of the Company.

Decision from the paragraph 1 of this Article shall be adopted by the General Meeting unanimously.

## **X. ADDITIONAL PAY-INNS TO THE COMPANY**

### **Manner of Providing for Additional Pay-ins**

#### **Article 41**

Company may adopt decision on making additional pay-inns to the Company.

Decision from the paragraph 1 of this Article shall be adopted by the General Meeting unanimously.

Additional pay-ins shall not increase a Company's share capital.

## **XI. DISTRIBUTIONS TO THE COMPANY MEMBERS – CONDITIONS AND MANNER OF DETERMINATION AND DISTRIBUTION OF THE PROFIT**

### **General rule**

#### **Article 42**

Company may make distributions to the Company members, reimbursement of the additional payments, loan and similar and also other payments based on any other cause, exclusively in accordance with this contract and provisions of CL on payment restrictions.

Profit of the Company is positive financial result of business transactions of the Company during the business year, which remains after payment of all business costs, determined by an annual balance sheet, in accordance with the law which regulates the accountancy and auditing.

## **Right to payment of the profit**

### **Article 43**

Members of the Company shall have the right to payment of the profit (dividend) which shall be established in the annual balance sheet and by the General Meeting decision, in proportion with the value of the equity interest or in other manner established by the unanimous decision of the General Meeting.

## **Profit distribution**

### **Article 44**

Upon adoption of financial statements for a financial year, the profit of that year shall be allocated:

- 1) To cover losses carried forward from earlier years;
- 2) To reserves, if they are provided by a special law;
- 3) For reserves, if provided by this Contract;
- 4) For dividend, in accordance with CL.

Company has duty to, starting from second year of business of SPV (second business year) until expiration of validity of Contract, set aside in the amount not smaller than 5% (in letters: five percent) of total book keeping value of basic assets in the property of SPV established on the first day of the beginning of business year for which the investment has been made and at least 5% (in letters: five percent) of market value of basic assets which have been given to the Company for usage from the part of Company member JKP Stan Novi Sad, established on the day of transfer of right of usage, for investment in the basic assets of the Company, all in accordance with the Public Contract.

## **Restriction of payment**

### **Article 45**

A Company may not make distributions to Company members if, based on the most recent financial statements, its net assets are lower or could become lower as a result of such distribution than the paid-in increased for reserves the Company is required to maintain in accordance with CL or this Contract, if such reserves exist, except in the case of share capital reduction.

The total amount of distributions to Company members for an accounting year may not exceed the profit at the end of that accounting year, increased for any retained earnings from earlier periods and reserves available for distribution to Company members and reduced for uncovered losses from earlier periods and reserves the Company is required to maintain in accordance with CL or this Contract, if such reserves exist.

Company members who received a distribution contrary to the provisions of this Article shall return the received amount to the Company if they knew or ought to have known such distribution was contrary to the provisions of this Article.

A Company's claims pursuant to paragraph 3 of this Article shall be time barred after 5 (in letters five) years of the date when such distribution was made.

A Director, as well as the Supervisory Board member, who is aware that between the end of the preceding accounting year and the date of passing of a decision of the General Meeting on adoption of annual financial statements the Company's financial status was significantly and not just temporarily affected due to losses or reduced value of share capital, shall have duty to notify the General Meeting thereof, in which case the General Meeting shall exclude from distributable profit an amount equal to the resulting reduction of the Company's assets.

If a director or a member of the Supervisory Board fails to act in accordance with paragraph 5 of this Article, he/she shall be liable to the Company's members and creditors for any resulting damage.

### **Liability for Inadmissible Payments**

#### **Article 46**

A Company member who received distributions from a Company contrary to the provisions of Article 42 of this Contract shall be liable to return those distributions to the Company and the Company may not release him/her from that obligation.

Return of distributions from a bona fide Company member may be claimed only if this is necessary to settle the claims of a Company's creditors.

Other Company members who approved such distributions by voting in the General Meeting, as well as Directors, or Supervisory Board members, who authorised such payments and who knew or could have reasonably been expected to know given the circumstances of the case that such payments were made contrary to the provisions of CL pertaining to payment restrictions, shall bear unlimited joint and several liability to the Company for the return of such payments and the Company may not release them from such liability.

In addition to the persons referred to in paragraph 3 of this Article, other directors or Supervisory Board members, as well as Company members, who are demonstrated to have deliberately or through gross negligence contributed to the making of such inadmissible payment by a Company shall also bear unlimited joint and several liability.

A Company's claims against the person referred to in this Article shall become time-barred within 5 (in letters: five) years of the payment date.

A Company's claim against a Company member who received such payment shall become time-barred within 10 (in letters: ten) years if the Company demonstrates that he/she knew or should have reasonably been expected to know the payment he/she had received was inadmissible.

## **XII. COMPANY BODIES**

#### **Article 47**

Management of the Company shall be organized as a two-tier system.

Members of the Company are:

1. General Meeting
2. Supervisory Board,
3. Director.

Their authorization and scope of work shall be determined in accordance with this Contract and CL.

## **A. GENERAL MEETING**

### **Composition of General Meeting**

#### **Article 48**

General Meeting shall decide on the following:

- 1) Pass amendments to the Corporate charter ;
- 2) Adopt financial statements, as well as audit reports if financial statements were audited;
- 3) Adopt Supervisory Board reports;
- 4) Decide on share capital increase and reduction, as well as on every issue of securities;
- 5) Decide on profit distribution and loss coverage, including determination of dates when Company members acquire the right to a share in profit and the date of payment of such share in profit to Company members;
- 6) Appoint and remove Supervisory Board members and determine their remuneration;
- 7) Appoint an auditor and determine his/her remuneration;
- 8) Decide on initiation of liquidation proceedings, as well as on filing for bankruptcy by the Company;
- 9) Appoint a liquidator and adopt liquidation balance sheets and liquidator's reports;
- 10) Decide on the acquisition of own equity interests;
- 11) Decide on liability of Company members for additional pay-ins and on return of such pay-ins;
- 12) Decide on exit requests made by Company members;
- 13) Decide on expulsion of Company members for failure to pay in or make a subscribed contribution;
- 14) Decide on initiation of disputes for expulsion of Company members;
- 15) Decide on withdrawal and cancellation of equity interests;
- 16) Issue a proxy;
- 17) Decide on initiation of proceedings and issuing of power-of-attorney for representation of the Company in disputes with its procurator, or with a Supervisory Board member, if a Company has a two-tier management system;
- 18) Decide on initiation of proceedings and issuing of power-of-attorney in for representation of the Company in disputes with its Company member;
- 19) Approve agreements on accession of new members and give consent to transfer of equity interest to a third party in case of provided for in this Contract of this CL;
- 20) Decide on statutory changes and changes of legal form;
- 21) Give consent to legal transactions in which the personal interest of Director or Supervisory Board is present, in accordance with this Contract and CL;
- 22) Give consent to acquisition, sale, leasing, pledging or other disposal of high-value assets in accordance with CL;
- 23) Adopt its Rules of Procedure;
- 24) Perform other duties and decide on other issues Perform other duties and decide on other issues, in accordance with this Contract and the CL.

## **Types and Holding of Sessions**

### **Article 50**

General Meeting sessions may be ordinary and extraordinary.

### **Ordinary General Meeting Session**

#### **Article 51**

Ordinary General Meeting session shall be convened once a year, not later than 6 (in letters: six) month from the end of business year.

Missing out to hold General Meeting session shall have no influence on legality of legal business, acts and decisions of the Company.

### **Ordinary General Meeting Session Convocation**

#### **Article 52**

Ordinary General Meeting session shall be convened by the Supervisory Board.

### **Extraordinary General Meeting Session**

#### **Article 53**

All General Meeting sessions held between the ordinary session are considered to be the extraordinary General Meeting sessions.

### **Holding of Extraordinary General Meeting Session**

#### **Article 54**

Extraordinary General Meeting session shall be held when necessary, also when it has been determined by this Contract or CL.

### **Convocation of Session**

#### **Article 55**

Extraordinary General Meeting session shall be convened by the Supervisory Board:

1. based on his decision;
2. based on the request of liquidator of the Company, if the Company is in the process of liquidation;
3. based on the request of Company members who have at least 5% (in letters: five percent) of share capital of Company, regarding the question for which there is proposal to be listen into the agenda of extraordinary General Meeting session.

Request from the paragraph 1 of this Article shall contain the data on each claimant in accordance with CL and reasoned proposal of the session's agenda.

## **Article 56**

Supervisory Board has duty do award decision on acceptance or rejection of the request for conveying an extraordinary General Meeting session and inform thereof the claimant not later then 8 (in letters: eight) days from the day of receipt of the request.

## **Article 57**

Request for convocation extraordinary General Meeting session, filed by the authorized person, may be refused if:

- it hasn't been filed in accordance with the Article 55 paragraph 1 point 3 of this Contract,
- claimants have no equity interest or don't represent regulated percent of equity interest,
- none of proposed topics for agenda of extraordinary General Meeting session is in the capacity of General Meeting.

## **Court-ordered Conduct of Extraordinary Session**

### **Article 58**

if an extraordinary session is not held within 30 days of the date of receipt of a request from the Article 55 of this contract, each claimant may, within a further period of 30 (in letters: thirty) days, court may award in non-litigious proceedings the holding of such session.

## **Obligatory holding of Extraordinary General Meeting Session**

### **Article 59**

If it has been established hat a Company operates with a loss due to which the value of its net assets fell below 50% of its share capital, during the preparation of annual or other financial statements in accordance with the law, an extraordinary General Meeting must be convened and a notice of such session shall specify the reason for convocation and it shall contain a draft agenda which shall include a draft decision to liquidate the Company and/or a draft decision on other measures that need to be taken when the situation, upon which the General Meeting is convened, arises.

An extraordinary General Meeting session shall be convened obligatory when the Company members which hold or represent at least 15% (in letters: fifteen) votes file a written request thereof.

If a Supervisory Board shall not convene an extraordinary session of General Meeting within 3 (in letters: three) days from the day of receipt from the paragraph 2 of this Article, so that the day of holding the session wold be not later then 15 (in letters: fifteen) days from the day of receipt of the request, claimants of that request may alone convene the extraordinary General Meeting session within 8 (in letters: eight) days from the expiration of that term for holding the General Meeting session.



## **Venue of the Session**

### **Article 60**

Sessions shall as a rule be held in a Company's registered office.

The Supervisory Board may decide to hold a General Meeting session in another venue, if warranted to facilitate the organisation of that General Meeting session.

### **Notice**

### **Article 61**

A General Meeting shall be convened by means of a notice in writing sent to each Company member to the address stated in the records of Company member information and such notice shall be considered delivered on the date of its sending by registered mail.

A notice of General Meeting shall include in particular: the date of sending; the time and venue of session; a draft agenda, with clear indication of items on which voting of the General Meeting is proposed; financial statements, with an auditor's opinion if the Company is subject to mandatory audit in accordance with the law governing accounting and auditing; report of Supervisory Board on Company business and conducted supervision over the work of Director, the draft text of every proposed decision, with rationale for its passing; the text of every agreement or other transaction proposed for approval; a detailed description of every issue put up for debate, with a comment or statement by the Supervisory Board; any other documents and information which the Supervisory Board, believes are of relevance for the functioning and decision-making of the General Meeting, or are in accordance with this contract CL and other regulations.

A Notice of extraordinary General Meeting shall include in particular: the date of sending; the time and venue of session; a draft agenda, with session shall include: day of sending of the notice; time and place of holding a session; a draft agenda of session from the part of persons who convened the session or asked for convocation of the session, the draft text of every proposed decision, with rationale for its passing; the text of every agreement or other transaction proposed for approval; a detailed description of every issue put up for debate, with a comment or statement by the Supervisory Board.

Materials for regular and extraordinary General Meeting shall be previously established by the Supervisory Board.

## **Notice to General Meeting Session**

### **Article 62**

Notice of General Meeting shall be delivered to each Company member not later than 8 (in letters: eight) days before the scheduled date of the General Meeting.

### **Agenda**

### **Article 63**

The General Meeting may decide and debate only on items duly announced and included in the agenda in accordance with CL and on other questions, only if all Company members attend the

session and if none of the Company members opposes.

One or more Company members who hold or represent minimum 10%(in letters: ten percent) of equity interest in share capital may propose to the Company additional items to be included in the General Meeting agenda. This written notice may be filed not later than 3 (in letters: three) before the General Meeting session.

### **Power of Attorney for Voting**

#### **Article 64**

Company member is entitled to empower certain person by the written Power of attorney to take part on his behalf in the work of General Meeting, including the right to vote on his behalf (Power of Attorney for voting).

Power of Attorney has to be duly verified in accordance with the law on verification of signatures.

### **Quorum**

#### **Article 65**

General Meeting Session may be held only if all three members of the Company are present, through their legal representatives or attorneys-in-fact.

If the General Meeting session may not be held due to the lack of quorum, it shall be convened again with the same draft of agenda at least 10 (in letters: ten) days and at latest 30 (in letters: thirty) days from the day when the session should have been held (repeated session).

Quorum for holding repeated session make 1/3 (in letters: one third) of the total number of votes of Company members.

### **Minutes**

#### **Article 66**

Minutes shall be kept on the General Meeting session.

Every decision passed by the General Meeting shall be recorded in the minutes.

The Chairperson of the General Meeting shall appoint a minute-keeper to keep the minutes and the Chairperson of the General Meeting shall be responsible for proper compiling of minutes.

The minutes shall be kept in Serbian language.

Minutes shall contain: the venue and date of session; agenda; the name of person keeping the minutes; data on quorum; a summary of debate on every item on the agenda, the manner and outcome of voting on every item on the agenda voted on by the General Meeting, with an overview of all decisions passed and manner of voting of each present Company member (“for”, “against” and “abstaining”); remarks on individual opinions of each Company member, summary of decision; list of all decisions adopted on the General Meeting session.

Minutes shall incorporate a list of persons who participated in a General Meeting session

and evidence of proper convocation of a session.

Minutes shall be signed by the General Meeting Chairperson, minute-keeper if he has been appointed and all other persons who took part in its work.

## **Decision-making Majority**

### **Article 67**

General Meeting shall adopt decisions by simple majority of votes of present members who have right to vote on certain question, unless higher number of votes has been determined by this Contract, Public contract and CL.

General Meeting shall decide on:

- Share capital increase or reduction, issue of securities or similar instruments which give property rights over share capital of the Company or voting rights in the Company;
- Changes of registered name, seat and predominant activity;
- Status changes and changes of legal form;
- Liquidation or filing for bankruptcy;
- Profit distribution and loss coverage and on investing of the profit available for distribution in the projects outside the Republic of Serbia;
- disposal, acquiring and pledging of Company equity interests, including own equity interest and also on investment of equity interest as the contribution in kind into the share capital of another Company;
- adoption of business plan for the current year
- entering into/breach of the contract which value exceeds the amount of 30%(in letters:thirty percent) of value of the property of Company in possession of the Company and property which has been given for usage to the company, in accordance with law which regulates the position of commercial entities, except in case that is necessary for the ordinary and current business and activity performance, avoiding of losses, if the entering into or breach of the contract is regulated by the adopted business plan for the current year;
- duty of Company members to additional payments and also return of those payments;
- duty of Company members to additional pay-inns and return of those pay-inns;
- formation of the new dependable companies from the part of the Company and/or on disposal, acquiring and pledging of equity interest/shares in other companies;
- selling, buying and pledging of the property, investment into share capital and conducting other capital investments over the value of 30%(in letters:thirty percent) of value of the property of Company in possession of the Company and property which has been given for usage to the company, in accordance with law which regulates the position of commercial entities, except if that has been regulated by the adopted business plan of the Company for the current year;
- taking of bank loan or taking of other loans and giving loans, giving warranty, guarantees and security for the duties of third persons;
- change of accounting rules and procedures;
- significant increase/decrease of the number of employees over 10% (in letters: ten percent)
- entering into/amendment to the collective agreement;

- entering into/amendment to employment contract or contract on rights and obligations with Director;
- giving approval of the legal business or act in cases of the existing personal interest, in accordance with this contract, Public contract and CL;
- adoption of Rules of procedure on its work;
- manner of termination of the Company;
- adoption of all decisions by which the rights of one or more Company members are diminished in comparison with any other Company member and particularly in the case of:
  - withdrawal or limitation of the preemption right or right of prior purchase of equity interest;
  - change of majority necessary for decision-making in the General Meeting;
  - introduction or increasing duties of the additional payments;
  - change of rule on withdrawal and annulment of the equity interest;
  - change of rules on expulsion of the Company member;
  - change of rules on Director appointment and members of the Supervisory Board which change the rights of Company member to propose a certain number of those persons.

### **Conference Calls, Voting in Writing and Action without Meeting**

#### **Article 68**

A General Meeting session may be held using conference calls or other audio and visual communication equipment, so that all persons participating in a session may communicate with one another at the same time. All persons participating in a session in the above manner shall be deemed to be present in person.

A Company member may also vote in writing, or in other manner of delivery of documents, but only on questions listed in the agenda stated in the invitation to the General Meeting session, pursuant to Article 62 of this contract.

In case from the paragraph 2 of this Article, for the needs of calculating the quorum, it is considered that that Company member is present at the General Meeting session.

Any decision may also be made without holding a session, if it is signed by all Company members entitled to vote on an issue.

### **Manner of Voting**

#### **Article 69**

Voting in the General Meeting shall be public, by raising hand or in other public manner.

#### **Disqualification to Vote**

#### **Article 70**

A Company member may not vote in the General Meeting on:

- a) his/her release from obligations to the Company or reduction of such obligations;
- b) his/her exit or expulsion from the Company;
- c) Initiation or termination of lawsuits against him/her and engagement of attorneys-in-fact for representation in such situations;

- d) Approval of transactions between him/her and the Company in accordance with CL;
- e) Other issues provided for in this Contract or CL.

## **Attendance of Other Persons**

### **Article 71**

General Meeting sessions shall be attended by the Director and Supervisory Board members, and also an auditor, if they are timely invited by the Chairperson of the General Meeting or by any of the Company members.

## **Entering into force of Decisions adopted in the General Meeting Session**

### **Article 72**

General Meeting sessions shall enter into force on the day of adoption, except in the following cases:

- if other date of entry into force is stated in that very decision;
- if the law explicitly regulates that decision is entering into force after registration and announcement, in which case day of registration or announcement shall be deemed to be the day of entry into force.

## **B. SUPERVISORY BOARD**

### **Competences and composition**

#### **Article 73**

Company has Supervisory Board, which supervises the work of Director.

Supervisory Board member may be any person with business capacity.

Supervisory Board member may not be the person:

- A person who is a Director or Supervisory Board member in more than 5 (in letters: five) companies;
- A person sentenced for an economic crime, for a period of five years from the date when the judgement became final and enforceable, it being understood that this period is suspended during any prison time served and continues upon release;
- A person subject to an injunction barring him/her from carrying on a business activity that is the predominant business activity of the Company concerned, for as long as such injunction is in effect;
- A person employed in the Company.

Supervisory Board has 5 (in letters: five) members.

Supervisory Board members may have no deputies.

Supervisory Board member may not be Director or proxy of the Company.

Supervisory Board member shall be registered in accordance with the law regulating registration of commercial entities.

## **Appointment of Supervisory Board Members**

### **Article 74**

Chairperson and Supervisory Board members shall be appointed by the General Meeting, in the way that 3 (in letters; three) Supervisory Board members shall be appointed on the proposal of Company member \_\_\_\_\_, and 2 (in letters: two) Supervisory Board members shall be appointed on the proposal of the City Council of the City of Novi Sad.

Chairperson of Supervisory Board shall be appointed on the proposal of Company member \_\_\_\_\_.

### **Supervisory Board Members' Term of Office**

#### **Article 75**

Supervisory Board members shall be appointed for a term of office of 4 (in letters: four) years (Supervisory board members' term of office).

If a decision of the General Meeting on appointment of a Supervisory Board members does not specify the duration of a Supervisory Board member's term of office, the term of office shall be 4 (in letters: four) years.

A Supervisory Board member may be reappointed upon expiration of his/her term of office.

### **Remuneration for work of Supervisory Board Members**

#### **Article 76**

Supervisory Board members are entitled to remuneration for their work.

Decision of the General Meeting shall determine the remuneration from the paragraph 1 of this Article, or the manner of its determination.

Amount of the remuneration from the paragraph 1 of this Article may depend on business results of the Company, but that remuneration may not be determined as the participation in profit distribution of the Company.

### **Termination of Office and Resignation of Supervisory Board Members**

#### **Article 77**

A Supervisory Board members' term of office shall terminate upon expiration of the period for which he/she was appointed.

If during the term of office a Supervisory Board member becomes ineligible to serve as a Director of a Company, his/her term of office shall be deemed to have expired on the date when he/she became ineligible.

Appointment of the Supervisory Board member upon termination of the term of office shall be done on the following General Meeting session, up to when Supervisory Board member to whom the term of office has expired continues to perform his duty, if his place hasn't been fulfilled

with by co-optation. If the number of Supervisory Board members falls below the number set, the remaining Supervisory Board members may appoint (a) person(s) who will act as a Supervisory Board member(s) until the appointment of the missing Supervisory Board members by the General Meeting (co-optation). The number of Supervisory Board members appointed by co-optation may not exceed 2 (in letters:two), and the term of office of the co-opted member shall terminate on the first following General Meeting session, in accordance with CL.

General Meeting may deliver termination of office to even before the expiration of term of office to which he/she has been appointed to, without stating the reason.

Supervisory Board member may at any time file a written resignation to the remaining Supervisory Board members.

Resignation shall enter into force on the day of filing, unless some other date has been stated therein.

### **Scope of Work of Supervisory Board**

#### **Article 78**

Supervisory Board shall:

13. Set the Company's business strategy;
14. Appoint and remove directors and determine their remuneration or principles for determination of such remuneration;
15. Carry out internal supervision of the Company's operations;
16. Monitor compliance of the Company's operations with laws;
17. Establish accounting and risk management policies;
18. Order the auditor to review the Company's annual financial statements;
19. Make proposals for the appointment and remuneration of the auditor to the General Meeting;
20. Control proposals for profit distribution and other payments to members;
21. Decide on initiation of proceedings and granting of power-of-attorney for representation in disputes with director;
22. Determine the prices of chimney sweep services, with the prior consent of the City Council of the City of Novi Sad;
23. Perform other duties provided by a decision of the General Meeting.

Issues from the scope of work of Supervisory board may not be transferred to the Director.

### **Submission of Annual Business Report**

#### **Article 79**

The Supervisory Board shall annually submit to the General Meeting a written report on the Company's business operations and supervision of the work of its Director.

The Supervisory Board submits reports on the regular General Meeting session on the following:

- 1) The accounting and financial reporting practices of the Company and its related parties, where applicable;
- 2) Compliance of the Company's operations with CL and other regulations;
- 3) Qualifications and independence of the Company's auditors in relation to the Company, if

the Company's financial statements were subject to an audit;

4) Contracts entered into between the Company and its director and their related parties within the meaning of CL.

### **Functioning of Board of Directors**

#### **Article 80**

Board of Directors may adopt its Rules of Procedure, which must comply with this Contract, Public contract and CL.

Supervisory Board shall hold at least 4 (in letters: four) sessions annually.

Supervisory Board sessions shall be convened by the president of Supervisory Board.

If the president of Supervisory Board doesn't convene the Supervisory Board session on the written request of any other Supervisory Board member so that the session would be held within 30 days (in letters: thirty) from the day of filing the request, session may be held also by that Supervisory Board member stating the reasons for convocation of the session and proposal of agenda.

### **Convocation of Supervisory Board**

#### **Article 81**

Written notice of a Meeting of the Supervisory Board with an agenda and Meeting handouts shall be given to all Supervisory Board members within 8 (in letters: eight) days before the session, unless agreed otherwise by all Supervisory Board members.

Decisions adopted in a Meeting of the Supervisory Board that was not convened in accordance with this Contract or CL shall not be valid and enforceable, unless agreed otherwise by all Supervisory Board members.

### **Quorum and Manner of Holding of Supervisory Board Meetings**

#### **Article 82**

The quorum for a Meeting of the Supervisory Board shall be 3 (in letters: three) members of the Supervisory Board personally present or represented by the proxy, out of which 2 (in letters: two) members of the Supervisory Board should be members appointed on the proposal of the Company member \_\_\_\_\_, while 1 (in letters: one) member of Supervisory Board should be the member appointed upon proposal of the Company members City and JKP "Stan" Novi Sad.

Meetings of the Supervisory Board may also be held only in writing or electronically, by phone, by telegraph, by telefax or by other means of audio-visual communication, insofar as no Supervisory Board member opposes this in writing.

Absent Supervisory Board members may also vote in writing and they shall be deemed to be attending for quorum purposes.



## **Attendance of other Persons to the Supervisory Board Meetings**

### **Article 83**

Apart from directors, Meetings of the Supervisory Board may also be attended by members of other competent persons, if the agenda includes items within the scope of a committee.

A Meeting of the Supervisory Board in which a Company's financial statements are discussed must be attended by the Company's auditor.

## **Decision-making in Supervisory Board Meetings**

### **Article 84**

The Supervisory Board shall act by a majority of votes of Supervisory Board members present.

In case of a tie vote, the Chairperson of the Supervisory Board shall have the tie-breaking vote.

## **Minutes of Board of Supervisory Board**

### **Article 85**

Minutes shall be kept of every Meeting of the Supervisory Board, which shall include in particular the venue and time of a Meeting, the agenda, a list of attending and absent Supervisory Board members, a summary of discussion on each issue on the agenda, the outcome of voting and the decisions passed and any dissenting opinions of individual directors.

Minutes shall be signed by the Chairperson of the Supervisory Board or by a member of Supervisory Board who chairs a Board Meeting in Chairperson's absence and shall be delivered to every Supervisory Board member.

The Chairperson of the Supervisory Board shall deliver the minutes of a Meeting to all Supervisory Board members within 8 (in letters: eight) days of the date of a Meeting.

## **Liability of Supervisory Board members**

### **Article 86**

A Supervisory Board member shall be liable to a Company for any damage he/she causes to it by violating the provisions of this Contract, CL and decisions of the General Meeting.

Notwithstanding the foregoing, a Supervisory Board member shall not be liable for damage if he/she acted in accordance with a decision of the General Meeting.

If the damage referred to in paragraph 1 of this Article occurs as a result of a decision of the Supervisory Board member, all Supervisory Board members who voted in favour of such decision shall be liable for the damage.

In cases referred to in paragraph 3 of this Article, any Supervisory Board member who abstained from voting shall be deemed to have cast an affirmative vote for the purposes of

establishing liability for damage.

In cases referred to in paragraph 4 of this Article, any Supervisory Board member who did not attend a Meeting in which the Supervisory Board passed the decision in question and did not vote in favour of such decision by other means shall be deemed to have cast an affirmative vote for the purposes of establishing liability for damage unless he/she opposed the decision in writing within 8 (in letters: eight) days of learning of its passing.

A Company's damage claims in accordance with this Article shall be time-barred after 3 (in letters: three) years of occurrence of damage.

The Company may not disclaim the damage claim, unless in accordance with the decision of the General Meeting adopted by  $\frac{3}{4}$  majority of votes of present Company members, but that decision may not be adopted if the members who hold at least 10% (in letters: ten percent) of share capital of Company oppose.

## **V. DIRECTOR**

### **Number of Directors**

#### **Article 87**

Company has one Director.

Director shall be registered in accordance with the law regulating registration of legal entities.

### **Appointment of Director**

#### **Article 88**

Director shall be appointed by the Supervisory Board.

Term of office of Director shall be 4 (in letters: four) years.

### **Termination of Office and Resignation of Director**

#### **Article 89**

Supervisory Board may remove Director, while the same has no duty to state the reasons of removal.

Director may file a written resignation at any time.

Director shall file a resignation to a Chairperson of the Supervisory Board.

A notice of resignation shall become effective in relation to a company as of the date of its service, unless a later date is stated in the notice.

The resignation of a director shall be registered in accordance with the law regulating registration of legal entities.

If a company's sole director resigns, he/she shall continue carrying on duties that cannot be delayed until the appointment of a new director for maximum 30 (in letters: thirty) days of the date of registration of his/her notice of resignation in accordance with the law regulating registration of legal entities.

## **Representation**

### **Article 90**

Director represents Company in relations to third persons in accordance with this Contract, decisions of General Meeting and instructions of Supervisory Board.

If the Company remains without Director, before appointment of Director, declarations of will to any Supervisory Board member shall be liable for the Company.

Company shall acquire rights and take over duties from the business transactions into which on its behalf enters Director, notwithstanding whether the business transaction has been explicitly entered into in the name of the Company, or it derives from the circumstances that the will of parties in the legal transaction has been to enter into the legal transaction in the name of the Company.

## **Representation of the Company in the dispute with Director**

### **Article 91**

Director may not issue a power of attorney nor represent the Company in the dispute in which he/she is the opposing party or the person related to him/her.

In case of dispute from the paragraph one of this Article, power of attorney shall be issued by the General Meeting.

## **Management of Business Affairs**

### **Article 92**

A director shall manage the business affairs of a Company in accordance with this Contract, Company decisions and Supervisory Board instructions.

Director performs all business transactions which are not in the competence of the General Meeting and Supervisory Board.

## **Responsibility for Books of Account, Financial Statements and Keeping Records of Decisions of General Meeting**

### **Article 93**

A Director shall be responsible for proper keeping of a Company's books of account.

A Director shall be responsible for the accuracy of a Company's financial statements.

A Director shall keep records of all decisions passed by the General Meeting, which records shall be made available to all Company members during the Company's working hours.

## **Reporting Obligation**

### **Article 94**

Director shall submit reports on the following to ordinary General Meeting Meetings:

- 1) The accounting and financial reporting practices of the Company and its related parties, where applicable;
- 2) Compliance of the company's operations with the law and other regulations;
- 3) Qualifications and independence of the company's auditors in relation to the company, if the company's financial statements were subject to an audit;
- 4) Contracts entered into between the company and its Director and their related parties within the meaning of CL.

Director shall have duty to without delay reports to the Supervisory Board on occurred extraordinary circumstances which could be relevant for the status or business of the Company.

## **Directors' Remuneration**

### **Article 95**

Director shall be entitled to remuneration for his/her work and may be entitled to incentives in the form of distribution of shares.

Decision of the Supervisory Board shall determine the remuneration referred to in paragraph 1 of this Article or the manner of their determination.

The amount of remuneration referred to in paragraph 1 of this Article may depend on a Company's performance, but remuneration may not be defined as a share in a company's profits.

## **XIII. TRADE SECRET**

### **Definition of Trade Secret**

### **Article 96**

A trade secret shall be any piece of information the disclosure of which to a third party could cause a damage to a company, as well as any piece of information that may have economic value because it is not generally known and is not readily available to third parties that could have economic gains from its use or disclosure and is protected by the Company concerned with appropriate safeguards for the purpose of maintaining its secrecy. Such piece of information may be production, technical, technological, financial or commercial data, study, result of a survey and also a document, formula, drawing, method, procedure, notice or instruction of internal character and similar.

Trade secret is also data which is regulated as such by the law, other regulations or by the Company act.

## **Persons who have Duty to keep Trade Secret**

### **Article 97**

Company members, Directors, Supervisory Board members, representatives and procurator, Liquidator and also employees in the Company are liable to keep trade secret of the Company.

Persons from the paragraph 1 of this Article are liable to keep trade secret even after termination of that status, in the period of 2 (in letters: two) years from the day of termination of the status.

## **Responsibility for breach of Duty to keep Trade Secret**

### **Article 98**

A Company may bring legal action against a person referred to in Article 97 of this Contract who breached the duty to keep trade secrets, by which it may claim:

- Indemnification;
- Expulsion of such person as a Company member, if the person concerned is a Company member;
- Termination of such person's employment, if the person concerned is employed at the company.

Legal action referred to in paragraph 1 of this Article shall be without prejudice to the possibility of termination of employment in accordance with the law governing employment relations.

## **XIV. SPECIAL DUTIES TO THE COMPANY**

### **Duty to Report Transactions involving Personal Interest**

#### **Article 99**

Company members, Directors, Supervisory Board members, representatives and procurator, Liquidator and also employees in the Company shall notify the Supervisory Board of the existence of a personal interest (or an interest of that person's related party) in any transaction entered into or any action taken by a Company.

### **Authorisation of Transactions or Actions involving Personal Interest**

#### **Article 100**

In cases of existence of a personal interest (or an interest of that person's related party), in any transaction entered into or any action taken by a Company from the Article 99 of this Contract, entering into a transaction or taking of an action shall be authorised if the director has a personal interest, by unanimous decision of Supervisory Board, and if a Supervisory Board member or a company member has a personal interest, by a simple majority of votes of all disinterested company members or by a simple majority of votes of all disinterested Supervisory Board members, as the case may be.

## **Duty to Avoid Conflict of Interest**

### **Article 101**

Company members, Directors, Supervisory Board members, representatives and procurator, Liquidator and also employees in the Company may not without authorization in accordance with the Article 100 of this Contract:

- have capacity of above mentioned persons in other Company which has the same or similar subject of business (“Concurrent Company”);
- be the entrepreneur which has the same or similar subject of business;
- be employed in the Concurrent Company;
- be in other manner engaged in the Concurrent company;
- be the member of the founder in other legal entity which has the same or similar subject of business.

Prohibition from the paragraph 1 of this Article shall be valid also after the termination of that status, in the period of 2 (in letters: two) years from the day of termination of that status.

## **XV. TERMINATION OF THE COMPANY**

### **Manners of termination of the Company**

#### **Article 102**

Company shall cease to exist after removal from the Commercial register, according to:

- 1) unanimous decision of all Company members to the General Meeting;
  - executed liquidation procedure or forced liquidation in accordance with CL;
  - executed bankruptcy procedure in accordance with law on bankruptcy;
  - status change which consequence shall be the termination of the Company.

## **XVI. GENERAL AND PARTICULAR ACTS OF THE COMPANY**

### **Article 103**

This Contract shall represent general Company act.

Company may adopt other general acts.

Particular acts adopted by the Company bodies and authorized persons shall be in consent with general acts.

All changes and amendments to this Contract shall be verified in accordance with the law on verification of signatures in order to enter into the force.

### **Article 104**

General acts of Company shall enter into the force 8 (in letters: eight) day from the day from announcement on the notice board in the Company seat, except in case of different decision of the body which adopts them.

## **XVII. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 105**

The following persons shall be appointed for the first Chairman of Supervisory Board and for the Board members: \_\_\_\_\_.

The following person shall be appointed for the first Director: \_\_\_\_\_.

### **Article 106**

Costs of founding the Company shall be bared by its members.

The Company Member \_\_\_\_\_ shall be authorized to file the registration application for Company registration to the Commercial register.

Supervisory Board shall convene the first regular Company session, not later then 6 (in letters: six) month from the day of registration of the Company.

The session from the paragraph 3 shall be chaired by the person who represents the City.

### **Article 107**

This Contract shall enter into force after being signed from the part of authorized representatives of the Company and verified in accordance with law which regulates verification of signatures.

### **Article 108**

This Contract has been made in 8 (in letters: eight) identical copes, out of which each contractual party shall keep 2 (in letters: two), one shall be used for the registration procedure of the Company with Commercial register and one shall be used for verification in accordance with law which regulates verification of signatures.

### **FOUNDERS- COMPANY MEMBERS:**

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**Milos Vucevic**  
**Mayor of**  
**THE CITY OF**  
**NOVI SAD**

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**Milos Curcic, director**  
**JKP"STAN" NOVI SAD**