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CENTAR ZA EKONOMSKE STUDJE d.o.o.

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Contract

АГЕНЦИЈА ЗА ПРИВАТИЗАЦИЈУ

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БЕОГРАД

for

**Consultant' Services for Capacity Building and Operational Support to the Privatization Agency
Bankruptcy Unit**

between

**Privatization Agency
Republic of Serbia
Terazije 23, 6th floor
11000 Belgrade
Serbia and Montenegro**

and

**Ces Mecon d.o.o.
Danijelova 12-16
11000 Belgrade
Serbia and Montenegro**

Dated: March 4, 2004

I. Form of Contract

This CONTRACT (hereinafter called the "Contract") is made on **March 4, 2005** between, on the one hand, the Privatization Agency, Republic of Serbia (hereinafter called the "Client") and, on the other hand, Ces Mecon d.o.o. (hereinafter called the "Consultants"), which will be exclusively liable to the Client for rendered Services under this Contract.

WHEREAS

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

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract;
- (b) The Special Conditions of Contract;
- (c) The following Appendices:

Appendix A: Description of the Services

Appendix B: Reporting Requirements

Appendix C: Key Personnel and Sub consultants

Appendix D: Medical Certificate

X__ Not used

Appendix E: Hours of Work for Key Personnel

Appendix F: Duties of the Client

Appendix G: Cost Estimates in Foreign Currency

Appendix H: Cost Estimates in Local Currency

X__ Not used

Appendix I: Form of Guarantee for Advance Payments

X__ Not used

Appendix J: Special Power of Attorney

2. The mutual rights and obligations of the Client and the Consultant shall be as set forth in the Contract, in particular:



- (a) the Consultant shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultant in accordance with the provisions of the Contract.

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

for For and on behalf of the Privatization Agency, Republic of Serbia

for 
Mr. Miodrag Djordjevic, Director



For and on behalf of the Consultant


Mr. Dusan Nikezic, Director



II. GENERAL CONDITIONS OF CONTRACT

1. GENERAL PROVISIONS

1.1 Definitions

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

- (a) "Applicable Law" means the laws and any other instruments having the force of law in the Government's country (or in such other country as may be specified in the Special Conditions of Contract [SC]), as they may be issued and in force from time to time;
- (b) "Association" means the International Development Association, Washington, D.C., U.S.A.;
- (c) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (d) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1;
- (e) "Foreign Currency" means any currency other than the currency of the Government;
- (f) "GC" means these General Conditions of Contract;
- (g) "Government" means the Government of the Client's country;
- (h) "Local Currency" means the currency of the Government;
- (i) "Member," in case the Consultant consists of a joint venture of more than one entity, means any of these entities; and "Members" means all these entities;
- (j) "Party" means the Client or the Consultant, as the case may be, and "Parties" means both of them;
- (k) "Personnel" means persons hired by the Consultant or by any Sub consultants as employees and assigned to the performance of the Services or any part thereof; "Foreign Personnel" means such persons who at the time of being so hired had their domicile outside the Government's country; "Local Personnel" means such persons who at the time of being so hired had their domicile inside the Government's country; and "Key Personnel" means the Personnel referred to in Clause GC 4.2(a);
- (l) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented;
- (m) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A hereto;
- (n) "Sub consultants" means any person or entity to whom/which the



Consultant subcontract any part of the Services in accordance with the provisions of Clause GC 3.7;

- (o) "Third Party" means any person or entity other than the Government, the Client, and the Consultant or Sub consultants.

- 1.2 Relation between the Parties** Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Consultant. The Consultant, subject to this Contract, has complete charge of Personnel and Sub consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.
- 1.3 Law Governing Contract** This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.
- 1.4 Language** This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.5 Headings** The headings shall not limit, alter or affect the meaning of this Contract.
- 1.6 Notices**
- 1.6.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SC.
- 1.6.2 Notice will be deemed to be effective as specified in the SC.
- 1.6.3 A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SC with respect to Clause GC 1.6.2.
- 1.7 Location** The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.



- 1.8 Authority of Member in Charge** In case the Consultant consists of a joint venture of more than one entity, the Members hereby authorize the entity specified in the SC to act on their behalf in exercising the entire Consultants' rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.
- 1.9 Authorized Representatives** Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultant may be taken or executed by the officials specified in the SC.
- 1.10 Taxes and Duties** Unless otherwise specified in the SC, the Consultant, Sub Consultants and Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Applicable Law.

2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract** This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Consultant instructing the Consultant to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SC have been met.
- 2.2 Termination of Contract for Failure to Become Effective** If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as shall be specified in the SC, either Party may, by not less than four (4) weeks' written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.
- 2.3 Commencement of Services** The Consultant shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.
- 2.4 Expiration of Contract** Unless terminated earlier pursuant to Clause GC 2.9 hereof, this Contract shall terminate at the end of such time period after the Effective Date as shall be specified in the SC.
- 2.5 Entire Agreement** This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.
- 2.6 Modification** Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties and shall not be effective until the consent of the Bank or of the Association, as the case may be, has been obtained. Pursuant to Clause GC 7.2 hereof, however, each Party shall give due consideration to any proposals for modification made by the other Party.
- 2.7 Force Majeure**
- 2.7.1 Definition**
- (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations hereunder impossible or so




impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.

- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

2.7.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.7.3 Measures to be Taken

- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder with a minimum of delay.
- (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.
- (c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.7.4 Extension of Time

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

2.7.5 Payments

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

2.7.6 Consultation

Not later than thirty (30) days after the Consultant, as the result of an event of Force Majeure, has become unable to perform a material portion of the

Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.

2.8 Suspension

The Client may, by written notice of suspension to the Consultant, suspend all payments to the Consultant hereunder if the Consultant fails to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultant to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultant of such notice of suspension.

2.9 Termination

2.9.1 By the Client

The Client may, by not less than thirty (30) days' written notice of termination to the Consultant (except in the event listed in paragraph (f) below, for which there shall be a written notice of not less than sixty (60) days), such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (g) of this Clause GC 2.9.1, terminate this Contract:

- (a) if the Consultant fails to remedy a failure in the performance of its obligations hereunder, as specified in a notice of suspension pursuant to Clause 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing;
- (b) if the Consultant becomes (or, if the Consultant consists of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) if the Consultant fails to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof;
- (d) if the Consultant submits to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultant knows to be false;
- (e) if, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (f) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (g) if the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of this clause:

"corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.



“fraudulent practice” means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among Consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition.

- 2.9.2 By the Consultant**
- The Consultant may, by not less than thirty (30) days’ written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2, terminate this Contract:
- (a) if the Client fails to pay any money due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause GC 8 hereof within forty-five (45) days after receiving written notice from the Consultant that such payment is overdue;
 - (b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultant may have subsequently approved in writing) following the receipt by the Client of the Consultant’ notice specifying such breach;
 - (c) if, as the result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
 - (d) if the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.
- 2.9.3 Cessation of Rights and Obligations**
- Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except (i) such rights and obligations as may have accrued on the date of termination or expiration, (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof, (iii) the Consultant’ obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.6(ii) hereof, and (iv) any right which a Party may have under the Applicable Law.
- 2.9.4 Cessation of Services**
- Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Consultant shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultant and equipment and materials furnished by the Client, the Consultant shall proceed as provided, respectively, by Clauses GC 3.9 or GC 3.10 hereof.
- 2.9.5 Payment upon**
- Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Client shall make the following payments to the

Termination**Consultant:**

- (a) remuneration pursuant to Clause GC 6 hereof for Services satisfactorily performed prior to the effective date of termination;
- (b) reimbursable expenditures pursuant to Clause GC 6 hereof for expenditures actually incurred prior to the effective date of termination; and
- (c) except in the case of termination pursuant to paragraphs (a) through (d) of Clause GC 2.9.1 hereof, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract including the cost of the return travel of the Personnel and their eligible dependents.

2.9.6 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (e) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. OBLIGATIONS OF THE CONSULTANT**3.1 General****3.1.1 Standard of Performance**

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

3.1.2 Law Governing Services

The Consultant shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Sub consultants, as well as the Personnel of the Consultant and any Sub consultants, comply with the Applicable Law. The Client shall notify the Consultant in writing of relevant local customs, and the Consultant shall, after such notification, respect such customs.

3.2 Conflict of Interests**3.2.1 Consultant Not to Benefit from Commissions Discounts, etc.**

The remuneration of the Consultant pursuant to Clause GC 6 hereof shall constitute the Consultant's sole remuneration in connection with this Contract or the Services and, subject to Clause GC 3.2.2 hereof, the Consultant shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations

hereunder, and the Consultant shall use their best efforts to ensure that any Sub consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

3.2.2 Procurement Rules of Funding Agencies

If the Consultant, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works or services, the Consultant shall comply with any applicable procurement guidelines of the Bank or of the Association, as the case may be, and other funding agencies and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultant in the exercise of such procurement responsibility shall be for the account of the Client.

3.2.3 Consultant and Affiliates Not to Engage in Certain Activities

The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and any entity affiliated with the Consultant, as well as any Sub consultants and any entity affiliated with such Sub consultants, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

3.2.4 Prohibition of Conflicting Activities

The Consultant shall not engage, and shall cause their Personnel as well as their Sub consultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:

- (a) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; and
- (b) after the termination of this Contract, such other activities as may be specified in the SC.

3.3 Confidentiality

The Consultant, their Sub consultants and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

3.4 Liability of the Consultant

Subject to additional provisions, if any, set forth in the SC, the Consultant's liability under this Contract shall be as provided by the Applicable Law.

3.5 Insurance to be taken out by the Consultant

The Consultant (i) shall take out and maintain, and shall cause any Sub consultants to take out and maintain, at their (or the Sub consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums therefore have been paid.

3.6 Accounting, Inspection and Auditing

The Consultant (i) shall keep accurate and systematic accounts and records in respect of the Services hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time changes and costs, and the bases thereof (including such bases as may be specifically referred to in the SC), and (ii) shall permit the Client or its designated representative periodically, and up



to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client and (iii) shall permit the Bank to inspect the Consultant's accounts and records relating to the performance of the Consultant and to have them audited by auditors approved by the Bank, if so required by the Bank.

3.7 Consultant's Actions Requiring Client's Prior Approval

The Consultant shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) appointing such members of the Personnel as are listed in Appendix C merely by title but not by name;
- (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Sub consultants and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Consultant shall remain fully liable for the performance of the Services by the Sub consultants and its Personnel pursuant to this Contract;
- (c) any other action that may be specified in the SC.

3.8 Reporting Obligations

The Consultant shall submit to the Client the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.

3.9 Documents Prepared by the Consultant to be the Property of the Client

All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultant for the Client under this Contract shall become and remain the property of the Client, and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Consultant may retain a copy of such documents and software. Restrictions about the future use of these documents and software, if any, shall be specified in the SC.

3.10 Equipment and Materials Furnished by the Client

Equipment and materials made available to the Consultant by the Client, or purchased by the Consultant with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultant shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions. While in possession of such equipment and materials, the Consultant, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

4. CONSULTANT'S PERSONNEL AND SUB CONSULTANTS

4.1 General

The Consultant shall employ and provide such qualified and experienced Personnel and Sub consultants as are required to carry out the Services.

4.2 Description of

- (a) The title, agreed job description, minimum qualification and

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Personnel

estimated period of engagement in the carrying out of the Services of each of the Consultant's Key Personnel are described in Appendix C. If any of the Key Personnel has already been approved by the Client, his/her name is listed as well.

- (b) If required to comply with the provisions of Clause GC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix C may be made by the Consultant by written notice to the Client, provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the Client's written approval.
- (c) If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel set forth in Appendix C may be increased by agreement in writing between the Client and the Consultant, provided that any such increase shall not, except as otherwise agreed in writing, cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract.

4.3 Approval of Personnel

The Key Personnel and Sub consultants listed by title as well as by name in Appendix C are hereby approved by the Client. In respect of other Key Personnel which the Consultant propose to use in the carrying out of the Services, the Consultant shall submit to the Client for review and approval a copy of their biographical data and (in the case of Key Personnel to be used within the country of the Government) a copy of a satisfactory medical certificate in the form attached hereto as Appendix D. If the Client does not object in writing (stating the reasons for the objection) within twenty-one (21) calendar days from the date of receipt of such biographical data and (if applicable) such certificate, such Key Personnel shall be deemed to have been approved by the Client.

4.4 Working Hours, Overtime, Leave, etc.

- (a) Working hours and holidays for Key Personnel are set forth in Appendix E hereto. To account for travel time, foreign Personnel carrying out Services inside the Government's country shall be deemed to have commenced (or finished) work in respect of the Services such number of days before their arrival in (or after their departure from) the Government's country as is specified in Appendix E hereto.
- (b) The Key Personnel shall not be entitled to be paid for overtime nor to take paid sick leave or vacation leave except as specified in Appendix E hereto, and except as specified in such Appendix, the Consultant's remuneration shall be deemed to cover these items. All leave to be allowed to the Personnel is included in the staff-months of service set forth in Appendix C. Any taking of leave by Personnel shall be subject to the prior approval by the Consultant who shall ensure that absence for leave purposes will not delay the progress and adequate supervision of the Services.

4.5 Removal and/or Replacement of Personnel

- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If for any reason beyond the reasonable control of the Consultant, it becomes necessary to replace any of the Personnel, the Consultant shall forthwith provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Client's written request specifying the grounds therefore, forthwith provide as a replacement a person with qualifications and experience acceptable to the Client.
- (c) Any of the Personnel provided as a replacement under Clauses (a) and (b) above, the rate of remuneration applicable to such person as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultant may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Client. Except as the Client may otherwise agree, (i) the Consultant shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.6 Resident Project Manager

If required by the SC, the Consultant shall ensure that at all times during the Consultant's performance of the Services in the Government's country a resident project manager, acceptable to the Client, shall take charge of the performance of such Services.

5. OBLIGATIONS OF THE CLIENT

5.1 Assistance and Exemptions

Unless otherwise specified in the SC, the Client shall use its best efforts to ensure that the Government shall:

- (a) provide the Consultant, Sub consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultant, Sub consultants or Personnel to perform the Services;
- (b) arrange for the Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in the Government's country;
- (c) facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Personnel and their eligible dependents;
- (d) issue to officials, agents and representatives of the Government all

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such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services;

- (e) exempt the Consultant and the Personnel and any Sub consultants employed by the Consultant for the Services from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity according to the Applicable Law;
- (f) grant to the Consultant, any Sub consultants and the Personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into the Government's country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Personnel and their dependents and of withdrawing any such amounts as may be earned therein by the Personnel in the execution of the Services; and
- (g) provide to the Consultant, Sub consultants and Personnel any such other assistance as may be specified in the SC.

5.2 Access to Land

The Client warrants that the Consultant shall have, free of charge, unimpeded access to all land in the Government's country in respect of which access is required for the performance of the Services. The Client will be responsible for any damage to such land or any property thereon resulting from such access and will indemnify the Consultant and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultant or any Sub consultants or the Personnel of either of them.

5.3 Change in the Applicable Law

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost incurred by the Consultant in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.4 Services, Facilities and Property of the Client

The Client shall make available to the Consultant and the Personnel, for the purposes of the Services and free of any charge, the services, facilities and property described in Appendix F at the times and in the manner specified in said Appendix F, provided that if such services, facilities and property shall not be made available to the Consultant as and when so specified, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Consultant for the performance of the Services, (ii) the manner in which the Consultant shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Consultant as a result thereof pursuant to Clause GC 6.1(c) hereinafter.

5.5 Payment

In consideration of the Services performed by the Consultant under this Contract, the Client shall make to the Consultant such payments and in such manner as is provided by Clause GC 6 of this Contract.

**5.6 Counterpart
Personnel**

- (a) If so provided in Appendix F hereto, the Client shall make available to the Consultant, as and when provided in such Appendix F, and free of charge, such counterpart personnel to be selected by the Client, with the Consultant's advice, as shall be specified in such Appendix F. Counterpart personnel shall work under the exclusive direction of the Consultant. If any member of the counterpart personnel fails to perform adequately any work assigned to such member by the Consultant which is consistent with the position occupied by such member, the Consultant may request the replacement of such member, and the Client shall not unreasonably refuse to act upon such request.
- (b) If counterpart personnel are not provided by the Client to the Consultant as and when specified in Appendix F, the Client and the Consultant shall agree on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Client to the Consultant as a result thereof pursuant to Clause GC 6.1(c) hereof.

6. PAYMENTS TO THE CONSULTANT

**6.1 Cost Estimates;
Ceiling Amount**

- (a) An estimate of the cost of the Services payable in foreign currency is set forth in Appendix G.
- (b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the ceilings in foreign currency specified in the SC. The Consultant shall notify the Client as soon as cumulative charges incurred for the Services have reached 80% of either of these ceilings.
- (c) Notwithstanding Clause GC 6.1(b) hereof, if pursuant to any of the Clauses GC 5.3, 5.4 or 5.6 hereof, the Parties shall agree that additional payments in foreign currency shall be made to the Consultant in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.

**6.2 Remuneration and
Reimbursable
Expenditures**

- (a) Subject to the ceilings specified in Clause GC 6.1(b) hereof, the Client shall pay to the Consultant (i) remuneration as set forth in Clause GC 6.2(b), and (ii) reimbursable expenditures as set forth in Clause GC 6.2(c). If specified in the SC, said remuneration shall be subject to price adjustment as specified in the SC.
- (b) Remuneration for the Personnel shall be determined on the basis of time actually spent by such Personnel in the performance of the Services after the date determined in accordance with Clause GC 2.3 and Clause SC 2.3 (or such other date as the Parties shall agree in writing) (including time for necessary travel via the most direct route) at the rates referred to in Appendix G, and subject to such additional provisions as are set forth, in the SC.

- (c) Reimbursable expenditures actually and reasonably incurred by the Consultant in the performance of the Services, as specified in Clause SC 6.3(b).
- 6.3 Currency of Payment**
- (a) Foreign currency payments shall be made in the currency or currencies specified as foreign currency or currencies in the SC, and local currency payments shall be made in the currency of the Government.
- (b) The SC shall specify which items of remuneration and reimbursable expenditures shall be paid, respectively, in foreign and in local currency.
- 6.4 Mode of Billing and Payment**
- Billings and payments in respect of the Services shall be made as follows:
- (a) The Client shall cause to be paid to the Consultant an advance payment as specified in the SC, and as otherwise set forth below. The advance payment will be due after provision by the Consultant to the Client of a bank guarantee by a bank acceptable to the Client in an amount (or amounts) and in a currency (or currencies) specified in the SC, such bank guarantee (i) to remain effective until the advance payment has been fully set off as provided in the SC, and (ii) to be in the form set forth in Appendix I hereto or in such other form as the Client shall have approved in writing.
- (b) As soon as practicable and not later than fifteen (15) days after the end of each calendar month during the period of the Services, the Consultant shall submit to the Client, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials, of the amounts payable pursuant to Clauses GC 6.3 and 6.4 for such month. Separate monthly statements shall be submitted in respect of amounts payable in foreign currency and in local currency. Each such separate monthly statement shall distinguish that portion of the total eligible costs which pertains to remuneration from that portion which pertains to reimbursable expenditures.
- (c) The Client shall cause the payment of the Consultant' monthly statements within thirty (30) days after the receipt by the Client of such statements with supporting documents. Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to be incurred by the Consultant, the Client may add or subtract the difference from any subsequent payments. Interest at the annual rate specified in the SC shall become payable as from the above due date on any amount due by, but not paid on, such due date.
- (d) The final payment under this Clause shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultant and approved as satisfactory by the Client. The Services shall be deemed completed and finally



accepted by the Client and the final report and final statement shall be deemed approved by the Client as satisfactory sixty (60) calendar days after receipt of the final report and final statement by the Client unless the Client, within such sixty (60) day period, gives written notice to the Consultant specifying in detail deficiencies in the Services, the final report or final statement. The Consultant shall thereupon promptly make any necessary corrections, and upon completion of such corrections, the foregoing process shall be repeated. Any amount which the Client has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the Consultant to the Client within thirty (30) days after receipt by the Consultant of notice thereof. Any such claim by the Client for reimbursement must be made within twelve (12) calendar months after receipt by the Client of a final report and a final statement approved by the Client in accordance with the above.

- (e) All payments under this Contract shall be made to the accounts of the Consultant specified in the SC.

7. FAIRNESS AND GOOD FAITH

7.1 Good Faith

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

7.2 Operation of the Contract

The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.



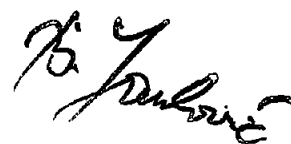
8. SETTLEMENT OF DISPUTES

8.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

8.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.



III. SPECIAL CONDITIONS OF CONTRACT

Number of GC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
1.1(a)	The words "in the Government's country" are amended to read "in Serbia and Montenegro".
1.4	The language is English
1.6.1	<p>The addresses are:</p> <p>Client: Privatization Agency, Republic of Serbia Attention: Mr. Miodrag Djordjevic, Director Attention: Terazije 23/VI, Belgrade, Serbia Telephone +381 11 30 20 801 Facsimile: +381 11 30 20 828</p> <p>Consultant: Ces Mecon, Attention: Mr. Dusan Nikezic, Director Attention: Danijelova 12-16, Belgrade, Serbia Telephone: +381 11 30 90 800 Facsimile: +381 11 30 90 876</p>
1.6.2	<p>Notice will be deemed to be effective as follows:</p> <p>(a) in the case of personal delivery or registered mail, on delivery; (b) in the case of telegrams, 24 hours following confirmed transmission;</p>
1.9	<p>The Authorized Representatives are:</p> <p>For the Client: Mr. Miodrag Djordjevic, Director</p> <p>For the Consultant: Mr. Dusan Nikezic, Director</p>
1.10	<p>The Consultants and their Personnel (as well as the Sub consultants and their Personnel) shall be responsible for payment of any taxes, duties, fees, levies, and other impositions levied, under the Applicable Law, on the Consultants and the Personnel in respect of:</p> <p>(a) any payments made to the Consultants, Sub consultants, and the Personnel of either of them (other than nationals of the Government or permanent residents of the Government's country), in connection with the carrying out of the Services.</p>
2.1	<p>The effectiveness conditions are the following: The date of signing of this Contract.</p>
2.2	<p>The time period shall be one month or such other time period as the parties may agree in writing.</p>
2.3	<p>The date for the commencement of Services is:</p>




- Immediately upon the signing of this Contract.
- 2.4 The time period shall be twelve months or such other time period as the parties may agree in writing.
- 3.2.4(b) For a period of two years after the expiration of this Contract, the Consultant shall not engage, and shall cause their Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets of any of the bankrupt estates for which it had been appointed to carry out the duties of bankruptcy administrator on behalf of the Client under this Contract, nor in the activity of an adviser (directly or indirectly) of potential purchasers of such assets. The Consultant also agrees that its affiliates and Personnel shall be disqualified for the same period of time from engaging in the said activities.
- 3.3 The following is added to the Clause GCC 3.3:
- The Consultant, Sub consultants and Personnel will adhere to the Code of Ethics for Bankruptcy Administrators at all times.
- Except for such disclosures as are required by the law, or by the standards of accepted good bankruptcy practice, the Consultant and their Personnel agree to keep confidential all information that they receive, directly or indirectly, from the PA or any bankrupt debtor for which the Bankruptcy Unit is the bankruptcy administrator (collectively, the "Material"). Each of them shall use the Material exclusively for the purpose of carrying out their duties under the terms of this contract, and shall only permit access to the Material to persons who are directly involved with fulfilling their obligations in this project. The Consultant will not share any of the Material with other staff of the Consultant who is not directly engaged in providing services in connection with this project.
- 3.5 The risks and the coverage shall be as follows:
- (a) Third Party motor vehicle liability insurance in respect of motor vehicles operated in the Government's country by the Consultant or their Personnel or any Sub consultants or their Personnel, as defined in the Applicable Law.
 - (b) Professional liability insurance, with a minimum coverage of Euro 250,000 subject to the availability of such coverage within Serbia.
- 6.1(b) The ceiling in foreign currency or currencies is: **253, 110.00 Euro**
- The ceiling in local currency is: n/a
- 6.2(b) It is understood that:
- (i) the remuneration rates shall cover:
 - (a) such salaries and allowances as the Consultant shall have agreed to pay to the Personnel as well as factors for social charges and overhead, and
 - (b) the cost of backstopping by home office staff not included in the Personnel listed in Appendix C, and
 - (c) the Consultant' fee,

(ii) bonuses or other means of profit-sharing shall not be allowed as an element of overhead, and

(iii) any rates specified for persons not yet appointed shall be provisional and shall be subject to revision, with the written approval of the Client, once the applicable salaries and allowances are known.

- 6.2(b)(ii) The rates for Personnel are set forth in Appendix G
- 6.3(a) The foreign currency shall be the following:
N/A
- 6.3(b) Rates for personnel shall be paid in YU dinars, counter value based on official exchange rate of National Bank of Serbia for Euro/Dinar applicable on the date of payment, no later than thirty (30) days of approval and submission of invoice.
- 6.4(a) The following provisions shall apply to the advance payment and the advance payment guarantee:
(1) an advance payment of 5% of the Contract amount shall be made within 30 days after the Effective Date. The advance payment will be set off by the Client in equal installments against the statements for the first 3 months of the Services until the advance payment has been fully set off.
- 6.4(c) The interest rate is the rate applied to the delayed payments laid down by the Applicable Law.
- 6.4(e) **The account for local currency:**
JUBANKA A.D, Belgrade
Account number: 180-0248470101000-52
PIB: 100040286
- 8.2 Any dispute, controversy, or claim arising out of or relating to this contract, or the breach, termination, or invalidity thereof, shall be settled by the Court in Belgrade.



IV. Appendices

Initialized:

By the Consultant

By the Client



APPENDIX A—DESCRIPTION OF THE SERVICES

The scope of work for tasks required by the PA Bankruptcy Unit and the Bankruptcy Supervision Agency, without limitation, shall include the following:

- Within three weeks of mobilization, shall
 - finalize all draft National Standards as agreed with the Director of the BSA, the Examination Regulation (including the Body Of Knowledge on which candidates may expect to be examined) and Code of Ethics for approval by the Minister of Economy;
- Within one month of the mobilization of the consultant's team, shall
 - draft for approval the required statutes, rules, and by-laws for the Bankruptcy Supervision Agency
 - estimate through an analysis of cases opened under the Law on Compulsory Settlement, Bankruptcy and Liquidation the number, size, and type of these cases for which the PA Bankruptcy Unit may be appointed as bankruptcy administrator as a result of the transitional provisions of the Bankruptcy Law using information compiled by the Higher Commercial Court
 - prepare a paper which analyzes the procedural problems in the implementation of the transitional provisions of the Bankruptcy Law and propose a strategy for the PA BU regarding bankruptcy cases opened under the previous law to be used in discussions with the courts
 - develop for approval a curriculum and detailed training program in all aspects of bankruptcy for the staff of the Bankruptcy Unit, the Bankruptcy Supervision Agency, and the staff of the Consultant. This curriculum will set out most of the contents of the training material / reference source referred to below
- Within six weeks of the mobilization of the consultant's team, shall
 - under the direction of the director of the PA Bankruptcy Unit, draft for approval by the PA a proposed organization chart and organizational and developmental strategies covering staffing, training, equipment needs, sources of financing, and other relevant factors.
 - Propose a general strategy to lever the resources of the PA BU; where this strategy includes the use of private sector bankruptcy administrators, the Consultant will also propose a strategy as to how these individual sub-contractors can be included in the training required for the staff of the PA BU and the BSA.
 - for enterprises selected according to the agreed criteria, with input and approval from the Ministry of Economy, develop a bankruptcy strategy for these enterprises and a plan as to how the chosen strategy will be executed. As the PA Bankruptcy Unit is not a party authorized to initiate a bankruptcy application, the Consultant will be required to communicate with creditors and/ or the company management in order to explain the necessity of taking an active role in initiation and flow of bankruptcy proceedings, in order to place the debtor into bankruptcy
 - Prepare all necessary documentation to initiate bankruptcy proceedings for four enterprises currently in the portfolio of the Corporate Restructuring Center in the PA, and agree with the enterprise management or government creditor as to who will initiate the petition and fund the preliminary proceedings
 - finalize the Fee Regulation for approval by the Director of the BSA and by the Minister of Economy

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By the Consultant

By the Client




- Within three months of mobilization
 - building on the training materials currently available as a starting point and or which are already available within the PA, develop and present training courses to the staff of the BSA and the PA Bankruptcy Unit so that these staff can successfully pass the bankruptcy administrator qualifying examination. Because of the amount of existing material, this complex task will require close coordination with the Director of the BSA and his advisors as the material is being developed and presented.
- Within four months of mobilization
 - draft for approval the procedures for the Bankruptcy Supervision Agency, including regulations on the discipline procedure of the BSA and the monitoring of administrators on an ongoing basis.
- As required
 - propose a set of selection criteria to be used by the Minister of Economy to identify enterprises which may be candidates for privatization through liquidation or restructuring through bankruptcy, and apply the criteria to the enterprises currently in the portfolio of the Corporate Restructuring Center in the Privatization Agency
- On an ongoing basis,
 - Subject to supervision, for those specific Bankruptcy cases where they have been appointed by the Director of the Unit, execute the duties of a bankruptcy administrator on behalf of the PA Bankruptcy Unit
 - assist the Director of the PA BU to establish and maintain good working relationships with the bankruptcy judges in the Commercial courts, and in the Higher Commercial Court. This activity may involve a limited amount of training, including workshops designed to discuss and resolve common issues.
 - Where the operational strategy of the Unit is based on subcontracting certain parts of a bankruptcy administration to licensed administrators in the private sector, propose qualified individuals to perform these functions and the basis upon which they are to be engaged, and upon engagement, for the bankrupt estates for which the Consultant has been appointed to carry out the duties of bankruptcy administrator on behalf of the Client under this Contract supervise their activities to ensure that they fully conform to the law and professional standards.
 - On a bi-monthly basis throughout the duration of the contract, compile and update a detailed reference source on the procedural, legal, operational and ethical aspects of bankruptcy administration to be used as practice guide by PA BU staff.
 - hold monthly workshops with the staff of both the BSA and the PA BU at which the Consultant will present the latest solutions it has developed and information it has gathered regarding bankruptcy administration as a result of the activities of the PA Bankruptcy Unit, or from other sources.

Maintain close cooperation with the Bank Rehabilitation Agency, and government agencies and ministries which are creditors of the enterprises whose bankruptcies will be administered by the PA Bankruptcy Unit, in order to encourage and assist these creditors to play an active and constructive role in assisting the Unit and the government to execute its strategy of privatizing and restructuring a number of enterprises through bankruptcy.

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By the Client




APPENDIX B—REPORTING REQUIREMENTS

The Consultant will report to, and work under, the general supervision of the Director of the Privatization Agency and the direct supervision of the Director of PA Bankruptcy Unit and the Director of the Bankruptcy Supervision Agency, depending on for which agency the specific tasks have been performed. The specific reports regarding progress in the establishment of the PA Bankruptcy Unit and requests for approval of the steps required by the Consultant to ensure that the PA Bankruptcy Unit fulfills its statutory duties will be submitted monthly to the Director of the Unit.

The Consultant shall submit the following reports:

- Monthly time sheets which show the actual time spent by each of the Consultant's Personnel on each of the tasks of the PA Bankruptcy Unit and /or the Bankruptcy Supervision Agency for which the Consultant has responsibility or is involved. The time sheets are to be accompanied by a description of the work done on each sub-Project of the Client, where "sub Project" shall mean each bankruptcy case for which the PA bankruptcy Unit has been appointed as bankruptcy administrator, as well as the individual distinct tasks specified in the Scope of Work
- Quarterly reports, which shall provide details concerning status of the key projects on progress in the establishment and operations of the PA Bankruptcy Unit, and the Bankruptcy Supervision Agency
- Final Report, which shall contain the final summary of the tasks completed under this Contract, not later that 30 days upon expiration of the Contract.

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By the Consultant

By the Client



APPENDIX C—KEY PERSONNEL

<i>Position</i>	<i>Names</i>	<i>Activities</i>
Team Leader	Dusan Nikezic	Overall project management
Senior Economist	Mirko Cvetković Vladislav Tamburkovski Svetozar Rikanović Katarina Tončić Tatjana Ralević Milojko Arsić Bogdan Popović Slobodan Milosavljević Jelena Stanić-Paprikić	Strategy, organization, procedures standards, execution of liquidation and reorganization and training
Economist	Gordana Nedeljković Svetozar Obrenović Miroslav Stojimirović Saša Jurak Leposava Jelić Zvezdan Damjanović Milenko Dragutinović Marina Marjanović	Accounting standards, valuation and sale of assets, recruitment, training Execution of liquidation and reorganization
Senior Legal Advisor-general	Jelena Gazivoda Dragana Stanojević Ioan Chiper Sanja Graić-Stepanović Radomir Bijorac Budimir Mrdović	Drafting of all by-laws and regulations, legal consulting, strategic development training
Senior Legal Advisor-judicial	Dragiša Slijepčević Dejan Kostovski Slobodan Spasić Stojan Jokić	Advice on Court procedures, liaison with Bankruptcy judges and training

Initialized:

By the Consultant

By the Client




APPENDIX D—MEDICAL CERTIFICATE

Not applicable

Initialized:

By the Consultant

By the Client



APPENDIX E—HOURS OF WORK FOR KEY PERSONNEL

The Personnel of the Consultant will work the normal office hours of the Privatization Agency, except for such additional time as the Consultant may need to carry out the obligations of the PA Bankruptcy Unit in its capacity of bankruptcy administrator. The Personnel is not restricted to working the normal working days of the Agency, but is permitted to work on weekends and on statutory holidays, if necessary.

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By the Consultant

By the Client



APPENDIX F—DUTIES OF THE CLIENT

The Privatization Agency and the Bankruptcy Supervision Agency (an agency of the Ministry of Economy) will provide the Consultant with access to any documentation and information necessary for the performance of the Consultant's tasks. The Privatization Agency will provide the Consultant with the necessary Office Infrastructure (office space, secretarial assistance for administrative issues, international telephone line and internet access, printer, copy machine, office material, etc.) within the premises of the Agency, and ensure the access to these facilities and arrange for translation if necessary.

For greater certainty, the Privatization Agency will not provide computers to the Consultant.

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By the Consultant

By the Client



APPENDIX G—COST ESTIMATES IN FOREIGN CURRENCY

SUMMARY OF COSTS

Costs	Currency	Amount(s)
Pre -tax Contract amount (Form 4C)	€	214,500.00
Local sales taxes and /or VAT	€	38,610.00
Total Amount of financial proposal	€	253,110.00

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By the Consultant

By the Client



BREAKDOWN OF CONTRACT AMOUNT BEFORE TAXES

Position	Name	Input/Staff days	Rate per day	Total Fee
Team Leader	Dušan Nikezić	100	250	25,000.00
Senior Economist		390	200	78,000.00
	Mirko Cvetković	60	200	12,000.00
	Vladislav Tamburkovski	90	200	18,000.00
	Svetozar Rikanović	40	200	8,000.00
	Katarina Tončić	30	200	6,000.00
	Tatjana Ralević	20	200	4,000.00
	Milojko Arsić	10	200	2,000.00
	Bogdan Popović	40	200	8,000.00
	Slobodan Milosavljević	40	200	8,000.00
	Jelena Stanić-Paprikić	60	200	12,000.00
Economist/Administrator		365	100	36,500.00
	Gordana Nedeljković	60	100	6,000.00
	Svetozar Obrenović	60	100	6,000.00
	Miroslav Stojimirović	45	100	4,500.00
	Saša Jurak	40	100	4,000.00
	Leposava Jelić	40	100	4,000.00
	Zvezdan Damjanović	40	100	4,000.00
	Milenko Dragutinović	40	100	4,000.00
	Marina Marjanović	40	100	4,000.00
Senior Legal Advisor-general		295	200	59,000.00
	Jelena Gazivoda	90	200	18,000.00
	Dragana Stanojević	90	200	18,000.00
	Ioan Chiper	15	200	3,000.00
	Sanja Graić-Stepanović	20	200	4,000.00
	Radomir Bijorac	40	200	8,000.00
	Budimir Mrdović	40	200	8,000.00
Senior Legal Advisor-judicial		80	200	16,000.00
	Dragiša Slijepčević	20	200	4,000.00
	Dejan Kostovski	20	200	4,000.00
	Slobodan Spasić	20	200	4,000.00
	Stojan Jokić	20	200	4,000.00
		1,230.00		214,500.00

Initialized:

By the Consultant

By the Client




APPENDIX H—COST ESTIMATES IN LOCAL CURRENCY

Not applicable

Initialized:

By the Consultant

By the Client

