INVITATION TO TENDER FOR THE PURCHASE OF CLAIMS

Invitation to tender for the purchase of claims of the Bank Assets Management Company, Davčna ulica 1, 1000, Ljubljana, held against the company KOŠAKI tovarna mesnih izdelkov d.d., Oreško nabrežje 1, 2000 Maribor (hereinafter: “Company”).

Bank Assets Management Company, Davčna ulica 1, 1000 Ljubljana, (hereinafter: “Seller”) hereby publishes this invitation to tender in its own name and for its own account in reference to the purchase of its entire portfolio of claims held against the Company.

1. Subject of the sale

The Seller intends to sell off its entire portfolio of claims, including accrued interest and accessory rights held against the Company. As at 21 November 2014, this amounts to a total of €1,987,906.71 (hereinafter: “claims”). The aforementioned amount of claims shall be increased by the interest accrued from 22 November 2014 until paid.

2. Tendering procedure

The sale of claims shall be conducted by the Seller. The call for tenders is open to domestic and foreign natural persons and legal entities having submitted bids for the purchase of claims under the conditions outlined below.

2.1. Indicative offer collection procedure

The Seller will consider the incoming indicative offers for the purchase of claims, sent by certified post, enclosed in a sealed envelope or parcel and sent to the following address: Družba za upravljanje terjatev bank, d.d., Davčna ulica 1, 1000 Ljubljana marked “DO NOT OPEN - OFFER FOR PURCHASE OF RECEIVABLES (Košaki TMI)”.

The reverse side of the envelope must state the bidder’s name and surname or company name, and address. The deadline for submission of indicative offers shall be 29.12.2014, received at or before 15:00. The offer shall be considered to have been submitted in a timely manner if it has been delivered to the Seller’s address by the aforementioned date, at or before 15:00 hours. Offers delivered to the above address after the aforementioned deadline will be excluded from further procedure and will be returned unopened to the bidder’s address.

2.1.1. Contents of the indicative offer

For the purposes of the bidding procedure, Seller shall consider indicative offers which have been signed by the bidder’s legal representative and contain the following elements:

A. Bidder information:
   i. Bidder’s name and surname or company name, permanent resident address or registered company address, tax number (for legal entities),
   ii. Buyer’s contact person’s contact information,
   iii. Brief information on the Bidder (short description of the Bidder’s activities, including the volume of business, experience in the meat-processing industry, identity of the ultimate beneficial owner of the buyer),
   iv. Declaration of the purpose for purchase of claims,
v. Declaration confirming that the bidder is acting in their own name and for its own account,
vi. Declaration of (non-)association existing between the bidder and Company, wherein the bidder indicates whether or not it has any equity or management association or any other interest vested in the Company, in terms of rules governing companies, or if the bidder has any associations with the owners or members of executive or supervisory bodies in Company, or with any companies with equity or other associations with the Company or the owners or members of executive or supervisory bodies in such companies, or if such association had ever existed in the past (“Declaration of Non-Association”),
vii. Offered price for the purchase of claims, which must be expressed in a specific EUR amount,
viii. Time and mode of payment, whereas the cash transfer made into the Seller's bank account shall be considered the only acceptable mode of payment. The bidder must declare the due date for payment, expressed in days from signing the contract,
ix. A description of the circumstances surrounding the financing of the purchase of claims, including proof or reliable assurance that the bidder has or will have at their disposal adequate funding at least in the amount offered by the bidder in their indicative offer (for example: a statement from the bank confirming a deposit has been made by the bidder, a statement from the bank confirming the purpose of financing, etc.), whereas the bidder should explicitly disclose the actual source of funding for the purchase of claims.

B. Other
The bidder may express their expectations regarding subsequent steps in the process of selling claims (e.g. about the contents of the documentation the bidder would like to review in the course of due diligence, etc.).

If the bidder is a foreign legal entity, they must provide an extract from the relevant commercial register in which the company is registered as a legal entity.

The offer must be submitted in either Slovenian or English.

2.1.2. Opening of the indicative offers

The opening of the indicative offers shall not be public. It is anticipated that the Seller will make a decision on the suitability of indicative offers received within eight (8) days following expiration of the submissions deadline.

Bidders whose indicative offers are considered suitable by the Seller shall be written informed and invited to participate in subsequent stages of the procedure involving the sale of claims.

The Seller reserves the right to not choose any bidder, and shall not be obligated to execute any agreement or contract with any of the bidders regarding their participation in the procedure involving the sale of claims.
2.2. Due diligence

Bidders invited to take part at subsequent stages of the tendering procedure involving the selling of claims under Section 2.1.2. of this invitation to tender shall have the option of conducting necessary due diligence on the relevant documents on claims included in the transaction (hereinafter: “documentation”).

It is expected that due diligence can be conducted in the period from 02 January 2015 to including 09 January 2015, any business day from 8.00 to 15.00. Bidders wanting to conduct due diligence will be required to sign a Non-Disclosure Agreement, which the Seller will send to interested bidders upon their written request, and Data Room Rules.

Prior to the due diligence, the bidder must also pay the costs of setting up the data room, set at €1,500.00 plus VAT (if applicable), which is not reimbursable to the bidder.

The Seller reserves the right to deny any individual bidder access to the documentation, without providing a reason, or to withhold, or prevent access to, specific information.

3. Binding offers collection procedure

It is anticipated that the Seller will continue the process of selling claims with bidders having submitted to the Seller binding bids for the purchase of claims against the Company within ten (10) days following expiration of the deadline for due diligence, specifically by 19 January 2015, which should contain the following information (“binding offer”):

A. Buyer information:
   i. Bidder’s name and surname or company name, permanent resident address or registered company address, tax number (for legal entities),
   ii. Buyer’s contact person’s contact information,
   iii. Brief information on the Bidder (short description of the Bidder’s activities, including the volume of business, experience in the meat-processing industry, identity of the ultimate beneficial owner of the buyer),
   iv. Declaration of the purpose for purchase of claims,
   v. Declaration confirming that the bidder is acting in their own name and on their own behalf,
   vi. Declaration of (non-)association existing between the bidder and Company, wherein the bidder indicates whether or not it has any equity or management association or any other interest vested in the Company, in terms of rules governing companies, or if the bidder has any associations with the owners or members of executive or supervisory bodies in Company, or with any companies with equity or other associations with the Company or the owners or members of executive or supervisory bodies of such companies, or if such association had ever existed in the past (“Declaration of Non-Association”),

B. Final price for the purchase of claims, due date for payment, and financing method
The bidder must clearly define the final price of the claims held by the Seller against the Company (for example: The final price for the purchase of claims held by the Seller against the company Košaki TMI d.d., including accrued interest and accessory rights, amounts to EUR [●] (say: [●] EUR 00/100).

If the Seller has set a starting price, the final price may not be lower than the starting price.

The bidder must declare the due date for payment, expressed in days following the signing of the contract on the sale of claims.

The bidder must describe in detail the mode of financing the intended purchase of claims. If funds for the purchase of claims are to be obtained from third parties: (i) the method of financing will need to be described in detail; and (ii) a binding and irrevocable statement will need to be submitted by the third party which will provide the funds on behalf of the bidder, confirming that they have sufficient funds at their disposal to purchase said claims. The binding bid, along with the binding declarations regarding available funds, must be valid no less than 30 days.

C. Security deposit

The Seller shall consider all binding offers submitted by bidders who have paid the security deposit of €20,000.00 into the escrow account of Notary Meta Zupančič, bank account no.: SI56290000050143231, held with the bank Unicredit banka Slovenija d.d., and enclosed with the binding bid a receipt proving that the security deposit has been made in due order, and a declaration of non-association. The bidder must also provide the Seller with details of the bank account to be used for returning the paid security deposit (without interest) in case the bidder’s offer for the purchase of claims is unsuccessful.

The Seller expects bidders to submit their binding offers by certified post, enclosed in a sealed envelope or parcel and sent to the following address: Družba za upravljanje terjatev bank, d.d., Davčna ulica 1, 1000 Ljubljana, marked: “DO NOT OPEN - OFFER FOR THE PURCHASE OF CLAIMS (Košaki TMI)”.

The reverse side of the envelope must state the bidder’s name and surname or company name, and address. The deadline for submission of complete binding offers shall be 19.01.2015, received at or before 15:00. The offer shall be considered to have been submitted in a timely manner if it has been delivered to the Seller’s address by the aforementioned date, at or before 15:00 hours. Offers delivered to the above address after the aforementioned deadline will be excluded from further procedure and will be returned unopened to the bidder’s address.

4. Signing the Agreement

As a rule, bidders will be allowed to review the draft agreement on the sale and purchase of claims at least eight (8) days prior to the deadline for carrying out due diligence, and submit any comments, as appropriate.
The Seller reserves the right to not choose any bidder, and shall not be obligated to execute any agreement or contract with any of the bidders regarding their participation in the procedure involving the sale of claims.

Within eight (8) days of receiving the binding offers within the deadline, the Seller may, but is not obliged to, select the bidder having submitted the most beneficial of suitable offers (“the winning bidder”) and sign an agreement on the sale and purchase of claims.

The bidder will be selected based on the following criteria: final offered price for the purchase of claims, mode of financing and provisions regarding the contents of the agreement on the sale and purchase of claims. The Seller will determine whether the bid is suitable at its own discretion. In the event that multiple bidders should offer equal price, individual negotiations shall be conducted with such bidders, and the same selection criteria will apply to all such bidders.

The security deposit shall constitute part of the purchase price and shall be considered equivalent to a down payment after the signing of the agreement on the sale and purchase of claims.

Timely payment of the purchase price will be considered an essential element of the agreement on the sale and purchase of claims. In the event that the buyer should fail to pay the remaining amount of the purchase price (total purchase price - security deposit/down payment), the agreement shall be deemed rescinded and the Seller shall keep the paid security deposit/down payment.

If the bidder selected by the Seller should fail to sign the agreement on the sale and purchase of claims, the security deposit shall be retained by the Seller (i.e. it shall not be returned to the winning bidder). In such cases, the Seller shall have the right (but not the obligation) to enter into an agreement with the bidder having submitted the second- or next-best binding offer, without having to repeat the invitation to tender for the purchase of claims.

The bidders whose offers have been found unsuitable by Seller or those that have submitted offers but were not selected by the Seller will be reimbursed the full amount of the security deposit, interest-free, no later than by the third business day from the deadline for signing the agreement on the sale and purchase of claims, subject to the condition that the bidder has submitted a written statement with an indication of the bank account where the security deposit is to be reclaimed. In the event that the written statement is submitted later, the interest-free amount of the security deposit shall be reclaimed on the day after the statement has been submitted with an indication of the bank account where the security deposit is to be reclaimed.

In accordance with the agreement, the transfer of claims will be finalized after the purchase price has been paid in full. All taxes and charges incurred in connection with the transfer/sale of claims, including any notarial fees, shall be paid by the winning bidder - the buyer. Claims are sold on an as-is basis, whereby all Seller’s claims, including accrued interest and accessory rights, to the full extent of the law, shall transfer onto the buyer.

5. Miscellaneous

Bidders shall cover the costs of their participation in the public invitation to tender for the purchase of claims or in the process of selling claims, as well as any associated costs, regardless of the outcome of
the public tendering procedure. The Seller reserves the right to change the proceedings and terms of sale of the claims.

By participating in the public tendering procedure, bidders consent to the terms of the procedure.

The agreement on the sale and purchase of claims shall be made in the form of a directly executable notarial deed or in another form, insofar as it is stipulated by law or expressly requested by Seller in its own discretion.

6. **Right of cancellation and exclusion of the Seller’s liability**

The Seller reserves the right to change the process, individual steps involved, or other elements of the procedure, and may interrupt and/or terminate the collection of indicative or binding offers, selling or negotiations, where the Seller is released of all liability and the bidders shall have no claims against the Seller in this regard.

The Seller reserves the right not to sign the contract with any bidder.

The Seller’s liability is entirely excluded.

7. **Additional information**

Potential bidders seeking further information may contact the Seller’s representative, Ms Stanka Pintar, tel. no.: 01 429 38 74, email: stanka.pintar@dutb.eu.

8. **Applicable Law and Jurisdiction**

This public tendering procedure or this publication, procedures involved in this invitation to tender, collection of bids and the agreement on the sale of claims shall be subject to the laws of the Republic of Slovenia. In the event of any disputes, the matter shall be resolved by the competent court in Ljubljana.

Seller:

Bank Asset Management Company

Executive Director:

Janez Škrubej