

Pursuant to Article 235 of the Company Law (Official Gazette of Republic of Macedonia No. 28/2004; 84/2005; 25/2007; 87/2008; 42/2010; 48/2010; 24/2011; 166/2012; 70/2013; 119/2013 and 120/2013), Article 19 of the Agreement for Establishing the Company for Organizing Games of Chance “National Video Lottery of Republic of Macedonia – Casinos Austria” DOO Skopje as well as the Rulebook on the Conditions, Manner and Procedure for Signing Business Collaboration Contracts for Providing Services Related to Leasing Game Contents and Providing Maintenance and Support for Video Lottery Terminals No. 02-582/2 dated 31.07.2014, National Video Lottery of Republic of Macedonia announces the following

**PUBLIC ANNOUNCEMENT No. 02-DS/2014
FOR SUBMITTING BIDS FOR AWARDING BUSINESS COLLABORATION
AGREEMENT FOR PROVIDING SERVICES RELATED TO LEASING GAME
CONTENTS AND PROVIDING SERVICE AND SUPPORT FOR VIDEO
LOTTERY TERMINALS**

SUBJECT-MATTER OF THE PUBLIC ANNOUNCEMENT

A public announcement for submission of bids for awarding business collaboration contract for providing services related to leasing game contents and providing maintenance and support for video lottery terminals.

The National Video Lottery of Republic of Macedonia (NVLM) invites the companies (Suppliers) interested for cooperation and implementation of different game contents for video lottery terminals as well as providing maintenance and support.

The business collaboration contracts, the National Video Lottery of the Republic of Macedonia (hereinafter as: NVLM) shall conclude with domestic and foreign legal entities (hereinafter as: Business Associates), under the conditions prescribed by this Public Announcement, to perform the following works and services:

- Works and services related to providing services for leasing game content for video lottery terminals (hereinafter as: VLT) and
- Works and services related to providing 24/7 full maintenance and support, technical support onsite, as well as providing free spare parts for VLT.

The interested tenderers may submit their participation bids in one or both parts of this public announcement.

Separate Contract shall be concluded for each part of the announcement.

NVLM shall be responsible for selection of Supplier/Suppliers, and NVLM shall be a direct party of the contracts which will be signed.

In terms of the first part, the selected Supplier must cooperate with the Primary Supplier of technological platform of video lottery terminals (VLT) by which the game contents will be implemented, i.e. integrated.

In terms of the second part, the selected Supplier must cooperate with the Distributor of VLT devices due to their quality maintenance and repair.

I. TERMS AND CONDITIONS FOR CONCLUDING BUSINESS COLLABORATION CONTRACTS FOR PROVIDING LEASING SERVICES OF GAME CONTENTS FOR VLT (02-DS/2014-IS)

In order participation in the business associate selection procedure for awarding the contract, the following conditions must be met:

I.1. GENERAL PROVISIONS

In order to participate in the public announcement, the interested tenderer should prove that it is capable to perform the required service by submitting the following documents for:

- Personal standing;
- Technical or professional capacity;
- Quality systems standards fulfilment;
- Ownership or authorization for disposal with the leased item.

I.1.1. Documents proving the personal standing

- Statement by the tenderer that there is no effective conviction for participation in criminal organization, corruption, fraud or money laundering in the last 5 years;
- Certificate that no competent authority has initiated bankruptcy procedure;
- Certificate that no competent authority has initiated liquidation procedure;
- Certificate for paid taxes, contributions and other public payments issued by competent authority in the country where the tenderer has been registered in;
- Certificate from the Register of Penalties for Crimes Committed by Legal Entity that there is no minor penalty that prohibits participation in procedures for public announcement, awarding public procurements contracts and public-private partnership contract;

- Certificate from Register of Penalties for Crimes Committed by Legal Entity that there is no effective minor penalty for temporary or permanent prohibition to perform certain activity; and
- Certificate that there is no effective conviction imposing misdemeanour sanction – prohibition for performing certain profession, activity or duty, i.e. temporary prohibition for performing certain activity.

The documents must not be older than six months, and they shall be submitted in original or copy verified by the tenderer. If the contractual authority has doubts about the documents in view of determining the personal standing of the tenderer, it reserves the right to request information directly from the competent authorities that issued the documents in order to determine the personal standing.

I.1.2. Documents proving the technical and professional capacity

In order to prove its capacity to perform professional activity for this part, the tenderer should have a document for registered activity which will serve as evidence that it is registered as natural person or legal entity for performing the activity related to the public procurement contract's subject or evidence that it belongs to appropriate professional association in accordance with the regulations of the country it is registered in.

I.1.3. Documents proving the quality systems for which the tenderer is certified

The tenderer should submit documents which will serve as evidence regarding the quality systems necessary for its operation in accordance with the legal regulations of the country where it is registered and in Republic of Macedonia and the actual international standards ISO 9001, ISO 27001 and ISO 20000.

I.1.4. Documents proving the ownership or authorization for disposal with the leased item

The tenderer should submit documents which clearly show that it has a right to ownership i.e. right to dispose with the services, i.e. bided services subject of the public announcement.

The bid shall not be considered if it is submitted by a legal entity for which it is established that has outstanding obligations, on any ground, towards the National Video Lottery of Macedonia.

I.2. SPECIAL CONDITIONS

In order to participate in the public announcement, the interested tenderer shall fulfil the following special conditions:

1. To have at least one current client, regardless if the client is mostly state-or privately owned, who is supplied with products and/or services in the field of playing VLT, including the final technological platform, operational support

services and/or VLT game content, for the period of at least 1 (one) year in a legally conducted procedure by the tenderer;

2. To provide the services under item 1 in a regulated market in Europe or North America;

3. To enable usage of the above stated services for playing with real money;

Proving of the special conditions shall be performed by attaching a referent list of active clients for which the abovementioned conditions are met, signed by the tenderer's authorized person.

Besides the abovementioned conditions, the Tenderer should fully meet/provide the specifications stated in the technical documentation which is attached and integral part of the Public Announcement.

II. PARTICIPATION GUARANTEE

Party interested in submitting a bid shall be obliged to deliver a participation guarantee to the amount of EUR 50,000 in form of bank guarantee.

NVLM finds acceptable bank guarantees issued by a reputable bank institution selected by the tenderer. NVLM finds eligible the banks that operate on the territory of Republic of Macedonia and correspondent banks of Stopanska Banka ad Bitola.

The bank guarantee shall be valid for the entire duration of the bid, i.e. for 6 (six) months and 14 (fourteen) days from the day of submission of the bid.

III. MANNER AND DEADLINE FOR SUBMISSION AND VALIDITY OF BID

III.1. The bid for awarding a business collaboration contract for providing services related to leasing game contents for VLT playing should be in a written form in 1 (one) original, delivered via regular mail or to the National Video Lottery of Macedonia' archive.

The address for submitting the bids is: National Video Lottery of Macedonia, Blvd. Goce Delchev No.8, PO Box 110, 1000 Skopje, Republic of Macedonia.

The concluding the business collaboration contracts conclusion procedure shall be conducted by the Commission for Concluding Business Collaboration Contracts.

III.2. Validity of the bids shall be 6 (six) months from the day of bid's submission. The validity deadline is mandatory.

The bid and other documentation must be submitted in a sealed envelope labelled "DO NOT OPEN" and "For public announcement for business collaboration No.02-DS/2014-IS".

The bid shall be submitted in 1 (one) original copy verified and signed by the tenderer's authorized person. The tenderers who have submitted incomplete and invalid documentation shall be excluded from the proceedings and their bids will not be considered.

The bid shall contain two separate envelopes – one labelled "Technical Bid", the other "Financial Bid".

The bid and all supporting documents shall be submitted in Macedonian language. The documentation delivered in English language must also include official translation in Macedonian.

By exception, the technical documentation, i.e. the documents confirming the required technical specifications may be in English language only.

The financial bid should be defined in accordance with item 5.5 of the Technical Documentation and should be signed by the Tenderer's authorized person.

III.3. As final date for delivering the bids shall be considered 11.09.2014, 14:00 o'clock.

IV. CONTRACT AWARD CRITERION AND DECISION

Criterion for selecting the best bid shall be the lowest percentage amount of the difference between the payment and payoff of assets of the participants in the games of chance with deducted charges towards the state (Republic of Macedonia), pursuant to law.

The exact manner of calculation shall be described in detail in the Technical Documentation, which is attached to and an integral part of the Public Announcement.

The decision on selection of the best bid, on proposal of the Commission that conducted the procedure, shall be made by the General Manager of NVLM.

Against the decision, the dissatisfied participant in the public announcement may submit an objection to the Shareholders Assembly of the National Video Lottery of the Republic of Macedonia within 8 (eight) days from the date of receiving the notice of selection.

The written objection shall be submitted through the Commission that carried out the procedure, to the Shareholders Assembly of the National Video Lottery of the Republic of Macedonia.

The Decision of the Shareholders Assembly of the National Video Lottery of the Republic of Macedonia in the procedure for signing a business collaboration contract with the National Video Lottery of the Republic of Macedonia shall be final.

Upon the final Decision for fulfilment of the conditions for business collaboration, the selected participant in the public announcement shall be obliged to sign a business collaboration contract, within 15 days from delivery of the Decision.

The Business Collaboration Contract shall be notarized at the expense of the business associate.

V. RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

V.1. Rights and Obligations of the Business Associate

The rights and obligations shall be defined in detail in the Business Collaboration Contract.

The Business Associate shall be obliged to make the goods and/or services, which are subject of the Business Collaboration Contract, available to NVLM.

The Business Associate shall be obliged to deliver the item of lease in a state of operational readiness, as agreed with NVLM.

The Business Associate shall be obliged to place the item of lease in good condition along with written instructions for use and how to proceed in case of defect, accident, etc.

The Business Associate shall make available to NVLM all software updates and updates of the server and the library of games, by regularly adding new games from the list of approved games in the Republic of Macedonia for online gaming from the accessible portfolio of games of the Business Associate, for which there will be no additional expenses for the NVLM.

The Business Associate shall be obliged to provide full 24/7 support for the item of lease.

V.2. Rights and Obligations of NVLM

NVLM has the right to choose a mix of games of chance on VLT, to request adding new games and updating the existing, without additional compensation during the entire term of the Business collaboration contract.

NVLM undertakes the obligation no later than the 15th of the month for the previous month, to pay the percentage that represents the difference between the payment and the payoff of the participants in the game of chance to the Business Associate, with deducted charges towards the State (Republic of Macedonia), in accordance with the legal grounds.

In case of market and other changes, that shall imply the need to change the amount of compensation, as well as other conditions for signing a business collaboration contract, which are defined in the business collaboration contract, the shall be cancelled, if the Business Associate does not accept the new conditions, for which envisages certain damage compensation.

VI. DURATION AND GUARANTEE FOR QUALITY EXECUTION OF THE CONTRACT

The Contract shall be signed for a period of 10 (ten) years.

The selected tenderer shall be obliged to provide a bank guarantee for quality execution of the contract to the amount of EUR 500,000 with validity period of 3 (three) years and 14 (fourteen) days within 8 (eight) days from the signing of this contract, and to renew it depending on the Contract's duration, in a manner and under conditions defined by the Contract.

The Business Associate shall be obliged to renew the bank guarantee on every 3 (three) years, for the entire duration of the Contract.

The Business Associate shall be obliged to initiate a procedure for guarantee renewal 4 (four) months before the expiration of the active bank guarantee at the latest and to notify the NVLM for the matter.

If the Business Associate does not deliver the renewed bank guarantee within 14 (fourteen) days before the expiration of the active one, NVLM shall be entitled to charge the active bank guarantee and to terminate the Contract.

The Business collaboration contract shall enter into force on the signing date.

Condition for validity of the Contract shall be provision of a bank guarantee in order the contract in question to become effective.

Transfer of an obligation from the contract to a third party

The Business Associate may fully or partially (if sharing contract obligations is applicable) to transfer the contract to a third parties in which case the same shall guarantee, and directly shall mandatory written consent from NVLM and approval for that third party.

In the event of a third party accessing in the name of the Business Associate, debtor-creditor relationship shall only occur between the contracting parties and therefore the Business Associate shall be solely responsible for its operations and the third party's operations towards NVLM.

VII. DOCUMENTATION ACCORDING TO THE PUBLIC ANNOUNCEMENT

All interested domestic and foreign legal entities can download the technical documentation for this part of the Public Announcement from NVLM website – <http://www.videolottery.mk> in the part for public procurements/public announcements.

The technical documentation is part of this public announcement.

VIII. CONDITIONS FOR CONCLUDING BUSINESS COLLABORATION CONTRACTS FOR PROVIDING MAINTENANCE AND SUPPORT FOR VIDEO LOTTERY TERMINALS (02-DS/2014-SO)

In order to participate in the Business Associate selection procedure for concluding a contract the following conditions must be fulfilled:

VIII.1. GENERAL PROVISIONS

- In order to participate in the public announcement, the interested tenderer should prove that it is capable to perform the required service by submitting the following documents for:
- Personal standing;
- Technical or professional capacity;
- Quality systems standards fulfilment;

VIII.1.1. Documents proving the personal standing

- Statement by the tenderer that there is no effective conviction for participation in criminal organization, corruption, fraud or money laundering in the last 5 years;
- Certificate that no competent authority has initiated bankruptcy procedure;
- Certificate that no competent authority has initiated liquidation procedure;
- Certificate for paid taxes, contributions and other public payments issued by competent authority in the country where the tenderer has been registered in;
- Certificate from the Register of Penalties for Crimes Committed by Legal Entity that there is no minor penalty that prohibits participation in procedures for public announcement, awarding public procurements contracts and public-private partnership contract;
- Certificate from Register of Penalties for Crimes Committed by Legal Entity that there is no effective minor penalty for temporary or permanent prohibition to perform certain activity; and
- Certificate that there is no effective conviction imposing misdemeanour sanction – prohibition for performing certain profession, activity or duty, i.e. temporary prohibition for performing certain activity.

The documents must not be older than six months, and they shall be submitted in original or copy verified by the tenderer. If the contractual authority has doubts about the documents in view of determining the personal standing of the tenderer, it reserves the right to request information directly from the competent authorities that issued the documents in order to determine the personal standing.

VIII.1.2. Documents proving the technical or professional capacity

In order to prove the capacity for performing a professional activity for this, the tenderer shall submit documentation that it has or will acquire an authorization from the manufacturer, i.e. equipment provider for its regular maintenance and servicing, including the provided spare parts according to the recommendations from the manufacturer.

The submission of documents showing that it has or will acquire professional staff and the needed equipment as well as means for maintenance of the equipment is mandatory.

VIII.1.3. Documents proving the quality systems for which the tenderer is certified

The tenderer shall submit documents which confirm that the quality systems necessary for its operation are in accordance with the legal regulations in the country where it is registered and in the Republic of Macedonia, and especially ISO 9001.

The bid shall not be considered if it is submitted by a legal entity for which it is established that has outstanding obligations, on any ground, towards the National Video Lottery of Macedonia.

VIII.2. SPECIAL CONDITIONS

In order to participate in the public announcement, the interested tenderer shall fulfil the following special conditions:

1. to provide professional and constant maintenance and repair of the VLT devices in accordance with the recommendations of the manufacturer/provider of the VLT devices for NVLM;
2. to provide professional and trained staff for performing the service;
3. to provide available spare parts for the VLT devices according to the recommendations of the manufacturer/provider of the VLT devices for NVLM;
4. to provide 24/7 telephone and technical support for the selling places in which NVLM will have installed VLT devices;
5. to provide training for the staff in the selling places where NVLM will install VLT devices.

The special conditions shall be proved by submitting statements by the tenderer that it will be able to provide the demanded conditions signed by the authorized person of the tenderer.

IX. PARTICIPATION GUARANTEE

Party interested in submitting a bid shall be obliged to deliver a participation guarantee to the amount of EUR 50,000 in form of bank guarantee.

NVLM finds acceptable bank guarantees issued by a reputable bank institution selected by the tenderer. NVLM finds eligible the banks that operate on the territory of Republic of Macedonia and correspondent banks of Stopanska Banka ad Bitola.

The bank guarantee shall be valid for the entire duration of the bid, i.e. for 6 (six) months and 14 (fourteen) days from the day of submission of the bid.

X. MANNER AND DEADLINE FOR DELIVERY AND VALIDITY OF THE BID

X.1. The bid for awarding a business collaboration contract for providing services related to leasing game contents for VLT playing should be in a written form in 1 (one) original, delivered via regular mail or to the National Video Lottery of Macedonia' archive.

The address for submitting the bids is: National Video Lottery of Macedonia, Blvd. Goce Delchev No.8, PO Box 110, 1000 Skopje, Republic of Macedonia.

The concluding the business collaboration contracts conclusion procedure shall be conducted by the Commission for Concluding Business Collaboration Contracts.

X.2. Validity of the bids shall be 6 (six) months from the day of bid's submission. The validity deadline is mandatory.

The bid and other documentation must be submitted in a sealed envelope labelled "DO NOT OPEN" and "For public announcement for business collaboration No.02-DS/2014-SO".

The bid shall be submitted in 1 (one) original copy verified and signed by the tenderer's authorized person. The tenderers who have submitted incomplete and invalid documentation shall be excluded from the proceedings and their bids will not be considered.

The bid shall contain two separate envelopes – one labelled "Technical Bid", the other "Financial Bid".

The bid and all supporting documents shall be submitted in Macedonian language. The documentation delivered in English language must also include official translation in Macedonian.

By exception, the technical documentation, i.e. the documents confirming the required technical specifications may be in English language only.

X.3. As final date for delivering the bids shall be considered 11.09.2014, 14:00 o'clock.

XI CONTRACT AWARD CRITERION AND DECISION

Criterion for selecting the best bid shall be the lowest percentage amount of the difference between the payment and payoff of assets of the participants in the games of

chance with deducted charges towards the state (Republic of Macedonia), pursuant to law for all active VLT of NVLM.

The decision on selection of the best bid, on proposal of the Commission that conducted the procedure, shall be made by the General Manager of NVLM.

Against the decision, the dissatisfied participant in the public announcement may submit an objection to the Shareholders Assembly of the National Video Lottery of the Republic of Macedonia within 8 (eight) days from the date of receiving the notice of selection.

The written objection shall be submitted through the Commission that carried out the procedure, to the Shareholders Assembly of the National Video Lottery of the Republic of Macedonia.

The Decision of the Shareholders Assembly of the National Video Lottery of the Republic of Macedonia in the procedure for signing a business collaboration contract with the National Video Lottery of the Republic of Macedonia shall be final.

Upon the final Decision for fulfilment of the conditions for business collaboration, the selected participant in the public announcement shall be obliged to sign a business collaboration contract, within 15 days from delivery of the Decision.

The Business Collaboration Contract shall be notarized at the expense of the business associate.

XII. RIGHTS AND OBLIGATIONS OF THE PARTIES

XII.1. Rights and obligations of the Business Associate

The rights and obligations shall be defined in detail in the Business Collaboration Contract.

The Business Associate shall be obliged to provide 24/7 full maintenance and support, technical support onsite, and to provide free spare parts for VLT owned by the NVLM.

The Business Associate depending on the number and territorial allocation of VLT shall be obliged to provide, organize and make available the necessary human and other resources needed for quality service performance.

The Business Associate shall be obliged to provide and to possess a sufficient stock of spare parts for VLT, defined in accordance with DVLM, along with the recommendations from the equipment manufacturer.

The Business Associate shall be obliged to maintain and remove obstacles of the VLT onsite. If this is not possible, it shall be at the Business Associate expense to arrange transport, repair and return of the equipment to the sales spot.

The Business Associate shall be obliged to begin with removing the obstacles/defects by order of priority barriers/failures in due time, but within 48/72/96 hours, depending on roads/distance according to the List which shall be defined when signing the Contract. This should minimize the time of not working of the terminal when occurring and during the operation, which shall be further regulated by mutually signed protocol/annex.

For defects of VLT occurred as a result of unprofessional use of hardware, the Business Associate shall not be obligated to replace them free of charge. In that case, NVLM shall decide for engaging the Business Associate on the basis of a separately delivered proposal.

- The obligation for free replacement of parts and other repairs shall not be required for the following cases:
- Force majeure, vandalism, damage by fire, lightning, pests;
- Lack of power supply, cabling of data, etc.;
- Above average pollution, heat and/or moisture;
- Installation, configuration and/or maintenance by unauthorized persons;
- Misuse of hardware;
- Handling the hardware by unauthorized persons.

The Business Associate shall be obliged to train the persons that shall handle VLT in order to obtain simplified maintenance activities.

XII.2. Rights and obligations of NVLM

NVLM shall be entitled to a 24/7 full maintenance and support, technical support onsite, and provided with free spare parts for VLT in its possession.

NVLM may request additional examinations and intervention if it finds that there is justified need.

NVLM undertakes the obligation no later than the 15th of the month for the previous month, to pay the percentage that represents the difference between the payment and the payoff of the participants in the game of chance to the Business Associate, with deducted charges towards the State (Republic of Macedonia), in accordance with the legal grounds.

In case of market and other changes, that shall imply the need to change the amount of compensation, as well as other conditions for signing a business collaboration contract, which are defined in the business collaboration contract, the shall be cancelled, if the Business Associate does not accept the new conditions, for which envisages certain damage compensation.

XII. DURATION AND GUARANTEE FOR QUALITY EXECUTION OF THE CONTRACT

The Contract shall be signed for a period of 10 (ten) years.

The selected tenderer agrees to provide bank guarantee for quality execution of the Contract in the amount of 200.000 EUR, within 8 (eight) days of the signing of this contract, valid for 3 (three) years and 14 (fourteen) days, with the obligation for renewal depending of the duration of the Contract, on a manner and under conditions defined in the Contract.

The Business Associate shall be obliged to renew the bank guarantee every 3 (three) years, for the entire duration of the contract.

The Business Associate shall be obliged to initiate the procedure for renewal of the bank guarantee within four (4) months before the expiration of the active bank guarantee and to inform NVLM.

In case, the Business Associate does not provide renewed bank guarantee within 14 (fourteen) days prior to the expiration of the active one, NVLM shall be entitled to activate the current bank guarantee and to terminate the Contract.

The Business Collaboration Contract shall become effective on the day of signing.

A condition for validity of the Contract is to provide a bank guarantee in order the contract to become effective.

Transfer of the obligation from the contract to a third party

The Business Associate may fully or partially (if sharing contract obligations is applicable) to transfer the contract to a third parties in which case the same shall guarantee, and directly shall mandatory written consent from NVLM and approval for that third party.

In the event of a third party accessing in the name of the Business Associate, debtor-creditor relationship shall only occur between the contracting parties and therefore the Business Associate shall be solely responsible for its operations and the third party's operations towards NVLM.

XIV. ADDITIONAL INFORMATION

To obtain additional information, the interested parties may contact the National Video Lottery of Macedonia via contact@videolottery.mk