

**MEMORANDUM OF UNDERSTANDING AND COOPERATION
REGARDING PROJECTS OF UPGRADING AND DEVELOPMENT OF RIVER PORTS
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SERBIA AND COMPANY
“P&O PORTS FZE”, EMIRATE OF DUBAI, UNITED ARAB EMIRATES**

This Memorandum of understanding (hereinafter: **MoU**) was adopted on
23.5.2018 (hereinafter: **Date** of this **MoU**) in Belgrade,

BETWEEN:

- (1) The Government of the Republic of Serbia, 11 Nemanjina Str, Belgrade (hereinafter: Government),
- (2) Company “**P&O PORTS FZE**”, which is located in the free zone Jebel Ali, duly incorporated according to the laws of the free zone Jebel Ali, Emirate of Dubai, United Arab Emirates, with the head office at the following address: postal code 17000, Emirate of Dubai, United Arab Emirates (hereinafter: **POP**) and

(hereinafter referred to as the **Party**, individually, and the **Parties**, collectively)

SINCE:

- (A) The Government want to enter a non-binding relationship with an internationally acknowledged, renowned partner for the management of the port and river transport.
- (B) **POP** is an internationally acknowledged, renowned service provider as regards port management.
- (C) The Parties decided to enter preliminary discussions in order to consider the potential of the relationship between themselves as regards the projects described in Annex 1 of this MoU (hereinafter: **Projects**).
- (D) The Parties will consider, in the case the Parties decide to develop and implement projects, all possibilities and measures necessary for the successful implementation of **Projects** in accordance with the national legislation of the Republic of Serbia and define them within the framework of Final Agreements.
- (E) Before negotiations and entering Final Agreements, the Parties want to first enter this MoU in order to record their initial understanding of **Projects** and the framework in which negotiations for the examination and consideration of the potential for the development and implementation of **Projects** will be conducted.

The following **WAS AGREED:**

1. SCOPE OF PROJECTS

The intention of the Parties is to develop and implement Projects as described in Annex 1 of this MoU in accordance with the national legislation of the Republic of Serbia.

2. TIMELINE AND THE SCOPE OF FINAL AGREEMENTS

2.1 To the extent in which it has not done so far, each Party shall provide the other Party with all relevant information and materials relating to its activity and potential projects (hereinafter: **Project documentation**).

2.2 Upon the receipt of the Project documentation, the Parties shall start marketing, technical, financial and legal performance of responsibilities as regards Projects (hereinafter: **performing due diligence**) with the aim to study Projects, understand their potentials and feasibility and identify and give consent regarding their structure, conditions and preconditions of the proposed relationship, and generally define steps required for the development and implementation of Projects.

3. CONFIDENTIALITY

3.1 The Parties agree that the content of this MoU and the terms and conditions of projects shall be strictly confidential.

3.2 Neither of the Parties shall do or authorize any person connected to it to publish any announcement relating to this MoU or any additional matters, except in accordance with the law or any competent regulatory body or with a prior written consent of the other Party.

4. OBLIGATIONS OF NON-BINDING NATURE

With the exception of Articles 3,4, 5 and 6 (which are obligations of a binding nature for the Parties), terms and provisions of this MoU shall not constitute nor prove a binding offer or agreement, nor shall they or any discussions or conducts impose any obligations or responsibility for any of the Parties.

5. GUARANTEES IN THE CASE OF NON-PAYMENT, GIFTS AND LOANS

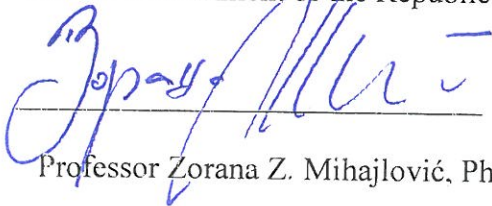
Each Party shall guarantee to the other Party that such Party, its subsidiary companies, directors, officers, employees, agents, representatives, consultants, contractors or partners in the joint venture, have not made nor have they committed to make, and shall not make any payment of money nor offer anything with a value to any person while they know, believe or are aware of the great possibility that the payment or other value would be offered, given or promised by this person in entirety or partially to any public officer, with the aim of ensuring or encouraging an act, decision, influence or omission of such a government official to obtain, keep or direct activity or provide any inappropriate advantage, for any person in relation to this MoU or any other property or business

possibilities of the Parties.

6. OTHER PROVISIONS

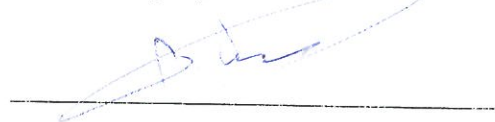
- 6.1 Each Party shall bear its own costs incurred by the Party itself in relation to the performance of this MoU and the preparation of Final Agreements, if and when applicable.
- 6.2 If the Parties do not reach agreement to continue with Projects or with any specific Project, each Party shall return to the other Party all exchanged materials and the material for proposals and documentation owned by the other Party relating to Projects or a relevant specific Project.
- 6.3 The Parties shall act as independent parties regarding the performance of this MoU. Neither of the Parties shall present itself as a partner, employee or on agent of the other Party and this MoU shall not be construed as a joint venture or partnership.
- 6.4 Any amendments to this MoU shall be valid only if they are in a written form and executed by the Parties.
- 6.5 This MoU shall be performed in accordance with the laws applicable in the Republic of Serbia.
All disputes, claims or proceedings between the Parties relating to this MoU shall be subject to the exclusive jurisdiction of the courts of the Republic of Serbia.
- 6.6 This MoU shall be signed in two original copies in English language, one copy per each Party.

For the Government of the Republic of Serbia



Professor Zorana Z. Mihajlović, PhD

For Company "P&O PORTS-FZE"



Sultan Ahmed bin Sulayem
Group Chairman and CEO of DP World

Projects

The intention of the Parties is to develop and implement Projects in accordance with the following terms and conditions:

P&O Port will invest in upgrading and the development of the following river ports:

- Port of Novi Sad
- Port of Smederevo
- Port of Apatin
- Port of Belgrade
- And any other ports in the Republic of Serbia regarding the matter in which the both Parties reach agreement.

Port of Novi Sad

The Port on the Danube River, it is located on the river point at 1 254 km on the left river bank. The surface of the basin is 6 hectares with the depth of 4 to 10 m. The length of the operative bank is 800 m, with the maximum reception of 5 ships. 99.38% in the ownership of the state, with small shareholders with 0.62% of share capital. The cargo is comprised of general cargos and bulk and liquid bulk cargos. General cargo is comprised of waste iron and other materials. Bulk cargo is comprised of crops, materials for artificial fertilizers, fertilizers and products made of iron. Storage capacities are made of 44 000 m² of closed storages and 100 000 m² of outdoor storages.

Port of Smederevo

The Port on the Danube River, it is located on 2 positions on the Danube: "New Port" on the river point at 1 111 km, and "Old Port" on the river point at 1 116 on the right river bank. The length of the docking station is 572 m, with the maximum reception of 5 ships. 100% in the ownership of "Železera Smederevo d.o.o". The cargo is comprised of general cargo, mainly iron stone, concentrates, coke, cold and warm roll-forming steel and finished products made of iron.

Port of Belgrade

The Port on the Danube River, it is located on the river point at 1 168 km on the right river bank. The surface of the basin is 11 hectares with the depth of 4 m. The length of the operative bank is 940 m, with the maximum reception of 8 ships. 100% in the ownership of Company *Worldfine Co.* from Luxemburg. The cargo is comprised of general cargos and bulk cargos. General cargo is comprised of waste iron, paper other materials. Bulk cargo is comprised of products made of iron, coal and phosphates. Storage capacities are made of 200 000 m² of

closed storages and 600 000 m² of outdoor storages. There is a small container hall with the capacity of 10 000 TEU annually.

Port of Apatin

The Port on the Danube River, its location is planned on the river point at 1 399 km on the left river bank. There are several variants of its development. The total land surface of 30 hectares is available for terminals, storages and roads. The planned length of the docking station is 630 m, which facilitates different activities (terminals for liquid cargo, crops, bulk cargo, general cargo, container, ro-ro ships). A connection with the network of main roads and the railway network belonging to international networks will be realized.