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Iranian Privatization Organization (IPO)

"Block Offering of Shares and Properties"

By virtue of assignments envisioned in "The law of the Enforcing of General Policies of Article 44 of the Constitution", its relevant rules and regulations, and approvals of the Divesture Board, hereinafter the Board, the Iranian Privatization Organization, hereinafter the Organization, intends to transfer stocks/assets of the following enterprises with the terms and conditions as mentioned in this advertisement.

Shares transfer																	
No.	Name of Enterprise	Stock Transferring Method	Size of Enterprise	Capital Million IRR	No. of Shares (Properties) Presentable - in million			Block Size %	Base Value of Transferrable Shares		Deposit amount (IRR)	Sales Conditions			Shareholders	Field of activity of enterprise	Trading date/ Tender opening session
					Block	Employees	Total		Each Stock (IRR)	Total (IRR)		Cash down payment percentage	installment duration (year)	Deadline for cash payment (business day)			
1	Iran Insulator Co.	Tehran Stock Exchange	Very large	1,500,000	425,808,935	--	425,808,935	28/38	8,343	3,552,523,944,705	106,575,718,341	15	5	9	Sina Farayand Niroo Co. (28/38%), Tose-e Melli Group Investment Co. (38/33%), Afarinsaz Amin Tavan Co. (16/63%), Other shareholders (16/59%)	Designing, manufacturing & installing transformers & high tension posts	May 12, 2015
2	Dehdasht Industries Petrochemical Co.	Farabourse Iran (OTC)	Average	969,430	183,006,362	9,631,913	192,638,275	19/87	2,395	461,368,668,625	13,841,060,059	20	5	20	National Iranian Petrochemical Co. (19/87%), Iranian Investment Investment Group (30/7%), Other shareholders (49/43%)	Production, selling & issuance of petrochemical proudcts	May 12, 2015
3	Hegmataneh Industries Petrochemical Co.	Tender	Average	75,000	2,280,000	120,000	2,400,000	32	72,156	173,174,400,000	5,195,232,000	20	4	20	National Iranian Petrochemical Co. (32%), Alaghbandian Family (50%), other shareholders (18%)	Selling all kinds of petrochemical products	May 12, 2015

4	Bahman Geno Co.	Tender	Very large	42,000	7,980	420	8,400	20	205,762,044	1,728,401,169,600	51,852,035,088	20	4	20	Oil Refining Industries Development Co. (20%) Modabber Mining & Industrial Development Co. (79/92%) Other Shareholders (0/08%)	Manufacturing oil products and direct/indirect activities in all technical, financial engineering and business fields	May 12, 2015
5	Firoozabad Petrochemical Co.	Tender	Average	400,000	49,400,000	2,600,000	52,000,000	13	2,195	114,140,000,000	3,424,200,000	50	1	20	NPC (13%), Jahrom Petrochemical Co. (27%), Darab Petrochemical Co. (30%), Fasa Petrochemical Co. (30%)	Production, selling & issuance of petrochemical products	May 12, 2015
6	Corn Cultivate Development Co.	Tender	Average	7,000	2,660	140	2,800	40	39,580,317	110,824,887,600	3,324,746,628	20	4 stepwise)	20	State Livestock Affairs Logistic Inc. (40%), Simorgh Co. (60%)	Increase of cultivation & production of corn and other fodder plants	May 12, 2015

1- General Transaction Terms:

- 1.1.** The abovementioned prices are shares/properties base prices. The highest bid price will be considered as the transaction price.
- 1.2.** Bid envelopes will be opened at 14:00 O'clock on **Tuesday** on **May 12, 2015** at the Organization, 6th floor, and presence of bidders or their legal representatives in the session is allowed with owning identification documents and representation letter. Cash deposit for participating in the bid notice should be settled only in cash basis into SIBA Acc. No. 2170159008002 with Bank Melli Iran (BMI), Jame' Mosque Branch of Shahrak-e Ghods (Coded 1458), payable at all the branches of Bank Melli Iran (BMI). The original bank deposit receipt and completed bid proposal form should be submitted latest by the end of business hour on **Monday** on **May 11, 2015** to the following address in the form of two separate envelopes inside a sealed envelope and take a receipt: ***Guard Management Office, 7th Floor, No. 15, Mahestan St., Iran Zamin Ave., Phase 1, Shahrak-e Ghods, Tehran – IRAN.*** Bid Proposal Form and Firm Financial Information are accessible on the website of the Organization at the following address: www.ipo.ir (under "Tender Advertisement & Tender Forms" and "Pricing Information & Financial Statements").
- 1.3.** Stock ownership transfer will be conducted within the framework of mutual agreement. In view of the Organization, participating in bid notice and/or presence to compete in tender is meant that applicants have accepted all rules and regulations envisioned in the advertisement and internet

website of the Organization. In other words, participating meant that applicants have accepted by details wholeheartedly, in which, purchasers are duty bound to observe its provisions.

- 1.4. In transactions conducted based on installments, time interval of installments from one another is set for a period of six months and the interest rate of installments is set 15%. Also equivalent of remaining amount of installments will be kept by the Organization until full payments of the installments are made. It should be noted that guarantee documents will be received from the purchaser on minimum 50% of the remaining total installments.
- 1.5. Transaction terms for purchasers of the private sector (people subject to paragraph 2 of “Instruction of Encouraging Real Private Sector for Engaging in the Privatization”, Approved on February 15, 2014 by the Board, accessible on the official website of the organization, section “Current Laws and Regulations related to Incentives and Controlled Block Shares Discounts”), including: A- Decreasing the sales interest rate by 3% (12 percent) B- Increasing the period and the total number of installments up to one-third of total installments. C- Stepwise repayment of installments with the gradient of 10% annual growth and with 100 sources for midterm figure of installments has been stipulated case by case at paragraph 2 of this advertisement.
- 1.6. For further information and receiving representation letter for visiting the transferable companies, applicants can refer to the Organization, 5th Floor, and/or send their request via the following fax number: +98 21 880 85622.
- 1.7. Cooperative sector will enjoy purchase priority in equal conditions in offering shares/properties via bid/negotiation notice.

2. Exclusive Transaction Terms:

- 2.1. **Petrochemical Companies:** 1- Price of energy sources, food and the petrochemical products is within the framework of the law of adjusting subsidies and the purchasers are required to follow it. 2- The purchaser is obliged to observe the laws and regulations of the country's Passive Defense Organization, principles of HSE management system, guidelines and the standards for technical inspection of industrial units, to perform the specialized training commensurate with the jobs in industrial units, to observe the whole relevant repairing and operating instructions related to the selling contracts of the manufacturing companies.
- 2.2. **Bahman Geno Company:** 1- Based upon the approval of the Board of Directors of the National Development Fund of Iran, dated September 24, 2013, and according to the official notice of the Fund, No. S/92/163 dated September 28, 2013 to the Pasargad Bank, payments of the loan facilities amounting US\$ 1,753,600,000 has been approved, but the contract has not yet been signed. However, the loan privilege has been assessed and included in the base value of the shares by the Juridical Official Expert. 2- The unregistered debt of the company to National Iranian Oil Refining and Distribution Company according to the announcement of the parent company is 1,685 Iran billion rials. (This debt is in addition to the debts registered in the financial statements of the company). Releasing of the kept shares is made after settling all debts of Parents Company.

2.3. Corn Cultivate Development Company: In case of purchasing the shares by private sector, part C of the above paragraph (1-5) will be applied.

3. *Employees Shares (If Allocated):*

Transferring maximum five percent (5%) of shares of enterprises to the managers, staff and personnel and the retired of the same enterprise will be based on the following terms and conditions:

A: Managers and employed staff and assignee personnel (whether official or contractual member) in enterprise subject to stock transfer and also those who assignee to other enterprises that have minimum one-year experience are eligible for the shares. Stocks will not belong to the managers and staff whom paying insurance premium or subtraction of their retirement are made from origin of mission. **B:** Employees in those companies that more than 50 percents of their capital belong to the transferable company are eligible for the shares. **C:** If there are surplus shares of enterprise after transferring shares to the mentioned individuals, the remained shares will allocate to the retired individuals of the same enterprise. Simultaneous use of advantages of voucher privatization plan (Saham Edallat) and Employee Shares is not allowed for the retired.

Employees' shares are transferred only in the form of written request. The qualified and eligible persons should submit their request along with detailed specifications of applicants, as approved by the enterprise, Voucher privatization Plan Secretariat and Social security Organization (SSO), to the Organization maximum within 30 days as of publishing date of first advertisement.

4. *Financial and Nonfinancial Incentives and Controlled Block Shares Discounts:*

Controlled block shares purchasers who embark on increasing the number of staffs and personnels of the company more than what has been registered in stock transfer document during installments period and/or if these purchasers fulfill measures such as new investment, they will be given incentives and discounts, subject of "The Instruction of the How to Exertion of Financial and Nonfinancial Incentives" and "The Instruction of the How to Receive Commitments, and Granting Discounts to the Controlled Block Shares Purchasers of State-Run Companies".

Further information of transferring conditions stated at "Bid Proposal Form" envisioned at internet website of the Organizaion as the following address: www.ipa.ir.