

NOTICE FOR DIVESTITURE OF SHARES BY THE IRANIAN PRIVATIZATION ORGANIZATION "THROUGH THE TENDER"

In the execution of the Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan of the Islamic Republic of Iran and the regulations related to General Policies of Principle (44) of the Constitution and on behalf of Iran Saderat Bank, Iranian Privatization Organization is considering divesting the shares of Khuzestan Kaveh Aluminum Company, observing other conditions stated hereunder, with the preferential shares (in accrue case) at maximum 5 percent of the total divestible shares having been deducted:

Name of the Firm	No. of Divestible Shares				Capital (million Rials)	Base Value of each Share (Rials)	Total Base Value of Divestible Shares(Rials)	Deposit for Participating in Tender (Rials)	Conditions of Installment Selling		Shareholders & Percentage of their Ownership	Firm's type of activity
	Divestible Shares as Block	Preferred & Installment Shares	Total	Total Percentage					Percent of cash prepayment	Payment period (year)		
Khuzestan Kaveh Aluminum .	3,800,000	200,000	4,000,000	40	10,000	1,260	5,040,000,000	151,200,000	60	1	<ul style="list-style-type: none"> • IMIDRO 40% • Kaveh pars mineral industries development co. (affiliated to Islamic Revolution Mostazafan Foundation) 60% 	Establishment & building the factories to produce & make different products of Aluminum & related alloy

1. Transaction Conditions:

- 1.1. The above price is the base shares price. Undoubtedly, the highest proposed price shall be set as the transaction price.
- 1.2. The applicants must submit their offers regarding the whole divestible shares. Evidently, number of the allocated preferred shares by the personnel of the enterprise (if someone be eligible for it) shall be deducted from the divestible shares and the suggested price of winner of the bid in proportion to the allocated shares. The remained shares, then, shall form the basis of the transaction price.
- 1.3. The cash deposit for participation in the tender must be settled by the applicants (only in cash) to the Treasury SIBA Account No. 2170159008002 Branch of state accounts in the IPO name payable in all of the branches of Bank Melli Iran (delaying in deposit and presenting any kind of checks results to reject the offers by the IPO); and the original bank receipt in accompany with the purchase bid must be delivered in two separate envelopes in a sealed package to

the IPO, located in the Room No. 402, 4th floor, No. 75, North Zarafshan St., Shahrake Qods, until the end of the working hours of Sunday (01, May 2011), in lieu of the receipt.

- 1.4. In order to receive the financial information and form to participate in the bids, applicants may refer to the Supply & Marketing Affairs Office located at IPO, Room No. 503.
- 1.5. Applications received by the IPO after the stated date shall be invalid.
* Note: Transfer of the shares shall be carried out according to the mutual contract. Applicants may receive agreement model, notarized power of attorney, guideline of monitoring mode after divesting, and the application form of participation in tender that are available at the IPO. As far as the IPO is concerned, participation in tender means enjoying the necessary knowledge and acceptance to adhere to the contents of the same. The purchasers are obliged to adhere to the provisions of these documents.
- 1.6. It is permitted to buy in cash. In installment transactions, individuals must pay the cash part and the installments according to the information in the above table.
* Note: In installment transactions, the interval among installments is 6 months and the interest rate of sales is equal to 50 percent (50%) of the bank system interest at industry and mine sector - 6% -.
- 1.7. In installment transactions, the shares certificates equivalent the remained installment of traded shares shall be kept by the IPO as Collateral, until the payment of the shares' price is completed. At least equivalent to 50% of remaining debt of installments shall be received assurance documents.
- 1.8. According to Note 4, Article 20 of the amendment law of the fourth development and implementation plan regarding the general policies of Article 44 of the Constitution of Islamic Republic of Iran, under similar condition, the priority of purchase is bestowed upon the cooperative sector.
- 1.9. The previous purchasers of installment block shares of IPO, who have not paid their installment based upon their contract, are not allowed to purchase the shares again or to attend in the tender bid till settling the previous debt.
- 1.10. Monitoring mode after divesting the shares shall be according to the guideline of "monitoring mode after divesting the shares" by the divesting Board (dated 1&8 of May 2010).
- 1.11. The purchasers are obliged to replace the governmental guarantee issuant in proportion with the purchased shares and to pay the company's debt to the Mother Specialized Company and governmental and nongovernmental bank system, which is registered on pricing report or divestible firm's offices. Releasing the shares is based on disburse of all the subject matters and liabilities.
- 1.12. The purchaser is responsible for any deficit on headings of assets and debt deficit except the adjustments applied in the evaluation report of the company's shares and IPO is not responsible for it at all. Meanwhile the purchaser and

the seller adapted all the information and the contract of each headings of article of association and they don't have any claim about the deficit or excess of the numbers.

- 1.13. According to the letter no. 53672 dated 28, Sept. 2010 from the domain of the first vice president, to the Deputy of Central Bank, referring to the letter dated 25 Apr. 2010 of Parliament on the amendment of the decision which was ratified by the Cabinet in the first journey of the Cabinet to Khuzestan province; project of Aluminum and the plant related to the company be at the priority of credit line of supplying the currency between Iran and China; and issue a warrantee on 800 million Euros by Central Bank to ensure repayment (observing the terms and conditions and obtaining the related licenses).

2. Preferred and Installment Shares (in case accrue):

By virtue of the bylaw of Note3, Article 20 of the Amendment Law of the Fourth Development and Implementation plan regarding the general policies of Article 44 of the constitution of Islamic Republic of Iran; it shall be divested maximum five percent (5%) of the preferred and installment shares of firms to the directors, staff and retired individuals of the same firm based upon the following conditions:

- a. The employed directors and staff or the envoys (official or contract personnel) of divestible firms, and also directors and staff of divestible firms who are envoys in other firms and they have at least one year of experience in the related field and also the divestible firm have paid their insurance premium (even non-continued) in that period, possess the qualifications to receive the preferred shares. The directors and the envoys, whom payment of the insurance premium or their superannuation payment are deducted from the source of mission, are not entitled to be divested the shares to. Each qualified individuals who are employed on those investee firms where more than 50 % of their investment belongs to the divestible firm can enjoy the preferred shares.

* **Note1:** Divesting the shares to the employed directors and staff has higher priority; after divesting the shares to them, in case there were divestible shares of firm, the above-mentioned shares shall be divested to the retired individuals of the same firm. The retired individuals are not permitted to use the benefits of justice shares and preferred shares simultaneously.

- b. The amount of the allottable preferred shares to each qualified individuals is (maximum) tenfold of the six-month average of the applicants' last wages and benefits (based upon the legal ordinances) which shall be sold at the base shares price.

- c. Preferred share shall be divested only by written request of the applicants. The qualified individuals must submit within 30 days after the publication of the first notice or sending a declaration letter of the conditions of purchasing the preferred shares from IPO to the divestible firm, their request to use the preferred shares along with the complete list of applicants' qualifications which certified by the related firm, the Justice Shares Secretariat and the corresponding branch of the Social Security Organization, as well as the contract sheets to the management of the divestiture and supporting of investment department of the IPO. In case there is received no application to purchase the preferred shares or after allocation of all of the requested shares up to the determined ceiling; observing the regulations, the remained shares shall be added to the blocked divestible shares.

* Note2: The managing director's and the board of directors of the divestible firm are responsible for confirming the names and the amount of price cited in the Legal Ordinances of the personnel.

3. Other Cases:

- 3.1. The Envelopes containing bids shall be opened at 2 pm on Monday (02, May 2011) in the conference hall of the IPO, located in fifth floor, and the bidders or their representatives may participate in the event.
- 3.2. In case the winner of the bid fails to pay the cash part of the transaction price and to represent the guarantee documents (in installment transactions), during the 20 working days of the notification, their deposit shall be confiscated to the IPO benefit (after legal deductions).
- 3.3. The IPO preserves the right to accept or reject all or any of the bids.
- 3.4. The applicants undertake not to be prohibited in transactions and they must not include in the Article 24 of Law on Amendment of Articles of 4th Economic, Social and Cultural Development Plan of the Islamic Republic of Iran and Implementation of General Policies of Principle (44) of the constitution (ratified 21, July 2008).
- 3.5. For further information and obtaining introduction letter to visit the firm, the applicants may refer to the Supply & Marketing Affairs Office located at IPO, Room No. 502, until Saturday (30, Apr. 2011).

IPO Website: www.ipo.ir