

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

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 Social Security Organization (for Paysaz Company), Iranian Privatization Organization is considering to divest the shares of the following firms, observing other conditions stated hereunder, with the preferential shares (in accrue case) at maximum 5 percent of the total divestible shares having been deducted:

Row	Name of the Firm	Divesting Method	Firm's Size	No. of Divestible Shares				Capital (million Rials)	Base Value of each Share (Rials)	Total Base Value of Divestible Shares(Rial)	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					The least percent of cash prepayment	Payment period (year)	Maximum deadline to pay the cash part of price working days		
1	Iran Pira Fafari	OTC	Medium	95	5	100	100	1,000	1,840,000,000	184,000,000,000	5,520,000,000	30	4	20	<ul style="list-style-type: none"> <li>National Iranian Oil Co. 100%</li> </ul>	Repair & completion of oil & gas wells_ repair, replacement, troubleshooting, reconstruction or completion of equipment & devices within the well, wellhead for all oil & gas wells & etc.
2	Paysaz Co.	OTC	Medium	2,898,075	—	2,898,075	96.6	3,000	7,126	20,651,682,450	619,550,500	50	2	20	<ul style="list-style-type: none"> <li>Social Security Organization 96.6%</li> <li>Other shareholders 3.4%</li> </ul>	Designing, construction & implementation of pressure vessels, heat exchangers, <b>storage</b> tanks, <b>oil &amp; gas</b> equipment & etc.

3	<b>Dehdasht Petrochemical Co.</b>	OTC	-	73,336,229	3,859,801	77,196,030	19.87	135968.054	1418	109,463,970,540	3,283,919,116	30	2	20	<ul style="list-style-type: none"> <li>●National Petrochemical Co. 19.87%</li> <li>●Iran Investment Co. 23.16%</li> <li>●Shadan Shahr-e Bakhtar Co. 6.44%</li> <li>●Mamasani Petrochemical Co. 7.72%</li> <li>●Other small shareholders 42.81%</li> </ul>	Construction & commissioning & operation of petrochemical complexes & industrial plants to industrial manufactures, marketing & exporting the petrochemical products
4	<b>Jahde Banaye Toos</b>	Tender	-	380,000	20,000	400,000	40	1,000,000	2,785	1,114,000,000	33,420,000	30	2	20	<ul style="list-style-type: none"> <li>●IDRO 40%</li> <li>●Cooperative Jihad 20%</li> <li>●Jahde Banaye Sabok Part 20%</li> <li>●Jahde Betone Toos 20%</li> </ul>	Production of blocks & building Made with gas lightweight concrete Within the holy city of Mashhad & Imports of raw materials & exports of products
5	<b>Mandegar Artam Derakhshan Production Co.</b>	Tender	-	285,000	15,000	300,000	30	1,000	1,098	329,400,000	9,882,000	50	The rest a 6 month installment	20	<ul style="list-style-type: none"> <li>●IDRO 30%</li> <li>●Mr. Mohammad Din Mohammadi 66%</li> <li>●Other Shareholders 4%</li> </ul>	Construction of manufacturing industrial units & obtaining financial facilities & domestic & foreign investment
6	<b>Zanjan Province Development &amp; Housing Co.</b>	Tender	-	242,250	12,750	255,000	17	1,500,000	1,655	422,025,000	12,660,750	In cash		10	<ul style="list-style-type: none"> <li>●Iran Urban Development &amp; Improvement 17%</li> <li>●Jahad Jahde Nasre Zanjan 20%</li> <li>●Zanjan Province Municipalities Cooperation Organization 20%</li> </ul>	Management & preparing urban projects, architecture, denotative maps, preparation & other executive measures & Production and construction of necessary buildings

## **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 of each company separately. 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 Saturday (02, July 2011), in lieu of the receipt.
- 1.4. In order to receive the financial information and form to participate in the bids of Vitana Distribution Company, 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 and for Rah Ahan Sport & Cultural Club at Farabourse Iran Company. 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. On installment transactions, 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 12%.
- 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, on tender divesting shares, the priority of purchase is bestowed upon the cooperative sector, under similar condition.

- 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 such as the fraction of certain or uncertain tax reserves, social securities insurance, personnel's service redemption and the years of services, accrued interest and fines towards the bank and financial facilities, 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 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. The purchaser of Paysaz Company is obliged to pay the debts of the mentioned company to IDRO (based upon the legal offices) as installment and during 2 years.

## **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. Financial or Non-financial Incentives and Discounts in the Block Controlled Shares for the companies rows 1 & 2:**

- 3.1. The purchaser of the controlled shares of Iran Pira Fafari and Paysaz companies(the least amount of the shares to determine the majority of the board of directors' members) who increase number of the staff of the firm to the extent more than what is recorded in the divesting document during the period of installment, or resort to train and recruitment of extra workforces of other privatized firms in their units, shall enjoy the financial or non-financial incentives as mentioned in the guideline number 63/2/206295 (dated 7, Apr. 2009) and the guideline of "monitoring mode after divesting the shares" by the divesting Board (dated 1&8 of May 2010), if they are qualified.
- 3.2. The qualified purchasers shall enjoy of three types of financial incentives separately: discount in the original transaction price, minimization of the benefit of sale by installment or time discount (it means reviewing on the contract time resulting from lengthening of during the repayment of the installments).

\* **Note:** Granting the financial or non-financial incentives depends upon the presenting the written plan of the purchaser to maintain and increase the level of the current occupation and retraining the firm's staff. Also, using the financial incentives in paragraph (3-2) is possible provided that after divesting, the average annual of the firm's staff numbers increases with regard to the recorded number in the divesting document, considering the alternative people in lieu of the retired and severance compensations during the years after divesting, on condition that reducing the number of employees during the studied period does not never exceed ten percent 10%.

3.3. If the qualified purchasers of the controlled shares conclude the measures like the new investment, promotion of efficiency and productivity, production continuity and promotion of its level, promotion of technology and fixing the occupation level in the divestible firm shall be enjoyed the discounts of the guideline of " How to obtain commitments, insert provisions and grant discounts" by the divesting Board (dated 11, Mar. 2009).

#### **4. Other Cases:**

- 4.1. The Envelopes containing bids shall be opened at 2 pm on Sunday (03, July 2011) in the Persian Gulf Conference Hall of the IPO, located in fifth floor, and the bidders or their representatives may participate in the event.
- 4.2. The shares offering of Iran Pira Fafari Company will begin since (02, July 2011), Paysaz Company since (03, July 2011) and Dehdasht Petrochemical Company since (04, July 2011) at OTC.
- 4.3. On OTC divestitures, the purchasers will be allowed to enter the purchase order to the trading system in the case that they settle 3% of the value of transaction shares based upon the base shares price of the advertised shares (in cash or bank guarantee) to the account of Central Securities Depository (CSD) of Iran as a deposit participating in the tender of OTC to guarantee the purchasers' liabilities unconditionally.
- 4.4. The IPO preserves the right to accept or reject all or any of the bids.
- 4.5. 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), within the deadline of the notification, the winner of the transaction must not have any claim about the deposit and as soon as possible their deposit shall be confiscated to the IPO benefit (after legal deductions).
- 4.6. 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).
- 4.7. 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 Wednesday (29, June 2011). For financial information of rows 1 to 3, the applicants may refer to Farabourse Iran Company, until the mentioned date.