

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

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, Iranian Privatization Organization is considering divesting the shares of the following firms, observing other conditions stated hereunder through the stock exchange, with the preferential shares (in accrue case) at maximum 5 percent of the total divestible shares having been deducted:

Name of the firm	Firm's Size	Divesting method	No. of Divestible Shares				Capital (million Rials)	Base value of each share (Rials)	Total base value of divestible shares (Rials)	Amount of deposit for participating in tender (Rials)	Installment conditions for selling		Ownerships & Percentage	Type of activity
			Divestible shares as block	Preferential & installment shares	Total	Total percentage					Percent of cash prepayment	Payment period (year)		
Shiraz Petrochemical Co.	Very large	Stock Exchange	2,284,664,569	—	2,284,664,569	89.6	2,550,000	The TSE board price on the day of offering (equal to the closing price on the day before the offering date) plus 140% unless it wouldn't be less than 3125 Rls.	7,139,567,778,125	214,187,303,500	20	4	<ul style="list-style-type: none"> ● National Petrochemical Co. 89.6% ● Social Security Investment Co. 4.63% ● Other Stockholders 5.77% 	Creation, management & development of chemical & petrochemical industries & its derivatives

1. Transaction Conditions:

- 1.1. The above price is the base shares price. Obviously, the highest proposed prices shall be set as the transaction price.
- 1.2. The applicants must submit their offers regarding the whole divestible shares of each firm separately. Evidently, the number of allocated preferential shares by the personnel of the firm (in accrue case) 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 (23, Oct. 2010), in lieu of the receipt.

1.4. In order to receive the form to participate in the bids, applicants may refer to the IPO, Room No. 309 located at firms' divesting affairs office.

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, power of attorney, guideline of monitoring mode after divesting and the application form of participation in tender which are available at IPO and Securities and Exchange Organization. As far as 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. In divesting with cash and installment payment, Individuals with cash payment will have the priority in purchasing the shares; in the case the applicants intend to purchase on installment, they must pay the cash part and the installments according to the information in the above table.

*** Note:** In installment transactions, the interval among the installments is 6 months and the interest rate of sales is equal to 50 percent (50%) of the bank interest procedures at industry and mine sector - 6% -.

1.7. In installment transactions, the shares certificates equivalent that is remained from installment of traded shares shall be kept by the IPO as collateral, until the payment of the shares' price is completed.

1.8. According to Note 4 of 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 from IPO, who have not paid their installment based upon the contract, are not allowed to attend in the tender bid or to purchase the shares again until settling the previous debt.

☆ Noteworthy for shares applicants:

- 1- Price of supplied and petrochemical products is within the framework of the law of adjusting subsidies and the purchasers are required to follow it.
- 2- Certain transfer of the shares depends upon the payment of all the claims of Petrochemical Industries Company (mother specialized company), maximum during the payment of installments.

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

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 I.R.Iran; maximum five percent (5%) of the preferential and installment shares of firms to the directors, staff and retired individuals of the same firm, shall be based upon the conditions stated hereunder:

- 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 the divestible firm have paid their insurance premium (even non-continued) in that period, possess the qualifications to receive the preferential 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 preferential 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 preferential shares simultaneously.

- b. The amount of the allottable preferential 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. Preferential 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 preferential shares from IPO to the divestible firm, their request to use the preferential 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 firms' divesting affairs office of the IPO. In case there is received no application to purchase the preferential 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:

3.1. The purchaser of the controlled shares (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 1st & 8th 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 "obtaining manner of commitments, inserting provisions and granting discounts" (until 11th, Mar. 2009) by Divesting Board.

4. Other Cases:

4.1. The envelopes containing bids shall be opened at 2 pm on Sunday (24, Oct. 2010) in the conference hall of the IPO, located in fifth floor, and the bidders may participate in the event.

4.2. The offering will be begun since (23, Oct. 2010).

- 4.3. After purchase ordering, the purchasers must settle or present 3% of the base value of advertised shares (in cash or bank guarantee) to the account of Central Securities Depository (CSD) of Iran as a deposit participating in the Stock Exchange 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), during 20 working days of the notification (from winning date in the Stock Exchange), their deposit shall be confiscated to the IPO benefit.
- 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 21th, July 2008).
- 4.7. For further information and collection of the Letter of Introduction to visit the firm, the applicants may refer to Room No. 309 located at firms' divesting affairs office of IPO located at the above address, until Wednesday (20, Oct. 2010). For financial information, the applicants may refer to Securities and Exchange Organization until the mentioned date.

IPO Website: www.ipo.ir