

## DEAR INVESTOR!

We welcome you as a Bidder for privatization of the Private Joint-Stock Company «Ukrnaftoproduct» (PJSC «Ukrnaftoproduct»/the Company).

The auction for the second sale of the shares will be held on **October, 12, 2017** in the office of the State Property Fund of Ukraine (SPFU) at the address:  
**18/9 Generala Almazova Street, Kyiv, room 303.**

We recommend you to use this step-by-step guide which will help you quickly prepare all documents for participation in the auction. Please pay attention that this Guide is of assistive and informative character only and is designed with a sole purpose of facilitating your participation in the auction for the sale of the shares of the PJSC «Ukrnaftoproduct».

Information about the company you can find on the website:  
[privatization.gov.ua](http://privatization.gov.ua)



## GUIDE FOR THE BIDDER

To assist in preparation for the auction for privatization of the PJSC «Ukrnaftoproduct».

**\*This guide is for informational purpose and prepared in accordance with:**

- Law of Ukraine "On State Property Privatization", with amendments;
- Regulations on the procedure for conducting auctions on sale of blocks of shares of joint stock companies, approved by the Order of SPFU from 10.05.2012 No.639, with amendments;

## PLEASE PAY YOUR ATTENTION!

According to the Article 8 of the Law of Ukraine “On Privatization of State Property”, the following individuals and legal entities is eligible to participate in the Auction: citizens of Ukraine, foreign citizens, persons without citizenship; legal entities registered on the territory of Ukraine, except as provided in the list below; legal entities of other states.

The following persons shall Not be eligible to participate in the Auction:

- legal entity, more than 25% of shares (equity, stakes) of which is owned by the state of Ukraine;
- legal entity, any number of shares (equity, stakes) of which is owned by a resident of the state, recognized by the Verkhovna Rada of Ukraine as the aggressor state, or the state, recognized by the Verkhovna Rada of Ukraine as the aggressor state, and/or such resident is an ultimate beneficial owner of a Bidder;
- public authorities;
- employees of state privatization bodies;
- state economic associations, state holding companies, state joint-stock companies, their subsidiaries and branches;
- companies registered in offshore zone (list of such zones determines the CMU) or a country included to FATF, which are not cooperating in the sphere of combating money laundering;
- legal persons or any of their affiliates, registered in States which are recognized by the Verkhovna Rada of Ukraine as the aggressor state or against whom there are sanctions in accordance with the law;
- companies who directly or indirectly are controlled by persons, ultimate beneficial owner(s) (controller(s)) of which is the persons defined in other items of the above list, or is affiliated persons of such persons;
- individuals or related persons who are nationals of a state which is recognized by the Verkhovna Rada of Ukraine as the aggressor state or against whom there are sanctions in accordance with the law.

Also, the following persons shall not be allowed to participate: legal entities and individuals, to whom the sanctions are applied in accordance with the Decree of the President of Ukraine dated 15 May 2017 No.133/2017, which was put into effect by the Decision of the National Security and Defense Council of Ukraine dated 28 April 2017 “On Application of Personal Special Economic and other restrictive measures (sanctions)”.

In accordance with clause 6.18 of the Regulation, the Bidders shall not be allowed to participate in the Auction by the SPFU in the following instances:

- it cannot be qualified as buyer under the laws of Ukraine;
- it did not provide all information and documents prescribed by clauses 5.7-5.9 of Section V of the Regulation, or such information and documents were provided in breach of the effective legislation;
- it did not provide the post-privatization business-plan;
- the business entities, which would control the subsequent activity of the Company, cannot be identified;
- the Bidder did not submit to the SPFU within the defined period its written consent regarding the terms and conditions of the final draft SPA, signed by the authorized representative, the powers of which shall be evidenced by the confirmatory documents (submitted by the buyer), and sealed (for legal entities, if applicable).

## Preparation stages for the Bidder to participate in the Auction for the second sale of state stake of PJSC «Ukrnaftoproduct»

1	Application letter to the State Property Fund of Ukraine (SPFU) on intent to participate in the Auction	Till September 27, 2017*
2	Signing the Non-Disclosure Agreement with SPFU and PJSC «Ukrnaftoproduct»	After Stage 1
3	Obtaining SPFU permission to visit PJSC «Ukrnaftoproduct» (at the Bidder's request)	After Stage 2
4	Obtaining from SPFU document package concerning the Auction	After Stage 2
5	Notification of PJSC «Ukrnaftoproduct» and the NCSSM on the purpose to acquire the state stake in PJSC «Ukrnaftoproduct»	Till October 3, 2017*
6	Application letter to the AMC to receive permission for acquisition of shares of PJSC «Ukrnaftoproduct»	Till October 4, 2017*
7	Opening of securities accounts in a depository institution (bank)	Till October 4, 2017*
8	Payment of the Auction Deposit and the registration fee	September 11 - October 4, 2017
9	Submission of the proposals (if any) to SPFU's draft of Sale and Purchase Agreement (SPA)	Till September 27, 2017*
10	Negotiations between Bidder and SPFU regarding draft of the SPA (in case there are proposals)	After Stage 9–(till October 2, 2017)*
11	SPFU's releasing to all Bidders the final draft of the SPA incorporating comments from all Bidders (if any) which have been accepted by the SPFU (if any such exists)	Till October 2, 2017*
12	Submission of the final draft of the SPA to the SPFU	Till 05:30 PM October 4, 2017*
13	Submission and registration of the Auction documents in the SPFU	Till 05:30 PM October 4, 2017*
14	Opening the envelopes with auction documentation in the SPFU office in the presence of the Bidder	October 5, 2017*
15	Submission of the Initial Bid by the Bidder to SPFU	Till 10:50 AM October 12, 2017
16	Participation in the Auction for the second sale of shares of PJSC «Ukrnaftoproduct»	From 11:00 AM October 12, 2017
17	Signing of the SPA between SPFU and the Winner of the auction	Till 06:00 PM October 24, 2017
18	Payment for the state stake of the PJSC «Ukrnaftoproduct» by the Winner	Within 30 days from Signing To submit the copy within 10 days after receipt
19	Obtaining the AMC permission (if not obtained before signing the SPA)	

**RECOMMENDATION:**

**SPFU Team would appreciate if you will try to prepare all documents as soon as possible to be fully ready with this package by October 4, 2017.**

**On October 5, 2017 the Working group of the SPFU would open it in the presence of the Bidder to check the presence of all documents relating to Bidder and it's qualification criteria for participation in the auction.**

**\*Means date inclusive.**

**STAGE 1****Application letter to the State Property Fund of Ukraine  
on intent to participate in the Auction****Till September 27, 2017\***

The Bidder appeals in writing to the State Property Fund of Ukraine to participate in the Auction, stating the following:

- company name;
- issue of the SPFU Bulletin "Vidomosti pryvatyzatsiyi" dated September 11, 2017 № 71 (1091), which posted the information statement about the Auction;
- intent to sign the non-disclosure agreement for the information provided about PJSC «Ukrnaftoproduct» (in accordance with the Regulation);
- permission to visit the enterprise (on request), indicating the full name, passport details (series, number, issuing authority) of the persons who will visit PJSC «Ukrnaftoproduct». Please provide this information in hard copy to SPFU office or send it to e-mail addresses (zah@spfu.gov.ua);
- communication means (phone number, address, email, fax) for receiving the messages from the State Property Fund of Ukraine.

The Bidder may send this application letter via mail (to: 18/9 Generala Almazova Street, Kyiv, 01133 Ukraine) or put it into mail box on the 1<sup>st</sup> floor of the SPFU office (18/9 Generala Almazova Street, Kyiv).

**STAGE 2****Signing the Non-Disclosure Agreement  
with SPFU for provided confidential information**

After Stage 1

Non-disclosure agreement for the provided information is signed in 3 counterparts. One counterpart is for the Bidder. The Bidder should come to the room 614 at the SPFU office (18/9 Generala Almazova Street, Kyiv) to take it personally or ask to do it its/his/her authorized person.

Two other counterparts – for the SPFU.

If the agreement is signed by the authorized person, the power of attorney confirming the person's authority should be provided.



**STAGE 3****Obtaining SPFU permission to visit PJSC «Ukrnaftoproduct» (at the Bidder's request)**

After Stage 2

At the request of the Bidder, the State Property Fund of Ukraine provides the permission to visit PJSC «Ukrnaftoproduct».

To obtain the permission, it is necessary to submit the passport details (name, surname, patronymic, series, number, issuing authority) of the persons who will visit PJSC «Ukrnaftoproduct», or send the above data to these email addresses (zah@spfu.gov.ua).

During visiting PJSC «Ukrnaftoproduct», the Bidder is eligible to:

- receive the information about the activities of PJSC «Ukrnaftoproduct», which does not contain the state secrets, confidential and business data;
- inspect the facilities;
- have verbal interview with the management of PJSC «Ukrnaftoproduct».

## **Obtaining from the State Property Fund of Ukraine document package concerning the Auction**

State Property Fund of Ukraine provides the Bidder with procedural and informational materials.

Procedural materials:

- form of the Bidder's application for the participation in Auction (Appendix 1)
- draft of SPA

Informational materials:

- copy of Charter of the Company
- Plan of placement of Company's shares
- copies of the balance sheet, statement of financial performance, statement on equity capital for the last fiscal year and quarter;
- letter of Antimonopoly Committee of Ukraine regarding application of Article 24 of the Law of Ukraine "On Protection of Economic Competition";
- documents and information about the Company required to submit an application for permission to purchase shares to the Antimonopoly Committee of Ukraine;
- promotional information about the Company (if available).

## Notification of PJSC «Ukrnaftoproduct» and the National Commission on Securities and Stock Market (NCSSM) on the purpose to acquire the state stake in PJSC «Ukrnaftoproduct»

Till October 3, 2017\*

The Bidder shall provide the written notification at the address of PJSC «Ukrnaftoproduct» (*free-form*) stating its/his/her intention to purchase the stake of company shares, indicating number, type and / or class of shares belonging to the person (each person acting jointly) and each of its affiliates, and the number of ordinary company shares that a person (persons acting jointly) intends to acquire and publishes such intention.

The Bidder shall notify the NCSSM on the text of written notification sent to PJSC «Ukrnaftoproduct», **indicating its publishing in official newspaper.**

Confirmation of completion of the said paragraph by the Bidder shall be submitted to the Auction document package which is to be provided to the State Property Fund of Ukraine.

**STAGE 6****Application letter to the Antimonopoly Committee (AMC) to receive permission for acquisition of shares of PJSC «Ukrnaftoproduct»****Till October 4, 2017\***

The application for permission to purchase the shares of PJSC «Ukrnaftoproduct» shall be submitted to the Antimonopoly Committee in accordance with Regulation on the procedure of application for a preliminary permit for concentration of economic entities (Regulation on concentrations) approved by the AMCU order № 33-p dated 19.02.2002 and Law of Ukraine "On Protection of Economic Competition".

**STAGE 7****Opening of securities accounts in a depository institution (bank) of Ukraine**

Till October 4, 2017\*

The Bidder shall open securities account in its/his/her own name in a depository institution of Ukraine (bank which has the right to conduct depository activities).

If the Bidder is recognized as the Winner and, provided to Bidder's payment of the full value of the state stake of the enterprise, SPFU will transfer the above state stake of shares to Bidder's account.

*For the Resident Bidder:*

**Details for payment of auction guarantee (Auction Deposit) and registration fee in national currency (UAH):**

<p><b>Auction guarantee</b> in the amount of <b>5 683 000</b> hryvnyas</p>	<p><b>Recipient of funds</b> – State Property Fund of Ukraine <b>Account №</b> 37316021000058 <b>Recipient Bank</b> – State Treasury Service of Ukraine, Kyiv, <b>MFO (sort code)</b> 820172; <b>USREOU Code</b> 00032945. <b>Payment purpose:</b> as security deposit for participation in the auction for the second sale of state stake of the Private Joint-Stock Company «Ukrnaftoproduct».</p>
<p><b>Registration Fee</b> in the amount of <b>340</b> hryvnyas</p>	<p><b>Recipient of funds</b> – State Property Fund of Ukraine <b>Account №</b> 37183500900028 <b>Recipient Bank</b> – State Treasury Service of Ukraine, Kyiv, <b>MFO (sort code)</b> 820172; <b>USREOU Code</b> 00032945. <b>Payment purpose:</b> as registration fee for participation in the auction for the second sale of state stake of the Private Joint-Stock Company «Ukrnaftoproduct »</p>

*For the Non-Resident Bidder:*

**Details for payment of auction guarantee (Auction Deposit) and registration fee in foreign currency (US dollars, Euro):**

<p><b>Auction guarantee in the amount of 5 683 000 hryvnias</b></p> <p>(at the exchange rate of National Bank of Ukraine on the day of guarantee payment)</p>	<p><b>Receiver:</b> The State Property Fund of Ukraine <b>Address:</b> 18/9 Generala Almazova Street, Kyiv, 01133 Ukraine <b>Account:</b> 25206010023277 <b>Bank of receiver:</b> Joint-Stock company «State Export Import Bank of Ukraine» <b>Address:</b> 127, Antonovycha Street, Kyiv, Ukraine <b>MFO</b> 322313 <b>SWIFT:</b> EXBSUAUX <b>USREOU (YeDRPOU) Code:</b> 00032945 <b>Purpose of payment:</b> tender guarantee for participation in the auction for the second sale of the stake of Private Joint-Stock Company «Ukrnaftoprodukt ».</p>
<p><b>Registration fee in the amount of 340 hryvnias</b></p> <p>(at the exchange rate of National Bank of Ukraine on the day of payment of registration fee)</p>	<p><b>Receiver:</b> The State Property Fund of Ukraine <b>Address:</b> 18/9 Generala Almazova Street, Kyiv, 01133 Ukraine <b>Account:</b> 25206010023277 <b>Bank of receiver:</b> Joint-Stock company «State Export Import Bank of Ukraine» <b>Address:</b> 127, Antonovycha Street, Kyiv, Ukraine <b>MFO</b> 322313 <b>SWIFT:</b> EXBSUAUX <b>Code YeDRPOU:</b> 00032945 <b>Purpose of payment:</b> registry fee for participation in the auction for the second sale of the stake of Private Joint-Stock Company «Ukrnaftoprodukt ».</p>

**Potential buyers have an option to provide a 20 % Bid Bond from reputable international bank that ranked BBB- or higher by S&P or similar rating agency instead of paying the cash guarantee, for the amount of the tender guarantee – UAH 5 683 000.**

**Bid Bond** shall mean a confirmation in writing (guarantee letter) from a bank or other credit institution on satisfaction of the claims of the authorized party in the full amount, indicated in such written confirmation in case the third party (obligated party) does not perform the obligation indicated therein, or in case there occur other conditions, prescribed by such confirmation.

The Bid Bond shall be provided in the form of irrevocable bank letter of credit (guarantee), which upon the terms, agreed with the SPFU, shall be issued by a commercial bank with the credit ranking of the “investment” level or whose shareholder, which owns the controlling shareholding (parent company), has the credit ranking of the “investment” level.

The “investment” credit ranking shall be applicable to banks of controlling shareholders thereof (parent company), whose long-term unsecured bonds are rated BBB or higher by the reputable international rating agencies, and where such banks (parent companies thereof) do not have pending litigations with any state privatization authority or any other state body of Ukraine.



## BANK GUARANTEE

SAMPLE FORM

City

«\_\_»\_\_\_\_\_2017

\_\_\_\_\_  
(full name of the Bank, location, Bank code, YeDRPOU code, banking license)

\_\_\_\_\_  
(N correspondent account, telephone, fax)

(the “**Guarantor**” hereinafter) as represented by \_\_\_\_\_,

(position, full name)

acting on the basis of \_\_\_\_\_, shall pay for

\_\_\_\_\_  
(name of juridical entity/private individual)

established under the law of \_\_\_\_\_, registration number of \_\_\_\_\_, having its registered office at: \_\_\_\_\_, acting on the basis of \_\_\_\_\_, (Principal hereinafter)

(document, number, date)

to the State Property Fund of Ukraine (the “**Beneficiary**” hereinafter) funds in the amount of \_\_\_\_\_, equivalent of 5 683 000 UAH, according to exchange rate of National Bank of Ukraine on the date of \_\_\_\_\_  
(US dollars/euro)

the issue of the guarantee, under the terms of the tender defined as a deposit of 20 percent of the initial price of the stake of Private Joint-Stock Company «Ukrnaftoproduct». (YeDRPOU code: 00018201), (the “**Principal's Debt**” hereinafter).

1. The Bank guarantee was issued to ensure executing the obligations by Principal for the participation in the tender for the sale of the stake of Private Joint-Stock Company «Ukrnaftoproduct» (YeDRPOU code: 00018201), in an amount of 61 088 246 units of ordinary registered shares, issued in non-documentary form, which is 50 % of the authorized capital of the Company plus one share, the nominal share price is 0,3 UAH and the nominal price of the block of share is 18326473,8 UAH (according to the plan of placement of the Company's shares, approved by the Order of the State Property Fund of Ukraine dated April 29, 2017 № 912 «On the organization of the sale of shares of Private Joint-Stock Company «Ukrnaftoproductant» (amended) (YeDRPOU code: 00018201), according to the procedure under the Order of the State Property Fund of Ukraine dated 10.05.2012 № 639 (amended), registered by Ministry of Justice of Ukraine at 12.06.2012, № 940/21252.

2. The Guarantor shall to pay during five banking days from the date of receipt of the written request of the Beneficiary on payment of the sum of \_\_\_\_\_ the Principal's Debt, which shall include the amount and bank details of the Beneficiary to transfer funds under this Guarantee.  
(US dollars/euro)

3. The payment of the Principal's Debt to the Beneficiary by the Guarantor in full under the written request means that the Guarantor performed all obligatory under this guarantee.

4. The grounds for the request of the Beneficiary under the guarantee are:

- the Principal recalls of the tender documentation after the last day of the period of acceptance – October 4, 2017;
- the Principal hasn't fulfilled the requirements to tender offer and he wasn't permitted further participation in the tender under the competitive commission decision;
- the Principal provided the Bank guarantee, but it hasn't submitted the tender offer;
- the Principal refused to sign the minute of proceedings of the competitive commission;
- the participants proposed the same bids and don't make any steps to increase the initial price after the start of trading according to the increments of trading (the tender is deemed to have failed);
- the Principal refused to sign the contract on purchase and sale of the block shares of Private Joint-Stock Company «Ukrnaftoproduct» and notary certify it;
- the Principal failed to appear in place, day and time certain by the Beneficiary for notarization of the contract on purchase and sale of the block shares of Private Joint-Stock Company «Ukrnaftoproduct».

5. All disagreements or requirement arising out of this Bank guarantee or in connection with it, particularly regarding its interpretation, performance, breach, termination or invalidity, resolved in the Arbitration Institute of the Stockholm Chamber of Commerce under the its Rules of Procedure. The Arbitral court of consists of three arbitrators. The place of the sitting of the Arbitration Court is Stockholm City. The language of the arbitration shall be English.

6. The Bank guarantee comes into force from the day of its issuance.

7. The Bank guarantee is valid until December, 31, 2017.

8. The Bank guarantee couldn't be withdrawn.

**The Auction Deposit shall NOT be returned or the letter of credit shall be honored, if:**

- The Application Documentation was recalled after the deadline for submission of the Auction Documentation - **after October 4, 2017;**
- The Bidder did not meet the requirements to the Auction Proposal, in particular:
  - 1) it submitted unregistered Auction Proposal;
  - 2) the registered Auction Proposal contains the price lower than the Starting Price as determined by the SPFU;
  - 3) the Auction Proposal does not contain the buyer's consent to perform all the fixed Sale Terms;
  - 4) the Auction Proposal is not signed;
  - 5) the Auction Proposal is signed by a person whose powers cannot be verified.
  
- The Bidder failed to provide any Auction Proposal;
- The Bidders with equal Initial Bids failed to raise their Bids in accordance with the Bid Increment;
- The Winner of the Auction refuses to sign the Minutes of the Auction;
- The Winner refuses to the sign and notarize the SPA;
- The Winner did not arrive for the signing and notarization.

**Submission of the proposals (if any) to SPFU's draft of Sale and Purchase Agreement (SPA)****Till September 27, 2017\***

The Bidder shall review and submit to SPFU its/his/her proposals to the Sale and Purchase Agreement of stake of PJSC «Ukrnaftoproduct», clearly specifying the proposed amendments.

Any suggestions to the draft Sale and Purchase Agreement proposed by the Bidder shall meet the conditions of the Auction specified in the information notice of the Auction, and effective Ukrainian legislation.

SPFU has the right to reject any amendments to the draft Sale and Purchase Agreement, if they contradict the conditions of Auction and/or the effective legislation of Ukraine.

**STAGE 10****Negotiations between Bidder and SPFU regarding draft of the SPA(in case there are proposals)****After Stage 9 –  
(till October 2, 2017)\***

In between the Submission of the Proposals to the SPA by the Bidders and Obtaining of the final draft of the SPA from the SPFU, there are market practice negotiations regarding terms of the SPA involving Bidder and/or its consultants and the SPFU and its advisors.

Negotiated and approved final draft of the Sale and Purchase Agreement will be provided to Bidder (or authorized representative thereof) in two copies, in person, against signature till October 2, 2017.

The final draft of the Sale and Purchase Agreement shall not be amended in any way.

**STAGE 12****Submission of the final draft of the Sale and Purchase Agreement to the State Property Fund of Ukraine**

**Till 05:30 PM October 4, 2017\*  
is the last day for submission  
(5 business days till the  
Auction Date)**

The Bidder shall submit to SPFU one copy of the final draft of the Sale and Purchase Agreement, along with written consent for its conditions.

**The final draft of the Sale and Purchase Agreement shall be sealed into opaque package labeled "The final draft of the Sale and Purchase Agreement", indicating the name and location of the State Property Fund of Ukraine, the name of Auction and Bidder's details.**

Bidder's provision of the written consent for the conditions of the final draft of the Sale and Purchase Agreement is deemed as confirmation that the Bidder agrees with the terms, conditions, rights and obligations of the parties to the draft of the Sale and Purchase Agreement.

In the final draft of the Sale and Purchase Agreement Bidder shall leave the space to specify the price of the stake sale. Moreover, the Bidder shall provide the written consent for indication in the draft of the Sale and Purchase Agreement by the State Property Fund of Ukraine of the maximum price offered by this Bidder, in case of this Bidder winning the Auction, as well as provides consent for its signing and notarization at the expense of the Bidder.

The Bidder shall submit to the State Property Fund of Ukraine, as part of the final draft of the Sale and Purchase Agreement, details of the securities account opened in the Bidder's own name in a depository institution (bank) of Ukraine, as well as details of the depository institution to the extent necessary for execution of order to perform the transaction for transfer of shares purchased by the buyer.

## **Submission and registration of the auction documents in the State Property Fund Of Ukraine**

**Till 05:30 PM October 4, 2017\*  
is the last day for submission  
(5 business days till the  
Auction Date)**

Auction documentation constitutes the following list of the supporting documents:

### **1) Application for participation in the auction**

Application shall be signed by the Bidder (its/his/her representative).

Application submitted by legal entity shall be sealed.

The application signed by the representative of an individual or authorized person of the legal entity shall be supplemented by duly certified copy of a document confirming the authority of the person signing the application. Application for participation in the auction shall be executed in accordance with example provided (Appendix 1).

### **2) Documents confirming:**

- payment of or provision of the Bid Bond for the amount of Tender Guarantee (deposit of 20%) in the amount of UAH **5 683 000**;

- registration fee in the amount of UAH **340**.

**3) Copy of Non-Disclosure Agreement for the information provided**, concluded by the Bidder through the written application to the SPFU after publishing the information notice on the Auction, in order to obtain the document package for the Auction.

**4) Certified documents confirming authority of the person** authorized by the Bidder to participate in the Auction and sign written consent for provisions of final draft of the Sale and Purchase Agreement for stake on behalf of the Bidder (PoA, Charter, etc.).

**5) Information on the number of shares of Company which is object of privatization**, being in possession (management, use) of the Bidder (the person it/he/she represents or in whose interests it/he/she acts) and economic entities associated with the Bidder (the person it/he/she represents or in whose interests it/he/she acts) with control relationship, and share of votes in the supreme management body of Company which is the object of privatization (as a percentage of the share capital).

**6) Information on sources of funds for the purchase of stake.**

Copies of documents confirming the source of funds, the right to receive funds in an amount not less than the initial price of stake (for Non-Resident Bidder or an enterprise with foreign investment)

**7) Copy of the application to AMCU for permission to purchase the shares.**

The Bidder shall submit duly certified copy of decision of the Antimonopoly Committee of Ukraine to grant the permission for such purchase, or **copy of the application** (if decision is unavailable at the moment of document submission) bearing the mark (stamp, date, incoming number, signature) of the Antimonopoly Committee of Ukraine office on its acceptance, for granting the permission for concentration (to purchase the Company stake).

**8) Information about the purpose and motives of purchasing the shares of the Company.**

If the main activity of the Bidder is to conduct financial transactions or transactions with securities and purchasing specific shares, the Bidder who makes the purchase of shares for the purpose of resale of shares during the year, and provided such a Bidder (persons authorized by it/him/her) does not (do not) participate in voting in the supreme body or other management bodies of privatization object, etc., shall provide relevant information.

**9) Confirmation of performance by the Bidder** of provisions of part 1 of Article 64 of Law of Ukraine "On Joint Stock Companies" to provide the Company with written notice of his intention to acquire shares

**10) Information on the distribution of the share capital among its shareholders:**

**for the legal entities** - documents on the distribution of share capital among its shareholders (participants), information on all the legal and natural persons who directly or indirectly exercise control over the Bidder, up to final owners - natural persons, inclusively, as well as information on the Bidders or persons, in whose interest the shareholding is purchased, their founders, participants, in particular, individuals-end beneficiaries (controllers).

Details and information shall be confirmed by an extract from the Unified State Register of Legal Entities and Individual Entrepreneurs, with reference from foreign judicial or commercial register, the register of shareholders, and other documents of the competent authorities or persons authorized to make records of ownership of shares (interests, equities).



The Bidder - trader in securities, in particular - financial intermediary, should provide information about the end Bidder, for the benefit of which the stake is acquired, as well as information about the end Bidder, provided by the first paragraph of this section 10.

**11) For the Bidder - individual:**

- copy of document identifying person;
- reference from the state tax service on submitted declaration of property status and income (tax declaration);
- for the non-resident Bidder - individual, copy of the passport document, confirming the citizenship of a foreigner, issued by a competent authority of a foreign country;
- for the Bidder which is a married individual, a notarized consent of the spouse to enter into the transaction of sale and purchase of the Company's shares for a price that can not be lower than the Starting Price of shares (if the marriage is registered in the Ukrainian - body of state registration of civil status), as a result of the Auction.
- information and copies of documents regarding related persons to the Bidder, which are qualified as such pursuant to the Tax Code of Ukraine:
  - 1) Information on the sum of all loans, reimbursable financial assistance from one legal entity and / or loans, reimbursable financial assistance from other entities guaranteed by one entity in respect of another entity exceeds the amount of its own equity capital by more than 3.5 times (for financial institutions and companies that are engaged exclusively in leasing activities - more than 10 times);
  - 2) documents evidencing the fact of marriage, birth of children;
  - 3) list of persons, signed by an individual, indicating their citizenship, namely: husband (wife), parents (including adoptive parents), parents-in-law, children (adults / minors, including adopted), sons/daughters-in-law, full and half-blood siblings, guardians, trustees, a child over whom guardianship or trusteeship are established, indicating their citizenship.

**12) For the Bidder - legal entity:**

- copies of constituent documents and extract from the Unified State Register of Legal Entities and Individual Entrepreneurs certified in accordance with legislation;
- certificate of inclusion in the Unified State Register of Enterprises and Organizations of Ukraine (if the Bidder is resident of Ukraine);
- certificate from trade, court or other register on directors and participants of the Bidder (for non-residents of Ukraine). Copies of constituent documents and relevant references from non-resident Bidders shall be translated into Ukrainian by certified translator, with the translation notarized or authenticity of translator's signature certified .
- copies of documents of the Bidder on decision to participate in the Auction and enter into the transaction of sale and purchase of the Company shares for a price that can not be lower than its Starting Price, according to its constituent documents, certified in accordance with legislation. Copies of documents of

non-resident Bidder shall be legalized and translated into the Ukrainian language by certified translator, with the translation notarized or authenticity of translator's signature certified .

- information on Financial Status:

**for the Resident Bidder** - a copy of the financial statements for the last fiscal year and quarter (copies of the balance sheet, statement of financial performance, statement on equity capital). Each document shall be duly executed, signed by the head and chief accountant of the legal entity and certified by seal of the legal entity (if applicable).

**for the Non-Resident Bidder** - annual financial report, the accuracy and completeness of which shall be confirmed by the auditor for the last financial year, and in the case when the final day of acceptance of the Auction documentation expires in the first quarter of the year - for the last or next to last financial year. If, according to the law of the state of Bidder's location, deadline for approval of the financial statements for last year has not come yet, and such fact is confirmed by the auditor's letter, the Bidder shall provide audited financial report for the next to last financial year.

Information and copies of documents regarding related persons to the Bidder, which are qualified as such pursuant to the Tax Code of Ukraine:

- documents certifying title to corporate rights of another legal entity;
- documents certifying the appointment of the collegial (sole) executive body of a legal entity and its supervisory board (board of directors), if applicable;
- list of legal entity's creditors the outstanding debt before which exceeds the amount of its own equity capital by more than 3.5 times (for financial institutions and companies that are engaged exclusively in leasing activities - more than 10 times);
- documents on all owners of the corporate rights of the legal entity (legal entities, individuals), indicating their residency of each owner and amount of corporate rights in the charter capital held by such owners.

**d) Business plan**, developed based on the Auction terms and conditions. The Winner of the Auction attaches business plan to the Sale and Purchase Agreement for stake of PJSC «Ukrnaftoproduct».

The responsibility for the accuracy and completeness of the document submitted, as well as the duty to prove its/his/her right to purchase state property object, are entrusted to the Bidder.

The responsibility for the accuracy and completeness of the document submitted, as well as the duty to prove compliance with the requirements of Article 8(3) of the Law of Ukraine “On Privatization of State Property”, are entrusted to the Bidder.

Auction documentation shall be **submitted in Ukrainian**; if it is composed of documents in a foreign language, they shall be translated into Ukrainian, with the translation notarized or authenticity of translator's signature certified.

The Auction documentation shall be sealed into opaque package labeled "Auction documentation", where name and location of the State Property Fund of Ukraine and the name of the Auction are indicated only. The package shall not constitute the information which can be used to identify the Bidder.

The Auction documentation shall be submitted personally by the Bidder or persons authorized by it/him/her **(at the address: Generala Almazova Street, 18/9, Kyiv, State Property Fund of Ukraine, room 511, every day, from 9.00 AM to 5.30 PM, on Fridays from 9.00 AM to 4.00 PM, and in days before holidays – from 9.00 AM to 4.30 PM.)** and shall be registered on the day of its submission by indicating on it the number, date and time of its registration.

The Bidder shall obtain the certificate of registration, which indicates the number, date, time of registration, first name, last name and patronymic of the person who performed the registration of the Auction documentation.

**The receiving of the Auction documentation ends on October 4, 2017 at 05:30 PM.**

The Bidder who registered the Auction documentation obtains the information on the date, time and place of opening envelopes with competition documentation.

**STAGE 14****Opening the envelopes with Auction documentation in the SPFU office in the presence of the Bidder****October 5, 2017**

**On October 5, 2017** the State Property Fund of Ukraine unseals envelopes with competition documentation in the presence of Bidder and checks for presence of necessary documents.

**STAGE 15**

**Submission of the Initial Bid by the Bidder to the State Property Fund of Ukraine**

**Till 10:50 AM  
October 12, 2017**

Registration of the competition participants and competition offers submitted by them starts on **October 12, 2017, from 10:00 AM to 10:50 AM in room 303** in the office of the State Property Fund of Ukraine (at the address: Generala Almazova street, 18/9, Kyiv).

Competition participants (persons authorized by them) shall submit their competition offers personally to competition committee before 10:50 AM October 12, 2017.

As part of the competition offer, the Bidder shall submit the documents confirming the authority of the person signing the competition offer.

The competition offer shall be submitted in the sealed opaque package labeled "Competition offer", where name and location of the State Property Fund of Ukraine and the name of competition are indicated only.

The package shall not constitute the information which can be used to identify the competition participant.

**STAGE 16****Participation in the Auction for the second sale of shares of PJSC «Ukrnaftoproduct»****From 11:00 AM  
October 12, 2017**

The Auction for the second sale of the stake of PJSC «Ukrnaftoproduct» will take place on **October 12, 2017 at 11:00 AM** in the office of the State Property Fund of Ukraine at the address: 18/9, Generala Almazova Street, Kyiv, room 303.

**Return of the Auction Deposit:** SPFU returns the Auction Deposit to the Bidders other than the Winner within 7 business days after the approval of the Final Minutes of Auction by the SPFU. From a practical standpoint, the Minutes are signed on the Auction Date, delivered for approval to SPFU within 2 business days, and approved by SPFU within 3 business days after the delivery. The Auction Deposit is returned to the account indicated by the Bidder in the Application for Participation.

## **Signing of the SPA between the SPFU and the Winner of the Auction**

**Till October 24, 2017**

State Property Fund of Ukraine, before **October 24, 2017**, together with a Winner shall sign the Sale and Purchase Agreement for state stake of PJSC «Ukrnaftoproduct», which is subject to notarization.

The Winner, on date and time determined by the State Property Fund of Ukraine, shall attend the place determined by SPFU in order to sign and notarize the Sale and Purchase Agreement and pay the notary for the certification of the Sale and Purchase Agreement.

The State Property Fund of Ukraine notifies the Winner in writing and against the signature on the date, place and time of conclusion and notarization of the Sale and Purchase Agreement no later than three working days before conclusion and notarization of the Sale and Purchase Agreement, on the day of signing the minutes.

With the consent of the Bidder, specified period may be shortened.



**STAGE 18****Payment for the state stake of the PJSC «Ukrnaftoproduct» by the Winner****Within 30 days  
after Signing**

The Winner shall pay for the stake during 30 days from the date of notarization of Sale and Purchase Agreement.

In case of non-payment of funds under the Sale and Purchase Agreement within the next 30 days, the Bidder shall pay the penalty to the State Property Fund of Ukraine in the amount of 20 percent from the object sale price.

Non-payment of funds within 60 days from the date of notarization of the Agreement entails the termination of the Sale and Purchase Agreement.

**Obtaining the AMC permission (if not obtained before signing the Sale and Purchase Agreement)**

The Bidder shall submit the authorized copy of decision of the Antimonopoly Committee of Ukraine to grant the permission for concentration within 10 days after receipt.

A case is possible when the Winner does not have the decision of Antimonopoly Committee of Ukraine to grant the permission to purchase the shares at the date of the Auction/ agreement conclusion.

In this case, the Sale and Purchase Agreement shall be concluded with the Winner provided the Winner's obligation to provide the permission of Antimonopoly Committee of Ukraine to purchase the stake within 10 days after receipt of such permission.

In case Antimonopoly Committee of Ukraine (Administrative Panel of the Antimonopoly Committee of Ukraine) decides to prohibit concentration to the Auction Winner, the Antimonopoly Committee of Ukraine informs the SPFU on such decision within 10 days from the date of adoption of such decision, and provides the copy of the relevant decision. In such a case, the SPA shall be terminated upon request of the state privatization authority upon consent of both parties or upon decision of the court.

**STAGE 20****Transferring of the state stake of PJSC «Ukrnaftoproduct» shares to the Winner's account**

After Stages 17-19

The State Property Fund of Ukraine shall transfer state stake of PJSC «Ukrnaftoproduct» in the amount of 50% plus one share to the account of the Winner within 3 business days after full payment of stake price, but not before the date of the Bidder's receipt of permission from Antimonopoly Committee of Ukraine and submission of its certified copy to the State Property Fund of Ukraine.

**APPLICATION FOR PARTICIPATION IN THE AUCTION**

1. The Bidder \_\_\_\_\_  
 (first name, last name and patronymic of the individual or full name of the legal entity submitting the application)  
 has the intention to participate in the auction for sale of the stake of \_\_\_\_\_  
 \_\_\_\_\_  
 (name of privatization object)

(hereinafter referred to as company) in the amount of \_\_\_\_\_ shares, which constitutes \_\_\_\_\_ %  
 of authorized capital of the company.

## 2. Information on the Bidder:

USREOU Code \_\_\_\_\_  
 (for residents - legal entities)

registration number \_\_\_\_\_  
 (for non-residents - legal entities)

location \_\_\_\_\_  
 (Bidder's address)

banking details: a/c \_\_\_\_\_ in \_\_\_\_\_

MFO (sort code) \_\_\_\_\_

Head \_\_\_\_\_  
 (first name, last name and patronymic)

Information of the state privatization body in accordance with the provisions on procedure of auctions for the sale of stakes in joint stock companies approved by the order of State Property Fund of Ukraine, the order of the Antimonopoly Committee of Ukraine, the decision of the National Commission on Securities and Stock Market shall be provided by the following means

of communication: \_\_\_\_\_  
(phone number, address, e-mail, fax)

3. Authorized person

\_\_\_\_\_  
(first name, last name and patronymic)

Passport: series \_\_\_\_\_ № \_\_\_\_\_, issued by \_\_\_\_\_  
(name of issuing authority)

" \_\_\_\_ " \_\_\_\_\_ .

Contact numbers of authorized person \_\_\_\_\_, \_\_\_\_\_,  
acting on the basis of \_\_\_\_\_

\_\_\_\_\_  
(name, number and date of the document confirming the right to represent the interests of Bidder)

dated " \_\_\_\_ " \_\_\_\_\_ . № \_\_\_\_\_

4. Non-disclosure agreement for the information provided about the company concluded on

" \_\_\_\_ " \_\_\_\_\_ under the № \_\_\_\_\_

5. Additional information:

\_\_\_\_\_  
(at the request of a Bidder)

6. The Bidder

\_\_\_\_\_  
(first name, last name and patronymic of the individual or full name of the legal entity submitting the application)

by submitting the auction documentation to

\_\_\_\_\_  
(name of state privatization body)

represented by \_\_\_\_\_

confirms the following:

it/he/she accepts all terms and aspects of auction;

it/he/she is fully familiar with the information provided about the auction and the privatization object and will not have claims to the appropriate state privatization body or the person who prepares and conducts auction on behalf of the state privatization body;

it/he/she accepts his obligation to comply with the provisions on procedure of auctions for the sale of stakes in joint stock companies approved by the order of State Property Fund of Ukraine, the order of the Antimonopoly Committee of Ukraine, the decision of the National Commission on Securities and Stock Market, as well as conditions of auction.

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(signature of Bidder or authorized person)

Stamp Here (if applicable)

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"\_\_" \_\_\_\_\_ 20\_\_ .  
(date of filling the application)

**INITIAL BID**

## 1. Information on the auction participant

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(full name and location of the competition participant)

## 2. Name and location of the company, in which stake is privatized.

The company stake in the amount of \_\_\_\_\_ shares, which constitute \_\_\_\_\_ % of the company's authorized capital

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(full name, USREOU Code, location)

3. \_\_\_\_\_  
(price for purchasing the stake in the company offered by the participant)

## 4. Obligation related to fulfillment of fixed auction conditions\*:

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(according to information notice about the auction)

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## 5. Information of the state privatization body in accordance with the provisions on procedure of auctions for the sale of stakes in joint stock companies approved by the order of State Property Fund of Ukraine, the order of the Antimonopoly Committee of Ukraine, the decision of the National Commission on Securities and Stock Market shall be provided by the following means of communication:

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(phone number, address, e-mail, fax)

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(signature of auction participant or authorized person)

"\_\_" \_\_\_\_\_ 20\_\_.

\* The Bidder shall specify one of the following options against each fixed condition: "agree", "disagree".

## POST-PRIVATIZATION OBLIGATIONS

### Purchaser should provide:

#### 1. In Company's economic activities:

preservation of the main activities of the company, which are available at the date of transfer of accounting transaction (debit, transfer) in respect of the shares to the accounts of the State Property Fund of Ukraine in the depository institution;

settlement of the issue to ensure repayment the arrears to the State Budget of Ukraine according to the Agreement on the conditions, procedure and ensure payments by a L/C dated August 12, 1996 No. 7 with annex dated November 20, 1997 No. 1 which were concluded between the State Export Import Bank of Ukraine and Joint-Stock Holding Company "Ukrnaftoprodukt" and penalties accrued on the indicated debt;

full and timely payment of taxes and fees to the budget, customs duties and other charges, a single fee for obligatory state social insurance and prevention of occurrence of the tax debt;

fulfillment of requirements of Law of Ukraine "On protection of economic competition".

#### 2. In Company's innovation and investment activities:

improving the quality of existing types of services;

implementation of the commitments on the development of the Company with the aim of improving its economic, social, financial, technological and environmental performance in accordance with the business plan submitted by the buyer.

#### 3. In Company's social activities:

prevent a salary payment backlog to employees of the Company;

prevent layoffs in the Company initiated by purchaser or authorized body (except layoffs under paragraph 6 of Article 40 of the Labor Code of Ukraine or an action by employee for which the layoff is provided under paragraphs 3, 4, 7 and 8 of Article 40 and Article 41 of the Labor Code of Ukraine) within six months from the date of the accounting transaction (debiting, transfer) of the stake in the account of the Fund in depository institution;

incurring costs for labour protection under the Law of Ukraine "On Labour Protection", development and implementation of measures to achieve standards in safety, hygiene and working environment, improve the existing level of occupational health and preventing occupational injuries and diseases;



implementation of quotas for employment of disabled persons in accordance with the Law of Ukraine "On the basis of social protection of disabled people in Ukraine", creating conditions for them based on individual rehabilitation programs and provision of other social and economic guarantees provided by the law.

#### **4. In Company's environmental protection activities:**

compliance with the restrictions and additional environmental legislation;

implementation by Company of the measures for environmental protection;

full implementation of the measures for land management according to the Law of Ukraine "On Land Management".

#### **5. In corporate relations and Company asset management:**

to a complete performance of the contract on purchase and sale of shares, voting at a general meeting of shareholders on the increase (decrease) in share capital, changes in the nominal value of shares, transformation into another economic entity should be solely upon prior consent of the State Property Fund. In the event of failure to obtain such a consent on the day of the general meeting of shareholders, a purchaser should vote against increase (decrease) in share capital, changes in the nominal value of shares, conversion to other types of companies;

prevent to a complete performance of the contract of purchase and sales of shares, a settlement of a transaction with an alienation of a property of the Company without the prior consent of the State Property Fund, if the total book value, which is the subject of such transactions, exceeds 10 percent of the value of assets of the Company according to the latest annual financial statements of the Company. These conditions are not applied with transactions for the disposal of fixed assets of the Company, which is within the ordinary activities of the Company. Disposal refers to such transactions as contract of sale, exchange, donation, donation and granting to authorized (share) capital of other businesses;

in a legislative established terms to direct of dividends on the block of shares acquired during the privatization, and which was owned by the State, before selling represented by the State Property Fund, to the State budget in accordance with the basic norm of assignments of share of net profit, approved by the Cabinet of Ministers of Ukraine, that is used as dividends payment as a result of financial and economic activity for the period of being in state ownership in 2017.

The term of the obligations of the purchaser on the terms that have no specified period of performance, is five years from the date of the accounting transaction (debit, transfer) in respect of shares in the State Property Fund account at the depository institution.



We wish you success and victory in the Auction  
for sale (privatization) of the state stake in  
Private Joint-Stock Company «Ukrnaftoproduct».

*Sincerely,*

The team of  
the State Property Fund Of Ukraine  
[spfu.gov.ua](http://spfu.gov.ua)