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DEAR INVESTOR!

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

The auction for the sale of the shares will be held on **July 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 «Mykolaiv CHP».

Information about the company you can find on the website:
privatization.gov.ua

Kyiv-2017



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GUIDE FOR THE BIDDER

To assist in preparation for the auction for privatization of the Private Joint Stock Company «Mykolaiv CHP».

***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;
- CMU Order from May 11, 2017 No.294-r "On approval of conditions of sale of the state stake in the Public Joint Stock Company «Mykolaiv CHP» in auction with open bids on the auction principle.

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 sale of state stake of PJSC «Mykolaiv CHP»

1	Application letter to the State Property Fund of Ukraine (SPFU) on intent to participate in the Auction	Till June 26, 2017*
2	Signing the Non-Disclosure Agreement with SPFU and PJSC «Mykolaiv CHP»	After Stage 1
3	Obtaining SPFU permission to visit PJSC «Mykolaiv CHP» (at the Bidder's request)	After Stage 2
4	Obtaining from SPFU document package concerning the Auction	After Stage 2
5	Notification of PJSC «Mykolaiv CHP» and the NCSSM on the purpose to acquire the state stake in PJSC «Mykolaiv CHP»	Till July 03, 2017*
6	Application letter to the AMC to receive permission for acquisition of shares of PJSC «Mykolaiv CHP»	Till July 04, 2017*
7	Opening of securities accounts in a depository institution (bank)	Till July 04, 2017*
8	Payment of the Auction Deposit and the registration fee	May 24 - July 04, 2017
9	Submission of the proposals (if any) to SPFU's draft of Sale and Purchase Agreement (SPA)	Till June 26, 2017*
10	Negotiations between Bidder and SPFU regarding draft of the SPA (in case there are proposals)	After Stage 9–(till June 30, 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 June 30, 2017*
12	Submission of the final draft of the SPA to the SPFU	Till 06:00 PM July 04, 2017*
13	Submission and registration of the Auction documents in the SPFU	Till 06:00 PM July 04, 2017*
14	Opening the envelopes with auction documentation in the SPFU office in the presence of the Bidder	July 05, 2017*
15	Submission of the Initial Bid by the Bidder to SPFU	Till 10:50 AM July 12, 2017
16	Participation in the Auction for the sale of shares of PJSC «Mykolaiv CHP»	From 11:00 AM July 12, 2017
17	Signing of the SPA between SPFU and the Winner of the auction	Till 04:45 PM July 21, 2017
18	Payment for the state stake of the PJSC «Mykolaiv CHP» 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)	
20	SPFU transferring of the state stake PJSC «Mykolaiv CHP» shares to the Winner's account	After Stages 17-19

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 July 04, 2017.

On July 05, 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.**

Application letter to the State Property Fund of Ukraine on intent to participate in the Auction

Till June 26, 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 May 24, 2017 № 40 (1060), which posted the information statement about the Auction;
- intent to sign the non-disclosure agreement for the information provided about PJSC «Mykolaiv CHP» (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 «Mykolaiv CHP». Please provide this information in hard copy to SPFU office or send it to e-mail addresses (zah@spfu.gov.ua, andropova@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 1st 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.

Obtaining SPFU permission to visit PJSC «Mykolaiv CHP» (at the Bidder's request)

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

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 «Mykolaiv CHP», or send the above data to these email addresses (zah@spfu.gov.ua, andropova@spfu.gov.ua).

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

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

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 «Mykolaiv CHP» and the National Commission on Securities and Stock Market (NCSSM) on the purpose to acquire the state stake in PJSC «Mykolaiv CHP»

The Bidder shall provide the written notification at the address of PJSC «Mykolaiv CHP» (*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 «Mykolaiv CHP», **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 «Mykolaiv CHP»**

Till July 04, 2017

The application for permission to purchase the shares of PJSC «Mykolaiv CHP» 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 July 04, 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>Auction guarantee in the amount of 4 850 000 hryvnyas</p>	<p>Recipient of funds – State Property Fund of Ukraine Account № 37316021000058 Recipient Bank – State Treasury Service of Ukraine, Kyiv, MFO (sort code) 820172; USREOU Code 00032945. Payment purpose: as security deposit for participation in the auction for the sale of state stake of the Private Joint Stock Company «Mykolaiv CHP».</p>
<p>Registration Fee in the amount of 340 hryvnyas</p>	<p>Recipient of funds – State Property Fund of Ukraine Account № 37183500900028 Recipient Bank – State Treasury Service of Ukraine, Kyiv, MFO (sort code) 820172; USREOU Code 00032945. Payment purpose: as registration fee for participation in the auction for the sale of state stake of the Private Joint Stock Company «Mykolaiv CHP»..</p>

For the Non-Resident Bidder:

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

<p>Auction guarantee in the amount of 4 850 000 hryvnias</p> <p>(at the exchange rate of National Bank of Ukraine on the day of guarantee payment)</p>	<p>Receiver: The State Property Fund of Ukraine Address: 18/9 Generala Almazova Street, Kyiv, 01133 Ukraine Account: 25206010023277 Bank of receiver: Joint-Stock company «State Export Import Bank of Ukraine» Address: 127, Antonovycha Street, Kyiv, Ukraine MFO 322313 SWIFT: EXBSUAUX USREOU (YeDRPOU) Code: 00032945 Purpose of payment: tender guarantee for participation in the auction sale of the stake of Private Joint Stock Company «Mykolaiv CHP».</p>
<p>Registration fee in the amount of 340 hryvnias</p> <p>(at the exchange rate of National Bank of Ukraine on the day of payment of registration fee)</p>	<p>Receiver: The State Property Fund of Ukraine Address: 18/9 Generala Almazova Street, Kyiv, 01133 Ukraine Account: 25206010023277 Bank of receiver: Joint-Stock company «State Export Import Bank of Ukraine» Address: 127, Antonovycha Street, Kyiv, Ukraine MFO 322313 SWIFT: EXBSUAUX Code YeDRPOU: 00032945 Purpose of payment: registry fee for participation in the auction sale of the stake of Private Joint Stock Company «Mykolaiv CHP».</p>

Potential buyers have an option to provide a 5% 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 4 850 000.

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.

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 4 850 000 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 5 percent of the initial price of the stake of Private Join-Stock Company «Mykolaiv CHP» (YeDRPOU code: 30083966), (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 Join-Stock Company «Mykolaiv CHP». (YeDRPOU code: 30083966), in an amount of 249 833 540 units of ordinary registered shares, issued in non-documentary form, which is 99,912 % of the authorized capital of the Company, the nominal share price is 0,25 UAH and the nominal price of the block of share is 97 000 000 UAH (according to the plan of placement of the Company’s shares, approved by the Order of the State Property Fund of Ukraine dated 04.08.2016 № 1511 “On the organization of the sale of shares of Private Join-Stock Company «Mykolaiv CHP». (amended) (YeDRPOU code: 30083966), 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
(US dollars/euro)
amount and bank details of the Beneficiary to transfer funds under this Guarantee.

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 – July 04, 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 Join-Stock Company «Mykolaiv CHP» 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 Join-Stock Company «Mykolaiv CHP».

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 October, 4, 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 July 04, 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)

The Bidder shall review and submit to SPFU its/his/her proposals to the Sale and Purchase Agreement of stake of PJSC «Mykolaiv CHP», 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 June 30, 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 June 30, 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 06:00 PM July 04, 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.

STAGE 13**Submission and registration of the auction documents
in the State Property Fund Of Ukraine**

**Till 06:00 PM July 04, 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 5%) in the amount of UAH 4 850 000;
- 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.

The application for participation in the tender is submitted with:

Information about potential purchasers of privatization objects or entities in whose interests the state objects are being purchased, their founders, participants, including individuals - final beneficial owners (controllers) under the Law of Ukraine "On prevention and counteraction to legalization (laundering) proceeds in criminal way, terrorist financing and the financing the proliferation of weapons of mass destruction";

for individuals as potential purchasers, a certificate of Income and Charges body on the submitted declaration of property status and income (tax return) should be submitted;

for legal entities as potential purchasers, an information on financial and property status and documents related to the their audit, certifying the accuracy of the information about their financial and property status should be submitted.

The responsibility for the accuracy, completeness of presented document and the duty to prove its right to purchase the state property is laid upon the purchaser.

13) 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 «Mykolaiv CHP».

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 504, every day, from 9.00 AM to 6.00 PM, on Fridays from 9.00 AM to 4.45 PM, and in days before holidays – from 9.00 AM to 5.00 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 July 04, 2017 at 06:00 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**

July 05, 2017

On July 05, 2017 the State Property Fund of Ukraine unseals envelopes with competition documentation in the presence of Bidder and checks for presence of necessary documents.

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

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

Registration of the competition participants and competition offers submitted by them starts on **July 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 on July 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 sale of shares of PJSC «Mykolaiv CHP»****From 11:00 AM
July 12, 2017_**

The Auction for sale of the stake of PJSC «Mykolaiv CHP». will take place on **July 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.

State Property Fund of Ukraine, **before 04:45 PM July 21, 2017**, together with a Winner shall sign the Sale and Purchase Agreement for state stake of PJSC «Mykolaiv CHP»., 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 «Mykolaiv CHP» 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.

Transferring of the state stake of PJSC «Mykolaiv CHP» shares to the Winner's account

The State Property Fund of Ukraine shall transfer state stake of PJSC «Mykolaiv CHP» in the amount of 99,912 % 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.

(signature of Bidder or authorized person)

Stamp Here (if applicable)

"__" _____ 20__ .
(date of filling the application)

INITIAL BID

1. Information on the auction participant

_____ (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

_____ (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*:

_____ (according to information notice about the auction)

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:

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

_____ (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

The fixed tender conditions:

Shares purchaser should provide:

1) **In Company's economic activities:**

compliance with license conditions of implementation of activities in production, supply of electric and heat energy (hereinafter – products);

provision of services of centralized heating and supply of products;

operate the equipment in accordance with the requirements of industry normative documents of the Ministry of Energy and Coal Industry of Ukraine;

consumers with products in accordance with the conditions defined by contracts of supply and purchase and sales, properly proceedings with transfer of products;

timely carrying out of current payments for the fuel and energy resources consumed for production;

procurement of energy (including natural gas, fuel oil) to the extent necessary to meet obligations of delivery of heat and electric energy;

economically justified planning the production volumes of heat and electricity;

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 mobilization tasks set for the Company;

fulfillment of requirements of Law of Ukraine “On protection of economic competition”;

compliance with the requirements of the legislation on the protection of state secrets.

2) **In Company's innovation and investment activities:**

implementation of measures to technological upgrading, modernization of production, including through the introduction of advanced technology, mechanization and automation of production;

exploration of new and improving the quality of existing products and / or services;

improvement of production, work organization and management;

implementation costs on execution of complex maintenance and repair of equipment in the amount of not less than envisaged structure of tariffs for heat and electricity;

take measures to reduce specific fuel consumption for heat energy output compared with actual annual indicators over the last three years;

reconstruction with replacement of the pre-insulated pipes accounted for the balance of the company;

installation of meters thermal energy

modernization of the main equipment (boiler equipment) during five years from the date of the accounting transaction (debiting, transfer) of shares on account of State Property Fund in depository institution;
implementation and improvement of information technology;
implementation and improvement of information systems and telecommunications;
implementation of activities of reconstruction and development internal object communication networks, production bases of company using energy-efficient technologies to save energy costs;
development and improvement of monitoring, billing and commercial account of thermal energy;
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 transfer of ownership of shares;
full implementation of the terms of the collective agreement until the adoption of the new one or amendments to the treaty in accordance with legislation allowing for the provisions the General Agreement on the regulation of the basic principles and norms of social and economic policy and labor relations in Ukraine and its implementation;
preservation and provision of all prescribed by the collective agreement of the company, on the date of conclusion of the agreement of purchase and sale the block of shares, labor and social benefits to workers and retirees of the company;
implementation of measures on preparation, training and advanced training of company employees at the expense of company according to its program development;
implementation of a system for control of labor protection and industrial safety in accordance with international standard OHSAS 18001: 2007 or other appropriate international standard;
incurring costs for labor 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 and enforcement measures to protect the environment;
compliance with environmental legislation regarding the use of the guard in terms of air and water, protection and rational use of land and waste management;

full implementation of the recommendations of environmental audits defined in a report on holding the mandatory environmental audit of company conducted by the Scientific-production enterprise "Ekoalians" LLC, dated February 9, 2017, commissioned by the State Property Fund;

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

5) In corporate relations and Company asset management:

proper use, maintenance and preservation of public property, including objects of civil defense, which in the process of creating companies not included in its authorized capital, but remained on the balance sheet of the company and prevent it from free use and unlawful alienation;

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 fixed assets 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 in 2016, and 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 Fund's account at the depository institution.



STATE
PROPERTY
FUND
OF UKRAINE

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

Sincerely,

The team of
the State Property Fund Of Ukraine
spfu.gov.ua