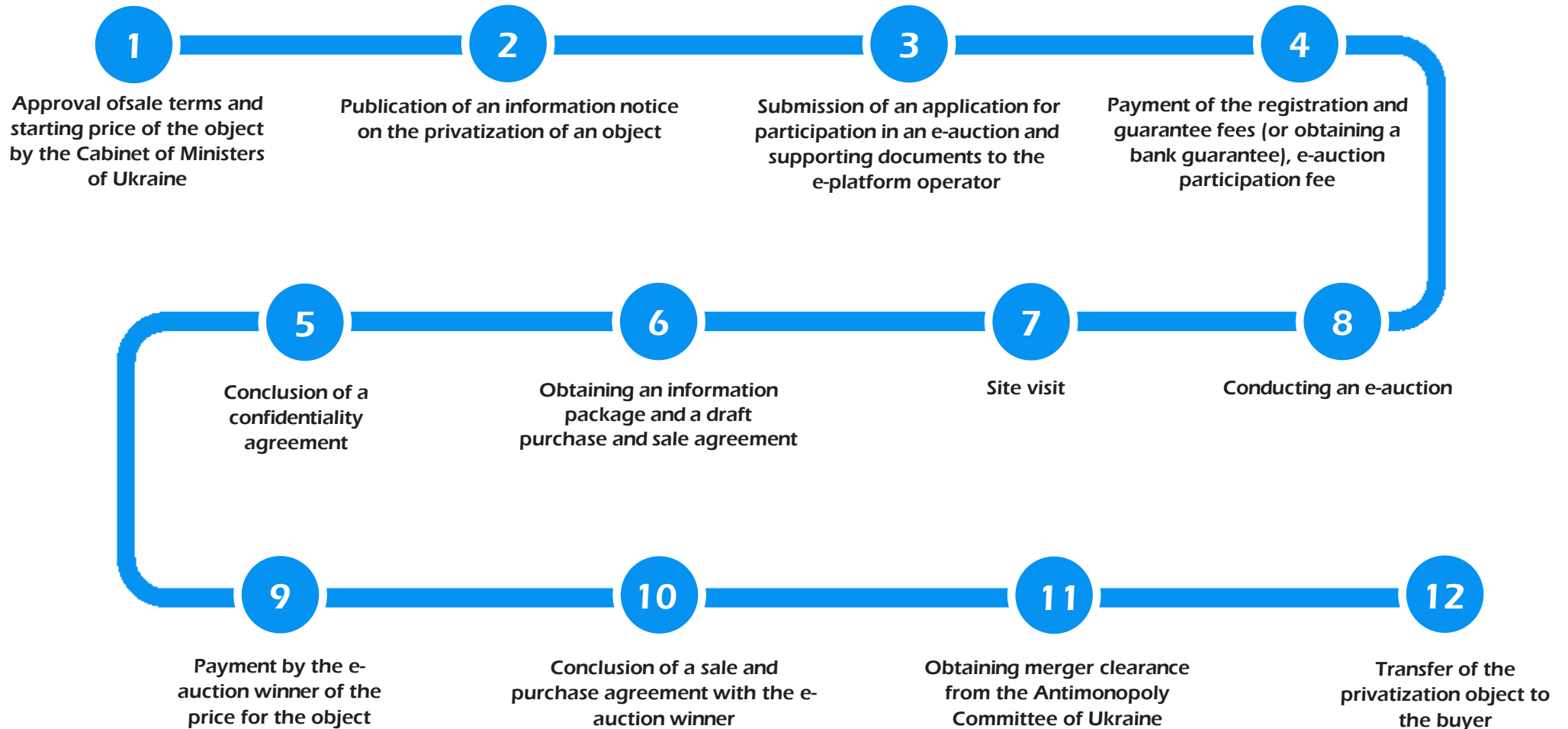




Large-scale Privatization

Guide for Investors

Privatization Schedule



1. Approval of sale terms and starting price of the object by the CMU



The Cabinet of Ministers of Ukraine (CMU) approves the starting price and terms of sale of a large-scale privatization object by its resolution

2. Publication of an information notice on the privatization of an object

The privatization authorities shall publish an information notice on the privatization of the large-scale privatization object with the starting price, e-auction date and sale conditions on the official website of the State Property Fund of Ukraine (SPFU) and in the electronic trading system Prozorro. Sale no later than 3 working days after the CMU approves the terms of sale



The e-auction is held not earlier than 60 days but not later than 90 days after the publication of the information notice

3. Submission of the application for participation in the e-auction and supporting documents to the electronic platform operator



To participate in the e-auction, a potential buyer submits an application through his personal account by filling out an electronic form and uploading electronic copies of documents. The information and documents specified in Article 14(2) of the Law of Ukraine "On Privatization of State and Municipal Property" are intended for potential buyers, whether resident or non-resident.

The application shall contain a closed price offer and shall be submitted during the entire time from the moment of publication of the relevant information message in the electronic trading system until the deadline for accepting applications for participation in the e-auction/closed price offers.

Prior to the deadline for accepting applications for participation in the e-auction/closed price offers, the potential buyer has the right to cancel or amend them.

The electronic platform operator shall check the submitted application and documents for compliance and, in case of non-compliance, deny access to participation in the e-auction.

In case of cancellation of the closed price offers, the guarantee and registration fees shall be refunded to such participant by the electronic platform operator within three business days following the day of such cancellation.

4. Payment of the registration and guarantee fees (or obtaining a bank guarantee), e-auction participation fee



The Registration and Guarantee fees shall be paid to the electronic platform operator's account through which the application for participation in the electronic e-auction is submitted.

Registration fee is a payment equal to **10** minimum wages paid to the electronic platform operator's account when applying for participation in privatization.

Guarantee fee is a payment equal to **5%** of the objects's starting price and required to participate in the electronic e-auction. The guarantee fee should be paid to the electronic platform operator's account through which the application for participation is submitted. The guarantee fee for participation in an electronic e-auction in cash will be considered paid once it is deposited into the bank account of the electronic platform operator. This must be done no later than one hour before the deadline for accepting applications for participation in the e-auction or closed price offers.

The guarantee fee may be paid in national or foreign (for non-residents) currency or in the form of a bank guarantee.

Once the e-auction has ended, the e-platform operator will return security deposits to potential buyers who did not win the e-auction within 10 business days from the date of approval of the e-auction protocol by the SPFU.

According to the NBU Resolution No. 18 of 24.02.2022 "On the Operation of the Banking System During the Period of Martial Law", clause 14 prohibits cross-border transfers of currency values, except for the following cases: 33) operations of the electronic platform operator to return to a non-resident the funds of the guarantee and/or registration fees paid by the latter to the account of this electronic platform operator for the acquisition by such non-resident of the status of a participant in an e-auction (biddings) conducted using the electronic trading system administered by the State Enterprise "Prozorro.Sale", provided that the refund of the relevant contribution is made within the amount of funds received from abroad after February 23, 2022 in payment of such contribution by such non-resident.

The guarantee fee is not refunded to the winner of the e-auction, but is credited to the payment for the privatization object, minus the fee for participation in the e-auction.



E-auction participation fee is an amount deducted by the electronic platform operator from the guarantee fee paid by the winner of the e-auction in the amount of **1%** of the sale price of the object, including VAT. In case of cancellation of an e-auction, the fee for participation in the e-auction shall be refunded to the winner of the e-auction in full within 10 business days from the date of publication of the decision to cancel the e-auction in the electronic trading system.

5. Conclusion of a Confidentiality Agreement



The confidentiality agreement is concluded after a potential buyer applies to the electronic platform operator through which the potential buyer registered for participation in the e-auction and acquired the status of e-auction participant

The confidentiality agreement shall be concluded between the potential buyer and the electronic platform operator in the manner determined by the electronic platform operator

6. Obtaining an information package and a draft purchase and sale agreement



Access to the information package of the privatization object and the draft sale and purchase agreement is granted after the potential buyer and the operator of the electronic platform conclude a confidentiality agreement

To obtain additional information about the object, a potential buyer must submit a request to the electronic platform operator, but not later than 10 business days before the day of the e-auction. The SPFU, upon receipt of a request from an electronic platform operator, shall provide the operator with additional information about the object (if any) within 5 business days or notify it of the impossibility of providing such information

7. Site Visiting

The time and place of the visit to the facility shall be specified in the information notice on the e-auction

A potential buyer can get acquainted with the privatization object no later than two working days before the e-auction

In order for representatives of a potential buyer to inspect production facilities and conduct an interview with the company's CEO, they must first submit a request to the electronic platform operator to obtain access to the privatization object. The SPFU, upon request from the electronic platform operator, provides appropriate access.

8. Conducting an E-auction



The e-auction shall start automatically at the time and date specified in the information message in the electronic trading system. The e-auction is open to bidders who have submitted e-auction closed price offers.

Detailed instructions on how to participate in the e-auction are provided by the electronic platform operator

The e-auction winner is determined by automatic evaluation of the bidders' price offers by the electronic trading system after the last round of the e-auction is completed and the result records of the e-auction is formed

The e-auction winner shall sign the minutes on the results of the e-auction and submit it to the electronic platform operator (where they submitted their price offer) within three business days from the date of its formation by the electronic trading system

Within 5 business days from the day following the day of the formation of the minutes of the e-auction, the electronic platform operator through which the winner of the e-auction submitted the highest price offer shall provide the SPFU with the original documents of the e-auction winner attached to the application for participation in the e-auction or copies thereof certified by the e-auction winner by applying qualified electronic signatures based on a qualified electronic signature certificate.

9. Payment by the e-auction winner of the price for the object



The e-auction winner pays the sale price of the object to the relevant current account of the SPFU no later than 30 business days from the date of the formation of the minutes of the e-auction

The e-auction winner shall pay for the privatization object before entering into a sale and purchase agreement with the SPFU

10. Conclusion of a sale and purchase agreement with the e-auction winner



The sale and purchase agreement shall be concluded within 35 business days from the date of formation of the minutes of the e-auction

The e-auction winner has the right to submit proposals and comments to the SPFU on the draft sale and purchase agreement with a clear justification of its position within 15 working days from the date of the formation of the minutes of the e-auction

Within 15 working days from the date of receipt of comments and proposals to the draft sale and purchase agreement, the SPFU processes them and prepares, approves and submits the final draft sale and purchase agreement for signature to the e-auction winner, which cannot be amended.

The e-auction winner arrives at the day, time and place specified by the SPFU to sign and notarize (in cases specified by law) the sale and purchase agreement. Payment for notarization of the agreement (in cases specified by law) shall be made by the e-auction winner.

11. Obtaining merger clearance from the Antimonopoly Committee of Ukraine



After entering into the sale and purchase agreement, the buyer shall obtain the Anti-Monopoly Committee of Ukraine's (AMCU) permission to directly or indirectly acquire shares (stakes) in the amount that ensures the achievement or exceeding of 25 or 50 percent of the votes in the supreme management body of the relevant business entity, as well as assets in the form of a single property complex of a state-owned enterprise (concentration permit).

The procedure for submitting and reviewing an application for a merger clearance is established by the legislation on the protection of economic competition.

12. Transfer of the privatization object to the buyer



The transfer of ownership of the privatization object from the SPFU to the buyer is carried out after the SPFU receives a merger clearance from the buyer or a preliminary opinion from the AMCU within the timeframe specified in the sale and purchase agreement.



If the e-auction winner refuses to sign the e-auction minutes, the sale and purchase agreement, or to pay the sale price, the guarantee fee is not refundable, and such participant is deprived of the right to participate in subsequent e-auctions for the sale of the same object.



**The best objects for investment are
on
www.privatization.gov.ua**

**Good luck with your
investment!**

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