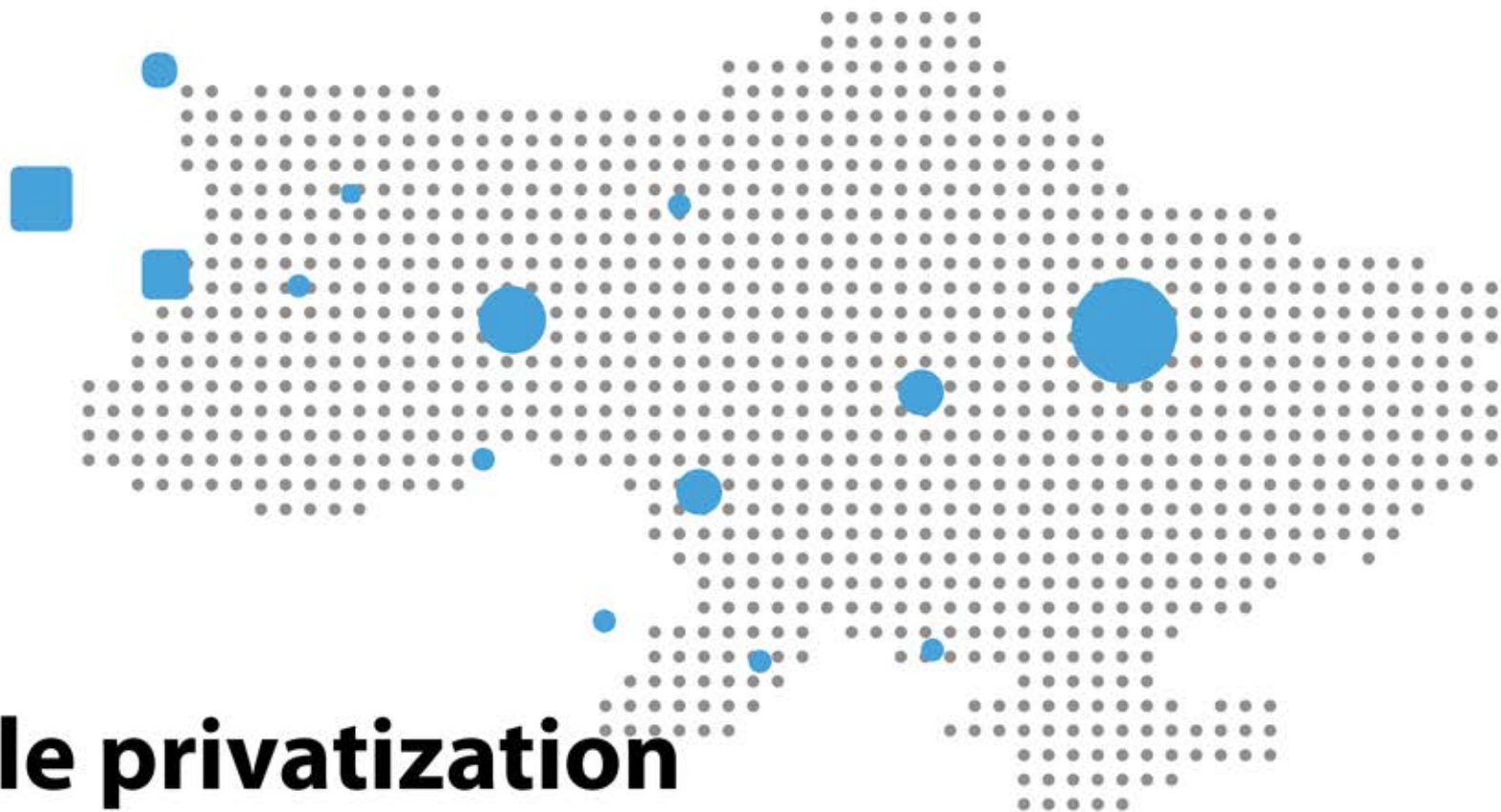




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TRANSPARENCY AND
PROFESSIONALISM



Large-scale privatization

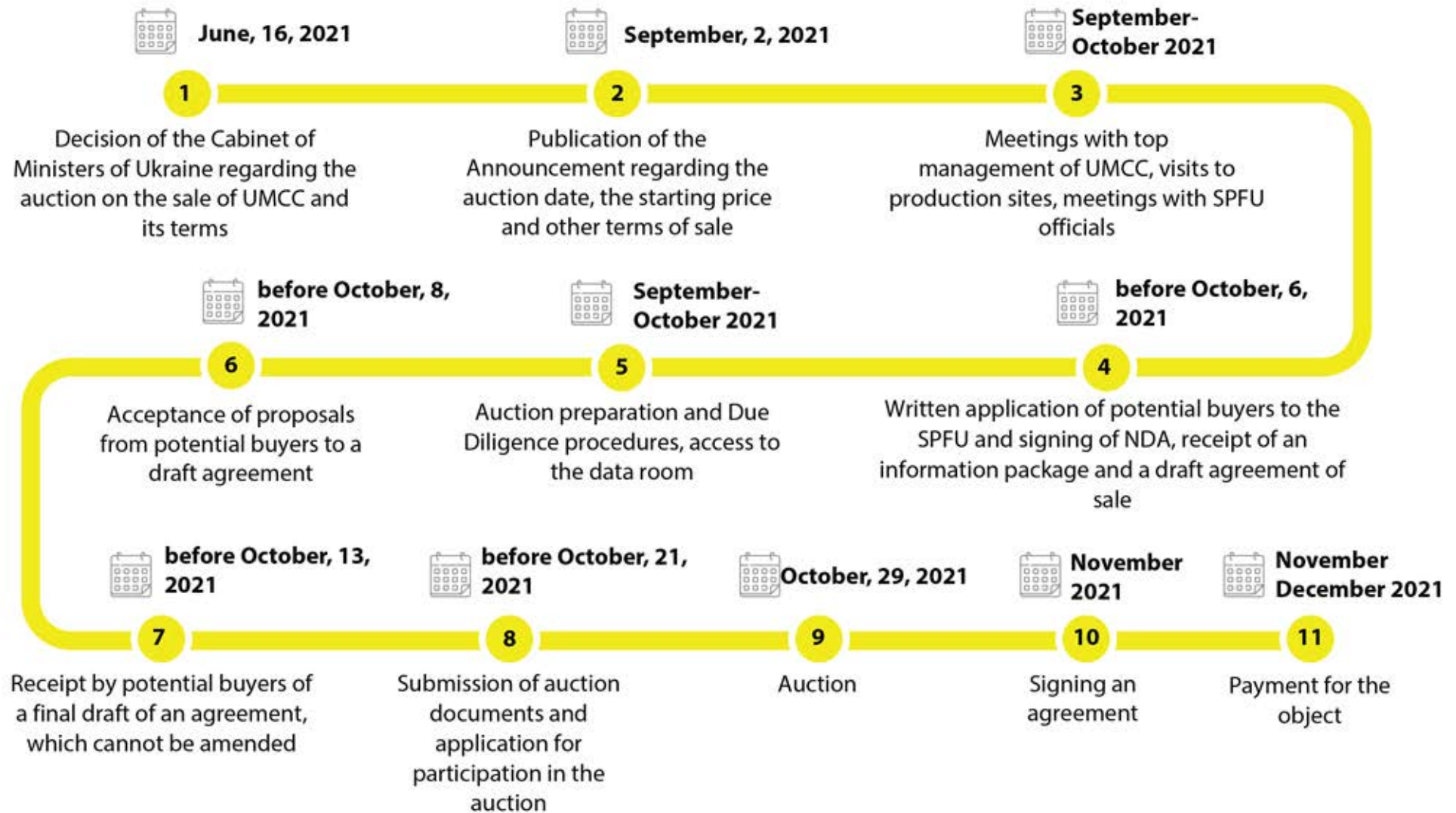
Investor Guide



Privatization timetable for "UMCC"



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1 Concluding a confidentiality agreement

The agreement is concluded after the potential buyer applies to the privatization authorities. Be sure to indicate the means of communication (phone number, address, email address). The confidentiality agreement is concluded in 3 copies, one of which remains with the investor.

2 Obtaining permission to visit the object

Permission is given at the written request of a potential buyer. When visiting the enterprise, he has the right to: receive information about the activities of the object (except for secret and official information); inspect production facilities; take an oral interview with management.



The publication of the information notice on privatization is the announcement of the auction for sale

The auction is held no earlier than 30 days, but not later than 60 days after the publication of the information notice.

3 Obtaining an information package of the object and the Draft of the Sale and Purchase Agreement

No later than 15 working days before the date of the auction.





4

Submission to the privatization authority of proposals and comments to the draft Sale and Purchase Agreement by letter

No later than 13 working days before the date of the auction. After processing the submitted proposals, but not later than 10 working days before starting the auction for the sale of the object, the privatization authority gives, against signature, to each potential buyer (his authorized representative) the approved final draft of the Sale and Purchase Agreement, to which changes must not be made.

5

Payment of registration and guarantee fees (or obtaining a bank guarantee)

Registration fee - the amount of funds in the amount of 10 minimum wages, which is paid for the registration of an application for participation in privatization by a potential buyer to the relevant current account of the privatization authorities. Guarantee fee - the amount of funds in the amount of 5 percent of the starting price of the privatization object, which is paid by the potential buyer to the relevant current account of the privatization authorities to ensure the fulfillment of its obligation to participate in the auction or the relevant bank guarantee. The bank guarantee is irrevocable. The terms and form of the bank guarantee shall be approved by the National Bank of Ukraine upon submission by the State Property Fund of Ukraine.



6

Submission of the application for participation in the auction and supporting documents to the privatization authority

No later than 7 working days before the date of the auction. Auction documentation shall be submitted in Ukrainian; if it is composed of documents in a foreign language, they shall be translated into Ukrainian and certified in accordance with the legislation of the issuing state. The auction documentation is sealed in an opaque package labeled "Auction documentation", which indicates only the name and location of the state privatization authority and the name of the auction. The package should not contain information, through which to identify potential buyer. Auction documentation shall be submitted personally by the potential buyer or his authorized persons and is registered by the state privatization authority on the day of its submission by affixing the number, date and time of its registration. The potential buyer is issued a certificate of registration, which indicates the number, date, time of registration, name, surname and patronymic of the person who registered the auction documentation. The buyer may withdraw the auction documentation in general and no later than seven working days before the date of the auction. To do this, he submits a written application to the privatization authority in any form. The amount of the guarantee fee is returned within 10 days from the date of registration of the application by the privatization authority.

7

Obtaining admission to the auction and recognition of a potential buyer as an auction participant

On the coming day, after the date of the end of the acceptance of the auction documentation, the state privatization authority shall print in the presence of potential buyers envelopes with the auction documentation and establish the availability of the necessary documents. No later than 7 working days from the date of the end of the acceptance of the auction documentation, the privatization authority notifies the potential buyer of admission (non-admission) to participate in the auction and recognition of him as an auction participant.



8 Registration of an auction participant

It starts at least 1 hour before the beginning of the auction and ends 10 minutes before the start of the auction. The auction participant is registered with the name (surname, name, patronymic), name of the authorized person of the auction participant, date, time, registration number, as well as a card with the registration number of the auction participant.

9 Participation in an auction

The auction takes place in case of at least 2 participants of the auction and carrying out at least one step. The start of bidding is considered to be the moment of announcement of the starting price of the privatization object. On the date of the auction, the auction commission holds an open meeting – it must be attended by auction participants, as well as media representatives. The privatization body provides video recording; internet broadcasting can be organized. During the process of bidding, auction participants raise the card with their registration number and call their price. The price increase is carried out by the participants in accordance with the auction step and cannot be less than 1 percent of the starting price. An increase in the auction price by the auction participants that does not correspond to the bidding step is not taken into account.



10 Conclusion of a Sale and Purchase Agreement with the winner

The conclusion takes place within 10 working days from the date of approval of the protocol on the winner of the auction. The winner in the day and time specified by the privatization body must appear at a designated place for signing and notarization (in cases determined by law) of the sale and purchase agreement and pay the notary for the notarization of the agreement (in cases determined by law).

11 Payment by the winner of the auction price for the object

The winner of the auction, who signed the sale agreement, pays the sale price of the object to the corresponding current account of the privatization authorities no later than 30 days from the date of signing the contract.

12 Obtaining concentration permit of the AMCU

If it is not received before signing the sale agreement. Providing a certified copy of it to the state privatization authority. In cases stipulated by law, if the winner of the auction doesn't have a decision of the Antimonopoly Committee or the Administrative Board of the Antimonopoly Committee on granting permission to purchase the privatization object on the date of conclusion of the agreement, the agreement with the winner is concluded with the obligation of the winner to obtain such permission. In this case, the agreement provides a period for granting such a permit, which does not exceed 10 days from the date of its receipt.

13 Transfer of the privatization object

Transfer from the privatization authority to the auction winner - to the buyer (order to the depository institution to perform an accounting transaction for the transfer of shares to the buyer's account) within 3 working days after the full payment of the sale price, but not earlier than the day the buyer received the AMCU permit (in cases stipulated by the legislation on the protection of economic competition).



It's important!



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- Persons who can be buyers of privatization objects in accordance with **Article 8 of the Law of Ukraine "On Privatization of State and Communal Property"** have the right to participate in auctions for the sale of large-scale privatization objects.
- Individuals and legal entities defined in **Part 2 of Article 8 of the Law of Ukraine "On Privatization of State and Communal Property"** are not allowed to participate.
- Also, these requirements should be subject to all creditors planning to participate in the agreement.

Submission of an application to the Antimonopoly Committee of Ukraine is necessary to obtain permission for direct or indirect acquisition of ownership of shares (fractions) in the amount that achieves or exceeds 25 or 50 percent of the votes in the supreme governing body of the economic entity, as well as assets in the form of a property complex or structural unit of the economic entity (concentration permit). The procedure for filing and reviewing an application for a concentration permit shall be established by the legislation on the protection of economic competition.

The main legislature on the large-scale privatization in Ukraine:

Law of Ukraine "On Privatization of State and Communal Property"

Resolution of the Cabinet of Ministers of Ukraine "The procedure for the sale of the large-scale privatization objects of state property"



The privatization body publishes information on the decision to privatize the object **in the official printed editions of state privatization bodies, on the official website of the State Property Fund of Ukraine.**

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