PAŃSTWOWY KOMITET SKARBU REPBŁUKI BIAŁORUŚ OGLASZA SELEKCJĘ INWESTORA DLA UDZIAŁU W PRYWATYZACJI PAŃSTWOWYCH AKCJI PRZEDSIĘBIORSTWA „GRODNO AZOT S.A.”. WYSTAWIONY NA SPRZEDAŻ JEST PAKIET W ILOŚCI 1 629 515 SZTUK AKCJI PRZEDSIĘBIORSTWA, DOLA JAKICH W FUNDUSzu ZAKŁADOWYM SKŁADA 25% PLUS 1 AKCJA

NOTICE

ON HOLDING INVESTORS COMPETITION FOR THE PARTICIPATION IN PRIVATIZING THE EQUITY STOCK OF GRODNO AZOT JOINT STOCK COMPANY OWNED BY THE REPUBLIC OF BELARUS

The State Property Committee of the Republic of Belarus is hereby declaring investors competition for the participation in privatizing the equity stock of Grodno Azot Joint Stock Company owned by the Republic of Belarus (hereinafter referred to as “Grodno Azot JSC”) totaling to 1,629,515 pcs, the share of which in the Company’s authorized capital equals to 25 % plus 1 share (hereinafter referred to as “the equity stock of Grodno Azot JSC”).

Data on the State Property Committee of the Republic of Belarus:


The Chairman of the State Property Committee of the Republic of Belarus is Georgy Ivanovich Kouznetsov.
The Republic of Belarus, Minsk, Krasnozvezdny Lane, 12, tel. (017) 288 10 19, fax (017) 288 27 25, e-mail: info@gki.gov.by.

The investors competition for the participation in privatizing the equity stock of Grodno Azot Joint Stock Company (hereinafter referred to as “the investors competition”) shall be held under the following terms and conditions:

1. A value of the equity stock of Grodno Azot JSC shall be not lower than USD 414 mln.

The value of the equity stock has been determined with due account of direct natural gas supplies from the gas-main pipeline of Gazprom-Transgas Belarus Open Joint Stock Company up to Grodno Azot JSC;

2. The selected investor in the procedure and on dates set out in the investment contract should invest in the authorized capital of Grodno Azot JSC the monetary funds amounting to at least USD 440 mln. by way of purchasing additionally issued shares of Grodno Azot JSC at their market value effective as of January 01, of a year in which a decision to issue the shares is made in an amount making it possible for the investor to possess at most 50 per cent plus 1 share in the authorized capital of Grodno Azot JSC, with directing such funds for upgrading the production operations of Grodno Azot JSC;

3. The selected investor should exclude deterioration of social and material conditions for employees of Grodno Azot JSC and the unitary enterprises incorporated thereby which are provided for in relevant labour agreements (contracts) and collective agreements of Grodno Azot JSC and the unitary enterprises incorporated thereby effective as of a date of signing a purchase agreement on purchasing shares of Grodno Azot JSC and in other agreements to be further signed within a period with the duration
of at least five years following signature of the purchase agreement on purchasing shares of Grodno Azot JSC.

4. The selected investor should within five years following signature of the purchase agreement on purchasing shares of Grodno Azot JSC supply the agricultural sector of the Republic of Belarus with nitrogen fertilizers in the volume annually approved by the Ministry of Agriculture and Food of the Republic of Belarus at the price procuring profitable operation of Grodno Azot JSC and development thereof;

5. The selected investor should sign with the Ministry of Agriculture and Food acting on behalf of the Republic of Belarus an investment agreement on implementing the investment project «The Erection of a New Nitrogen Complex» providing for:

implementing and procuring by the selected investor the financing of the investment project «The Erection of a New Nitrogen Complex» before December 31, 2019 while employing when implementing thereof the existing infrastructure of Grodno Azot JSC and tentatively creating the following production facilities:

the ammonia shop floor capacity 2.5 thou.tons/day (875 thou.tons/year). The capacity of a standby hydrogen unit as part of the ammonia shop floor 30 thou. cu.m./hour (200 mln. cu.m./year);

the carbamide shop floor capacity 3.4 thou.tons/day of granulated carbamide (1,190 thou.tons/year);

the capacity of a basic hydrogen unit 30 thou. cu.m./hour (200 mln. cu.m./year);

6. The selected investor should have available its own resource or gas supplier’s guarantees for signing therewith a contract on supplying natural gas in a volume procuring complete
capacity utilization of Grodno Azot JSC and the New Nitrogen Complex within at least 10 years at a price procuring the Enterprise’s profitable operation with a profit rate guaranteeing current activity and maintaining all debt service obligations;

7. The selected investor should be limited in administering Grodno Azot JSC’s equity stock until discharging thereby the liabilities assumed pursuant to the agreement on purchasing shares of Grodno Azot JSC and the investment agreement;

8. The Republic of Belarus should be entitled to exercise its pre-emptive right to purchase Grodno Azot JSC’s equity stock as long as until 2025.

The investors competition shall be held on July 29, 2014 at 10-00 a.m. at the address: 12, Krasnozvezdny Lane, Minsk.

To be able to participate in the investors competition the State Property Committee of the Republic of Belarus should be furnished with the following documents within a period until 5.00 p.m. on July 28, 2014:

An application for the participation in the investors competitive selection in form;

by legal entities – residents of the Republic of Belarus – a copy of the Articles of Association (Articles of Incorporation – for a commercial organization operating only on the basis of its Articles of Incorporation) and a Certificate of state registration;

by legal entities, non-legal entities — non-residents of the Republic of Belarus — copies of constituent documents and extract from a trade register of a country of origin (such extract should be executed at least 6 months prior to filing such an application) or another similar legal status evidence pursuant to the existing law of a relevant country of origin legalized as
required and translated into the Belarusian or Russian languages and notarized translator’s signature.

Such application for the participation in the investors competition and the required documents attached thereto should be delivered to the State Property Committee of the Republic of Belarus in sealed envelopes marked «For the participation in the investors competition» by the persons intended to participate in the investors competition (hereinafter referred to as “the Applicants”) by mail or directly by representatives of the Applicants to the address: 12, Krasnozvezdny Lane, Minsk, 220005, the Republic of Belarus (room 214).

A date when such applications with relevant documents attached thereto are registered as delivered to the State Property Committee of the Republic of Belarus shall be deemed delivered thereto.

**At 10.00 a.m. on July 29, 2014** such authorized representatives of the Applicants shall furnish the Investors Competition Commission with their proposals in sealed envelopes on the terms and conditions of the Investors Competition.

Such proposals on the terms and conditions of the investors competition should contain:

- proposals on a value of Grodno Azot JSC’s equity stock – not lower than USD 414 mln.;

- proposals on meeting the investors competition’s terms and conditions set out in paragraphs 2-5;

- data (documents) certifying the availability with the investor of its own resource or gas supplier’s guarantees for signing therewith a contract on supplying natural gas in a volume procuring complete capacity utilization of Grodno Azot JSC and the New Nitrogen Complex within at least 10 years at a price
procuring the Enterprise’s profitable operation with a profit rate guaranteeing current activity and maintaining all debt service obligations pursuant to the provisions of paragraph 6;

a consent with the terms and conditions of the investors competition set out in paragraphs 7 and 8.

When furnishing such proposals on the terms and conditions of the investors competition:

representatives of legal entities – residents of the Republic of Belarus, not being managers of such entities, shall furnish a legal entity’s representative with a power of attorney and ID;

representatives of legal entities – non-residents of the Republic of Belarus, foreign organizations, not being legal entities, shall furnish a legal entity’s representative with a legalized power of attorney, ID or other documents certifying authorities of such representative of a legal entity, foreign organization legalized as required and translated into the Belarusian or Russian languages and notarized translator’s signature.

The procedure of holding the Investors Competition and determining winners thereof is specified in THE PROCEDURE OF HOLDING COMPETITIVE SELECTION OF INVESTORS FOR SELLING GRODNO AZOT JSC’S EQUITY STOCK approved by Order No. 125 of the State Property Committee of the Republic of Belarus of May 16, 2014.

Pursuant to the existing law of the Republic of Belarus the shares owned by the Republic of Belarus can be sold by the decision of the President of the Republic of Belarus.

Contact phone numbers of the State Property Committee of the Republic of Belarus: (017) 284 93 05, 284 85 62.