

**APPROVED BY:**

**Resolution of the Board of Directors of IDGC of Centre**

**Minutes from December, 29th, 2011 #27/11**

**TYPIFIED**

**Regulations**

**on the procedure of the regulated purchase of goods, works and services for IDGC of Centre, JSC**

**(new edition)**

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## 1. General provisions

### 1.1. Scope

1.1.1. The present Regulations cover purchases of any goods, works, services (further — Regulations on purchase) for and at the expense of IDGC of Centre (further – the Customer, the Company), except for the purchases, the planned cost of which does not exceed 500 000 roubles without VAT and in case the annual revenue of the Company according to the accounting reporting of the Company for reporting fiscal year constitutes five billion roubles and less – 100 000 roubles without VAT. The specified threshold is established from the date of reception of a mark of taxing authority about delivery of the reporting or other document confirming the fact of representation of the reporting in taxing authority. The threshold specified in the present point also is applied and concerning the incorporated and/or multi-lot purchases.

1.1.2. The present Regulations on purchase are applied taking into account the below-mentioned:

a) If according to the legislation of the Russian Federation another procedure is required or other terms of making purchases procedures are conducted according to such procedure/terms are provided, and the present Regulations on purchase are applied in a part which are not contradicting such procedure;

b) If according to conditions of the involved credit (loan), the investment agreement the customer has to apply another procedure of making of the purchases, directly provided by conditions of granting of such credit (loan), the investment agreement, or standard legal acts – the Regulations on purchase are applied in a part which are not contradicting such procedure. The specified agreement in a part mentioning purchasing activity, should be agreed by the Central purchasing body of the Company (further - CPB).

*Note: for example, at reception of the credits caused by special procedure of their expenditure at purchases.*

1.1.3. The present Regulations on purchase are not applied at:

- Acquisition of foreign currency by the Company;
- Company investments in an authorised capital stock of legal bodies;
- The conclusion of civil-law contracts with the physical persons who are not individual businessmen provided that the price of the agreement with one person does not exceed the cost limit specified in item 1.1.1 of the present Regulations on purchase;
- Purchase and sale by the Company of securities and currency values;
- Purchase in the field of military-technical cooperation;
- Purchase by the Company of the goods, works, services according to the international agreement of the Russian Federation if such agreement provides another procedure of determination of suppliers (contractors, performers) of such goods, works, services;
- Realisation of selection of financial organisations for rendering of financial services according to article 18 of Federal law from July, 26th, 2006 N 135-FZ "On the Protection of Competition";
- Realisation of selection of the auditor organisation for making of obligatory audit of the accounting (financial) reporting of the customer according to article 5 of Federal law from December, 30th, 2008 N 307-FZ "About auditor activity".

1.1.4. The decision of Board of directors of the Company, CPB of the Company, accepted according to the current legislation of the Russian Federation and the Company's Articles of Association, the special procedure of making of separate purchases which can provide deviations from the present Regulations on purchase can be provided.

1.1.5. The internal documents of the Company earlier approved by governing bodies of the Company, regulating questions of purchases, from the moment of the statement of the present Regulations on purchase become invalid, in a part contradicting the present Regulations on purchase.

## 1.2. **Basic definitions and concepts**

1.2.1. Company (Customer) — IDGC of Centre.

1.2.2. The organizer of purchase (auction, tender): the Customer or acting under the agreement with it the third party - the specialised legal body acting as the organizer of purchase or the physical person, registered when due

hereunder and performing enterprise activity without formation of the legal person (the individual entrepreneur).

- 1.2.3. The participant of purchase: any legal body irrespective of the organisation-legal form, pattern of ownership, the location and a place of origin of the capital or any physical person, including the individual entrepreneur, directed the application form for participation in procedure of purchase and the passed according to the decision of the purchasing commission through the selection stage of estimation of requests.
- 1.2.4. Conditionally - constant purchases:
  - a) Purchases of services of electric energy transmission from FGC UES;
  - b) Purchases of services of housing and communal services for the Company;
  - c) Purchase of electric power with a view of compensation of losses in networks;
  - d) Rent (long-term) of land lots and premises;
  - e) Other purchases of the goods, works, services with regulated by the legislation of the Russian Federation tariffs/prices.
- 1.2.5. The annual comprehensive purchasing program (ACPP) - the plan of purchases of the goods, works, services for corresponding calendar year.
- 1.2.6. The register of unfair suppliers (contractors, performers) - the register of counterparts with which the Company had negative experience of mutual relations on concluded and performed and (or) being performed transactions, maintained according to point 8.7 of 8.7section 88.78.
- 1.2.7. The federal law - Federal law from July, 18th, 2011 # 223-FZ "About purchases of the goods, works, services by separate kinds of legal bodies".
- 1.2.8. Official site - an official site of the Russian Federation in the information-telecommunication network "Internet" for placing of the information on order placement on deliveries of the goods, accomplishment of works, rendering of services ([www.zakupki.gov.ru](http://www.zakupki.gov.ru)).
- 1.2.9. Company site - an official site of the Company in the information-telecommunication network "Internet".

- 1.2.10. Electronic trading platform (ETP) - an electronic trading platform of the Company specified by CPB or another authorised person for use and approved by the Company Board of directors.
- 1.2.11. Other terms and purchasing activity definitions are used according to the Glossary (Appendix #1).
- 1.3. **Purchases for the sum, less required for application of the present Regulations**
  - 1.3.1. The customer is forbidden to split up purchase to remove them from under sphere of action of the present Regulations on purchase.
  - 1.3.2. The purchases which are not exceeding the sum specified in point 1.1.1 of 1.1.1the present Regulations on purchase, can be performed as according to the provided by the present Regulations on purchase procedures, and other ways.
- 1.4. **Control**
  - 1.4.1. In case of information reception (complaints, claims) about infringement of the present Regulations on purchase the Company is obliged to conduct office check and to place results of investigation for consideration by CPB the Company.
  - 1.4.2. CPB of the Company makes annually the report on results of consideration of the arrived complaints, claims and other information on infringements of the present Regulations on purchase.
  - 1.4.3. The report on execution ACPP is agreed within the limits of procedure of preparation of the decision for Board of directors and affirms the decision of Board of directors of the Company according to items 10.2.1.17 of section 10.2.1 not later than 45 days after the end of quarter.
  - 1.4.4. The procedure, terms, formats of the control and monitoring of purchasing activity are regulated by internal statutory acts of the Company.

## **2. Purposes of the purchasing activity**

- 2.1. The main purpose of the purchasing activity in the Company - complete provision of its activity by the goods, works, services, other objects of the civil rights with necessary indicators of their quality and optimum indicators of their price.

- 2.2. Other purposes of purchasing activity are:
- a) Provision of a target and effective expenditure of means of the Company at purchases;
  - b) Forming around the Company the market of the qualified suppliers, contractors, the performers, capable to satisfy requirements of the Company in the best way;
  - c) Prevention of erroneous or unfair actions in sphere of purchases;
  - d) Creation of positive image of the Company as fair purchaser of the goods, works, services, other objects of the civil rights.

### **3. Main principles of purchases**

- 3.1. Main principles of realisation of purchases are:
- a) Timely (long-term and short-term) purchasing activity planning, ensuring operative decision making about adjustment of parameters of purchases (when necessary);
  - b) Equality, justice, absence of discrimination and unreasonable restrictions of competition in relation to participants of purchase;
  - c) Target and economically effective expenditure of money funds on acquisition of the goods, works, services (with accounting in need of cost of life cycle of bought goods) and realisation of the measures directed on reducing costs of the customer;
  - d) Absence of restriction of the admission to participation in purchase by establishment of not measured requirements to participants of purchase;
  - e) Taking into account features of bought goods, the markets and situations in which the purchase, with a view of determination of parameters of purchases, is made;
  - f) Competitive choice of suppliers, contractors, performers where it is possible and reasonable, and whenever possible joint decision making in situations where the competitive choice is impossible or inexpedient;



- g) Accounting of a necessary set of the price and not price factors determining efficiency at a choice of optimum offers for the Company;
- h) Provision of transparency of purchasing activity;
- i) Application of modern information technology, means of electronic document circulation and purchasing activity automation, including – the use of electronic trading platforms functionality;
- j) Joint decision making on the most important questions of the organisation of purchasing activity in general and on separate purchases in particular;
- k) Professionalism and competence of employees of the Company of preparation and decision making on purchases; faultless from the point of view of ethical standards behaviour of such employees.

#### **4. Provision of transparency in the field of purchases**

- 4.1. The information on rules of making purchases, conditions of participation in them, requirements to participants should be accessible to participants of the market. The information, concerning specificity of concrete purchase is published in the documentation about purchase which takes place on the official site, and also on the Company site in the cases provided by the present Regulations on purchase.
- 4.2. The greatest possible transparency regarding publication of ACPP, preliminary announcement of the future procedures is considered obligatory.
- 4.3. The Company places on its official site ACPP for the term not less than one year.
- 4.4. In case of establishment by the Government of the Russian Federation of another procedure of forming of the Plan of purchase, ACPP of the Company should be corrected taking into account requirements of the Government of the Russian Federation.
- 4.5. At purchase the information on purchase, including the notice on purchase, the documentation on purchase, the contract draft is placed on the official site which is an integral part of the notice on purchase and the documentation about purchase, the changes brought in such notice and

such documentation, explanations of such documentation, the reports made during the purchase, and also other information which placement on the official site is provided by the Federal law, present Regulations on purchase. In case at the conclusion and agreement execution the volume, the price of the bought goods, works, services or terms of a contract in comparison with specified in the report made following the results of purchase not later than within ten days from the date of modification of the agreement the information on change of the agreement with indication of the changed conditions is placed on the official site.

- 4.6. Till July, 1st, 2012 if other term is not provided by a resolution of the Government of the Russian Federation, the Regulations on purchase, the changes brought in the Regulations on purchase, ACPP, other information on the purchase, subject according to the Federal law and present Regulations on purchase to placing on the official site, are placed on the Company web site. After July, 1st, 2012 if other term is not provided by a resolution of the Government of the Russian Federation, the Regulations on purchase, the changes brought in such regulations, ACPP, other information on the purchase, subject according to the Federal law and present Regulations on purchase to placing on the official site, are placed on the official site.
- 4.7. On the Company web site in the Internet network "Purchase" section should function in which the short and clear description of basics of system of purchases, and also other similar information is placed. The information placed on a site of the Company in section "Purchase", should be round the clock accessible to users to acquaintance without collection of a payment and other restrictions.
- 4.8. The information on a course and results of making purchases in the amount and pursuant to the procedure is given to participants of purchasing procedures according to the present Regulations on purchase.
- 4.9. On each competitive procedure on the Company site the information on the list of the organisations that have directed the application form for participation, taken part and won in the competitive procedure should be placed.
- 4.10. In case of appearance at conducting an official site by the federal enforcement authority authorised on conducting of an official site, of technical or other malfunctions blocking access to an official site within

more than one working day, the information which is subject to placing on the official site according to the Federal law and present Regulations on purchase, is placed by the Customer on a site of the Company with its subsequent placing on the official site within one working day from the date of elimination of the technical or other malfunctions blocking access to an official site, and it is considered placed when due hereunder.

- 4.11. Explanatory work for potential counterparts and participants of purchasing procedures concerning the organisation of purchases of the Company is conducted through the Company site, the publication in mass media, speeches of authorised persons of the Company at public events, holding specialised conferences and seminars.
- 4.12. To provide transparency, general availability and publicity of the information at making of purchasing procedures by using ETP. The purchasing amount with the use of ETP should constitute not less than 95 % of general ACPP in cost value. Requirements of the present point does not extend on conditionally - constant purchases specified by item 1.2.4 of the present Regulations on purchase.

## **5. Standard basis of purchasing activity**

### **5.1. Standard basis of purchasing activity in the Company.**

- 5.1.1. Purchasing activity in the Company should be performed according to the current legislation of the Russian Federation, present Regulations on purchase and other internal and local standard documents of the Company approved by governing bodies of the Company according to their competence.
- 5.1.2. ACPP of the Company is used as the basic document with a view of planning of purchases. The detailed procedure of planning is determined in item 10.2 of the present Regulations on purchase.

## **6. Organizational basis of purchasing activity**

### **6.1. The purchasing activity organisation in the Company**

- 6.1.1. The bodies regulating the purchasing activity of the Company are:
  - a) Company's Board of directors;

- b) Company's Management Board;
  - c) General Director of the Company;
  - d) CPB of the Company.
- 6.1.2. The bodies specified in item 6.1.1 co-operate with other (including within the limits of corporate procedures) regarding planning, the organisation of preparation and making of procedures, and also at the conclusion of contracts according to their competence specified by the Articles of Association of the Company and internal documents of the Company.
- 6.1.3. The main body for accepting strategic decisions in the field of purchases is the Board of directors of the Company which carries out the following functions:
- a) Approves the Regulations on the procedure of the regulated purchase of goods, works and services for the Company;
  - b) Approves ACPP and adjustments to ACPP of the Company;
  - c) Approves the Order of application of preferences;
  - d) Considers and approves the regular (quarterly) reporting of the Company about purchasing activity results;
  - e) Approves Head of CPB, the structure of CPB of the Company and Regulations about the work of CPB.
- 6.1.4. The Company's Management Board, being a collegial executive body of the Company, has the right to carry out following functions:
- a) To consider questions of the organisation of purchasing activity of the Company;
  - b) To accept recommendations on establishment of specificity of purchases (including application of methods of purchases with reference to each purchase) in separate especially important areas of purchasing activity.
- 6.1.5. General Director of the Company, being chief executive officer of the Company, approves internal documents and other standard documents accepted in development of the present Regulations on purchase.
- 6.1.6. CPB of the Company is a constantly acting joint purchasing body of the Company, making the main decisions in the field of purchases, and carries out the following functions:

- a) Performs operational management of the Company's purchases, including questions of their planning, the organisation, and also performs the control over purchasing activity realisation;
- b) Approves current changes to ACPP;
- c) Initiates creation of the purchasing commissions of the Company, agrees with the structure and an operating procedure of the purchasing commissions of the Company; has the right to delegate the representatives to the structure of the purchasing commissions of the Company;
- d) Initiates making of internal audit, office investigations and represents offers to General director of the Company on bringing to a disciplinary responsibility of employees of the Company for a failure to perform or inadequate execution of the provisions of the present Regulations on purchase and the documents adopted in its development;
- e) Conducts preliminary consideration of questions and prepares materials for sessions of Board of directors of the Company concerning the Company's purchasing activity;
- f) Develops offers on introduction in the Company of rules of behaviour of participants of purchases (« best practice»);
- g) Develops and makes offers for approval according to corporate procedures in the Company of internal documents of the Company in the field of purchases (regulations, guidelines, etc.);
- h) Provides methodological support to all persons participating in purchasing activity, including issue of recommendations, generalization of « best practices», explanations of provisions of purchasing documents.

6.1.7. Besides the directly named the mentioned bodies carry out also other functions established according to adopted in development of the present Regulations internal documents of the Company, regulating questions of the organisation and making of purchases.

## **7. Management of purchasing activity**

## 7.1. **General requirements**

- 7.1.1. The organisation of purchasing activity of the Company assumes realisation of a complex of events directed on planning of purchasing activity and documenting requirements for goods which acquisition is necessary for the Company functioning, issue of permissions to making purchases, the organisation of search, selection of counterparts and decision making about the conclusion with them of contracts following the results of making of purchasing procedures, information support of the specified processes.
- 7.1.2. The organisation of purchasing activity of the Company provides participation of the organizer in determination of the purposes and prospects, planning and the coordination of forthcoming works, statement of current tasks, a management of execution, coordination of actions of responsible persons, registration of results of the put goods, the executed works, the rendered services, and also the control over the given events.

## 7.2. **Control bodies of the Company's purchasing activity**

- 7.2.1. The permission to making purchases of goods for the Customer, the current control and purchasing activity coordination, and also separate functions provided by the present Regulations are performed by Board of directors of the Company and CPB of the Company.
- 7.2.2. Forming technical and other requirements to bought goods, requirements to potential participants of purchasing procedures, contractual conditions, and also other functions provided by the present Regulations on purchase, is performed by the Initiator of purchase. The Initiator of purchase is determined according to internal documents of the Company.
- 7.2.3. Accomplishment of functions on direct making of purchases is assigned to employees of the Company professionally engaged in the given activity, special structural division or the legal body involved on the basis of the agreement with the Company (with passing through necessary corporate procedures). Direct making of purchases can be performed only after the approval of the internal document of the Company by the Company governing bodies according to their competence or after signing of the corresponding agreement with the involved legal body and passing through corporate procedures (if necessary).

- 7.2.4. The Initiator of purchase performs preparation of the internal standard document of the Company determining specific requirements to purchase.
- 7.2.5. Chairman and members of CPB is approved by the Company's Board of directors. Chairman of CPB bears personal responsibility for the organisation of the regulated procedures of purchases in the Company.
- 7.2.6. Members of CPB bear personal responsibility for all decisions made by them within the limits of the purchasing activity organisation.

### 7.3. **Automated purchases management system**

- 7.3.1. In case of use in the Company of the automated purchases management system (in full or in part automating process of preparation and making of the purchasing procedures, being completely autonomous or a part of a more scale automated system), it is preferable to use the system that has capability of automated information interchange with the used Company's ETP through agreed with ETP formats of the data and data transfer protocols, at least, regarding notices on the beginning of purchasing procedures, documentation about purchases, reports made during making purchasing procedures, the information on results of such purchasing procedures.

### 7.4. **Electronic trading platforms in the Internet network**

- 7.4.1. With a view of provision of openness and transparency of purchasing activity of the Company, not less than 95 % of all regulated purchases of the Company should be conducted on ETP.
- 7.4.2. On occasion and only under decision of CPB of the Company making purchases in the form of paper documents exchange is possible. The information on the beginning of making of such purchase should be placed on the official site, and also on the Company site. Opening of envelopes with requests of Participants in that case is conducted only in presence.
- 7.4.3. Other features of making of such purchases can be established by a separate decision of an executive office of the Company or decision of CPB.
- 7.4.4. In case of absence of requests at purchase making on ETP several times, the given purchase can be conducted on paper with the obligatory indication that it was initially announced on ETP.

- 7.4.5. At realisation of purchasing activity the Company uses the functionality of ETP of the Company: <http://www.b2b-mrsk.ru>. Other ETPs, used at purchasing activity realisation in the Company, should be specified by CPB or another authorised person for use and approved by the Company's Board of directors.
- 7.4.6. At purchases on ETP deviations from a course of the procedures provided by the present Regulations on purchase, caused by technical features of the given platforms, are allowed. However, anyway, purchases on such platforms are:
- 7.4.6.1. To provide observance of norms of the civil legislation of the Russian Federation and the purposes of the present Regulations on purchase;
- 7.4.6.2. To pass on the basis of rules and the regulations acting on given platforms.
- 7.4.7. Other ETPs should provide making of the procedures corresponding to norms of the present Regulations on purchase. Possibility of making of all provided by the present Regulations on purchase regulated procedures should be provided.
- 7.4.8. The information on purchases made by the Company is also subject to obligatory publication on the official site and the Company site.
- 7.5. **Publication of data on the Company site in "Purchase" section**
- 7.5.1. With a view of provision of transparency of purchasing activity the reference to "Purchase" section to the Company site should be placed on the main page, and also in the main menu of a site, in the presence of such menu. The section should be called "Purchases".
- 7.5.2. "Purchase" section should represent:
- 7.5.2.1. Regulations on purchase, and also other standard legal acts of the Company on purchases;
- 7.5.2.2. ACPP (by areas of business) without the purchases referred to as confidential (containing commercial, office and other secret data, the list of which is determined when due hereunder according to the legislation of the Russian Federation);
- 7.5.2.3. The information on purchases, including notices on purchases, documentation about purchases, the contract draughts which are an



integral part of notices on purchase and the documentation about purchases, the changes brought in such notices and such documentation, explanations of such documentation, the reports made during purchases, changes of provisions of contracts regarding the volume or the price of the bought goods, works, services in comparison with specified in the report;

- 7.5.2.4. News of the Company purchases system;
- 7.5.2.5. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase of the goods, works, services;
- 7.5.2.6. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase from a single supplier (contractor, performer);
- 7.5.2.7. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase, data on which constitute the state secret or in which relation decisions of the Government of the Russian Federation are made;
- 7.5.2.8. Archive of the published information on conducted purchases and their results;
- 7.5.2.9. Subsystem of information search and subscription subsystem.
- 7.5.3. The section should be arranged clearly, accurately, laconically. The interface of the user should not be overloaded by graphical elements. Section pages should have the minimum time of loading.
- 7.5.4. The section should include the following subsections: «Announcement of purchases», «Information on current procedures», «Information on the concluded contracts», «Management of purchasing activity».
- 7.5.5. In the subsection «Announcement of purchases» ACPP is placed (without the purchases referred to as confidential) on types of activity with indication of the planned initial (maximum) prices, and also announcements according to point 10.5.310.5.3.
- 7.5.6. In the subsection «Information on current procedures» the information on purchase is placed, including the notice on purchase, the documentation on purchase, the contract draught which is an integral part of the notice on purchase and the documentation about purchase, the changes brought in such notice and such documentation, explanations of such documentation, the reports made during purchase, change of provisions of contracts

regarding the volume or the price of the bought goods, works, services in comparison with specified in the report.

7.5.7. In the subsection «Information on the concluded contracts» the following is placed:

7.5.7.1. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase of the goods, works, services;

7.5.7.2. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase from a single supplier (contractor, performer);

*Note: in case of the conclusion of contracts on the basis of item 11.8.2. of the present Regulations on purchase, data on contracts are published according to item 7.5.7.1 of this point.*

7.5.7.3. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase, data on which constitute the state secret or in which relation decisions of the Government of the Russian Federation are made.

7.5.8. In the subsection «Management of purchasing activity» the internal and local standard documents regulating purchasing activity of the Company (including the present Regulations on purchase) are placed and details of the chairman and responsible secretary of CPB for submitting complaints and offers are specified. The subsection should provide capability of automatic direction of the registered letter to the specified persons.

7.5.9. Information storage in the subsections «Information on current procedures» and «Information on the concluded contracts», should provide to any interested person access to this information at least for 3 previous years, structured by areas of purchases.

7.5.10. ACPD of the Company is stored in archive two years after its expiry, and then it can be removed from the system.

7.5.11. The subsystem of archival storage of the information should store all published data on purchases and their results for 3 years from the date of the completion of making the purchasing procedure, and also a news feed.

7.5.12. The information search subsystem should provide convenient information search by its type, date or a range of dates, keywords and substring with capability to use permutational signs. The search subsystem should

consider the Russian morphology. Capabilities of sorting of search results by date, type of information, degrees of relevance to inquiry should be provided.

7.5.13. The subscription subsystem should provide capability of subscription to certain types of information by e-mail, and also basic capabilities of subscription management.

**7.6. Publication of data on an official Internet site of the Russian Federation**

7.6.1. With a view of provision of timely and complete provision of various categories of persons, and also for provision of uniform economic space, the Company within the limits of the purchasing activity should place on the official site starting from July, 01st, 2012 the following information:

7.6.1.1. ACPP, and also adjustments to ACPP are placed not later than within fifteen days from the date of their approval by the Company;

7.6.1.2. The information on purchase, including the notice on purchase, the documentation on purchase, the contract draught which is an integral part of the notice on purchase and the documentation about purchase, the changes brought in such notice and such documentation, explanations of such documentation, the reports made during purchase, and also other information, which placing on the official site is provided by the Federal law.

7.6.2. Not later than 10th date following the reporting month, the following should be placed on the official site:

7.6.2.1. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase of the goods, works, services;

7.6.2.2. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase from a single supplier (contractor, performer);

*Note: in case of the conclusion of contracts on the basis of item 11.8.2. of the present Regulations on purchase, data on contracts are published according to item 7.6.2.1 of this point.*

7.6.2.3. Data on the quantity and total cost of the contracts concluded by the customer following the results of purchase, data on which constitute the

state secret or in which relation decisions of the Government of the Russian Federation are made.

- 7.6.3. The changes brought in the notice on purchase, the documentation about purchase, explanations of provisions of such documentation are placed on the official site not later than within three days from the date of decision making about entering of the specified changes, provision of the specified explanations. In case the purchase is performed by tendering and change in the notice on purchase, the documentation about purchase are entered by the customer later than fifteen days prior to the end date of submitting application forms for participation in the purchase, the term of submitting application forms for participation in such purchase should be extended so that from the date of placing on the official site brought in the notice on purchase, the documentation on purchase of changes the end date of submitting application forms for participation in the purchase the term was not less than fifteen days.
- 7.6.4. The reports made during purchase, are placed on the official site not later than in three days from the date of signing such reports.
- 7.6.5. In case of occurrence at maintaining the official site by the federal enforcement authority, authorised to maintain the official site, of technical or other malfunctions blocking access to the official site for more than one working day, the information which is subject to placing on the official site, is placed on the site of the Company with its subsequent placing on the official site within one working day from the date of elimination of the technical or other malfunctions blocking access to the official site, and it is considered placed when due hereunder.
- 7.6.6. Data on the purchase constituting the state secret are not subject to be placed on the official site, provided that such data are contained in the notice on purchase, the documentation about purchase or in the contract draught, and also data on purchase on which the decision of the Government of the Russian Federation is adopted.

## **8. The rights and obligations of participants of the purchasing procedures which are conducted according to the present Regulations on purchases**

## 8.1. **The rights and obligations of the organizer of purchase**

In case of the conclusion by the Company of an agreement with a third-party organisation, or a physical person (an individual entrepreneur), the agreement should provide the following provisions:

- 8.1.1. The organizer of purchase is obliged to provide Participants with possibility of realisation of their rights provided by the current legislation of the Russian Federation, present Regulations on purchase and the purchasing documentation;
- 8.1.2. The organizer of purchase according to the present Regulations on purchase has the right to establish requirements to the purchase procedure, Participants of procedures of the purchase, bought goods, conditions of their delivery and to specify the necessary documents confirming (declaring) conformity to these requirements;
- 8.1.3. The organizer of purchase (on behalf of the purchasing commission) determines the procedure of estimation and ranging of requests by degree of their preference for the Customer, based on the norms of the present Regulations on purchase, and also other local statutory acts of the Company.
- 8.1.4. The requirements provided in point 8.1.3 8.1.3and estimation rules should not impose on competition of Participants any excessive and unreasonable restrictions.
- 8.1.5. Other rights and obligations of the Organizer of purchase are determined by the present Regulations on purchase, and also established by the purchasing documentation.
- 8.1.6. Distribution of functions between the Customer and the third-party Organizer of purchase is determined by the agreement signed between them. Such agreement should contain, including:
  - a) Distribution of the rights and obligations between the Customer and the third-party Organizer of purchase;
  - b) Order of making procedures of purchases;
  - c) The rights and responsibility of both parties in the course of making purchasing procedures;
  - d) Members of the purchasing commission;
  - e) The reservation clause on that the Organizer of purchase acts on behalf of and at the expense of the Customer;
  - f) Point on that the Organizer of purchase should observe the norms of the present Regulations on purchase, including the established procedure of settlement of disputes;

- g) At the negotiation, provided within the limits of those or other procedures — the information on by who and on what questions these negotiations are conducted and also by who and what decisions are adopted following the results of negotiations;
- h) Distribution of responsibility and expenses at occurrence of disputes in the course or following the results of the made purchase which have been submitted to Common Court of Arbitration or arbitration court by the Customer, the Organizer of purchase or the third parties;
- i) The information on the fact that the decision on the final approval of the notice on purchase, and also the purchasing documentation is made by the third-party organizer on the basis of the similar decision of the chairman of the purchasing commission after its coordination by the purchasing commission and the Initiator of the agreement;
- j) Rate of commission of the third-party Organizer of purchase which should not be more than 3 % of the planned price of purchase (in exceptional cases under decision of CPB the specified limit can be exceeded);
- k) Order of preparation, approval, provision and storage of documents on the purchase procedure;
- l) Obligation of the third-party Organizer to observe the norms of the present Regulations on purchase, to ensure observance of the norms of the legislation of the Russian Federation at making purchases.

## 8.2. **The rights and obligations of the Customer**

8.2.1. The customer of purchase during its preparation in each case determines in advance:

- a) Requirements to bought goods, including marginal price;
- b) Requirements to Participants;
- c) Requirements to provisions of the agreement, concluded following the results of the purchase procedure;
- d) Requirements to the structure and registration of requests;
- e) The requirements, infringement (non-observance) of which by the Participant of purchase is not acceptable for the Customer, and on which the Customer does not accept objection (disagreement) of

Participants of purchase (such requirements are determined by preparation of the draft of the purchasing documentation).

- 8.2.2. Regardless of the fact whether the Customer is the organizer of purchase himself or not, the Customer has the right to place lists of the counterparts that have broken their obligation (the Register of unfair suppliers maintained according to point 8.7 8.7of section 8).
- 8.2.3. At purchase the Customer has the right to establish the requirement about absence of data on participants of purchase in the register of unfair suppliers provided by point 8.7 8.7of section 8 and (or) in the register of unfair suppliers, provided by Federal law from July, 21st, 2005 N 94-FZ "About placement of orders on supply of goods, performance of works, rendering of services for the state and municipal needs".
- 8.2.4. The customer should exclude possibility of establishment of excessive requirements to participants of competitive procedures with a view of unreasonable restriction of competition in relation to potential participants of purchase and creation of unreasonable advantages to a certain participant (group of participants).
- 8.3. **The rights and obligations of the Participant of purchases**
  - 8.3.1. Any potential Participant of purchase has the right to submit the application form for participation in open procedures.
  - 8.3.2. Any legal body irrespective of the organisation-legal form, pattern of ownership, the location and a place of origin of the capital or any physical person, including the individual entrepreneur, is considered as a participant of purchase that directed the application form for participation in the procedure of purchase and passed according to the decision of the purchasing commission the selection stage of estimation of requests (item 12.2.8.4)12.2.8.4.
  - 8.3.3. Those persons who are invited personally have the right to take part in closed procedures only.
  - 8.3.4. Collective participants can participate in purchases if it is not directly forbidden by the purchasing documentation.
  - 8.3.5. At making of closed procedures it is necessarily specified in the purchasing documentation, whether there can be as a part of the collective participant a person who has not been invited personally to participation

in the purchase. But anyway the leader of the collective participant should be only the person who has been invited to participation in the purchase.

8.3.6. The participant of any procedures has the right:

- a) To receive from the Organizer of purchase the exhaustive information on conditions and procedure of making purchases (except for the information having confidential character or constituting commercial secret);
- b) To change, supplement or withdraw the request before the submittal end date if it is not stipulated in the purchasing documentation expressly otherwise;
- c) To address to the Organizer of purchase with questions on explanation of the purchasing documentation, and also with the request for prolongation of the set date of submittal of bids;
- d) To receive from the Organizer of purchase brief information on reasons for rejection and / or loss of the bid. At using this point the Participant has not the right to demand granting of data on the persons, making those or other decisions.

8.3.7. Only qualified participants can apply for the conclusion of the agreement with the Customer (the Organizer of purchase), or on realisation of another right resulting from the selection of the winner. Qualifying selection criteria should not impose on competition of participants any excessive restrictions. If necessary CPB has the right to establish the exhaustive list of the conditions nonfulfillment of which default excludes possibility of a victory of the participant in tender or other competitive purchase.

8.3.8. Other rights and obligations of participants are established by the purchasing documentation.

#### 8.4. **Volume of the rights and obligations the winner receives**

8.4.1. The volume of the rights and obligations the winner of the auctions or another competitive procedure receives (usually — the right to the agreement conclusion), should be accurately stipulated in the purchasing documentation.

*Note: At the tender making the subject of which was the right to the agreement conclusion, the agreement with the winner of the tender is entered without*



*fail according to part of 5 of article 448 of the Civil code of the Russian Federation. At making of a request for proposals, competitive negotiations, the participant who has presented the best offer, receives the right to the agreement conclusion, but the Customer (the Organizer of purchase) does not have the obligation to do it (refusal of purchase and the conclusion of the agreement with the winner).*

8.4.2. If as a result of the tender or other competitive procedure there is no direct right to the agreement conclusion, then another right, the procedure of its realisation should be specified in the purchasing documentation as much in detail as possible.

## 8.5. **Preferences**

8.5.1. Preferences can be applied only in open procedures of purchase.

8.5.2. The procedure of application of preferences is approved by the Board of directors of the Company taking into account requirements of the legislation of the Russian Federation.

8.5.3. The government of the Russian Federation has the right to establish a priority of the goods, works, the services of the Russian origin which are performed, rendered by Russian persons, in relation to the goods supplied from a foreign state, works, services which are performed, rendered by foreign persons, taking into account the customs legislation of the Customs Union and the international contracts of the Russian Federation, and also features of participation in purchase of entities of small and average businesses.

8.5.4. The customer or the Organizer of purchase has the right to apply preferences, only if their availability and application method has been directly declared in the purchasing documentation, and at tender making — and in the notice.

## 8.6. **Requirements to participants of purchases**

8.6.1. The Company is guided to work with competent and qualified counterparts having positive business reputation.

8.6.2. Special importance is given to estimation of qualification of counterparts at the conclusion of long-term contracts.

8.6.3. At preparation by the Company of documents for making purchasing procedures reasonable requirements to experience, availability of

resources (material, financial, personnel and others), proper organizational structure or system of interaction with counterparts can be established in them. The declared requirements are equally applied to all participants of the given purchase. Application of not declared requirements is forbidden.

- 8.6.4. Contract works, services and goods acquired following the results of making purchasing procedures, should be performed/rendered/delivered by the counterpart having qualified personnel, with use of modern works production technologies and managements of projects, with use of modern and qualitative materials, methods, approaches, concepts and technologies.
- 8.6.5. Participants of purchasing procedures should prove to the Company the conformity to the set requirements by submitting necessary documents (including - according to the list determined within the limits of each separate purchasing procedure). The capability to work on ETP applied by the Company is important for participants at giving of requests.
- 8.6.6. To lay claim to victory, the Participant of purchase should be registered as a legal person or entrepreneur without formation of a legal person when due hereunder, and for the types of activity requiring according to the legislation the Russian Federation special permissions (licences) — to have them. At purchases of goods of creative character participation of competent citizens are permitted who have been not registered as entrepreneurs without formation of a legal person.
- 8.6.7. Members of the associations which are collective participants of purchases, should have the agreement among them (another document), corresponding to the norms of the Civil code of the Russian Federation in which the rights and obligations of the parties are specified and the leader of the collective participant is determined. Joint and several liability under the obligations connected with participation in purchases, the conclusion and the subsequent execution of the agreement should be established in the agreement.
- 8.6.8. Other requirements are established by the purchasing documentation.

#### 8.7. **The register of unfair suppliers (contractors, performers)**

- 8.7.1. Maintenance of the register of unfair suppliers (contractors, performers) (further - the register of unfair suppliers) is performed by the federal

enforcement authority, authorised by the Government of the Russian Federation, on the official site according to the Federal law.

- 8.7.2. The customer has the right to place also the register of unfair suppliers on the Company site. At realisation of this right the Customer should control so that the publication of the specified information does not infringe the legislation of the Russian Federation independently.
- 8.7.3. The register of unfair suppliers includes data on the participants of the purchase who have evaded from the conclusion of contracts, and also on suppliers (contractors, performers) with which under the court decision contracts are terminated in connection with essential infringement of contracts by them.
- 8.7.4. The list of the data included in the register of unfair suppliers, procedure of direction by customers of data on unfair participants of purchase, suppliers (contractors, performers) to the federal enforcement authority, authorised on maintaining the register of unfair suppliers, procedure of maintaining the register of unfair suppliers, requirements to technological, software, linguistic, legal and organizational means of provision of maintaining the register of unfair suppliers are established by the Government of the Russian Federation.
- 8.7.5. The data contained in the register of unfair suppliers should be accessible to acquaintance on the official site without payment collection.
- 8.7.6. The data contained in the register of unfair suppliers, after two years from the date of their entering into the register of unfair suppliers, are excluded from this register.
- 8.7.7. Inclusion of data on the participant of the purchase, who has evaded from the conclusion of the agreement, on the supplier (contractor, performer) with which the agreement will terminate in connection with essential infringement of the agreement by him, into the register of unfair suppliers or the maintenance of such data in the register of unfair suppliers can be appealed by the interested person judicially.

## 8.8. **The rights and obligations of purchasing employees**

- 8.8.1. Purchasing employees are obliged:

- a) To observe the norms of the legislation of the Russian Federation, the present Regulations on purchase, and also other internal documents of the Company regulating the purchasing activity;
- b) To promote non-admission of the facts of artificial restriction of competition at making purchases, including - unreasonable creation of unequal conditions for separate participants (categories of participants) of purchases (including – potential);
- c) Immediately to report to General Director of the Company on any circumstances which can lead to negative results for the Customer, including about what will lead to impossibility or inexpediency of execution of the actions obligated by the present Regulations on purchase;
- d) To inform General Director of the Company of any circumstances which do not allow the given employee to conduct purchase according to the norms of the given Regulations on purchase.

8.8.2. It is forbidden for purchasing employees:

- a) To co-ordinate activity of participants of purchase differently, than it is provided by the current legislation of the Russian Federation, the present Regulations on purchase, the purchasing documentation and other internal standard documents of the Company regulating the purchasing activity;
- b) To receive any benefits from purchase making, except officially provided by the Customer;
- c) To give to somebody (except the persons having the official right to receive the information) any data on the course of purchases, including about consideration, estimation and comparison of requests;
- d) To have with participants of purchases any communication, different from that arising in the course of usual economic activities (for example to be an affiliated person with the participant of purchase) about which he has not declared to the purchasing commission or CPB;
- e) To conduct any negotiations not provided by the purchasing documentation with participants of purchases.

- 8.8.3. Purchasing employees have the right:
- a) Based on the gathered experience of making purchases to recommend to the management to enter modifications into the documents regulating the purchasing activity;
  - b) To raise their qualification in the field of purchasing activity independently or, if available, — at specialised courses.
- 8.8.4. Personal responsibility for execution of the actions connected with making of purchase is assigned to purchasing employees.

## **9. Methods of purchases and their varieties**

- 9.1. **Applied methods of purchases (the list of the permitted methods of purchases)**
- 9.1.1. The present Regulations on purchase provide the following methods of purchases:
- a) Bidding;
  - b) Request for proposals;
  - c) Request for quote;
  - d) Auction;
  - e) Competitive negotiations;
  - f) Purchase from a single supplier (contractor, performer) (further also - purchase from single sourcing);
  - g) Purchase by participation in the procedures organised by sellers of goods.
- 9.1.2. Irrespective of an applied method of purchase, in the maximum degree possibilities of competitive mechanisms between participants of purchasing procedures, except for directly stipulated by standard documents of the Company situations, should be used.
- 9.1.3. Open competitive purchasing procedures, irrespective of the sum and a purchase method, are priority.
- 9.1.4. Irrespective of a purchase method, the decision on selection of the winner of the purchase, the participant offering to perform by own forces less than 50 % of works, can be taken exclusively by CPB of the Company.

9.1.5. Conditions of application of purchasing procedures and the procedure of their making and registration is determined by the legislation of the Russian Federation and adopted in development of the present Regulations on purchase and the internal documents of the Company regulating issues of the organisation and making of purchases.

## 9.2. **Bidding**

9.2.1. Depending on a possible circle of participants tender can be open or closed.

9.2.2. Depending on a number of stages tender can be one - two - and other multi-stage.

9.2.3. Depending on availability of procedure of preliminary qualifying selection tender can be with making or without making of preliminary qualifying selection.

9.2.4. In case of purchase of especially sophisticated goods tender can be conducted with application of special procedures of purchase of sophisticated goods, specified by the present Regulations on purchase.

## 9.3. **Request for proposals**

9.3.1. Depending on a possible circle of participants the request for proposals can be open or closed.

9.3.2. Depending on a number of stages the request for proposals can be one - two and other multi-stage.

9.3.3. Depending on availability of procedure of preliminary qualifying selection the request for proposals can be with making or without making of preliminary qualifying selection.

9.3.4. In case of purchase of especially sophisticated goods the request for proposals can be conducted with application of special procedures of purchase of sophisticated goods.

## 9.4. **Request for quote**

9.4.1. Depending on a possible circle of participants the request for quote can be open or closed.

## 9.5. **Auction**

- 9.5.1. Auction is a competitive method of purchase at which its organizer informs in advance counterparts on demand for goods, invites to submit price quotations.
- 9.5.2. The winner of the auction is considered to be the person who has offered the lowest price of the agreement or if at holding the auction the agreement price is lowered to zero and auction is conducted for the right to conclude the agreement, the highest price of the agreement.
- 9.5.3. Auction is competitive tendering under the legislation of the Russian Federation. Other rights and obligations of the organizer of the auction and its participants are established by the notice and the documentation on the auction execution, prepared according to the present Regulations on purchase and other documents approved in the Company in development of the present Regulations on purchase.
- 9.5.4. Auction can be open, closed and single-stage.
- 9.5.5. Depending on availability of procedure of preliminary qualifying selection auction can be with making or without making of preliminary qualifying selection.

## 9.6. **Competitive negotiations**

- 9.6.1. Depending on a possible circle of participants competitive negotiations can be open or closed.
- 9.6.2. Depending on availability of procedure of preliminary qualifying selection competitive negotiations can be with making or without making of preliminary qualifying selection.

## 9.7. **Purchase from single sourcing**

- 9.7.1. Depending on the initiative party the purchase from single sourcing can be performed by direction of the offer on the agreement conclusion to the concrete counterpart, or accepting the offer on the conclusion of the agreement from one counterpart without consideration of competing offers, and also following the results of making of purchasing procedure which has been recognised invalid and there is only one request corresponding to the documentation about the purchase.

9.8. **Purchase by participation in the procedures organised by sellers of goods**

9.8.1. Procedures and procedure of their making are determined by their organizer.

**10. General procedure of making purchases**

10.1. **Grounds for purchasing**

10.1.1. Making purchases is performed on the basis of the approved ACPP of the Company. Before approval of ACPP of the Company, purchasing procedures can be made under decision of CPB of the Company on actually arisen demands.

10.1.2. Market research of bought goods should be conducted by the initiator of purchase both at forming ACPP, and in the form of monitoring (tracing) of the prices in the period of ACPP implementation.

10.1.3. At preparation of the decision on purchase making requirements for bought goods are determined and functional and/or technical requirements to it are established. Within the limits of preparation of ACPP at forming the structure of lots the observance of requirements of point 10.5.2 of section 10.5 is necessary.

10.2. **Planning**

10.2.1. **Forming ACPP**

10.2.1.1. Planning is performed by forming ACPP.

10.2.1.2. The ACPP planning and forming period is a calendar year.

10.2.1.3. ACPP is the action plan for the announcement of purchasing procedures and planned summarising on the conducted purchasing procedures in a planned calendar year. The purpose of forming ACPP is determination of volume, costs of purchases, rough term of their announcement, summarising. ACPP should be agreed within the limits of procedure of preparation of the decision for Board of directors and approved by the Company's Board of directors.



- 10.2.1.4. At the purchasing activity realisation consolidation and centralisation of purchases of the same goods, works, services for the Company with a view of provision of optimisation of their cost should be provided.
- 10.2.1.5. The purchases, the cost of which without VAT is over the specified in item 1.1.1 amount for each lot, are included in ACPP.
- 10.2.1.6. At planning of purchases artificial restriction of competition (the list of Participants), by inclusion in the list of one lot of several items (different products), technologically not connected with each other, is not allowed.
- 10.2.1.7. Planning of separate categories of purchases which should be made according to the legislation of the Russian Federation on placing of the state and municipal orders for supply of goods, accomplishment of works, rendering of services, is performed pursuant to a general procedure.
- 10.2.1.8. ACPP is formed on the basis of the budget of the Company and on the basis of the programs determining production and economic activities of the Company.
- 10.2.1.9. At forming ACPP the purchases that are of conditionally - constant character, specified in item 1.2.4 of the present Regulations on purchase, are formed by a separate file which should correspond to Appendix # 2 to the present Regulations.
- 10.2.1.10. Preparation of ACPP assumes 3 stages:
  - a) Development of ACPP draft on the basis of drafts of the programs determining production and economic activities of the Company.
  - b) Forming ACPP under demands (goods, works, services), corresponding to the adopted programs determining productive activity of the Company.
  - c) Adjustment of ACPP.
- 10.2.1.11. At preparation of ACPP it is necessary to consider the long-term contracts already concluded for execution in the planned period, and volume of warehouse stocks to avoid duplication of acquisition of necessary goods.
- 10.2.1.12. At preparation of ACPP it is necessary to give special attention to validity of decision making about purchases by the methods which are

different from open competitive tender, and also about determination of the list of participants of closed methods of purchases and the counterpart at purchase from single sourcing.

- 10.2.1.13. At inclusion of a purchase from single sourcing into ACPP the responsible person (the initiator of purchase) should attach to the draft of ACPP for each such purchase the note-substantiation which includes the following information received on the basis of conducted market research:
- a) The impossibility justification to conduct purchase by competitive method;
  - b) The justification of the price of purchase with the attachment of the necessary calculations, market research data etc.;
  - c) The justification of selection of the concrete counterpart.
- 10.2.1.14. The list of participants of the closed procedures of purchase and the name of the counterpart at purchase from single sourcing is established in ACPP or by a separate decision of CPB.
- 10.2.1.15. ACPP and the report on execution of ACPP should be formed in the automated information system of the Company specified by internal documents of the Company.
- 10.2.1.16. Draft of ACPP of the Company should be generated not later than September of the year prior planned, agreed within the limits of decision making of the Board of directors of the Company and approved by the Board of directors of the Company not later than October of the year prior planned, under condition of availability of approved production programs and the business plan of the Company.
- 10.2.1.17. Quarterly, not later than 45 days after the end of quarter, the report on purchasing activity results (according to the form established in Appendix #4 to the present Regulations on purchase) after its coordination within the limits of decision making of the Board of directors of the Company, it is submitted for approval by the Board of directors of the Company.
- 10.2.1.18. CPB of the Company has the right to initiate consideration by governing bodies of the Company of the issue on bringing the officials

guilty of poor-quality planning of purchases to a disciplinary responsibility.

#### 10.2.2. **Adjustment to ACPP**

10.2.2.1. Within a calendar year it is possible to adjust the approved ACPP.

10.2.2.2. Adjustment to ACPP of quarter IV under demands of next calendar year is approved in the same procedure as ACPP.

10.2.2.3. CPB has the right to make decisions on making the purchases which have been not provided by ACPP (off-schedule purchases), and also on deviations from the approved ACPP.

10.2.2.4. Adjustment to the approved ACPP can be conducted:

- a) In connection with adjustments of production and other programs and Company events;
- b) In connection with change of the budget of the Company;
- c) In connection with a found out at the preparation stage of an open procedure necessity of inclusion into the purchasing documentation of the data constituting commercial secret;
- d) On other grounds connected with necessity unforeseen in advance to change ACPP.

10.2.2.5. Adjustment to ACPP is also subject to obligatory entering in the automated system of the Company specified by internal documents of the Company.

#### 10.3. **Decision making on purchase execution**

10.3.1. Before the beginning of each concrete purchase the decision on direct making of the given procedure should be taken and properly formalized. Such decision can be taken by:

10.3.1.1. The decision of General Director of the Company (or the person authorised by him) about execution of the approved ACPP;

10.3.1.2. The decision of General Director of the Company (or the person authorised by him) about the given concrete purchasing procedure (every separate or a series of the same type, conducted within the limits of a program, project, time period etc.).

- 10.3.1.3. In case of decision making by General Director of the Company (or the person authorised by him) formalized by the order (instruction, another administrative document), specified in subitem 10.3.1.1 of the given item, the issue of a separate internal document (instruction, another administrative document), provided by subitem 10.3.1.2, is not obligatory.
- 10.3.2. The Company's executive bodies have the right according to their competence to approve internal documents detailing and concretising the procedure of accomplishment of purchasing procedures, concerning creation of purchasing (including tender) commissions, working or expert groups, other temporary or permanent bodies involved in realisation of the purchasing activity, determination of their members and operating procedure, and also the procedure of interaction with the third-party organizer of purchases taking into account requirements of the current legislation of the Russian Federation and the present Regulations on purchase.
- 10.3.3. The agreement with the third-party organizer of purchase can provide for another procedure of interaction of the Company with the counterpart under such agreement in connection with the organisation and making of purchasing procedures. The given procedure should not contradict with the current legislation of the Russian Federation and the present Regulations on purchase. In the presence of such procedure it is subject to application irrespective of administrative documents of the Company at making purchases within the limits of such agreement.
- 10.3.4. Anyway prior to the beginning of direct making (including preparation for it) of each separate purchasing procedure in one or several orders (other administrative documents) or Company contracts one should specify:
- a) Procurement item;
  - b) Purchase method;
  - c) In cases when the purchase according to the present Regulations on purchase requires the decision of a permitting body — the reference to such permission;
  - d) Terms of making the purchase;
  - e) The initial (maximum) price of the agreement (the lot price);

- f) Essential conditions of the purchase (essential requirements to the bought goods, essential requirements to the provisions of the agreement, essential requirements to participants of the purchasing procedures, essential requirements to the list and conditions of the conducted purchasing procedures);
- g) Data on to whom the functions of the Organizer of purchase are assigned;
- h) Personnel of the purchasing commission, other working or expert bodies or separate employees or the experts employed during making of a given purchasing procedure, their work order;
- i) Reference to the person authorised on behalf of the Organizer of purchase to approve (sign) documents (in case of the tender — the notice, the tender documentation and the report on results of the tender).

#### 10.4. **General requirements to the goods, works, services, other objects of the civil rights**

- 10.4.1. The Company is guided by acquisition of the qualitative goods, works, services, other objects of the civil rights that meet the functional requirements specified to them, having necessary consumer properties and technical characteristics, characteristics of ecological and industrial safety.
- 10.4.2. If it is not specified otherwise, the acquired following the results of making of purchasing procedures goods and equipment should be new, not used, should be produced by a reliable manufacturer with positive business reputation.
- 10.4.3. The goods that allow in addition to reduce costs of acquisition and use are priority.

#### 10.5. **Preparation for purchase making**

- 10.5.1. The organizer of purchase during its preparation in each case determines in advance:
  - a) Requirements to the bought goods, including if necessary — the initial (maximum) price of the agreement (the lot price);

- b) Requirements to participants and the procedure of confirmation by them of conformity to the requirements established by the purchasing documentation;
- c) The contract draught;
- d) Requirements to the structure and registration of requests;
- e) That confirmation of conformity of the bought goods (and also processes of their production, storage, transportation, etc.) with the requirements specified to them by the Customer is conducted according to the legislation on technical regulation in the accredited bodies on obligatory certification (regarding the requirements concerning safety), and in the systems of voluntary certification brought in the state register (regarding other essential requirements the list of which is determined by the Customer). Documentary expression of determination of conformity are certificates or other documents which are not contradicting the current legislation of the Russian Federation;
- f) Order of estimation and ranging of requests by degree of their preference for the Customer and determination of the person (persons) acquiring following the results of the purchase procedure the right of the conclusion of the corresponding agreement (except purchase from single sourcing).

*Note: if the Organizer of purchase and the Customer — different persons, the requirements listed in the given point, are formed and approved by the Customer.*

10.5.2. The requirements and estimation rules provided by subsection 10.4 should not impose on competition of participants any excessive restrictions. At forming the structure of lots any artificial restriction of competition (the structure of participants) by inclusion in the structure of lots of the goods, functionally or technologically not connected with each other, is not allowed.

10.5.3. With a view of making market researches it is recommended to the Customer (the Organizer of purchase) at any time prior the official beginning of any purchasing procedures to announce the future purchases both as separate, and as a part of any programs, projects etc. The text of the published announcement should accurately specify that

the given publication is not the official document declaring the beginning of procedures, and also provides details of persons to whom interested counterparts can direct the information on themselves so that after the official announcement of the tender or not tender competitive purchase, the information on the beginning of procedures will be directed to these counterparts. If the announcement is performed, its copy is without fail published on the site of the Company and on ETP.

10.5.4. The organizer of purchase has the right to request interested potential Participants of purchases to send any information on themselves, produced goods, terms of delivery etc., however he should specify clearly that such information will not be considered as the offer, obligatory for the conclusion of an agreement. It should be underlined in the announcement text that not making the earlier announced purchases cannot be a basis for any claims.

10.5.5. At the stage of forming of ACPP draft by the Company establishes functional and/or technical requirements to the bought goods (in case of purchase of building contract works – the design and estimate documentation is also developed and approved, and in case of purchase of design, survey works – also the initial data for accomplishment of design, survey works).

10.5.6. Provisions of point 10.5.5 do not extend on purchases on designed and under construction objects, design and estimate documentation for which the project was not approved at the moment of forming of ACPP. For such purchases at forming ACPP a motivated calculation of the planned cost is made for each purchase. Thus prior to the beginning of the purchase procedure the design and estimate documentation should be developed in the volume, allowing to specify a procurement item.

## 10.6. **Announcement of purchase making**

10.6.1. The beginning of procedures of any purchase should be officially declared. The document declaring open procedures should be accessible to an unlimited circle of persons. The document declaring closed procedures should be simultaneously directed to all invited participants.

*Examples of the documents declaring the beginning of procedures: Notice on tender making, Notice on Auction making, Notice (notification) on making of request for proposals, Notice (notification) on making of competitive negotiations.*

## 10.7. **Official and additional sources of publications**

- 10.7.1. All official publications about open purchasing procedures of the Company should be placed on the official site. In case if purchasing procedure take place on ETP the order of the procedure making is regulated by the present Regulations on purchase, platform regulations in a part not contradicting the norms of the Russian Federation. The procedures which are not conducted on ETP according to the present Regulations on purchase can be the only exception.
- 10.7.2. On the official site of the Russian Federation and the Company site in "Purchase" section there should be a reference to ETP on which the information on making of competitive purchasing procedures is placed. Thus on the Company site in the corresponding section the name of competitive purchasing procedure and the reference to ETP on which the purchasing procedure will be conducted can be placed.
- 10.7.3. Regardless of a place of the official or additional publication, the copy of the document declaring open procedures, is without fail published on the Company site in "Purchase" section (according to point 7.5.2 of section 7.5).
- 10.7.4. At making of open tenders on ETP, the published notice (the official publication in Russian) can be translated into English, in that case the received English version of the notice as a result of its translation is placed in the English version of ETP, with a mark "copy" and the reference to the official notice. Thus the English-speaking version of the document anyway is not the official document, and is considered as the additional information.
- 10.7.5. CPB of the Customer has the right to make the decision for the concrete tenders that the publication in English will be official, and the Russian-speaking version will be considered as a copy; in this case the translation into English is performed at the expense of the Customer.
- 10.7.6. At placing copies (extracts, notifications, etc.) of official notices it is specified that the message is not the first (official) publication, and the reference to the source in which the official publication is made.



10.7.7. In addition to official publications (10.7.1 of this section) and obligatory copies (point in item 10.7.3 of this section), the customer or the organizer of purchase have the right to publish in any sources information statements about making open procedures, both as in the form of a copy of the official document declaring the beginning of procedures, and extract from it. Thus it is specified that the message is not the first (official) publication, and the reference to the source in which the official publication is made.

10.7.8. CPB has the right to provide for obligatory publication/placing of data on the announcement of closed procedures in additional sources.

## 10.8. **Purchase making**

10.8.1. The placed notice on making of purchase and the complete text of the purchasing documentation should be accessible without collection of payment for it to any registered on ETP users.

10.8.2. At the closed procedures the documentation about purchase is provided exclusively to invited counterparts, including on the basis of their written requests.

10.8.3. At forming of the purchasing commission on making of a concrete purchase it can include members of CPB of the Company or their representatives, members of a revision committee of the Company, and also other persons, except for representatives of the organisations which are taking part in concrete purchasing procedure.

10.8.4. In particular, at purchase making for the sum more than 50 000 000 roubles without VAT the chairman of the purchasing commission is determined from among members of CPB, and the members of the purchasing commission are subject to the coordination with CPB of the Company.

10.8.5. The further making of purchase is performed according to section 12.

## 10.9. **Reporting and information interchange**

10.9.1. Upon completion of any regulated purchase its Organizer is obliged to make the report which includes the explanatory note, and also all originals of documents arranged by the Customer, the Organizer of

purchase, and also Participants during the purchase (in the absence of originals – copies<sup>1</sup>).

10.9.2. The explanatory note to the report should contain the following information:

- a) The justification of selection of a method of purchase referring to points of the given Regulations on purchase;
- b) The reference to number and date of the administrative document on direct making of purchase;
- c) The name of a procurement item;
- d) Data on a method and procedure of the notice of potential participants of the purchase on purchase making; in case of application of closed methods or the additional targeted notification of potential participants of purchase — in addition names and addresses of persons who have been informed on the purchase making;
- e) For closed purchasing procedures - names and addresses of potential participants of the purchase who have received the purchasing documentation in paper form;
- f) Names and addresses of the participants who have presented the requests (for purchase from single sourcing — the name of the single participant, for competitive negotiations — all participants of negotiations) with indication of the prices of their offers;
- g) The list of participants, whose requests are rejected, with indication of the reasons of such decisions (except purchase from single sourcing);
- h) Results of the estimation, comparison and ranging of requests by their preference degree; the name and the address of the participant who has presented the won request (except purchase from single sourcing);
- i) Data on making of precontractual negotiations and their results, first of all in the part which essentially changes the conditions of the purchasing documentation and the won request;

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<sup>1</sup> Except for the report on results of the tender which is presented in the original.

- j) The price of the concluded agreement;
  - k) The information with indication of the reasons according to which as a result of making of the purchase procedure the agreement has not been concluded (including data on the decision to cancel making the purchase procedure and the time of the decision making) if such has occurred.
- 10.9.3. As a part of the report it is necessary to put originals of the main documents developed during the purchase.
- 10.9.4. At attraction of the third-party Organizer of purchase the report on accomplishment of procedures together with originals of all reports is stored at the Organizer's, the second copy of the report together with copies of all enclosed documents is transferred to the Customer.
- 10.9.5. If during period of validity of the concluded agreement its conditions have been changed, data on the essence of these changes without fail should be attached to the report referring to the persons, who made the decision on such change. The specified additions are made immediately on the new agreement provisions coming into force.
- 10.9.6. With a view of increase of efficiency of the purchasing activity of the Company, annually CPB should consider results of the purchasing activity of the Company. By consideration of this point in question CPB pays attention to the following circumstances:
- a) Accomplishment of contractual conditions by counterparts (the quantity, quality, delivery schedule, etc.);
  - b) Quality, both of the bought goods, and executed works and services rendered by counterparts for the purpose of accounting of these estimations at preparation of ACPP for the next year and possible change of priorities concerning requirements to the bought goods, works and services;
  - c) Cases (if those were) of excess in the course of execution of the agreement of the price received following the results of the purchasing procedures and motivation of such decisions;
  - d) Excess of threshold values at realisation of the procedures provided by the present Regulations on purchase;
  - e) Validity and motivation of purchases «from single sourcing»;

- f) Structure of purchases by methods of their realisation and volume of the regulated procedures in total amount of financing of purchases.
- 10.9.7. CPB provides preparation of documents for entering participants into the Register of unfair suppliers.
- 10.9.8. The storage duration of documents on making the purchasing procedure, prepared on paper carriers, should constitute not less than three years from the date of signing of the agreement following the results of making such procedure.
- 10.10. **Features of the conclusion of contracts following the results of purchasing procedures and their execution**
- 10.10.1. The selection of the winner of the purchasing procedure is performed by the purchasing commission according to conditions of the document declaring the beginning of procedures of purchase, the purchasing documentation, the request of the participant chosen subsequently as the winner. The provisions of the agreement concluded following the results of the competitive purchase with its winner, should not contradict the decision of the purchasing commission on selection of the winner of the given competitive purchase, and also conditions of the report on results of the tender (in case of the tender making).
- 10.10.2. If it has not been specified otherwise in the Notice on purchase, the customer is obliged to sum up the results of the purchase within the time limit of no more than 30 calendar days from the date of opening of bids.
- 10.10.3. The conclusion of the agreement following the results of the purchase procedure is performed in terms and according to the procedure specified in the documentation of the purchase procedure. Thus the given term and procedure should conform to the requirements established by the Civil code of the Russian Federation.
- 10.10.4. Choice of the Participant of purchase as the winner, whose data are contained in the register of unfair suppliers provided by the Federal law should be performed only with approval of CPB.
- 10.10.5. In case if the documentation about purchase or the agreement provides for the customer approval of the involved by the supplier (contractor,

performer) subsuppliers (subcontractors, co-performers), the customer should approve subsuppliers (subcontractors, co-performers), whose information is included in the register of unfair suppliers only with approval of CPB.

- 10.10.6. The provisions of the agreement concluded following the results of purchase from single sourcing should not contradict the approved ACPP and/or decisions of CPB of the Company.
- 10.10.7. If it is not expressly specified otherwise by the present Regulations on purchase, unreasonable modification of the agreement concluded following the results of purchases which will lead to the contradictions specified in points 10.10.1 and 10.10.6 is not allowed, responsibility for unreasonable change of the agreement provisions lies on the Initiator of the agreement. In more details the questions, concerning modification of the agreement, and also determination of validity and the coordination of such changes, can be determined by a separate local statutory act of the Company.
- 10.10.8. Amendments to the agreements concluded following the results of purchasing procedures can be concluded only on the basis of a decision of CPB. Anyway the given decision should be justified.
- 10.10.9. Additional purchase is reflected in reports on execution of ACPP as purchase from single sourcing and should not exceed:
  - 10.10.9.1. 10 % from the purchase original price - at the purchase, which original price is less than 70 million roubles with VAT;
  - 10.10.9.2. 7 % from the purchase original price - at the purchase, which original price is from 70 million roubles with VAT to 100 million roubles with VAT;
  - 10.10.9.3. 5 % the purchase original price - at the purchase, which original price exceeds 100 million roubles with VAT.
- 10.10.10. In a case if the initial purchase price exceeds 1 billion roubles with VAT, additional purchase can be performed in exceptional cases and only on the basis of the decision of the Board of directors of the Company.

## 10.11. **Precontractual negotiations**

- 10.11.1. Before agreement signing, between the Customer and the winner of the procedure of purchase the negotiations can be conducted aimed at specification of agreement provisions which have not been fixed in the contract draught, the documentation of procedure of purchase and the offer of the winner of the purchase procedure.
- 10.11.2. Negotiations on the essential agreement provisions, aimed at their change for benefit of the winner of the purchase procedure, are prohibited.

## 10.12. **Control**

- 10.12.1. The control over making purchases of goods is performed with respect to:
  - 10.12.1.1. Accomplishment of the norms and rules provided by the present Regulations on purchase, and also other internal standard documents of the Company regulating the purchasing activity;
  - 10.12.1.2. Conformity of adopted decisions in the field of purchases (including decisions on results of purchases) to interests of the Company;
  - 10.12.1.3. Conformity of actually conducted procedures to the approved ACPP;
  - 10.12.1.4. Accomplishment of key performance indicators of making the purchases in case of their establishment;
  - 10.12.1.5. The timely and qualitative reporting on the conducted procedures.
- 10.12.2. The current control over the purchasing activity procedure is performed by CPB of the Company.

## 11. **Conditions of different purchasing methods selection**

### 11.1. **General provisions**

- 11.1.1. In case of absence of directly provided by other points of section 11 grounds, purchase of any goods should be made exclusively by making open single-stage tender without special procedures. The decision on such purchase is entitled to be taken by any person having the right of signature of corresponding (being concluded following the results of purchasing procedures) agreements. If it is not specified otherwise by the

present Regulations on purchase or other internal documents of the Customer, the same person appoints the commission on making of a corresponding purchase.

- 11.1.2. If it is not expressly stipulated by the present Regulations on purchase otherwise, all other methods of purchases, and also special procedures (section 12.10) can be applied in the presence of the established by section 11 of the present Regulations on purchase grounds according to the approved ACPP of the Company or obtaining a permission of CPB of the Company.
- 11.1.3. In exceptional cases under decision of CPB for separate concrete purchases the method can be chosen, which application on the available grounds according to the present Regulations on purchase is not allowed. In particular, excess of threshold values (at cost of purchase or percent), established by points 11.4.1.3, 11.6.1 of section 11 is possible only for separate purchases under the decision, adopted in accordance with the procedure specified.
- 11.1.4. In exceptional cases for separate purchases the term of making the procedures, provided by the present Regulations on purchase, can be changed to a smaller degree under a decision of CPB of the Company.

## 11.2. **Application of the closed procedures**

- 11.2.1. Any closed procedures can be performed in connection with availability of any of the following circumstances:
  - 11.2.1.1. Direct targeted attraction of participants is a means of provision of the confidentiality necessary in interests of the Customer;
  - 11.2.1.2. The closed procedure is carried out following the results of an open procedure at purchases of constantly (long, regular) bought goods (as an example making a closed request for quote following the results of open competitive negotiations);
  - 11.2.1.3. The purchasing procedures connected with objects of strategic purpose, security services, with services in making of specialised expert examination by check of accomplishment of necessary requirements in privacy mode, counteraction to foreign technical investigations and protection of the information against leakage via technical channels, and

also observance of other conditions necessary for obtaining licences for realisation of works with use of data, constituting the state secret.

### 11.3. **Two - and other multistage tenders**

11.3.1. Purchases can be performed by making two- and multistage tenders, if it is necessary for the Customer (organizer of purchase) to conduct negotiations with participants to specify the most efficient variant of satisfaction of requirements of the customer namely if owing to complexity of goods or in the presence of several variants of satisfaction of needs of the Customer it is difficult to formulate at once detailed requirements to the bought goods (other contractual conditions) or requests are involved to familiarise specially with possible ways of satisfaction of requirements of the Customer and to choose the best of them.

11.3.2. For a closed two- and multistage tender the restrictions imposed by point 11.2.1 of section 11 are in use additionally.

### 11.4. **Request for proposals**

11.4.1. The request for proposals can be conducted at accomplishment of any of the following conditions:

11.4.1.1. On making of a tender there is no time or its making is inexpedient for any other weighty reasons, however the circumstances demanding immediate making of purchase from single sourcing are absent, and complexity of goods or conditions of its delivery do not suppose holding of an auction;

*Note: another weighty reason can be for example that owing to specificity of a procurement item the customer or its organizer needs possibility of uncharged responsibility of refusal of purchase (and the agreement conclusion) at any stage of procedure.*

11.4.1.2. It is necessary to conduct negotiations with participants, and use of procedure of two- and multistage tender taking into account the time or for other weighty reasons is inexpedient;

11.4.1.3. When the planned cost of purchase does not exceed:

a) At purchase of construction materials and contract works, unique (individual equipment) — 10 000 000 roubles (with VAT);



- b) At purchase of other goods, works, services — 7 000 000 roubles (with VAT).

11.4.2. For the closed request for proposals the restrictions imposed by subsection 11.2 are in use additionally.

## 11.5. **Auction**

11.5.1. Auction can be conducted at accomplishment of any of the following conditions:

- a) Procurement item is a simple (including standard) product;
- b) Procurement item is a product which is included in the list of goods (works, services), the order placement on supply (performance, rendering) of which is performed by holding of an auction according to the legislation of the Russian Federation.

11.5.2. It is forbidden to hold an auction for purchase of sophisticated, unique (individual) equipment.

*Note: Auction is intended only for goods purchase on virtual trading platforms.*

## 11.6. **Request for quote**

11.6.1. Application of open request for quote can be performed at purchases of simple goods for which there is a developed market provided that the price of the agreement does not exceed 5 000 000 roubles (with VAT).

11.6.2. Application of the closed request for quote without restriction at the price of the agreement can be performed at purchases:

- a) Of constantly (regularly consumed goods from suppliers with whom earlier following the results of competitive procedure framework agreements for supply of these goods have been entered into. Thus framework agreements should be concluded for the term of no more than one year, such suppliers should be no fewer than three, and all of them should be invited to giving price quotations.
- b) Of constantly (long) consumed goods from manufacturers with whom earlier following the results of competitive procedure framework agreements for supply of these goods have been entered into. Thus framework agreements can be concluded for the term of more than one year, such manufacturers should be no fewer than three, and all of them should be invited to giving price quotations.

11.6.3. For the closed request for quote which is conducted on other grounds, than in point 11.6.2, in addition the restrictions imposed by point 11.2 are in use to the requirements of point 11.6.1.

11.6.4. It is forbidden to conduct purchases of sophisticated, unique (individual) equipment by the method of request for quote.

*Note: Open request for quote is intended mainly for purchases of simple goods on virtual trading platforms.*

## 11.7. **Competitive negotiations**

11.7.1. Competitive negotiations can be conducted at goods purchases when it is necessary to conduct negotiations with participants, and the use of the two-stage tender procedure or request for proposals taking into account the time or for other reasons is inexpedient.

11.7.2. For closed competitive negotiations the restrictions imposed by point 11.2, which can be removed by a decision of CPB of the Company in accordance with item 11.2 of section 11, are in use additionally.

## 11.8. **Purchase from single sourcing**

11.8.1. Purchases from single sourcing can be performed on the basis of the approved ACPP or decisions of CPB of the Company in the following cases:

- a) Owing to force majeure there was a requirement for certain goods or corresponding works, in this connection, the application of other procedures is unacceptable. The grounds for decision making about the purchase «from single sourcing» is the document (act) fixing approach of an emergency event. Purchase of goods, works, services for elimination of force majeure should be produced in the volume of no more sufficient for prevention of an emergency situation or liquidation of its consequences;
- b) In case of purchase of the unique (individual) equipment which is produced on unique technology, or possesses unique properties that is proven by corresponding documents, and only one supplier can supply such goods;
- c) Rendering of services of water supply, water removal, sewerage, heat supply, gas supply (except for services in realisation of liquefied gas), publicly available telecommunication and publicly

available mail service (except for express mail services), and also connections (joining) to networks of technical and engineering provision on the regulated according to the legislation of the Russian Federation prices (tariffs);

- d) Conclusion of the agreement of power supply or purchase and sale of electric energy with the electric energy supplier of last resort;
- e) Rendering of supervision services over development of the design documentation of objects of capital construction, designer's supervision service of building, reconstruction, major repairs of objects of capital construction by corresponding designers;
- f) Additional purchases (according to item 10.10.9) the necessity of which it was impossible to foresee in the course of making of the main purchase when for reasons of standardization, unification and also for compatibility or continuity provision (for works, services) with earlier acquired goods new purchases should be made from the person from whom the goods were earlier acquired.

*Note: at decision making about purchase from single sourcing on the given basis it is necessary to check up, whether the additional purchase really from another person will force the Customer:*

*a) At purchase of the goods — to acquire them with other technical characteristics (that can lead to considerable technical difficulties in work and servicing);*

*b) At purchase of works (or services) — to experience considerable difficulties and to incur additional costs from change of the contractor (performer) possessing specific experience and experienced networks for successful rendering of services (accomplishment of works) to the given Customer.*

11.8.2. If following the results of the open purchasing procedure only one request (offer) was submitted, or only one participant who gave an application on participation in the competitive procedure, is recognised as the participant of the competitive procedure, then the purchasing commission appointed concerning such purchase, can make the following decisions:

- a) About purchase from single sourcing – in case if according to the conclusion of the purchasing commission, making of new procedures of purchases is inexpedient (for example, limits of time

for accomplishment of procedures of purchases are settled, making of a new purchase will not lead to change of a circle of Participants and appearance of another winner), and the given request (offer) is acceptable;

b) About making of a repeated purchase (on the conditions similar to the conditions of making the initial purchase).

11.8.3. Decisions on purchase from single sourcing on the basis of sub-item a), b) of item 11.8.2 of the present Regulations on purchase can be taken by the purchasing commission of the Company only on the basis of the conclusion of the internal audit service of the Company on the quality of the conducted purchase, namely:

a) The publication of the information on the conducted purchase in all sources specified by the present Regulations on purchase;

b) Availability in the document declaring the beginning of the procedure of purchase, the documentation on purchase, including the technical specifications of requirements and the conditions limiting competition;

c) Correctly constituted requirements which are a part of the documentation about purchase and the technical specifications, assuming participation in purchase of an unlimited number of participants;

d) Availability of other infringements which have led to unreasonable restriction of competition at making the purchase.

11.8.4. At revealing of the facts of unreasonable restriction of competition it is reasonable to make a repeated purchase with elimination of the revealed drawbacks. The Company' Board of directors, CPB of the Company have the right to initiate making office investigation upon the revealed infringements and consideration by governing bodies of the Company of a question on bringing guilty persons to a disciplinary responsibility.

## 11.9. **Incorporated purchases**

11.9.1. Incorporated purchases are conducted with a view of increase of efficiency of purchases of products similar in their characteristics, which are in demand simultaneously to several customers.

- 11.9.2. Incorporated purchases are conducted by the methods provided by the present Regulations on purchase. The choice of a method of making of an incorporated purchase is performed according to the present Regulations on purchase.
- 11.9.3. At incorporated purchases provided by point 11.9.2 the demand for goods for the concrete customer can be both allocated as a part of a separate lot, and included in the structure of one general lot.

#### **11.10. Other ways of purchases**

- 11.10.1. Under decision of CPB of the Customer the purchase also can be made by participation of the Customer in the auctions, tenders or other procedures, organized by sellers of goods (including on virtual electronic trading platforms in the international computer network Internet). The positive decision on participation in such procedures is taken, if these procedures provide fair competition for participants.

*Note: Such purchases are produced, as a rule, in the conditions of deficit of goods when the product demand exceeds its offer.*

- 11.10.2. Contracts with public authorities and local governments of the Russian Federation, credit, guaranteeing the credit or co-financing organisations, other third parties can provide for the special procedure of purchases at the expense of given resources (consolidated financing on the basis of credits, leasing, budgetary financing, etc.). The special procedure can provide deviations from the present Regulations on purchase (for example if at making purchases with means of the state budget or international financial structures purchases are performed in an procedure established by the financing bodies). Any reservations concerning applicable procedures of purchases should be included into corresponding contracts only with the permission of CPB of the Company.

## **12. The instruction on making of purchasing procedures**

### **12.1. Structure of procedures**

#### **12.1.1. General sequence at tender making**

- 12.1.1.1. Open single-stage tender is conducted in the following sequence:

- a) Determination of the main conditions, requirements and procedures of the tender and the issue of the corresponding administrative document;
- b) The preliminary announcement (notification) of the tender making (if necessary);
- c) Development of the notice on making of the tender and the competitive documentation, their approval;
- d) The publication of the information on the tender making (the notice and the documentation on purchase, the contract draught);
- e) making of preliminary qualifying selection (if necessary);
- f) Reception of the competitive documentation by participants on the official site; explanation of the competitive documentation or its addition (if necessary);
- g) Giving of competitive bids by participants on ETP;
- h) Opening of envelopes with competitive bids;
- i) Comparison and estimation of competitive bids;
- j) Selection of the winner;
- k) Signing of the report on results of the tender with the winner;
- l) Conducting precontractual negotiations between the customer and the winner of the tender (if necessary);
- m) Signing of the agreement with the winner;
- n) The publication of the reports made during the tender making;
- o) Registration of the report on the tender making.

12.1.1.2. The detailed description of procedures of the open single-stage tender, and also differences and features of the closed tender, two- and multistage tenders and the description of special procedures (rebidding, preliminary qualifying selection; special procedures at purchase of sophisticated goods) are specified in subsections 12.5– 12.5, 12.10.

## 12.1.2. **General sequence at making of request for proposals**

12.1.2.1. The request for proposals is conducted in the following sequence:

- a) Determination of the main conditions, requirements and procedures of request for proposals and the issue of the corresponding administrative document;
- b) The preliminary announcement (notification) of request for proposals (if necessary);
- c) Documentation development about purchase, its approval;
- d) The publication of the information on the purchase making (the notice and the documentation on the purchase, the contract draught), for the closed request for proposals — simultaneous mailing to all participants;
- e) Documentation reception about purchase on the official site; its explanation or addition (if necessary);
- f) Giving of bids by participants;
- g) Studying of bids and negotiation (if necessary);
- h) Giving of final bids (if necessary);
- i) Comparison and bid evaluation;
- j) Choice of the best bid and signing of the agreement with this participant;
- k) The publication of the reports made during the purchase making;
- l) Registration of the report on the purchase making.

12.1.2.2. The detailed description of procedures of request for proposals, and also differences and features of special procedures (rebidding, preliminary qualifying selection; special procedures at purchase of sophisticated goods) are specified in subsections 12.6, 12.10.

### 12.1.3. **General sequence at holding of an auction**

12.1.3.1. Auction is conducted in the following sequence:

- a) Determination of the main conditions, requirements and procedures of the auction and the issue of the corresponding administrative document;
- b) Development of the notice and the documentation about holding the auction and their approval;

- c) The publication of the notice and the documentation about holding the auction on the official site;
- d) Documentation reception by all participants on the official site; its explanation and addition (if necessary);
- e) Giving of price quotations (bids) by participants on ETP;
- f) Change of price quotations (bids) by participants of the auction on ETP (if necessary);
- g) Auction holding;
- h) Selection of the winner of the auction and signing the agreement with him;
- m) The publication of the reports made during holding the auction;
- i) Registration of the report on the purchase making.

#### 12.1.4. **General sequence at purchase from single sourcing**

- 12.1.4.1. The actions undertaken at purchase from single sourcing are determined by the Customer independently, depending on the conditions demanding such purchase according to subsection 11.8.

#### 12.2. **Open one-stage tender procedures**

##### 12.2.1. **The notice on the tender making**

- 12.2.1.1. The notice on the tender making should be published/ placed officially not less than 30 days prior to the end date of submitting application forms for participation in the tender.

- 12.2.1.2. The notice on the tender making should contain:

- a) Indication of a type of the tender according to subsection 9.2, and if necessary (according to the Organizer of the tender) — and varieties of applied special procedures according to subsection 12.10;
- b) The name, location, postal address, e-mail address, customer contact phone number;
- c) Scope of the agreement with indication of quantity of the supplied goods, volume of the performed works, rendered services;



- d) Place of delivery of the goods, accomplishment of works, rendering of services;
- e) Data on the initial (maximum) price of the agreement (the lot price);
- f) The term, place and procedure of submitting the documentation about the purchase, size, procedure and terms of entering of the payment levied by the customer for submitting the documentation if such payment is established by the customer, except for cases of submitting the documentation in the form of an electronic document;
- g) The place and term of consideration of offers of participants of the purchase and purchase summarising;
- h) Indication of the right of the Customer to refuse making the tender and the term before which the Customer is able to do it without any consequences for himself;
- i) Data on the term of entering into the agreement after determination of the winner of the tender if the term differs from the established one in article 448 of the Civil code of the Russian Federation;
- j) Other essential information on the procedure of making the tender, registration of participation in it, determination of the person who has won the tender;
- k) The reference to the fact that other and more detailed conditions of the tender are formulated in the competitive documentation which are an integral appendix to the given notice.

12.2.1.3. Without fail the information statement about making the tender in the form of a notice copy is published according to 10.7.3 section 10.

12.2.1.4. At the tender making for the right of the conclusion of the agreement for the sum more than 30 million roubles (without VAT) copies of notices on the tender making should be directed simultaneously with release of the official publication to the most known counterparts of corresponding goods for their information. The list of such counterparts by kinds of goods and names of the performed works, rendered services is established in ACPP or by a decision of CPB.

## 12.2.2. **The competitive documentation**

12.2.2.1. The competitive documentation is the appendix to the notice on the tender making that supplements, specifies and explains it. The competitive documentation should contain all requirements and tender conditions, and also the detailed description of all its procedures. The competitive documentation should be ready to be issued not less than 30 days prior to the end date of giving application forms for participation in the tender. The competitive documentation should contain the information necessary and sufficient so that participants could make the decision on participation in the tender, prepare and submit bids so that the Organizer of the tender could estimate them in essence and choose the best offer.

12.2.2.2. The competitive documentation should contain the following data:

- a) The requirements established by the customer to the quality, technical characteristics of the goods, work, service, to their safety, to functional characteristics (consumer properties) of the goods, to their sizes, packaging, goods shipment, to results of work and other requirements connected with determination of conformity of the delivered goods, performed work, rendered service to the requirements of the customer;
- b) Requirements to the maintenance, form, registration and structure of the application form for participation in the purchase;
- c) Requirements to the description by participants of the purchase of the delivered goods which is a procurement item, its functional characteristics (consumer properties), its quantitative and qualitative characteristics, the requirement to the description by participants of the purchase of the performed work, rendered service which is a procurement item, their quantitative and qualitative characteristics;
- d) Place, conditions and terms (periods) of delivery of the goods, accomplishment of work, service rendering;
- e) Data on the initial (maximum) price of the agreement (the lot price);
- f) The form, terms and payment procedure of the goods, work, service;

- g) Order of forming the price of the agreement (the lot price) (with accounting or without freight charges, insurance, payment of custom duties, taxes and other obligatory payments);
- h) Order, place, start date and end date of the term of giving application forms for participation in the purchase;
- i) Requirements to participants of the purchase and the list of the documents presented by participants of the purchase for confirmation of their conformity to the established requirements;
- j) Forms, the procedure, start date and end date of the term of providing to participants of the purchase explanations of provisions of the documentation about the purchase;
- k) Place and term of consideration of offers of participants of the purchase and purchase summarising;
- l) Criteria of estimation and comparison of bids for participation in the purchase;
- m) Order of estimation and comparison of bids for participation in the purchase.
- n) Requirements to the form, size, procedure of presentation and period of validity of provision of execution of obligations of the participant of the tender, connected with giving the competitive bid by him (further — provision of competitive bids) according to 12.2.5 of subsection 12.2, and provisions of execution of obligations under the agreement if provided;
- o) Other requirements established according to the current legislation of the Russian Federation, present Regulations on purchase or reasonable wishes of the customer.

*Note: the Competitive documentation can establish that if the Organizer of the tender or the Customer maintains archives of data on counterparts (with inclusion in it of copies of constituent documents, balance sheets, other data), it is enough for the counterpart, registered in such archives, to give the reference to the file number in such archives (and date of entering into it of last data) to confirm invariance of these data or to present data on changes and copies (originals) of corresponding documents. The competitive documentation thus can contain the additional form-request about inclusion of these changes in the archives.*

- 12.2.2.3. The competitive documentation is developed by the Customer and approved by its head or the person authorised for it, and in case of transfer by the Customer of functions of the Organizer of the tender to the third-party organisation the given functions are assigned to the official of the Customer or the Organizer according to the agreement concluded between them. The text of the competitive documentation before its approval should be agreed by all interested divisions of the Company.
- 12.2.2.4. At purchase of building contract works the tender documentation should be prepared in the presence of the design and estimate documentation developed and approved when due hereunder if it does not differ from the scope of the bought works or conditions of realisation of the project.
- 12.2.2.5. In case the documentation approval occurred in the paper form the original of the competitive documentation is bound and certified by the authorised signature of the Customer or the Organizer of the tender, and a copy — also with a seal (inscription) "true copy"; the original of the competitive documentation is stored at the Organizer of the tender in the form of the appendix to the report on the tender making (item 10.9.1 of subsection 10.9).
- 12.2.3. **Submitting the competitive documentation**
- 12.2.3.1. The organizer of the tender publishes the competitive documentation on the official site. The beginning of placing of the competitive documentation should be not less than twenty days prior to the end date of acceptance of competitive bids.
- 12.2.3.2. In case if the tender documentation is required in English for participation in the tender of the third-party organisation, the Participant performs translation into English independently at own expense if it is not established in the notice or the competitive documentation otherwise.
- 12.2.3.3. In case the tender passes on ETP, potential participants of the tender also can receive the competitive documentation on ETP.
- 12.2.4. **Explanation of the competitive documentation. Entering amendments into the competitive documentation**

- 12.2.4.1. The organizer of the tender is obliged to answer in due time any letter of inquiry of the participant, concerning explanations of the competitive documentation, received not later than the term established in it for explanations. The organizer of the tender has no right to establish the term of explanations of the competitive documentation less than 5 (working) days prior the expiry of a target date of giving bids. The answer with explanations together with indication of essence of the arrived inquiry is placed on the official site, without indication of a source of receipt of inquiry.
- 12.2.4.2. Explanations of provisions of the competitive documentation are placed by the customer on the official site not later than within three days from the date of decision making to provide the specified explanations.
- 12.2.4.3. Before the expiry of the term of acceptance of competitive bids the Organizer of the tender in coordination with the Customer can make for any reason amendments to the competitive documentation. Thus the Organizer of the tender can change end dates of acceptance of competitive bids according to 12.2.4.5. The changes brought in the notice on purchase, the documentation about purchase are placed by the customer on the official site not later than within three days from the date of decision making about entering the specified changes. In case changes on purchase are brought in the notice on purchase, the documentation by the customer later than fifteen days prior to the expiry date of giving application forms for participation in the purchase, the term of giving application forms for participation in such purchase should be extended so that from the date of placing the changes on the official site brought in the notice on purchase, the documentation on purchase to the expiry date of giving application forms for participation in the purchase such term should be not less than fifteen days.
- 12.2.4.4. Explanations of the competitive (prequalifying) documentation should have reference character and not impose on the Organizer (Customer) of the tender any obligations. By preparation of explanations it is necessary to consider that explanations should not supplement or change essentially the conditions of the competitive documentation and influence the content of the competitive bid of the participant

(otherwise it is necessary to make changes in the competitive (prequalifying) documentation).

- 12.2.4.5. Before the expiry of the term of acceptance of competitive bids the Organizer of the tender can extend this term for any reason if no additional restrictions have been established in the competitive documentation.

*Example: in case of the issue of explanations or entering amendments into the competitive documentation; if one or several participants are not able to present the competitive bids when due hereunder and have addressed with the corresponding request to the organizer of the tender.*

- 12.2.4.6. All participants of the tender who have received the competitive documentation, are immediately notified on prolongation of the term of acceptance of competitive bids through ETP.

- 12.2.4.7. At entering into the competitive documentation of the amendments having essential character, and also changing the end date of acceptance of competitive bids for the term of more than 15 days or a repeated change, the Organizer of the tender publishes the information on it in the same procedure as the information on the tender making was published. The duration of a new term to end date of acceptance of competitive bids should not be less than 15 days from the moment of the publication of such information.

- 12.2.4.8. The change of the initial (limiting) price of the agreement for more than 5 percent, including because of technical specifications change, refer to essential changes of the tender conditions.

#### 12.2.5. **Provision of execution of obligations**

- 12.2.5.1. The organizer of the tender in coordination with the Customer has the right to demand from participants of provision of execution of obligations of the participant of the tender, connected with giving the competitive bid by him (provision of the competitive bid) or provision by the winner of execution of obligations under the agreement (agreement provision). The method of provision of obligations of the Participant of the tender and agreement provision — a bank guarantee, an agreement on the penalty, a letter of comfort or other, specified in the competitive documentation. Requirements to the provision emitter should not impose any excessive restrictions on competition of participants.

12.2.5.2. At establishment of the requirement about provision in the form of a bank guarantee, the guarantor can be only the bank meeting the following requirements:

- a) To have the permission (the licence of Bank of Russia) to perform its bank activity on the territory of the Russian Federation which period of validity exceeds period of validity of a guarantee for not less than 6 (six) calendar months;
- b) To be among the credit organisations of the Russian Federations specified by the separate administrative document of the Company;
- c) To participate in the system of deposit insurance;
- d) The size of the provided obligation (the guarantee sum) constitutes no more than 5 % from size of own capital of the bank for last reporting date prior the date of the guarantee issue;
- e) To be present (office, department, branch) in the location of the Company, for which the Agreement is entered;
- f) Anyway, the bank or other credit organisation should be the guarantor about which it is authentically known that they are not unprofitable, are not under external management or their licence is not suspended in full or in part.

12.2.5.3. The size of provision of the competitive bid by the penalty should not exceed 10 (ten) percent from the initial (maximum) price of the agreement (if it is declared) or from the offer price specified by the participant of the tender in the competitive bid, in cases of application of different ways of provision — also no more than 10 (ten) percent. The size of provision of the agreement is not limited.

12.2.5.4. Provision of the competitive bid is presented not later than the bid, and the bid includes a copy of the document testifying to availability of the provision. Provision period of validity should be equal or exceed period of validity of the bid. Agreement provision is presented only by the winner of the tender before or during agreement signing. Thus:

- a) The requirements, concerning provisions of the competitive bid, should be identical to all participants of the tender if it is not

allowed otherwise by a procedure of preferences application, approved by CPB of the Company;

- b) tender documentation should contain the requirements shown to guarantors (warrantors), and also to the methods, sums and procedure of presentation of the provision;
- c) tender documentation should contain the description of the procedure of returning of provision of competitive bids, and also circumstances at which the participant of the tender loses it;
- d) Terms of return and loss of provision of execution of obligations under the agreement are regulated in the contract draught or its essential conditions included as part of the competitive documentation.

#### 12.2.6. **Filing in competitive bids**

12.2.6.1. Competitive bids are accepted before the term established in the competitive documentation. If the Participant of the tender has presented the bid with delay, it is not considered and returned to the Participant who has submitted it.

12.2.6.2. In the competitive documentation it is necessary to stipulate that competitive bids should be submitted in the sealed envelopes, however the Organizer of the tender has the right not to refuse acceptance of an envelope with the bid only on the ground that it is not sealed or sealed improperly. The participant, who has presented the competitive bid, the corresponding receipt with indication of time and the place of its receipt is given. About reception of the improperly sealed bid the corresponding mark in the receipt is made.

*Note: "envelope" is understood as any packaging properly closing contents (an envelope, a box, a sack, an electronic envelope (for purchases on electronic trading platforms) etc.).*

12.2.6.3. The organizer of the tender should provide necessary security measures with a view of prevention of unauthorized opening of envelopes with bids before the term established in the competitive documentation.

12.2.6.4. At tender making on ETP, bids are accepted by the method provided by rules of the given platform and certified with electronic digital signature of the Participant or otherwise, specified by these rules.



- 12.2.6.5. If the Organizer of the tender prolongs the end date of acceptance of competitive bids the Participant of the tender who has already made an application, has the right to accept any of the following decisions:
- a) To withdraw the submitted bid;
  - b) Not to withdraw the submitted bid, having extended thus the term of its action for a corresponding time horizon and having changed it (if desired);
  - c) Not to withdraw the submitted bid and not to change the term of its action, thus the competitive bid loses the force in the term originally established in it.

**12.2.7. Opening of the envelopes which have been received for the tender**

- 12.2.7.1. The procedure of opening of the envelopes which have been received for the tender (including at receipt of the only envelope) is performed at in advance appointed time and in advance defined place according to the notice on making of the tender and the competitive documentation.
- 12.2.7.2. At tender making on ETP the procedure of opening of the bids which have been received for the tender is performed at in advance appointed time according to the notice on making of the tender and the competitive documentation. Thus ETP automatically performs opening of access of the Organizer of the tender to the bids of participants after the expiry of the term of giving the bids. Since the moment of opening of access to the bids materials of such bids are accessible to the Organizer of the tender and all participants of the tender to be studied.
- 12.2.7.3. Opening of the arrived envelopes is conducted in the presence of not less than two members of the competitive commission or at commission session, with possible attraction of other employees of the Company, the Organizer of the tender or third parties. At public opening of envelopes representatives of each of the Participants of the tender who has in due time presented the competitive bid have the right to be present at the procedure of opening of envelopes.
- 12.2.7.4. During public opening of the envelopes which have been received for the tender the chairman, any member of the competitive commission or the secretary of the competitive commission, proceeding from the

documents presented in the competitive bid, discloses the following information:

- a) About envelope contents (the competitive bid, its change, withdrawal, other);
- b) The name, the legal and actual address of the participant of the tender;
- c) The short description of goods offered in the bid and the price of the competitive bid (or another indication for a total cost of the offer of the participant of the tender) if the price is provided;
- d) For envelopes with changes and withdrawals of bids — the essence of changes or the fact of withdrawal of the bid;
- e) Any other information which the competitive commission will consider necessary to announce.

12.2.7.5. The right for the information report in essence of the tender offer and answers to questions of members of the competitive commission can be given to representatives of participants of the tender.

12.2.7.6. The competitive bids which have not been opened and have been not read in the procedure described above, cannot be accepted further in the given purchase for consideration.

12.2.7.7. Following the results of the procedure of opening of envelopes with competitive bids the competitive commission constitutes the report which should contain the following data:

- a) The names of the persons present at the opening procedure;
- b) Total quantity of the arrived competitive bids and the list of participants of the tender who have presented the bids, together with their addresses;
- c) The information which has been announced during the procedure;
- d) The list of the late competitive bids (or the late changes, replacement of competitive bids), rejected owing to the given circumstance.

12.2.7.8. In case if within the term established by the competitive documentation no envelope with competitive bids has arrived, this fact is fixed in the report of session of the competitive commission.

12.2.7.9. By the letter of inquiry of a participant of the tender, irrespective of his presence at the procedure of opening of envelopes, the Organizer of the tender is obliged to give him the statement (a statement copy) from the report of opening of envelopes with competitive bids.

12.2.8. **Comparison and estimation of competitive bids**

12.2.8.1. Comparison and estimation of competitive bids are performed by the competitive commission. The competitive commission has the right to involve in the given process experts and any other persons who it will consider necessary. Thus the competitive commission should provide confidentiality of process of estimation and observance of commercial secret of participants of the tender.

12.2.8.2. Before involvement to comparison and estimation of competitive bids each member of the competitive commission, and also involved experts and any other persons having access to the information of competitive bids, should make addressed to the chairman of the competitive commission the written statement about their impartiality. The member of the competitive commission, expert or another person, learnt after the procedure of opening of envelopes with competitive bids that among participants of the tender there is a person whose offer he cannot consider impartially, is obliged to declare disqualification of self, the decision on which is made by the organizer of the tender.

12.2.8.3. It is recommended to perform estimation of competitive bids in the following procedure:

- a) making of a selection stage according to 12.2.8.4 of this subsection;
- b) making of an estimate stage according to 12.2.8.5 of this subsection.

12.2.8.4. Within the limits of the selection stage the following actions are consistently carried out:

- a) Check of bids for observance of requirements of the competitive documentation to registration of bids; thus competitive bids are considered as meeting the requirements of the competitive documentation even if in them there are insignificant discrepancies under the form, or arithmetic and grammatical errors which have

been corrected and with their correction the participant who has presented the given bid agrees;

- b) Check of the participant of the tender on conformity to tender requirements (in case preliminary qualifying selection was not conducted);
- c) Check offered goods on conformity to tender requirements;
- d) Correction of the arithmetic, grammatical and other obvious errors revealed during consideration of competitive bids with the obligatory notification of any such correction of the participant of the tender, who presented the corresponding bid, and reception of his consent in writing;
- e) Request from participants of the tender of an explanation of positions of competitive bids and representation of missing documents (if necessary). Thus requests or requirements about representation of the missing documents, aimed at change of the essence of the competitive bid, including change of commercial conditions of the competitive bid (the price, currency, term and terms of delivery, the procurement schedule or payment, other commercial conditions) or specifications of the competitive bid (the list of offered goods, their technical characteristics, other specifications) are not allowed. Requests about representation of absent provision of the competitive bid or change of the earlier presented provision are not allowed either;
- f) Deviation of competitive bids which according to members of the competitive commission do not conform to tender requirements in essence.

12.2.8.5. Within the limits of the estimate stage the competitive commission estimates and compares competitive bids which have not been rejected at the selection stage. The purpose of comparison and estimation of bids consists in their preliminary (before rebidding) ranging by degree of preference for the customer.

12.2.8.6. The estimation is performed in strict conformity with criteria and the procedures specified in the competitive documentation.

- 12.2.8.7. At ranging of requests the competitive commission accepts estimations and recommendations of experts (if they were involved), however can make any independent decisions.
- 12.2.8.8. At the publication of criteria of estimation of bids in the competitive documentation the organizer of the tender has the right to specify, both the procedure (including hierarchy) of their applications at bid evaluation, and the exact relative importance (weight coefficients) of each such criterion.
- 12.2.8.9. Criteria can concern:
- a) Reliability of the participant;
  - b) Economic, technical, organizational, financial, legal appeal of the offer presented by the participant, from the point of view of satisfaction of requirements of the customer (including offered contractual conditions);
  - c) The offer price considered either directly, or taking into account total costs of the Customer at accepting of the given offer (for example, the price plus expenses on operation, maintenance and repair, required additional costs etc.);
  - d) Other reasonable criteria.
- 12.2.8.10. In the presence of a direct instruction in the competitive documentation on application of preferences, the competitive commission at estimation and comparison of competitive bids considers preferential adjustments for benefit of corresponding groups of the counterparts, established according to the approved by CPB of the Company procedure.
- 12.2.8.11. Selection and estimate stages can be combined (conducted simultaneously).
- 12.2.8.12. At estimation of quantitative parametres of activity of members of association these parametres are summed up. Indicators not subject to summation should be available at least with one member of association.
- 12.2.9. **Determination of the winner of the tender**
- 12.2.9.1. If it has not been specified otherwise in the Notice on tender making (subsection 12.2.1.2 of section 12.2), the Organizer of the tender is obliged to choose the winner of the tender in time not later than 30

calendar days from the date of opening of competitive bids, thus the term of selection of the winner of the tender should take into account the term established by the Regulations of information-analytical support in security areas of the Company.

- 12.2.9.2. The participant who has presented the competitive bid which by the decision of the competitive commission is recognised the best offer following the results of the estimate stage and has taken first place in summary ranging of the bids by preference degree is recognised as the winner of the tender.
- 12.2.9.3. The organizer of the tender has the right to reject all competitive bids if any of them does not meet the established requirements concerning the participant of the tender, goods, agreement provisions or bid registration.
- 12.2.9.4. The organizer of the tender has the right to demand from any participant of the tender who has taken one of upper places in ranging, to undergo postqualification — confirmation of his conformity to qualifying requirements before the selection of the winner.
- 12.2.9.5. Postqualification is conducted by the criteria specified in the prequalifying documentation (if preliminary qualifying selection was made) or the competitive documentation. It is necessary to specify the possibility of making of postqualification in the competitive documentation. The competitive bid of the participant of the tender which does not meet necessary requirements, should be rejected, and the Organizer of the tender can continue the procedure of selection concerning the participant of the tender with the next most advantageous offer.

*Note — Postqualification, as a rule, is conducted in case of complex and long going tenders, and also if the Organizer of the tender has data that the winner of the tender has ceased to conform to its requirements.*

- 12.2.9.6. Following the results of the session of the competitive commission at which the estimation of competitive bids and determination of the winner of the tender is performed, the report of selection of the winner is made. It indicates the members of the competitive commission who have taken part in the session, participants of the tender whose bids have been considered, ranging of bids established by the competitive

commission on degree of preference and the winner of the tender is declared.

- 12.2.9.7. The participant of the tender is immediately notified on acknowledgement of him as Winner of the tender and about necessity of signing of the report on results of the tender according to requirements of article 448 of the Civil code of the Russian Federation.
- 12.2.9.8. In the report on results of the tender the price and other essential agreement provisions (depending on its kind), its parties, term during which such agreement should be concluded, and also the obligatory actions necessary for its conclusion (for example, granting of provision of execution of obligations under the agreement) should be fixed. Except cases of an explanation of competitive bids, correction of errors and application of rebidding, the making of any negotiations between the Organizer of the tender or the competitive commission and the winner of the tender concerning its competitive bid is not allowed.
- 12.2.9.9. The obligatory detail of the Report on results of the tender that testifies its coordination and signing in the procedure provided by the present Regulations on purchase and the competitive documentation is its presence of the Company's impress of a seal (the Customer of purchase) or the third-party Organizer of the tender (depending on the fact who is the Organizer of the tender).

#### 12.2.10. **The agreement conclusion**

- 12.2.10.1. Before the agreement conclusion it is necessary to provide:
- a) Contract draught preparation, on the basis of requirements of the competitive documentation and the bid of the winner of the tender, the final coordination of not specified during making of the tender conditions at precontractual negotiations and signing;
  - b) The control over accomplishment of all conditions of entry of the agreement into force (for example, granting by the winner of the tender of provision of execution of the agreement);
  - c) Informing other participants of the tender on its results (in a three-day term from the moment of signing of the report on results of the tender) and returning the provision of competitive bids by him;

- d) Return of the provision of the competitive bid of the winner of the tender.
  - e) Making corporate procedures in the Company (if necessary).
- 12.2.10.2. If the participant of the tender to whom the notice in writing of his acknowledgement as the winner is directed, has not signed the report on results of the tender or the agreement, or has not given provision of execution of obligations under the agreement during the term established in the competitive documentation he loses the status of the winner, and the organizer of the tender has the right to keep provision of execution of his obligations and to choose the new won bid from among other acting ones.
- 12.2.10.3. The customer has the right to apply additional special procedures of the tender (subsection 12.10 of section 12) and to assign special requirements to the winner. The direct instruction on application of the given procedures and availability of such requirements to the winner should be contained in the Notice on tender making (in short) and in the competitive documentation (in detail).
- 12.2.10.4. After determination of the winner any change of the supplier (contractor, performer), except as under a decision of CPB is not allowed or in case the new supplier (contractor, performer) is the legal successor of the supplier (contractor, performer) under such agreement owing to reorganisation of the legal person in the form of transformation, merge or accession.
- 12.2.11. **The information on results of the tender**
- 12.2.11.1. The customer of the tender should publish on the official site the report on results of the conducted tender not later than 3 (three) days from the moment of signing of the given report.
- 12.2.11.2. Publication of the information on the winner of the tender is performed in all without an exception sources in which the official notice on making of the tender and its copy was published.
- 12.2.11.3. In a case if the tender is recognised invalid, then within 3 (three) days from the moment of signing of the report on the tender invalidity acknowledgement, the Customer should publish the given report on the official site.



### **12.3. Features of procedures of a closed tenders**

- 12.3.1. In all that it is not stipulated in this subsection, the rules of making open tenders are applied to making closed tenders (subsection 12.2 of section 12).
- 12.3.2. The customer publishes the notice as it is specified in item 12.2.1.1 of subsection 12.2.1.1, and simultaneously (same day) directs it personally to each participant with the invitation to take part in the tender. Besides, the information on the announcement of the closed procedures, except those referred to confidential, is placed on the Internet. The list of participants of a closed tender is established taking into account item 10.2.1.14 subsection 10.2.
- 12.3.3. The customer should accept all reasonable measures so that the list of participants of a closed tender remained the confidential information in order to avoid collusion of participants.
- 12.3.4. The customer has the right to expand the circle of the participants if any of counterparts before the expiry of the term of giving bids has addressed to him with the request for inclusion in the circle of participants. In this case the Customer is obliged to explain to such counterpart that he will appear in unequal position with other participants because of later reception of the competitive documentation. If the counterpart insists on his inclusion in the circle of participants and the Customer will agree to make it he is obliged to request from such counterpart the letter signed by the head from which it should follow accurately that the counterpart under his own initiative asked to include him in the circle of participants of the closed tender and will not lay to the Customer any claims connected with later reception of the competitive documentation.
- 12.3.5. The customer has no right to give the competitive documentation to persons to whom the individual invitation has not been sent.
- 12.3.6. At a closed tender making on the basis provided by item 11.2.1.1 of subsection 11.2, the Customer can demand, that participants of the tender before reception of the competitive documentation would enter with him into the confidentiality agreement. Such condition should be specified in the notice on the tender making. The agreement on confidentiality is entered with each participant of the tender. The

purchasing documentation is given only after signing of such agreement by the participant.

- 12.3.7. If the Customer does not have possibility without damage compensation to participants to cancel the tender making, he is obliged to indemnify the participants invited by him their real loss irrespective of the fact, in which term after the notice direction the cancellation of the tender making followed.
- 12.3.8. The customer has no right to accept for estimation competitive bids from counterparts whom he did not invite to participation in the tender. Such right can be given in the competitive documentation only to the counterparts submitting the competitive bid as a part of the collective participant.
- 12.3.9. The customer publishes the information on results of the tender (subsection 12.2.11) if the procedure is not referred to as confidential.

#### **12.4. Features of the two-stage tender procedures**

- 12.4.1. In all that it is not stipulated in this subsection, the provisions of subsection 12.3 and if it is closed — and of subsection 12.3 are applied to making two-stage tenders.
- 12.4.2. The notice on making the tender (item 12.2.1) should be made not less than 30 days prior to the expiration of the target date of giving application forms for participation in the first stage. The competitive documentation should be accessible on ETP not less than 30 days prior to the expiration of the target date of giving application forms for participation in the first stage. The terms specified in the given point can be increased for accomplishment of works, services/delivery of the goods with a long cycle of production or for special projects under a decision of CPB. Under a decision of CPB the given terms within the limits of a concrete tender can be reduced, but not less than down to 20 days.
- 12.4.3. At the first stage of the two-stage tender participants present the initial competitive bids containing technical offers without indication of the exact price (it is allowed to request approximate prices, preliminary budget calculations, etc. as reference material), and also the documents confirming conformity of participants to established requirements.

- 12.4.4. At the first stage the Customer should not demand provision of the competitive bid (item 12.2.5).
- 12.4.5. The text of the competitive documentation of the first stage in addition to the one specified in point 12.2.2, should indicate:
- a) That following the results of the first stage the declared preferences and requirements of the Customer (as concerning the bought goods, and agreement provisions, and also concerning requirements to participants) can essentially change;
  - b) At drawing up of the competitive documentation for the second stage of the tender the Customer has the right to add, exclude or change the originally established in the competitive documentation of the first stage provisions, including any requirements to the bought goods, any agreement provisions, and also any criteria originally established in this documentation or procedures for estimation and comparison of competitive bids, and has the right to add the competitive documentation with new provisions and criteria;
  - c) The participant, not wishing to present the competitive bid for the second stage, has the right not to accept the further participation in the tender, without bearing for it any responsibility before the Customer.
- 12.4.6. Procedure of one time opening of the bids which have arrived for the tender (item 12.2.7) cannot be conducted at the first stage.
- 12.4.7. The customer estimates conformity of participants to tender requirements, and also the essence of the offer about forming of the final technical specifications and the competitive documentation of the second stage. Giving at the first stage the technical offers which do not meet, according to the competitive commission, the purposes of the Customer, cannot form a basis for refusal in the further participation.
- 12.4.8. At this stage the Customer has the right to conduct negotiations with any participant for any provision of the initial competitive bid. In need of negotiations the Customer dispatches to participants the invitation to negotiations. If it is not specified in the competitive documentation otherwise, negotiations are conducted with each participant separately, their results are arranged by reports with obligatory indication of a

circle of discussed questions. Reports are signed by authorized representatives of the parties.

- 12.4.9. The customer has the right to exclude from the further procedures of the tender (both before negotiations, and during them or after) the participants, not conforming to the tender requirements.
- 12.4.10. Following the results of negotiations with participants of the first stage the Customer should prepare the list of the participants admitted to the second stage, the definitive technical specifications and the competitive documentation of the second stage. At drawing up of the competitive documentation at the second stage any originally established provisions, including functional, technical or quality characteristics of the bought goods, and also any originally established criteria for comparison and estimation of competitive bids can be excluded, changed or added. Any exceptions, changes or additions of the competitive documentation are brought to the notice of participants as a part of the invitation to present competitive bids for the second stage to which the tender documentation of the second stage should be attached.
- 12.4.11. Only those participants are admitted to participation in the second stage two-stage tender who following the results of the first stage are admitted by the competitive commission to participation in the stage and have received individual invitations.
- 12.4.12. At the second stage the Customer suggests participants to present definitive competitive bids with price indication — the final technical and commercial offer. The corresponding individual invitation is directed to all these participants simultaneously. The participant, not wishing to present the competitive bid for the second stage, has the right to leave the further participation in the tender.
- 12.4.13. The subsequent procedures are similar described in subsection 12.2, except for preliminary qualifying selection which in a two-stage tender is not conducted.
- 12.4.14. At estimation of conformity of the participant of the tender to the presented requirements the Customer has the right to use data of the first stage (if requirements in this part have not changed). He also has the right to require from any participant conformity confirmation to these requirements.

12.4.15. It is allowed to estimate at the second stage of the tender the received bids, both in terms of a set of criteria, and only in regards with the price. Anyway, the estimation method is informed to participants in advance — in the competitive documentation of the first stage, finally — in the competitive documentation of the second stage.

12.4.16. In the rest the provisions of subsections 12.1.1, 12.32, and if it is closed — and subsection 12.3 are applied to making a two-stage tender.

## 12.5. **Features of the multistage tender procedures**

12.5.1. Multistage tender is conducted at purchase of innovative and other especially sophisticated goods.

12.5.2. At making a multistage tender in the competitive documentation the indication that the tender is conducted in some stages the number of which can be specified both in advance, and not specified.

12.5.3. The number of stages of a multistage tender is determined by the Customer proceeding from complexity of a task, quality of the bids submitted by participants and results of negotiations with them.

12.5.4. Last stage of a multistage tender is conducted in the same procedure, as the second stage of a two-stage tender.

12.5.5. Other stages of a multistage tender are conducted the same way as the first stage of a two-stage tender.

12.5.6. In the rest the provisions of subsections 12.1.1, 12.4, and if it is closed — and subsection 12.3 are applied to making a multistage tender.

## 12.6. **Features of procedures of request for proposals**

12.6.1. In all that it is not stipulated in this subsection the provisions of section 12.1.2, and if it is closed — and subsection 12.3 are applied to making of request for proposals. At application of this point it is necessary to consider that the request for proposals is not a tender and does not entail the corresponding legal consequences provided by the legislation of the Russian Federation.

12.6.2. For making of request for proposals the Customer appoints the purchasing commission consisting of not fewer than three persons. A constantly acting purchasing commission can carry out the role of such commission. In a case if the Organizer of purchase is third-party – the

purchasing commission appoints the Organizer in coordination with the Customer. At open request for proposals the Customer publishes the notice and the documentation on purchase on the official site. Such information is officially published (at the closed request for proposals – it is simultaneously directed to certain Participants in advance) not later than 10 calendar days prior to the final term of presentation of offers by Participants.

- 12.6.3. In case of making of request for proposals on ETP the Customer publishes on ETP the notice on making of request for proposals not later than 10 calendar days prior to the final term of presentation of offers by Participants. At the closed request the notice (or directly request for proposals) is directed to the Participants the list of who is determined in advance, by a decision of CPB or in ACPP. The number of such Participants should not be fewer than two.
- 12.6.4. In the notice text it is necessary to underlined that it is not the Notice on tender making, it does not give any rights to participants and does not result in any obligations of the Customer, except directly specified in the notice.
- 12.6.5. The customer establishes criteria for bid evaluation and determines the procedure (including hierarchy) of their application at bid evaluation. The customer has the right to specify the size of the relative importance of each such criterion (weight at point estimation).
- 12.6.6. In request for proposals the following information should be contained:
  - a) The established quality requirements, to technical characteristics of the goods, work, service, their safety, functional characteristics (consumer properties) of the goods, sizes, packaging, goods shipment, to results of work and other requirements connected with determination of conformity of the delivered goods, the performed work, rendered service to requirements of the customer;
  - b) Requirements to the content, form, registration and structure of the application form for participation in the purchase;
  - c) Requirements to the description by participants of the purchase the delivered goods which are a procurement item, its functional characteristics (consumer properties), its quantitative and qualitative characteristics, the requirements to the description by

participants of the purchase of the performed work, rendered service which are procurement items, their quantitative and qualitative characteristics;

- d) Place, conditions and terms (periods) of delivery of the goods, accomplishment of work, service rendering;
- e) Data on the initial (maximum) price of the agreement (the lot price);
- f) The form, terms and payment procedure for the goods, work, service;
- g) Order of forming the price of the agreement (the lot price) (with accounting or without freight charges, insurance, payment of custom duties, taxes and other obligatory payments);
- h) Order, place, start date and end date of the term of giving application forms for participation in the purchase;
- i) Requirements to participants of the purchase and the list of the documents presented by participants of the purchase for confirmation of their conformity to established requirements;
- j) Forms, procedure, start date and end date of the term of providing to participants of the purchase explanations of provisions of the documentation about the purchase;
- k) Place and term of consideration of offers of participants of the purchase and purchase summarising;
- l) Criteria of estimation and comparison of application forms for participation in the purchase;
- m) Order of estimation and comparison of application forms for participation in the purchase;
- n) Whether negotiations will be conducted or not.

12.6.7. Each change or explanation of request for proposals, including change of criteria for bid evaluation should be placed on the official site.

12.6.8. At making of request for proposals on ETP, offers are submitted to ETP before the term stipulated in the documentation on request for proposals and are certified by the electronic digital signature of the participant.

- 12.6.9. Procedure of opening of the arrived envelopes with offers (including at receipt of the only envelope) is performed at the pre-defined time and place according to the notice on making of request for proposals and the documentation on request for proposals. If before the expiration of a target date of giving of bids no envelope has been submitted, the report of the purchasing commission is constituted about it. At making of request for proposals on ETP the Customer gets access to all offers simultaneously during time of opening specified in the notification.
- 12.6.10. The customer considers and estimates offers according to criteria and procedure, specified in request for proposals. At bid evaluation the Customer has no right to disclose the content of offers to participants.
- 12.6.11. The customer can conduct negotiations with participants on any essential conditions of request for proposals (including agreement provisions) or their offers to request or permit revision of such offers if the following conditions are met:
- a) Negotiations between the Customer and the participant have confidential character, and, except for the information when due hereunder included in reports, the content of these negotiations is not disclosed to any other person without the consent of other party;
  - b) Possibility to participate in negotiations is given to all participants whose offers have not been rejected.
- 12.6.12. Negotiations are not conducted at purchases of simple goods.
- 12.6.13. If necessary after the completion of negotiations the Customer asks all participants, continuing to participate in procedures, to present by a certain date the final offer. In this case the Customer chooses the best offer from among the received final offers of participants of the procedure.
- 12.6.14. The customer applies the following procedures at bid evaluation:
- a) The criteria published in request for proposals are considered only;
  - b) Quality of offers is estimated separately from the price (the price-quality analysis);
  - c) Offer price is considered only after completion of a technical estimation (quality).



- 12.6.15. At reception by the Customer fewer than two offers, the request for proposals is considered invalid about what the report is constituted.
- 12.6.16. The customer has the right to carry out after reception of final offers the procedure of rebidding (item 12.10.1 of subsection 12.10) if it has been directly provided in the documentation on the request for proposals.
- 12.6.17. The customer after selection of the best offer has the right to make the decision on the conclusion of the agreement with the participant who has submitted such offer.

## 12.7. **Features of procedures of request for quote**

- 12.7.1. For making of inquiry of prices CPB of the Company appoints the purchasing commission consisting of not fewer than three persons. The constantly acting purchasing commission can perform the role of such commission. In a case if the Organizer of purchase is third-party – the purchasing commission appoints the Organizer in coordination with the Customer.
- 12.7.2. The notice on making of request for quote (request for quote) is published on the official site (at the closed request for quote – goes in advance to certain Participants) not later than 5 calendar days prior to definitive term of representation of offers by Participants. In the text of request for quote the Customer specifies any accurate requirements to a procurement item (except the price), terms of delivery, agreement provisions, confirmation of conformity of goods and Participants to requirements of the Customer and documents submitted.
- 12.7.3. In the text of the request the accurate indication should be contained, whether expenses on its transportation, insurance, payment of custom duties, taxes and other possible payments are included in the product value.
- 12.7.4. In the text of the request it is underlined that it is not the notice on making of the tender and does not impose on the Customer any obligation on the conclusion of the agreement with the Participant.
- 12.7.5. At the closed request for quote it is dispatched to in advance to a certain circle of Participants. The number of such Participants should not be fewer than three.

- 12.7.6. At making of request for quote in a usual mode (an exchange of documents on a paper carrier) each Participant has the right to represent only one request which cannot be changed subsequently. At making of request for quote on ETP one Participant is allowed to present several price quotations within the limits of one procedure of purchase. Thus, the prices offered by Participants should be published in the process of receipt of requests on the platform (in the on-line mode).
- 12.7.7. The request of the Participant should answer completely to each of the shown requirements or to be better, that is the specified requirements are threshold (is minimum admissible). If at least under one requirement the request of the Participant does not satisfy to the request conditions, it is rejected.
- 12.7.8. The customer has the right to demand from the Participant of request for quote to specify and make a request with the specified price if the Participant had made deviations from the requested method of calculation of the price (for example, expenses on transportation, insurance, payment of custom duties, taxes and other payments were not considered, though it was required,) or to reject the request.
- 12.7.9. No negotiations are conducted between the Customer and the Participant concerning the offer.
- 12.7.10. At reception by the Customer fewer than two offers, the request for quote is recognized invalid about what the report is constituted.
- 12.7.11. The agreement is concluded with the Participant determined by the purchasing commission as the winner, meeting the requirements of the request who has offered to supply the required goods on the conditions established in the request with the bottom price from the offered. The customer has the right to reject all offers if the best of them does not meet his requirements, and to make a new request for quote.

## 12.8. **Features of procedures of the auction**

### 12.8.1. **The notice on holding of an auction**

12.8.1.1. The notice on holding of an auction is published on the official site and ETP not less than 20 days prior to the expiry of the term of giving price quotations on participation in the auction.

12.8.1.2. The notice on holding of an auction should contain the following data:

- a) Purchase method;
- b) The name, location, postal address, e-mail address, number of the contact phone of the customer;
- c) Scope of the agreement with indication of quantity of the delivered goods, volume of the carried out works, rendered services;
- d) Place of delivery of the goods, accomplishment of works, rendering of services;
- e) Data on the initial (maximum) price of the agreement (the lot price);
- f) Term, place and procedure of presenting the documentation about holding of an auction, the size, procedure and terms of making the payment levied by the customer for submitting the documentation if such payment is established by the customer, except for cases of presenting the documentation in the form of an electronic document;
- g) Place and term of consideration of offers of participants of purchase and purchase summarising.

#### 12.8.2. **The documentation about holding of an auction**

12.8.2.1. The data contained in the documentation about holding the auction, should correspond to the data specified in the notice on holding the auction.

12.8.2.2. The documentation about holding of an auction should contain the following data:

- a) The established by the customer requirements to the quality, technical characteristics of the goods, work, service, their safety, functional characteristics (consumer properties) of goods, the size, packaging, goods shipment, results of work and other requirements connected with determination of conformity of the delivered goods, performed work, rendered service to requirements of the customer;
- b) Requirements to the content, form, registration and structure of the application form for participation in the purchase;

- c) Requirements to the description by participants of the purchase of the delivered goods which are a procurement item, its functional characteristics (consumer properties), its quantitative and qualitative characteristics, the requirement to the description by participants of the purchase of the performed work, rendered service which are a procurement item, its quantitative and qualitative characteristics;
- d) Place, conditions and terms (periods) of delivery of the goods, accomplishment of work, service rendering;
- e) Data on the initial (maximum) price of the agreement (the lot price);
- f) The form, terms and payment procedure for the goods, work, service;
- g) Order of forming of the price of the agreement (the lot price) (with accounting or without freight charges, insurance, payment of custom duties, taxes and other obligatory payments);
- h) Order, place, start date and end date of the term of giving application forms for participation in the purchase;
- i) Requirements to participants of purchase and the list of the documents represented by participants of purchase for confirmation of their conformity to established requirements;
- j) Forms, the procedure, start date and end date of the term of giving to participants of the purchase explanations of provisions of the documentation about holding of an auction;
- k) Place and term of consideration of offers of participants of the purchase and purchase summarising;
- l) Criteria of estimation and comparison of application forms for participation in the purchase;
- m) Order of estimation and comparison of application forms for participation in the purchase;
- n) Other requirements established according to the current legislation of the Russian Federation, present Regulations on purchase.

### **12.8.3. Documentation submittal about making an auction**

- 12.8.3.1. The customer provides the documentation placing about holding of an auction on the official site, and also on ETP simultaneously with placing of the notice on holding of the auction.
- 12.8.3.2. In case the third-party organisation requires the documentation about holding of an auction in a foreign language for participation in the auction, the participant performs translation into a foreign language independently at own expense if it is not established in the notice or the documentation about holding of the auction otherwise.
- 12.8.4. **Participation in the auction**
  - 12.8.4.1. Potential participants of the auction declare their participation in the auction according to the documentation requirements about holding of an auction, by means of placing on ETP initial price quotations (bids) in real time mode on the basis of which they become acting participants of the auction.
  - 12.8.4.2. Before the completion of the auction the participant has possibility to change the price quotation.
  - 12.8.4.3. The last on time bid of the participant of the auction is valid during the term of holding the auction according to the documentation requirements about holding of the auction.
  - 12.8.4.4. The potential participant of the auction should accept all obligatory requirements of the organizer of the auction (including requirements on conditions and (or) the agreement form).
  - 12.8.4.5. The price quotation ("bid") should be signed the electronic digital signature of the participant of the auction.
- 12.8.5. **Documentation explanation about holding of an auction. Entering amendments into the documentation about holding of an auction. Refusal of holding of an auction**
  - 12.8.5.1. The participant of the auction has the right to direct to the Customer a request for explanation of the documentation about holding of an auction not later than 3 working days prior to end date of giving offers. The customer is obliged to place the answer to the given request on the official site and ETP in the form of an electronic document in the term, sufficient for taking into account by potential participants of the received explanations at the preparation of the offers.

- 12.8.5.2. The customer has the right to make changes to the conditions of the auction stated in the notice and the documentation about holding the auction. The customer is obliged to place the text of changes on the official site and ETP in the form of the electronic document.
- 12.8.5.3. The changes brought in the notice on holding the auction, the documentation about the auction, explanations of provisions of such documentation are placed by the Customer on the official site not later than within three days from the date of decision making about entering of the specified changes, providing the specified explanations. In case changes on the auction are brought in the notice on holding of the auction, the documentation by the customer later than fifteen days prior to the end date of giving application forms for participation in the auction, the term of giving application forms for participation in such purchase should be extended so that from the date of placing on the official site brought in the notice on holding of the auction, the documentation on the auction the changes to the end date of giving application forms for participation in the purchase such term is not less than fifteen days.
- 12.8.5.4. The customer has the right to refuse holding of the auction. The decision on refusal of holding of the auction can be taken by the auction commission or the Customer at any time up to agreement signing. The notification on refusal of holding of the auction is placed on the official site and ETP in the form of the electronic document.
- 12.8.6. **Giving price quotations by participants of the auction**
- 12.8.6.1. Price quotes ("bids") of participants of the auction are submitted to the Customer through ETP before the auction completion. The procedure of giving bids at holding of the auction through ETP is performed according to the regulations acting on ETP.
- 12.8.6.2. If for the last 60 minutes till the moment of the completion term of holding the auction on ETP the next price quotation comes from one of the participants the completion term of the given procedure will be automatically changed for other 60 minutes from the moment of receipt of the last price quotation on the given auction. So it will proceed until last 60 minutes before the completion term of holding the auction from anybody from the participants any new price quotation on the given

auction arrives. But anyway the maximum term of prolongation of giving price quotations cannot be more than 8 hours in the specified manner.

12.8.6.3. After the completion of the auction the participant cannot submit new price quotations.

#### 12.8.7. **Change of price quotations (bids)**

12.8.7.1. After the announcement of the auction and before the completion of its making, the participant of the auction has the right to reduce the suggested agreement price. Agreement price reduction can be made only taking into account the established «bid increment».

12.8.7.2. Change of the price of the agreement is performed on ETP with certification of a new price of the agreement with the electronic digital signature of the participant of the auction. After the beginning of the auction change of price quotations is performed by participants of the auction by means of giving on ETP new price quotations.

12.8.7.3. In a real time mode on ETP the following information is displayed:

- a) Data on the numbers of participants (assigned at giving price quotations (bids) on the participation in the auction in the procedure of their submission) without indication of the names and addresses of the participants;
- b) The last on time acting price quotation (bid) of each of the participants of the auction;
- c) Data about made by participants of the auction offers on the agreement price;
- d) Time which remains before the end of the auction.

12.8.7.4. In order to avoid collusion of participants and (or) coordination by the organizer of the auction of actions of participants, ETP should not give data on participants of the auction both to participants and the organizer of the auction.

12.8.7.5. Change of the price quotation (bid) is performed in an interval from the announcement of the auction before the beginning of its making or, before or during holding of the auction.

#### 12.8.8. **Estimation stage of consideration of price quotations**

- 12.8.8.1. The estimation of application forms for participation in the auction is performed by the only criterion — offer price.
- 12.8.8.2. ETP provides automatic ranging of all arrived offers by degree of increase in the prices, starting from the lowest and finishing with the highest.
- 12.8.9. **Choice of the winner of the auction**
- 12.8.9.1. The person who has offered the lowest price of the agreement or if at holding the auction the agreement price is lowered to zero and the auction is conducted for the right to conclude the agreement, the highest price of the agreement, is recognized the winner of the auction.
- 12.8.9.2. Within the estimation and choice of the winner the auction commission checks data on the participant of the auction on conformity to the conditions of the notice and the documentation about holding of the auction, in particular:
- a) Conformity of the offered goods, works, services and offered agreement provisions;
  - b) Conformity of the participant to the auction requirements;
  - c) Conformity of provision of execution of obligations of the participant of the auction in connection with participation in the procedure if it was required.
- 12.8.9.3. In case of discrepancy any of the requirements specified in 12.8.9.2 of this section, all price quotations ("bids") of such participant can be declined.
- 12.8.9.4. The participant is recognized as the winner of the auction, under the condition of conformity of his offer to the requirements of the notice and the documentation about holding of the auction. Term of selection of the winner of the auction should consider the term established by the regulations of information-analytical support in security areas of the Company.
- 12.8.9.5. In case the participant of the auction, who has offered the lowest price, is not recognized as the winner, concerning the participant, who has offered the penultimate price quotation, the actions provided in 12.8.9.2 of this subsection are performed.



- 12.8.9.6. In case price quotations of all participants of the auction are declined, or if price quotations were submitted for the auction from fewer than two participants, the auction is considered invalid. If the price quotation is submitted from the only participant, the conclusion of the agreement with the only participant of the auction according to subsection 11.8 of the present Regulations on purchase, or a repeated making of purchasing procedure is possible.
- 12.8.9.7. At the repeated making of the purchasing procedure its conditions can be changed.
- 12.8.9.8. The reports made during the purchase are placed by the customer on the official site not later than within three days from the date of signing of such reports.
- 12.8.10. **The information report about results of the auction**
- 12.8.10.1. In reasonable terms after the choice of the winner on ETP the information report, accessible to the participants of the auction, is placed that contains:
- a) Data on all participants of the auction (the name and address);
  - b) The name of the chosen winner.

## 12.9. **Features of procedures of competitive negotiations**

- 12.9.1.1. Competitive negotiations are conducted only by the Customer or another person authorised on behalf of the Customer to conduct such negotiations.
- 12.9.1.2. The customer conducts negotiations committed to writing with a pre-defined number of participants, sufficient for provision of workable competition, but anyway, not fewer than two.
- 12.9.1.3. Not less than 15 days should be provided between the publication of the notice on making of competitive negotiations, and the end date of giving requests (expressions of interest in participation in the competitive negotiations, etc.).
- 12.9.1.4. At participation in competitive negotiations of fewer than two participants, the competitive negotiations are considered invalid about which the report is made.

- 12.9.1.5. Any requirements concerning negotiations, guidelines, documents, explanations or other information which is disclosed to any participant, is similarly disclosed to all other participants of the negotiations.
- 12.9.1.6. Negotiations between the Customer and the participant have confidential character, and, except for the information when due hereunder included in reports (item 10.9.1 of subsection 10.9), the content of these negotiations is not disclosed to any other person without the consent of the other party.
- 12.9.1.7. After end of negotiations the Customer can either choose the winner at once, or establish definitive general requirements to bought goods and agreement provisions, arranges them in the form of the purchasing documentation and asks all the persons continuing to participate in the procedures to present by a certain date the final proposal (offer). With the participants who have submitted the best offers, the customer can conduct negotiations in the procedure described above or at once to choose the winning participant.
- 12.9.1.8. The procedure described in 12.9.1.2—12.9.1.7 of this subsection can be conducted as many times, as it is necessary for selection of the winner, or to the refusal by the customer from purchase.
- 12.9.1.9. If necessary, under the decision of the purchasing commission, the Customer after making competitive negotiations may not choose the winner (or not conclude the agreement with the already chosen one), and declare a closed tender, having invited to it participants of negotiations.
- 12.9.1.10. The reports, constituted during the purchase, are placed by the Customer on the official site not later than within three days from the date of signing of such reports.

## 12.10. **Special procedures**

### 12.10.1. **Rebidding (price adjustment)**

- 12.10.1.1. At making of the tender and request for proposals (further in this section — purchasing procedure) it is obligatory for the Customer to declare in the purchasing documentation that he can give to participants of the purchasing procedure possibility voluntarily to raise preference

of their requests or offers by decrease of the initial (specified in the request) price (further — rebidding procedure, rebidding), provided that other provisions of the request (offer) are kept unchanged.

- 12.10.1.2. Rebidding is not conducted at tender making for the right of the conclusion of the framework agreement with the subsequent making of the closed price tender with participants of such framework agreement. In order to avoid possible price collusion between participants it is not recommended to declare making possibility of rebidding in case the Customer expects receipt from participants of three or fewer requests (offers). Rebidding at making of purchasing procedures for the sum over 25 million rubles with VAT is to consider obligatorily.
- 12.10.1.3. Rebidding is possible only in the event if the corresponding indication was made in the purchasing documentation. If rebidding is provided, it should be conducted only after estimation, comparison and preliminary ranging of not rejected requests or offers. Thus the results of estimation of requests or offers by non-price criteria can both be disclosed, and not disclosed to participants of the rebidding; if the results of estimation of participants of the purchasing procedure by non-price criteria are disclosed, they should be disclosed to all participants of the purchasing procedure invited for rebidding simultaneously in the uniform form and volume.
- 12.10.1.4. The decision on rebidding, and also the procedure of its making is taken by the purchasing commission. Rebidding is recommended to be conducted in cases if the prices declared by participants in requests or offers, are considerably overestimated, or the organizer of the purchasing procedure had received the request for making rebidding from one of the participants, whose request had taken the place not below the fourth in the preliminary ranking of the requests. The customer is obliged to inform the first four participants that they have the right to request rebidding with indication of the term given for this.
- 12.10.1.5. Regardless of what reasons rebidding is conducted, the participants, whose requests have not been rejected and have taken in the preliminary ranking the place from the first to the fourth, are without fail invited to it. Other participants of the purchasing procedure, whose requests have not been declined, can be invited to the rebidding procedure under the decision of the purchasing commission consisting

of any number of members. The commission also has the right to allow to rebidding alternative bids of participants, in the presence of those. In the preliminary ranking alternative bids are equally considered with the main ones.

- 12.10.1.6. Any number of participants from among the invited can participate in rebidding. The participant of the purchasing procedure, invited for rebidding, has the right not to participate in it, then his request or offer remains valid with the earlier declared price. Representatives of such participants for the rebidding procedure are not permitted.
- 12.10.1.7. Rebidding can be made on-site (items 12.10.1.8—12.10.1.16 of this subsection), off-site (item 12.10.1.17 of this subsection) or on-site-off-site, i.e. in the mixed form (12.10.1.18 of this subsection).
- 12.10.1.8. At the internal rebidding the persons who have signed the request or the offer, or the persons authorised by the participant on his behalf to participate in the rebidding procedure and to declare the obligatory prices for the participant should arrive personally. Anyway such persons before the rebidding beginning should present to the purchasing commission the documents confirming their powers (the passport, and also the original of the letter of attorney or the procedure and minutes' abstract of meeting of founders about appointment of the head, in case of his arrival for the rebidding procedure).
- 12.10.1.9. These persons should have envelopes with themselves (for purchases on ETP — to present electronic envelopes) in which there is the document in which (in free format) the minimum price of the request is firmly indicated, including taxes below which the representative of the participant that arrived for rebidding has no right to trade. This price is certified by two signatures — the head of the participant and the head of economic service of the participant (at absence — the general accountant), and is also under the seal of the organisation.
- 12.10.1.10. Before the rebidding beginning the sealed envelopes with the document with the minimum price against signature are given to the purchasing commission. The participants, whose representatives have not handed over their envelope with the document with the minimum price, do not participate in the rebidding, and their requests or offers remain valid with the earlier declared price. At revealing essential infringements in filling and signing of the document with the minimum price, any price

of the participant declared in the course of rebidding, is not accepted, and he is considered not participating in this procedure.

12.10.1.11. The customer can provide the right in the purchasing documentation (but not an obligation) to participants to give the sealed envelopes with the document with the minimum price simultaneously with submission of the competitive bid, with a view of reducing time for their separate presentation. In this case the procedure of their marking and submission should be accurately specified in the purchasing documentation to ensure their not opening before making the rebidding. Also it should not limit the rights of the participants, who have submitted such envelopes, for their replacement or withdrawal during the period between decision making by the organizer about making the rebidding and its making.

12.10.1.12. At on-site rebidding the Customer, on behalf of the chairman or the responsible secretary of the purchasing commission opens the envelopes submitted by the participants with documents with the specified minimum prices and, having acquainted with their contents only the members of the purchasing commission (without announcement to participants), suggests all invited participants to declare new prices publicly.

12.10.1.13. Rebidding is conducted at presence not fewer than two members of the purchasing commission. The participant declares a new price of the offer, based on knowledge of the prices of other participants, but without having an obligation to offer the price necessarily below the prices of other participants, i.e. the given procedure is not an auction or its analogue as everyone reduces the own price independently. The purchasing commission has the right to set a rebidding step before its beginning independently (in this case the organizer of the purchasing procedure is obliged to inform the participants about it at the moment of their invitation for rebidding) or in coordination with participants to specify it in the course of making the rebidding.

12.10.1.14. Rebidding is conducted consistently with all participants, with the right to miss the announcement of the next price until all present declare that they have declared the final price and will not reduce it further on. In case the step rebidding has been specified in advance, the purchasing commission in coordination with the rebidding participants has the

right to reduce it in the course of rebidding, but no more than to 1/10 from the original step.

- 12.10.1.15. If the final price declared by the participant following the results of rebidding, turns out to be above or equal to the specified in the envelope with the document minimum price of the given participant, the purchasing commission accepts the final price declared by him in the course of rebidding and does the corresponding announcement. If the price declared by the participant in the course of rebidding, at some instant appears lower, than it is specified in the document with the minimum price of the given participant, the purchasing commission will announce the price contained in such document with its entering in the report and will consider such price as the final price of the request after rebidding, and will reject the declared one; thus the given participant has no right to give new price offers.
- 12.10.1.16. In the course of rebidding the organizer has the right to perform audio or video recording of what all persons participating in the given procedure are notified in advance. Without fail the results of the rebidding procedure are formalized with a report. Participants of the rebidding also have the right to perform audio or video recording of the given procedure.
- 12.10.1.17. At off-site rebidding participants of the purchasing procedure who have been invited by the organizer to this procedure, have the right to send to the organizer prior to a pre-defined date the sealed envelope with the document with a new price which should be less the specified one originally. In this case the procedure of their marking and submission should be accurately specified in the purchasing documentation, with a view of their not openings before making the rebidding. Also it should not limit the rights of the participants who have submitted such envelopes, of their replacement or withdrawal during the period between decision making by the organizer about making the rebidding and its making. The specified envelopes are opened simultaneously, at presence not fewer than two members of the purchasing commission, thus the final price of the request of each participant is announced and entered in the minutes. Representatives of each participant, who have in due time presented their envelope with the document with the new price, have the right to be present at the given opening procedure.

- 12.10.1.18. At on-site-off-site (mixed) rebidding participants of the purchasing procedure who have been invited by the organizer to this procedure, have the right either to arrive personally (on behalf of the authorised representatives) or to send to the organizer an envelope with the document with the minimum price which is the final price of the request of the given participant. On-site-off-site rebidding is conducted by rules of the rebidding except that after delivery of all sealed envelopes with the document with the minimum price, prior to the beginning of the public announcement of new prices by the on-site participants, the purchasing commission opens envelopes with the document with the minimum price from the participants who are not on the rebidding site («off-site participation»), and declares the prices specified there.
- 12.10.1.19. The prices received in the course of rebidding, are formalized by the report which is signed by the committee-persons who were present at the rebidding, and the representatives of participants who were present at the rebidding, and are considered definitive for each participant of this procedure. The organizer of the purchase within 3 working days after making the rebidding is obliged to direct to all participants the information about the new, received as a result of rebidding prices.
- 12.10.1.20. The participants of the purchasing procedure who were participating in the rebidding and reduced their price, are obliged to present in addition by request of the Organizer of the purchasing procedure the modified, taking into account the new price received after the rebidding, documents that specify their commercial offer, which is necessary to be specified in the purchasing documentation. Change of the price towards decrease should not cause any deviation (towards deterioration) from the requirements, conditions of the Customer described in the purchasing documentation, commercial interests of the Customer. In the presence of such deviations the request/offer of the participant is considered with the earlier declared price, thus the purchasing commission reserves the right to itself to decline the request/offer from the further consideration and to recommend entering the participant into the register of unfair counterparts. Offers of the participant on price increase are not considered, such participant is considered not participating in the rebidding. This requirement should be expressly specified in the purchasing documentation.

12.10.1.21. After making the rebidding the purchasing commission produces necessary calculations according to the earlier declared criteria and considers the prices received in the course of rebidding, at the estimation of requests and making the summary ranking of the offers. Requests of the participants invited for the rebidding, but not participating in it, are considered at making the summary ranking of the offers at the original price.

12.10.1.22. The right to the agreement conclusion is awarded to that participant of the purchasing procedure, whose request or offer will be specified as in essence meeting the requirements of the purchasing documentation and taking the first place in the summary ranking estimate list. Further procedures of selection of the winner are applied in a regular way.

12.10.1.23. At making the purchasing procedure on ETP rebidding is conducted in real time mode, and data on its making should be accessible to all registered users of the given platform.

## 12.10.2. **Preliminary qualifying selection**

12.10.2.1. Preliminary qualifying selection is conducted only in procedures of an open single-stage tender, open request for proposals and open competitive negotiations.

*Note: Preliminary qualifying selection as a rule is conducted in cases of purchase at open tenders (a considerable number of new participants) of technically sophisticated or unique goods, and also at expensive purchases if questions of qualification of the contractor play an essential role in success of accomplishment of the agreement. At usual purchases of standard goods preliminary qualifying selection, as a rule, is not conducted.*

12.10.2.2. The decision on making the preliminary qualifying selection is taken exclusively by the Customer.

12.10.2.3. The decision on making the preliminary qualifying selection as a part of the corresponding procedure is taken before the publication of the official document declaring the beginning of procedures.

12.10.2.4. At making the preliminary qualifying selection the document declaring the beginning of procedures, in addition, should contain:

a) The information on making the preliminary qualifying selection and that commercial proposals will be considered only of those



participants who have successfully passed the preliminary qualifying selection subsequently;

- b) The information on the end date of acceptance and procedure of giving prequalifying requests.

12.10.2.5. The prequalifying documentation should contain:

- a) The short description of bought goods and summary of the essential agreement provisions, concluded as a result of the procedures;
- b) General conditions and procedure of making the purchase;
- c) Detailed conditions and procedure of making the preliminary qualifying selection;
- d) The rights and obligations of the organizer of the purchase and participants separately at the preliminary qualifying selection stage and the subsequent procurement cycles;
- e) Requirements to the participant;
- f) Requirements to the content and registration of the prequalifying request, including a method of confirmation of conformity of the participant to the shown requirements;
- g) Order of representation of prequalifying requests, term of their representation;
- h) Data on consequences of discrepancy of the participant to the established requirements or negative result of his passage through the preliminary qualifying selection;
- i) Other requirements and conditions established according to the present Regulations on purchase. The prequalifying documentation is agreed, approved and modified in the procedure similar to the agreement, approval and change of the purchasing documentation specified by the present Regulations on purchase.

12.10.2.6. Prequalifying requests are accepted before the end date of the term established in the notice on making of the tender with preliminary qualifying selection (another document, declaring the beginning of non tender procedures) or in the prequalifying documentation. This term should be sufficient so that participants have time to prepare the

prequalifying request and is not less than 30 days from the date of the publication of the notice on tender making (for tender making), and for non tender purchases - not less than 10 days from the date of the publication of the document declaring the beginning of non tender procedures.

12.10.2.7. The customer estimates conformity of participants to the requirements established in the prequalifying documentation on the basis of the documents presented by the participant. The use of the criteria, not provided earlier in the prequalifying documentation, requirements or procedures is not allowed.

12.10.2.8. In case of absence of any information or any documents, not letting estimate conformity of the participant to the established requirements, the Customer has the right to request from him missing documents, having given the minimum necessary term for this purpose. If when due hereunder documents are not presented, the participant is considered not passed the preliminary qualifying selection.

12.10.2.9. The customer is obliged in a three-day term from the date of summarising the preliminary qualifying selection to notify on ETP all participants on results of their passage through the selection. The participants, who have successfully passed the selection, are invited to the further procedures. The term between such invitation and date of giving requests with commercial offers cannot be less than 10 days. The participant, who did not pass or did go through the established preliminary qualifying selection, is excluded from the list of participants of the purchase. If he nevertheless makes an application with commercial offers, it is declined on the basis that the participant does not conform to the established requirements or has not passed the preliminary qualifying selection.

### 12.10.3. **Special procedures of purchase of sophisticated goods**

12.10.3.1. At making tenders and request for proposals on acquisition of especially sophisticated and unique goods (creative services, research and developmental and design and experimental works, unique goods), at realisation of large investment projects etc. under a direct instruction of the Customer the set of methods described below - including at the last stage of a two- or multistage tender can be applied.

- 12.10.3.2. The announcement of the future purchase is performed without fail. Exceptions are allowed only under a decision of CPB of the Company out of confidentiality reasons.
- 12.10.3.3. Sophisticated purchases can be conducted both without preliminary qualifying selection and with that. At the preliminary qualifying selection stage (in case of its making) written requests are sent to Participants, or representatives of Participants are called for negotiations for the purpose of specification of qualification and experience of Participants. On the basis of the results of preliminary qualifying selection the «Short list of Participants» is made. If such selection was conducted, persons are invited to participate in the further procedures from this list only.
- 12.10.3.4. The purchasing documentation, except usual data for corresponding procedures, should contain:
- a) The information on, whether the Customer sends requests for the purpose of finding out various variants of methods of satisfaction of requirements of the Customer;
  - b) The description of a separate part (parts) of bought goods when it is allowed to represent requests only for a part of bought goods;
  - c) Indication on the procedure of selection of the winner (with making or without making of price negotiations);
  - d) Indication on possibility of negotiations, and also on a circle of questions which can be discussed at precontractual negotiations.
- 12.10.3.5. The procedure and criteria of bid evaluation of participants are established according to local statutory acts of the Company and can concern:
- a) Administrative and technical competence of the Participant and his reliability;
  - b) Efficiency of the offer presented by the Participant from the point of view of satisfaction of requirements of the Customer;
  - c) The offer price determined either as clean price, or as total costs of the Customer at accepting of the given offer (for example, the price plus expenses on operation, maintenance and repair, required additional costs etc.);

d) Other criteria.

12.10.3.6. The customer has the right to apply one of two procedures of selection of the best tender offer — with making or without making of price negotiations. Possibility of application of such procedures should be provided by the purchasing documentation.

12.10.3.7. Procedure of selection of the winner without making of price negotiations is applied at goods purchase for which the Customer, despite its complexity, can formulate accurately enough the technical specifications and required amount of works, and also estimate the received offers on compliance to the established requirements and is interested not only in qualitative goods, but also in possible economy of money funds. The choice of the winner is conducted in the following procedure:

- a) The customer establishes a minimum level of quality requirements of goods (i.e. concerning qualitative and technical aspects of offers), gives a quality evaluation under each offer and makes ranking of requests on quality.
- b) Requests which have been recognised as not corresponding to the established minimum level of quality, are rejected and do not participate in the procedure of selection of the winner.
- c) In cases when a task accomplishment substantially depends on qualification and experience of the main personnel of the Participant (for example, the project manager, in whose submission there is a big group of concrete physical persons, or developed and known scientific personnel), the Customer or the Organizer of the purchase has the right to conduct at any procurement cycle interviews with the declared personnel of the Participant and to consider results of these interviews at the offer quality evaluation.
- d) No party is allowed to make in the course of interviews the requirements connected with change of conditions of the purchasing documentation or the tender offer, including the price.
- e) Among offers which correspond to the established minimum level of quality (non-price requirements) or exceed that, the Organizer of the purchase produces summary ranging following the results of

comparison of qualification of the Participant, quality of the received offers and the price.

- f) The participant, who has submitted the offer, which received the highest place in the summary ranking, is invited to making of precontractual negotiations.
- g) During such negotiations the technical specifications, technique of accomplishment of works, personnel, material resources given by the Customer and special agreement provisions are discussed. Such discussions should not lead to essential change of the initial variant of the technical specifications, agreement provisions and prices of the tender offer. The definitive variant of the technical specifications and the agreed technique is included into the contract draught.
- h) The chosen Participant has no right during negotiations to replace the main personnel or co-performers of the contract (subsuppliers, subcontractors) unless both parties agree that such changes have no crucial importance for the task goal achievement. The main personnel offered as replacement, should possess the qualification similar or higher than the initially offered main personnel (co-performers).
- i) If negotiations have passed successfully, the given Participant is announced as the winner.
- j) If during negotiations the parties cannot agree with the agreement text, the Organizer of the purchase invites to negotiations the Participant having the next (after the highest) place in the summary ranking.
- k) If during negotiations with the next Participants the parties cannot agree with the agreement text, the Organizer of the purchase can return to negotiations with those Participants with whom earlier it was not possible to reach the agreement, or to refuse to conduct negotiations.

12.10.3.8. Procedure of selection of the winner by making of a series of price negotiations is applied at purchase of especially sophisticated goods when quality of goods or reliability of the Participant is determining or when consequences of selection for the Customer are desperately

important in comparison with the purchase price. The choice of the winner is conducted in the following procedure:

- a) The minimum acceptable quality level of the offer is established.
- b) Offers of Participants are ranged on quality. The participant, who has received the highest evaluation of the offer on quality, is invited to negotiations concerning the price of his offer. The technical specifications, the technique of accomplishment of works, the personnel, the material resources given by the Customer, and special agreement provisions can be also discussed at them. Such discussion should not lead to essential change of the initial variant of the technical specifications and agreement provisions.
- c) If the negotiations do not lead to the conclusion of the agreement owing to impossibility of achievement of the agreement on the acceptable price, the Participant is informed on suspension of the negotiations with him. Further the Organizer of the purchase invites to negotiation the Participant whose offer has received the quality evaluation following the highest one and so on to the conclusion of the agreement or rejection of all other offers. If during negotiations with the next Participants the parties cannot agree with the agreement text, the Organizer of the purchase can return to negotiations with those Participants with whom earlier it was not possible to reach the agreement, or to refuse negotiation.
- d) Any negotiations, which are conducted with Participants, have confidential character and no party of the negotiations has the right to disclose to any third parties the technical, price or other information concerning the content of these negotiations, without the consent of the other party.

## **13. connected with making purchases**

### **Dispute resolution**

#### **13.1. General provisions**

- 13.1.1. Any participant who declares that he has incurred or can suffer losses as a result of infringement of the rights by the Customer, the Organizer of the purchase or separate members of the purchasing commission, has the right

to put in the claim for dispute resolution connected with making purchases (further — disputes), or to address with the complaint to actions or failure to act of employees of the Company in connection with making purchases; on the purchases which are conducted by the Company, — to CPB of the Company.

13.1.2. Claims of participants of purchasing procedures are considered according to the established by the Regulations on purchase of the Company procedure following the results of which CPB the Company passes on the obligatory to execution by employees of the Company decision.

### 13.2. **Dispute resolution in the first instance**

13.2.1. Before the conclusion of the agreement disputes are directed to CPB of the Company. Responsible secretary of CPB immediately notifies the chairman of the commission who is making the purchase on reception of the claim for consideration of disputes. For the period of consideration of disputes in CPB the procedure of making the purchase stops before a decision is taken if there are no obvious obstacles of legal or economic character to that.

13.2.2. If disputes are not resolved by a mutual consent of the participant who has presented them and the persons making the purchase, CPB of the Customer within 10 days from the date of reception of such disputes passes on a written decision which should contain:

- a) The justification of motives of the decision making;
- b) The measures directed on satisfaction of stated requirements, in case of the complete or partial resolution of disputes.

13.2.3. If disputes between the participant of purchase are not resolved, CPB has the right to take one or several of the following decisions:

- a) At disputes on tenders — to oblige the members of the tender commission who have made wrongful actions, applied illegal procedures or taken an illegal decision, to make actions, to apply procedures or to take the decision, corresponding to the present Regulations, and also at revealing of infringements and wrongful decisions from the tender commissions of affiliated and dependent

companies, to invalidate the tender or to initiate the decision on change of selection of the winner;

- b) At disputes on non tender methods — in full or in part to cancel the illegal action or decision and to make own decision, or to instruct about the termination of procedures of purchases. Thus CPB has no right to suggest to make the decision on termination of the agreement after its conclusion if the corresponding reservation was not included in the agreement;
- c) At disputes on completed purchases — to suggest the management of the Company to make the decision on the compensation for losses, incurred by the participant as a result of the illegal action, decision or use of an illegal procedure. If the reservation on unilateral termination of the agreement in case of detection of infringements of the procedure of its conclusion is included in the agreement, CPB has the right to suggest to the management of the Company to make the decision on unilateral termination of the agreement after its conclusion;
- d) To recognise the claim of the participant unreasonable.

13.2.4. The participant of the purchase has the right to appeal to an antimonopoly body in the procedure established by the antimonopoly body, in regards of actions (failure to act) of the customer at purchase of the goods, works, services in cases:

- a) Not placing on the official site the Regulations on purchase, the changes brought in the specified Regulations on purchase, the information on the purchase which is subject according to the Federal law to placing on such official site, or infringement of terms of such placing;
- b) Require participants of the purchase to submit the documents which have been not provided by the documentation about the purchase;
- c) Realisation by the customer of purchase of the goods, works, services with no Regulations about purchase approved and placed on the official site and without application of provisions of Federal law from July, 21st, 2005 N 94-FZ "About placement of orders for supply of goods, accomplishment of works, performance of services for the state and municipal needs".



### 13.3. **Other regulations**

13.3.1. Disputes between participants and Organizers of the purchases which have been conducted on virtual electronic trading platforms in the Internet network, also can be considered in the procedure provided on these platforms.

13.3.2. The participant has the right to propose CPB to consider disputes in the Arbitration court.

13.3.3. Norms of the present Regulations on purchase cannot be considered as any restriction of the right of participants of procedures of purchases to go to the court.

### 13.4. **Disputes at decision making during making purchases (internal disputes)**

13.4.1. In exceptional cases, any member of the purchasing commission in case of disagreement with the decision, taken by the purchasing commission (further – Challenged decision) and wishing to appeal against it (further – the Initiator of the petition) as, in his opinion, such decision is not equitable to interests of the Company and/or can cause harm (damage) to the Company, has the right to declare in CPB of the Company the written petition for application of the veto concerning such decisions of the purchasing commission (further – the Petition). The initiator of the petition should declare the Petition in reasonable term – not later than 3 working days since the moment when he has learnt or should learn about the Challenged decision.

13.4.2. The scanned copy of the Petition is sent by the Initiator of the petition to the chairman and the secretary of the purchasing commission, who are making the purchase, by e-mail, with the subsequent immediate direction of the original to the secretary of the purchasing commission. The Petition copy on which the secretary of the purchasing commission put the date of its reception and the signature, is sent by the secretary of the purchasing commission to the Initiator of the petition. The secretary of the purchasing commission on the day of reception of the scanned copy of the Petition notifies the chairman of the purchasing commission on it, and directs the scanned copy of the Petition by e-mail to the secretary and chairman of CPB. Secretary of CPB on the day of reception of the scanned copy of the Petition notifies chairman of CPB on it.

- 13.4.3. One or several members of the purchasing commission can act as the initiator of the Petition.
- 13.4.4. From the moment of reception of the Petition or before coming into force of the decision of CPB about refusal in satisfaction of the Petition the chairman of the purchasing commission, members of the purchasing commission, the secretary of the purchasing commission and other persons (including employees of the Company - the Customer of the purchase and the third-party Organizer of purchase) has no right to make the actions directed on execution of the Challenged decision, including to represent the Challenged decision to Participants of the purchasing procedure to be acquainted with, to direct to Participants of the purchasing procedure the information and the documents containing the references to the Challenged decision or data (information), based on the Challenged decision.
- 13.4.5. Chairman of CPB will organise a session of CPB on consideration of the Petition not later than three days from the date of reception of the scanned copy of the Petition.
- 13.4.6. CPB considers the Petition with participation of the chairman of the purchasing commission, the initiator of the Petition and other persons (at the discretion of the chairman of CPB), performs studying and check of validity of the Petition.
- 13.4.7. In the course of consideration of the Petition CPB has the right, including to involve in its consideration experts and specialists (employees of the Company, third-party experts and other persons), possessing special knowledge of the area concerning the purchase on which the Challenged decision was taken.
- 13.4.8. Following the results of consideration of the Petition CPB takes one of the following decisions:
  - 13.4.8.1. About refusal in satisfaction of the Petition and for leaving the Challenged decision in force. Such decision of CPB comes into force, if it within two working days from the date of its transfer in a written form to the Initiator of the petition is not appealed by the Initiator of the petition;
  - 13.4.8.2. About cancellation of the Challenged decision and bringing the item/items on which the Challenged decision was taken, for a repeated consideration by the same purchasing commission (with possible instructions on

necessity of taking concrete measures before a repeated consideration of the given item/items by the commission – for example, making of additional examinations, etc.) following the results of which the same purchasing commission should take the decision on the corresponding item/items by the qualified majority of members of the purchasing commission (3/4 from the total number of members of the purchasing commission);

13.4.8.3. About cancellation of the Challenged decision and on the instruction to the corresponding Initiator of the agreement to settle, in the procedure provided by the legislation of the Russian Federation, the relation with Participants of the given purchasing procedure.

13.4.8.4. About refusal in satisfaction of the Petition and for leaving the Challenged decision in force;

13.4.9. The original of the Petition and materials on its consideration are subject to storage in CPB, and copies are attached by the secretary of the purchasing commission to the report on making the regulated purchase.

13.4.10. At disputes on purchasing procedures by which results the agreement is concluded, at disputes on tenders on which the report on results of the tender is signed, at disputes on auctions on which the winner has already been chosen, and also at revealing of the facts of discrepancy of the concluded agreement to conditions of the purchasing documentation and the offer of the winner of the competitive purchasing procedure CPB has the right to initiate making when due hereunder of an office investigation on the facts of the revealed infringements.

#### **14. Requirements to consultants, experts, professional organizers of the tenders**

14.1. Involved consultants, experts and professional organizers of purchases should have professional knowledge in the corresponding sphere, experience, positive business reputation.

14.2. Sourcing of individual consultants and experts is performed on the basis of the labour agreement. Sourcing of consulting firms, expert organisations and professional organizers of the tender is performed on the basis of contract agreements, contracts of rendering consulting services, an agency agreement. The contracts should clearly specify the

list of works/services, requirements to terms and quality of their accomplishment. In the agreement the responsibility of the parties at least should be specified: responsibility of the Customer for incomplete or untimely provision of the initial data and responsibility of the consultant/expert of the organizer of the tender for poor-quality accomplishment of works/services.

- 14.3. Following the results of work of the consultant, expert or professional organizer of the purchase a summary record is made including data on the consultant, expert or professional organizer of the purchase (the surname, name, patronymic, contact information, experience, professional knowledge — for individual consultants and experts; the organisation name, contact information, experience, professional knowledge — for consulting firms, expert organisations and professional organizers of purchases; work quality evaluation — for all categories).
- 14.4. The report is given to the responsible division of the Company for entering the data into the register of consultants, experts and professional organizers of purchases.

## **15. Appendices:**

- 15.1. The Appendices to the present Regulations on purchase refer as follows:
  - Appendix #1. Glossary.
  - Appendix #2. The form of the annual comprehensive purchasing program.
  - Appendix #3. The form of adjustment of the annual comprehensive purchasing program.
  - Appendix #4. The form of the report on ACPD execution.
  - Appendix #5. Notice on tender making.
  - Appendix #6. Typified tender documentation for open single-stage tender on supply of goods.
  - Appendix #7. Typified tender documentation for open single-stage tender on purchase of works, services.
  - Appendix #8. Typified documentation on making of open request for proposals (standard).

- Appendix #9. Typified documentation on making of open request for proposals (simple).
- Appendix #10. Typified documentation on making of open request for quote.
- Appendix #11. List of internal documents for tender making.
- Appendix #12. List of internal documents for making of the regulated non tender purchase.
- Appendix #13. Typified documentation on making of competitive negotiations.
- Appendix #14. Typified tender documentation on tender making on selection of financial organisations.
- Appendix #15. The sample framework agreement.

15.2. The listed appendices are sample forms, and can be added or replaced with other forms corresponding to the present Regulations developed by the Company and agreed by CPB of the Company.