



Non-Profit Organization Foundation for Development of the Centre for Elaboration and
Commercialization of New Technologies

MAIN PROCUREMENT REGULATIONS

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1. GENERAL PROVISIONS

1. The Procurement Regulations shall govern the procedure for the procurement of goods, work, and services out of the funds of the NPO Foundation for Development of the Centre for Elaboration and Commercialisation of New Technologies (hereafter the “Foundation”) and the Foundation’s Subsidiaries, and regulate the interaction of the Foundation's various units and Subsidiaries while carrying out the procurement procedures.
2. Procurement of goods, work, and services based on the Contract, which is of interest to the head of the Foundation’s business unit initiating the respective procurement, the person the head is directly subordinate to, or a member of the Tender Committee, shall be subject to the authorisation of the Foundation’s Tender Committee (hereafter the "Tender Committee").

A person who derives or can derive personal benefit from execution of the respective Contract shall be deemed interested in executing the Contract.

An interested person shall notify the Tender Committee and the Security Adviser to the Foundation President of their interest.

The person shall not conceal his/her interest, and in the event concealment of interest is ascertained, disciplinary sanctions can be imposed on this person under the laws of the Russian Federation. If the fact of concealed interest by a member of the Tender Committee is revealed, that person can by the decision of the Foundation President be expelled from the Tender Committee.

3. No fee shall be charged to Procurement Procedure Participants for taking part in the Procurement Procedure.

2. GLOSSARY

“**Arbitration Committee**” shall mean a collegial body to handle complaints of Procurement Procedure Participant.

“**Alternative Proposal**” shall mean a proposal, which does not fully comply with functional and quality characteristics for requirements in the Procurement Procedure Documentation, but not worse or better than the requested Products.

An Alternative Proposal shall be submitted as part of the Application of the Procurement Procedure Participant if this possibility is provided in the Procurement Procedure Documentation.

“**Contract**” shall mean a Contract for the delivery of goods, work and services made in accordance with the placed Order.

“**Request For Proposal**” shall mean a set of documents containing full information on the subject matter, terms and rules of the Procurement Procedure.

“**Subsidiary**” shall mean a legal entity in which all shares (interests) of its authorised capital are owned by the Foundation.

“**Jury**” means a collegial body created by the order of the Foundation President or the person authorised by the Foundation President, or head of a subsidiary, from among the employees of the Foundation or its subsidiaries, and invited members, to review, compare and evaluate, within its competence, the work and other results of the public tender participants, and perform other functions within the scope of its authorities.

“**Order**” shall mean an offer of the Foundation or its Subsidiaries to deliver goods, work, or services addressed in accordance with these Regulations.

“**Customer**” - Non-Profit Organization Foundation for Development of the Centre for Elaboration and Commercialization of New Technologies (hereafter the “**Foundation**”) and its Subsidiary.

“**Request for Quotations**” (RFQ) shall mean a Procurement Procedure where the Winner is the Participant offering the lowest total cost of the Contract.

“**Request for Proposals**” (RFP) shall mean a Procurement Procedure for selecting the Winner, where the Committee will, based on the criteria and procedure for the evaluation of Applications set forth in the Procurement Procedure Documentation, determine the Procurement Procedure Participant offering the best terms of Order fulfilment.

RFP can comprise one or several stages. RFP can be held with the purpose of market research without further awarding the Contract.

“**Application**” shall mean a set of documents submitted by a Procurement Procedure Participant to the Customer expressing the Participant's intent to take part in the Procurement Procedure or Preliminary Selection.

“Closed Procurement Procedure” shall mean a Procurement Procedure in which only individual persons or legal entities personally invited by its Initiator can participate.

“Procurement Procedure Notice” shall mean a document containing the information on the Customer, the Procurement Item, place, time, duration and other information provided for by these Regulations.

“Initiator” shall mean a business unit of the Foundation or its Subsidiary initiating a Procurement Procedure or a Public Tender.

“Tender” shall mean a Procurement Procedure for selecting the Winner, where the Committee will, based on the criteria and procedure for the evaluation of Applications set forth in the Procurement Procedure Documentation, determine the Procurement Procedure Participant offering the best terms of Order fulfilment.

“Reduction” shall mean a Procurement Procedure (Auction) where the Winner is the Participant offering the lowest total cost of the Contract.

“Committee” means a Working Group of the Foundation’s business unit or Subsidiary, the Procurement Department Committee, or the Tender Committee responsible for preparation, approval and holding of the Procurement Procedure within the scope of its competence.

“Working Group” consists of the enlisted members – employees of the Foundation’s business unit or Subsidiary, and a permanent member – an employee of the Procurement Department.

“Procurement Department Committee” consists of the permanent members – employees of the Procurement Department and Legal Department, and enlisted members – employees of the Foundation’s business unit or Subsidiary.

“Multi-stage Procurement Procedure” shall mean a Procurement Procedure, during which the Initiator will adjust stage by stage the requirements for the subject matter and terms of the Contract.

“Similar Goods, Work, and Services” shall mean the goods, work, and services referring to one group of goods, work, and services of the Foundation or the Foundation’s Subsidiaries.

“Procurement Procedure Organizer” shall mean the person, who is organizing and holding the Procurement Procedure for and on behalf of the Customer.

“Open Procurement Procedure” means a Procurement Procedure open for participation by any individual person or legal entity regardless of their form of incorporation and pattern of ownership.

“Procurement Procedure” means a series of the Customer's successive actions aimed

at satisfying the needs of the Foundation or its Subsidiary for goods, work, and services, starting from the decision on procuring the said goods, works, and services up to entering into the Contract.

“UON Procurement Procedure” means a direct procurement from the sole Supplier (or several Suppliers) in the event the Customer has an **urgent operational need** for the Products.

“Preliminary Selection” means a qualified selection of legal entities or individual entrepreneurs admitted to the Procurement Procedure in accordance with the requirements and criteria set forth in the Procurement Selection Notice.

“Products” means the results of Order fulfilment (goods, work, or services).

“Procurement Item” means the Products (goods, work, or services) purchased for the needs of the Foundation or its Subsidiaries under these Regulations.

“Procurement Procedure Winner” means the Procurement Procedure Participant the Customer decided to award the Contract for the supply of the Products as prescribed by these Regulations, based on the results of the Procurement Procedure.

“Direct Procurement” means a procedure for awarding the Contract to a certain Supplier without carrying out the Procurement Procedure.

“Supplier” means a legal entity or individual entrepreneur offering or supplying the Products to the Customer under the Contract.

“Framework Contract” means a contract containing the principal terms of the agreement, which are subject to further revision while performing the contractual obligations.

The Framework Contract is a long-term contract constituting the basis and providing for multiple procurements of the Products during the term thereof.

“Tender Committee” shall mean a collegial body created by the order of the Foundation President from among the Foundation's employees and invited members, which is responsible for preparation, approval and holding of the Procurement Procedure, and performs other functions within its competence.

The Tender Committee is not the Foundation's management body.

“Procurement Procedure Participant” means any individual person or legal entity, regardless of their form of incorporation and pattern of ownership, expressing their interest in writing to participate in the Procurement Procedure and submitting the Procurement Procedure Application in accordance with these Regulations and the Procurement Procedure Documentation. Expression of interest includes, inter alia, a request for visiting the place of the goods, work, and services delivery, a request for the Procurement Procedure Documentation, a request for clarification of the provisions of the Procurement Procedure

Notice or Documentation, or submission of an application for participation in the Procurement Procedure.

“Expert (Expert Organisation)” means an independent expert in a certain field engaged to carry out an expert review of the proposals submitted by the Procurement Procedure Participants.

3. ORGANISATION OF PROCUREMENT ACTIVITIES

Clause 1. Organisation of Procurement and Procurement Organisation-Related Activities

3.1.1. The Committee shall exercise the functions and powers of the Customer for the Supplier selection and holding of the Procurement Procedure.

3.1.2. The Customer shall be responsible for making the Contract with the selected Supplier.

3.1.3. The Committee and the Procurement Procedure depend on the threshold values of the initial (maximum) price of the Procurement Procedure.

- 1) The initial maximum price of over one hundred million (100,000,000) roubles, VAT inclusive - The Tender Committee;
- 2) The initial maximum price from thirty million (30,000,000) roubles, VAT inclusive, to one hundred million (100,000,000) roubles, VAT inclusive - The Procurement Department Committee;
- 3) The initial maximum price of up to thirty million (30,000,000) roubles, VAT inclusive - The Working Group.

Procurement of Similar goods, work, and services for amounts over 100,000,000 roubles per quarter under certain procurement procedures in circumvention hereof shall be excluded.

3.1.4. The Committee shall exercise the functions required to select the Procurement Procedure Winner, and in particular:

- 1) accept and register the Applications for participation in the Procurement Procedure;
- 2) open the envelopes with the Procurement Procedure Applications and provide access to the Procurement Procedure Applications submitted in the form of electronic documents;
- 3) review and evaluate the Procurement Procedure Applications;
- 4) determine the Procurement Procedure Winner;
- 5) keep records of the Procurement Procedure;
- 6) invalidate the Procurement Procedure;
- 7) hold the Procurement Procedures;
- 8) prepare, approve and issue the Procurement Procedure Documentation to the Procurement Procedure Participants;
- 9) clarify the provisions of the Procurement Procedure Documentation and amend it, and post the clarifications and amendments on the Foundation's website;
- 10) notify the Procurement Procedure Participants of the admission or denial of the

admission to the Procurement Procedure;

- 11) make a video recording of the Procurement Procedure Application envelopes being opened and of provide access to the Applications submitted in the form of electronic documents.

The employees of the Procurement Department that are members of the Committee shall post the respective documents of the Procurement Procedure, and other information pertaining to the Procurement Procedure on the Foundation's website.

Clause 4. Procurement procedure Method

3.4.1. These Regulations provide for the following Procurement Procedures:

- 1) Tender;
- 2) Reduction;
- 3) Request for Quotations;
- 4) Request for Proposals;
- 5) Direct Procurement.

3.4.2. Upon approval of the Preliminary Application, Procurement Procedure Documentation and Notice, and Preliminary Selection Notice, the Procurement Department or the Tender Committee shall be entitled, acting within the scope of their competence, to make a decision to change the form of the Procurement Procedure and/or Preliminary Selection, and the method of the Procurement Procedure.

3.4.3. The Customer shall have the right to refuse the Procurement Procedure at any stage of the Procurement Procedure, unless otherwise provided for by applicable laws, these Regulations, or the Procurement Procedure Documentation. Within one (1) working day after the above decision is made, the Committee shall post the respective notice on the Foundation's website.

3.4.4. No methods of the Procurement Procedure other than those stipulated by these Regulations can be used.

Clause 5. Requirements For Procurement Procedure Participant

3.5.1. Each Procurement Procedure Participant shall meet the following mandatory requirements:

- 1) Hold all licenses, permits, certificates and other documents required under the laws of the Russian Federation for the delivery of goods, work, and services comprising the Subject of the procurement;
- 2) Not undergo liquidation (for a legal entity) and not be recognized as insolvent (bankrupt) by a court decision;

- 3) Not be a person whose activities are suspended and/or whose property required for the performance of the contractual obligations is arrested by decision of a court or administrative authority;
- 4) Not be in arrears for taxes, charges and other mandatory payments to the budgets of any level or state extra-budgetary funds for the previous year, the collection of which could lead to such Participant's inability to discharge their obligations under the Contract;
- 5) Not be recorded in the Register of Unfair Suppliers provided for by Federal Law No. 94-FZ "On Placement of Orders for Goods, Work, Services for Governmental and Municipal Needs";
- 6) Meet other requirements set forth by the Procurement Procedure Documentation.

4. GENERAL PROCEDURE FOR PROCUREMENTS

Clause 6. Procurement Procedure Notice

- 4.6.1. The employees of the Procurement Department comprising the Committee members shall post the Procurement Procedure Notice on the Foundation's website within one (1) working day after its approval.
- 4.6.2. The Procurement Procedure Notice shall be posted on the website of the Foundation at least:
 - 1) fifteen (15) days before the end of submission of Reduction Applications;
 - 2) thirty (30) days before the end of submission of Tender Applications;
 - 3) five (5) days before the end of submission of RFQ Applications;
 - 4) seven (7) days before the end of submission of the RFP Applications.
- 4.6.3. The Committee can additionally publish the Procurement Procedure Notice in any other mass media, including in electronic media.
- 4.6.4. The Procurement Procedure Notice shall contain the following information:
 - 1) Procurement Procedure method (RFQ, RFP, Tender, Reduction) and form (open or closed);
 - 2) Name, location, postal address, e-mail, contact telephone and fax of the Initiator and/or the Committee;
 - 3) Name of the Products, and the amount of goods, work, and services delivered;
 - 4) Initial (maximum) Contract price (the initial (maximum) price may not be quoted)
 - 5) Delivery place of goods, work, and services;
 - 6) Procedure for the submission of the Procurement Procedure Applications;

- 7) Brief information on the order and peculiarities of the Procurement Procedure (Reduction step, basic criteria, etc.);
- 8) The website the Procurement Procedure Notice and Documentation are posted on;
- 9) The last date of submission of the Applications, place, date and time of opening the envelopes with the Applications, and the date of reviewing the Applications, summarising the results and determining the Procurement Procedure Winner.

4.6.5. The RFQ Notice can, to the extent provided for by these Regulations, contain the procedure for the provision of the Application guarantee, Contract performance guarantee, and advance return guarantee.

Clause 7. Procurement Procedure Documentation

4.7.1. The Procurement Procedure Documentation shall contain:

- 1) Requirements for the content, form and composition of the Application, and instructions for the completion thereof;
- 2) Requirements for the Procurement Procedure Participants. The Customer shall be entitled to set requirements for the qualifications of the Procurement Procedure Participant;
- 3) Requirements for the production capacities, process equipment, labour, financial and other resources required for the production of goods, performance of work, and provision of services comprising the Procurement Subject;
- 4) In cases provided for by these Regulations, the procedure for the provision of the Application guarantee, Contract performance guarantee and advance return guarantee;
- 5) Requirements for describing the scope, functional characteristics (consumer properties) and quality characteristics of the Procurement Subject, and requirements for describing the terms of the Contract performance;
- 6) Requirements to provide quality guarantees for the Procurement Subject;
- 7) Terms and deadlines for the performance of the Contractual obligations;
- 8) Requirements as to the Contract price, pricing procedure, payment and currency (including Russian rouble conversion rate);
- 9) Procedure for providing the Procurement Procedure Participants with information on the place of delivery of goods, work, and services, if the Customer provides for such a possibility, including information on the possible duration of the visit, time of such visit, and maximum permitted number of representatives of each Procurement Procedure Participant;
- 10) Information on the possibility to change, at the Customer's initiative, the

volume of the products procured as set forth by the Contract after signing the Contract, in accordance with the provisions hereof;

11) Criteria for evaluation of the Applications (in case of the Tender or RFP);

12) Draft Contract or conditions of making the Contract.

4.7.2. The Procurement Procedure Documentation can also contain other requirements set forth by the Foundation or its Subsidiary.

4.7.4. The Procurement Procedure Documentation will not be drawn up in case of RFQ.

Clause 8. Provision of Procurement Procedure Documentation

4.8.1. The employees of the Procurement Department being the members of the Committee shall post the Procurement Procedure Documentation on the website of the Foundation simultaneously with the Procurement Procedure Notice and provide the Procurement Procedure Documentation to the Procurement Procedure Participants in paper or electronic form. The Procurement Procedure Documentation must be available for review free of charge.

Clause 9. Visiting the Place of Delivery of Goods, Work, and Services by Procurement Procedure Participants

4.9.1. To the extent provided for by the Procurement Procedure Documentation, the Committee and/or the Initiator shall arrange for a visit by the Procurement Procedure Participants to the place of delivery of goods, work, and services as prescribed by the Procurement Procedure Documentation. Such a visit is arranged in order to enable each Procurement Procedure Participant to inspect the place of delivery of goods, work, and services, familiarise themselves with the conditions and obtain information for preparing the Application.

4.9.2. Procurement Procedure Participants' visit to the place of delivery of goods, work, and services shall be arranged at least three (3) working days before the end of submission of the Applications.

4.9.3. The Customer or the Committee shall make sure all Procurement Procedure Participants are provided equal opportunities to familiarise themselves with the place of delivery of goods, work, and services.

Clause 10. Clarification of Provisions of Procurement Procedure Documentation

4.10.1 Any Procurement Procedure Participant has the right to send a Request for clarification of the provisions of the Procurement Procedure Notice and/or Procurement Procedure Documentation (hereafter the "request") in writing, including by e-mail, to

the Committee.

- 4.10.2. Within two (2) working days upon receipt of the above request, the Initiator and/or the Committee shall provide clarification of the Procurement Procedure Notice and/or Documentation (hereafter the "clarifications") in writing or in an electronic form, if the said request was submitted to the Foundation not later than two (2) working days before the end of submission of the Applications.
- 4.10.3. Within one (1) working day after the clarification is provided in response to the request of the Procurement Procedure Participant, such clarification containing the request contents shall be posted by the Committee on the site of the Foundation without specifying the name of the Procurement Procedure Participant submitting such request.
- 4.10.4. The clarification of the Procurement Procedure Notice and/or Documentation shall not change its contents and the Procurement Subject.

Clause 11. Making Amendments to the Procurement Procedure Notice or Documentation

- 4.11.1. The Customer can make a decision to amend the Procurement Procedure Notice or Documentation at least two (2) working days before the end date of submission of the Applications. The Procurement Subject cannot be changed.
- 4.11.2. Within one (1) working day after the approval of the decision on making amendments to the Procurement Procedure Notice or Documentation, such amendments shall be posted on the website of the Foundation. In this case, the period of time for submission of the Applications shall be extended, so that from the posting of the said amendments on the website of the Foundation to the end date of submission of the Applications this period would amount to at least:
- 1) ten (10) calendar days for the Tender and Reduction;
 - 2) four (4) calendar days for the RFP; and
 - 3) three (3) calendar days for the RFQ.

Clause 12. Procedure for Execution of Procurement Procedure Applications

- 4.12.1. The Procurement Procedure Participant shall submit its Application within the time limits and in the form specified in the Procurement Procedure Notice and Documentation.
- 4.12.2. The Procurement Procedure Participant shall submit its Application in writing in a sealed envelope or in the form of an electronic document bearing electronic digital signature.
- 4.12.3. The Application shall be executed in Russian language.
- 4.12.4. All the Application pages shall be bound and numbered. The Application shall list all the comprised documents bearing the seal of the Procurement Procedure Participant (if the

seal is provided for by the law of the country of incorporation of the legal entity) and signature of the Procurement Procedure Participant, or the person authorised by them.

However, improper performance by the Procurement Procedure Participant of the requirement that all the Application pages should be bound and numbered shall not constitute the basis for denial of admission to the Procurement Procedure.

The Application submitted in paper form shall be appended with a copy of the Application documents in an electronic, scanned form.

- 4.12.5. If the guarantee amount established by the Procurement Procedure Documentation reached the settlement account of the Foundation or its Subsidiary in a timely manner, failure by the Procurement Procedure Participant to provide a copy of the payment document as part of their Application shall not constitute a basis for denial of admission to the Procurement Procedure.

Clause 13. Submission and Acceptance of Procurement Procedure Applications

- 4.13.1. When submitting the Application, the envelope it is submitted in shall state the name of the Procurement Procedure for which such Application is submitted. The Application can be submitted by the Procurement Procedure Participant personally (including through the Procurement Procedure Participant's representative), by post or courier service. In case of RFQ, the Procurement Procedure Participant can provide a scanned copy of their application by e-mail or fax, to the extent it is provided for by the Procurement Procedure Notice and/or Documentation.

In cases stipulated by the Procurement Procedure Notice and/or Documentation, the Application can be submitted in an electronic form bearing electronic digital signature (EDS).

- 4.13.2. A Procurement Procedure Participant can submit only one Application.

- 4.13.3. The final date for acceptance of the Applications shall be the date stated in the Procurement Procedure Notice or Documentation.

- 4.13.4. The Committee shall ensure the integrity of the envelopes with the Applications and confidentiality of information contained in such Applications until opening of the Application envelopes or providing access to the Applications submitted in an electronic form.

- 4.13.5. A Procurement Procedure Participant submitting its Application shall be entitled to change or revoke the Application at any time until the Application envelopes are opened, providing a respective notice under the procedure prescribed for submission of the Applications.

- 4.13.6. Each Application submitted within the time period stated in the Notice shall be registered by the Committee. In this case, refusal to accept and register an envelope with the Application containing no information on the Procurement Procedure Participant submitting such envelope, and the requirement to provide such information, including in the form of documents confirming the powers of the person submitting the envelope with the Application for the performance of such actions on behalf of the Procurement Procedure Participant, shall be excluded. Upon request of the person submitting an envelope with the Application, the Committee shall issue acknowledgement of having received the envelope with the Application, specifying the date and time of receipt.
- 4.13.7. If upon expiry of the time period for submission of the Applications, no Application is submitted, the Procurement Procedure shall be invalidated. The above decision on invalidating the Procurement shall be taken by the Committee.
- 4.13.8. If upon expiry of the time period for submission of the Applications, only one Application is submitted, the envelope with the said Application shall be opened and the above Application shall be reviewed under the procedure prescribed by these Regulations for opening and review of the Applications.

5. APPLICATION AND CONTRACT GUARANTEE

Clause 14. Application Guarantee

- 5.14.1. The Procurement Procedure Documentation or Notice can require provision of guarantee for the Application by the Procurement Procedure Participant transferring funds to the Customer's account stated in the Procurement Procedure Documentation or Notice to protect the Customer from risk related to the Procurement Procedure Participant evading the procurement and signature of the Contract.
- The Procurement Procedure Documentation or Notice can provide for a guarantee of the Application in the form of an irrevocable bank guarantee.
- 5.14.2. The amount of the Application guarantee shall not exceed ten (10) per cent of the initial (maximum) Contract price.
- If the initial (maximum) price is not defined, the amount of the Application guarantee shall be determined by the Initiator as agreed upon with the Procurement Department.
- 5.14.3. If there is a requirement to provide guarantee for the Application, the Customer shall return the funds transferred as a guarantee thereof, or the original bank guarantee within ten (10) working days from the date (whichever is earlier):
- 1) of the Customer's decision to cancel the Procurement Procedure;

- 2) of the notice provided to the Customer of revoking the Application;
 - 3) of invalidation of the Procurement Procedure;
 - 4) of posting an abstract from the Application review minutes on the website of the Foundation, in case of Tender or Reduction, if the Procurement Procedure Participant has not been admitted to the Tender or Reduction; and
 - 5) of signature of the Application review minutes (in case of Tender), of the Application evaluation minutes (in case of RFQ), the Application review and evaluation minutes (in case of RFP), the Reduction minutes (in case of Reduction).
- 5.14.4. The Customer shall return the funds transferred as a guarantee or the original bank guarantee to the Procurement Procedure Winner, and the Procurement Procedure Participant whose Application is assigned the second number (in case of Tender or RFP), or to the Procurement Procedure Participant making the last but one proposal of the Contract price (in case of Reduction) within ten (10) working days after signing the Contract.
- 5.14.5. Should a Procurement Procedure Participant evade signing the Contract, the funds transferred as a guarantee for the Application or received under the bank guarantee shall not be returned and shall be withheld for the benefit of the Customer.

Clause 15. Contract Guarantee

- 5.15.1. The Procurement Procedure Documentation or Notice can provide for guarantee of the Contract.
- 5.15.2. Guarantee for the Contract is a transfer of funds by the Supplier to the Customer's account or provision by the Supplier of an irrevocable bank guarantee securing the Supplier's payment of funds to the Customer in case the Supplier fails to perform the Contract.
- 5.15.3. The amount of the Contract guarantee can be from five (5) to thirty (30) per cent of the Contract price.
- 5.15.4. The duration of the Contract guarantee shall be at least forty-five (45) days after the Supplier completes its obligations under the Contract.
- 5.15.5. The Procurement Procedure Documentation or Notice can also require that the Supplier shall, after completing the Contract, provide an irrevocable bank guarantee or an Insurance Policy securing the performance of the Supplier's obligations with a guarantee period for the whole term of warranty obligations and forty-five (45) days after the expiry of the said obligations.

In this case, the amount of such Guarantee for the Contract is a transfer of funds by the Supplier to the Customer's account or provision by the Supplier of an

irrevocable bank guarantee securing the Supplier's payment of funds to the Customer in case the Supplier fails to perform the Contract. can be from two (2) to twenty (20) per cent of the Contract price.

5.15.6. If the Contract provides for an advance payment, the Customer can set a requirement in the Procurement Procedure Documentation or Notice for the Supplier to provide an irrevocable bank guarantee securing the advance return in full in case the Supplier fails to perform the Contract.

The requirement to return the advance payment can be established along with the requirement for guarantee of the Contract.

Clause 16. Contract Award based on Procurement Procedure

5.16.1. The Initiator shall submit the revised and approved draft Contract to the Procurement Procedure Winner for signature within eight (8) working days upon signature of the Application review minutes or the Application evaluation minutes (in case of Tender), the Application evaluation minutes (in case of RFQ), the Application review and evaluation minutes (in case of RFP), and the Application review minutes or Reduction minutes (in case of Reduction).

5.16.2. Within three (3) working days after the draft Contract is provided by the Initiator, the Procurement Procedure Winner shall submit the signed draft Contract to the Foundation or its Subsidiary.

5.16.3. The Contract shall be signed within twelve (12) working days upon signature of the Application review minutes or the Application evaluation minutes (in case of Tender), the Application evaluation minutes (in case of RFQ), the Application review and evaluation minutes (in case of RFP), and the Application review minutes or Reduction minutes (in case of Reduction).

5.16.4. The Procurement Procedure Winner shall be deemed as having evaded the Contract in case of:

- 1) Failure to provide the signed Contract within the time limits;
- 2) Failure to provide the Contract guarantee within the time limits set forth by the Procurement Procedure Documentation.
- 3) Failure to provide the resolution on the approval or execution of a major transaction or a copy of such resolution, if such resolution for execution of a major transaction is provided for by the laws of the country of incorporation of the legal entity, or by the constitutive documents of the legal entity, provided the above documents were not submitted along with the Application.

5.16.5. In case the Procurement Procedure Winner evades entering into the Contract, the funds

transferred as guarantee for the Application shall not be returned and shall be disposed by the Customer.

5.16.6. If the Procurement Procedure Winner is recognised as having evaded entering into the Contract, the Customer shall be entitled to:

- 1) Resort to arbitration to force the Procurement Procedure Winner to enter into the Contract and to claim damages caused by such Contract evasion.
- 2) Make the Contract with the Procurement Procedure Participant whose Application is assigned the second number (in case of Tender, RFP, RFQ), or with the Procurement Procedure Participant making the penultimate proposal for the Contract price (in case of Reduction).
- 3) Make a decision to invalidate the Procurement Procedure.

5.16.7. If the Procurement Procedure Participant whose Application is assigned the second number (in case of Tender, RFP, RFQ), or the Procurement Procedure Participant making the penultimate proposal of the Contract price (in case of Reduction) avoids the Contract, the Customer shall be entitled to:

- 1) Resort to arbitration to force such Procurement Procedure Participant to enter into the Contract, and to claim damages caused by avoiding the Contract.
- 2) Make a decision to invalidate the Procurement Procedure.

5.16.8. If guarantee of the Contract and/or of the advance return was provided for, the Foundation or its Subsidiary can sign the Contract prior to the Supplier's providing the said guarantee. In this case, the Contract terms shall envision the obligation of the Supplier to provide the above guarantee within not more than fifteen (15) working days upon signature of the Contract, and to pay an advance to the Supplier only after providing the advance return guarantee.

5.16.9. After signing the Contract, any amendments thereto can be made only based on the Customer's decision, subject to the approval of the Tender Committee.

6. ORDER PLACEMENT BY TENDERING

Clause 17. General Provisions

6.17.1. A Tender implies a Procurement Procedure where the Committee determines the Participant offering the best terms of the Contract for the delivery of goods, work, and services.

6.17.2. The Tender can be open or closed, single stage or multi-stage, with or without a qualification selection.

Clause 18. Application Evaluation Criteria

6.18.1. The procedure for evaluating the Applications under the criteria shall be determined pursuant to the Evaluation Methods of the Applications for participation in the Tender for the Contract for supply of the Products for the NPO Foundation for Development of the Centre of Elaboration and Commercialisation of New Technologies and its Subsidiaries.

6.18.2. Weight values of the criteria with respect to a certain Tender or RFP shall be determined in the Procurement Procedure Documentation.

Weight value of the price criterion cannot be less than forty (40) per cent of the total weight value of the Tender criteria, save to the extent the Tender Committee has established a different weight value.

Clause 19. Opening of Tender Applications

6.19.1. The Committee shall publicly open the envelopes with the Applications (or provide access thereto, in case the Applications are submitted in the form of an electronic document bearing EDS of the authorised person) at the time, on the date, and in the place specified in the Tender Notice. The envelopes with the Applications shall be opened within one day.

6.19.2. The Committee shall open only the envelopes with the Applications submitted to the Customer not later than the time and date stated in the Tender Notice.

6.19.3. Should it be ascertained that one Procurement Procedure Participant submitted two or more Applications, provided that the Applications previously submitted by such Procurement Procedure Participant have not been revoked, none of the Applications of the Procurement Procedure Participant shall be reviewed and shall be returned to the Procurement Procedure Participant personally or by post.

6.19.4. When opening the Applications, the Committee must make a video recording thereof.

6.19.5. The Procurement Procedure Participants submitting Applications, or their representatives, can be present when the envelopes with the Applications are opened, and make an audio- or video recording thereof.

6.19.6. The Application opening minutes shall be kept by the Committee and signed by all present members of the Committee immediately upon opening the envelopes with the Applications. The Committee shall post an abstract from the said minutes on the website of the Foundation within two (2) working days upon signature thereof. Such abstract must not include the persons signing the minutes.

Clause 20. Review of Tender Applications

6.20.1. The Committee shall review the Applications for their compliance with the requirements set forth by the Procurement Procedure Documentation, and check:

- 1) the accuracy of the Applications and their compliance with the requirements of the Procurement Procedure Documentation; and
- 2) conformity of the Procurement Procedure Participants, and their associated contractors (subcontractors) enlisted for the performance of the Contract to the requirements of the Procurement Procedure Documentation (if the Procurement Procedure Documentation provides for the requirements for subcontractors).

6.20.2. The period for reviewing the Tender Applications cannot exceed ten (10) working days from opening the envelopes with the Tender Applications, and providing access to the Tender Applications submitted in the form of electronic documents, unless the Procurement Procedure Documentation provides for a different period of time.

6.20.4. The Committee can enlist Experts to review the Applications.

6.20.5. The Committee can choose not to be governed by the conclusions contained in the opinions of the Experts.

6.20.6. Based on review of the Applications, the Procurement Procedure Participant shall not be admitted to the Tender in case of:

- 1) Failure to provide the mandatory documents, or inaccurate information on the Procurement Procedure Participant contained in such documents, if the Procurement Procedure Documentation requires such documents;
- 2) Incompliance of the Procurement Procedure Participant, or their Application, with the provisions of these Regulations and/or the Procurement Procedure Documentation, as well as failure to meet the requirements of the Procurement Procedure Documentation by their associate contractors (subcontractors) enlisted for performance of the Contract (to the extent the Procurement Procedure Documentation provides for the requirements for subcontractors);

Denial of admission to the Tender for any other reasons shall be excluded.

6.20.7. While reviewing the Application of the Procurement Procedure Participant insofar as it pertains to the associate contractors' (subcontractors') material and technical resources, labour resources, relevant personnel qualification, the Committee shall be entitled to factor in the respective indicators of the associate contractors (subcontractors) stated in the Application of the Procurement Procedure Participant in proportion to the scope of work they perform, to the extent it is permitted by the Procurement Procedure Documentation.

- 6.20.8. Based on the review of the Applications, the Committee shall take a decision whether to admit a Procurement Procedure Participant to the Tender or to deny admission, if such Procurement Procedure Participant's Application does not meet the established requirements.
- 6.20.9. The Committee shall post an abstract from the Application review minutes on the website of the Foundation within one (1) working day following the date of signature thereof. The abstract from the review minutes posted on the official website must not include the members of the Committee and data on its personal voting.
- 6.20.10. If based on the Application review a decision is taken to deny admission of all Procurement Procedure Participants to the Tender or to admit only one Procurement Procedure Participant to the Tender, the Tender shall be invalidated.
- 6.20.11. If the Tender is invalidated and only one Application meets all the requirements set out in the Procurement Procedure Documentation, the Committee shall be entitled to make a decision to award the Contract to the only Procurement Procedure Participant. Such Procurement Procedure Participant cannot refuse to enter into the Contract.

Clause 21. Evaluation of Tender Applications

- 6.21.1. The Committee shall evaluate the Applications of the Procurement Procedure Participants admitted to the Tender based on the information contained in such Applications and documents appended thereto.
- 6.21.2. The winner of the Tender will be the Procurement Procedure Participant who offered the most favourable Contract terms.
- 6.21.3. The Committee shall post an abstract from the Application evaluation minutes on the website of the Foundation within two (2) working days upon signature thereof.
- 6.21.4. Any Procurement Procedure Participant shall be entitled after the Application evaluation minutes is posted on the Foundation's website to submit a request to the Committee in writing, including in the form of an electronic document, to clarify the Tender results. Within seven (7) working days upon receipt of such request, the Committee shall provide such Procurement Procedure Participant with the respective clarifications in writing or in an electronic form.

7. ORDER PLACEMENT BY REDUCTION

Clause 22. General Provisions

- 7.22.1. A Reduction implies a Procurement Procedure where the Committee determines the Reduction Winner offering the lowest Contract price by conducting a tender for

reducing the initial (maximum) price of the Contract for the supply of the Products, according to the rules and under the procedure prescribed by the Procurement Procedure Documentation.

7.22.2. The Reduction is carried out for the delivery of goods, work, and services which are sold on the functioning market and which can be compared only by their prices, as well as for procurement of serial Products.

Clause 23. Review of Applications

7.23.1. The Committee shall open the Reduction Applications and start to review them on the date and time stated in the Procurement Procedure Notice.

7.23.2. The Committee shall review the Applications for their compliance with the requirements set forth by the Procurement Procedure Documentation, and check:

- 1) Accuracy of the Applications and their compliance with the requirements of the Procurement Procedure Documentation;
- 2) Conformity of the Procurement Procedure Participants, and their associate contractors (subcontractors) enlisted for the performance of the Contract to the requirements of the Procurement Procedure Documentation (if the Procurement Procedure Documentation provides for the requirements to subcontractors).

The time period for reviewing the Applications cannot exceed ten (10) working days after the last date of submission of Applications;

7.23.3. The Committee can enlist Experts to review the Applications. If Experts are enlisted to review the Applications, the time period for reviewing the Applications cannot exceed fifteen (15) working days from the last date of submission of Applications.

7.23.4. When making decisions the Committee can not to be governed by the conclusions contained in the opinions of the Experts.

7.23.5. Based on review of the Applications, the Procurement Procedure Participant shall not be admitted to the Reduction in case of:

- 1) Failure to provide mandatory documents, or any inaccurate information on the Procurement Procedure Participant contained in such documents, if the requirements for the provision of the respective documents are stipulated by the Procurement Procedure Documentation; or
- 2) Non-compliance of the Procurement Procedure Participant, or the Application of the Procurement Procedure Participant, with the requirements of these Regulations and/or the Procurement Procedure Documentation.

Denial of admission to the Reduction for any other reasons shall be excluded.

- 7.23.6. Based on review of the Applications, the Committee shall make a decision whether to admit the Procurement Procedure Participant to the Reduction or to deny.
- 7.23.7. The Committee shall post an abstract from the Application review minutes on the website of the Foundation within two (2) working days upon signature thereof.
- 7.23.8. If based on the Application review a decision is taken to deny admission of all Procurement Procedure Participants to the Reduction or to admit only one Procurement Procedure Participant to the Reduction, the Reduction shall be invalidated.
- 7.23.9. If the Reduction is invalidated, and only one Procurement Procedure Participant submitting the Application is admitted to the Reduction, the Committee can make a decision to award the Contract to the only Procurement Procedure Participant. Such Procurement Procedure Participant cannot refuse to enter into the Contract.

Clause 24. Reduction Procedure

- 7.24.1. Only the Procurement Procedure Participants admitted by the Committee to the Reduction can take part in the Reduction. The Customer shall make sure the Procurement Procedure Participants can take part in the Reduction personally or through their representatives. The powers of the Procurement Procedure Participants shall be confirmed by a power of attorney executed in accordance with the laws of the Russian Federation.
- 7.24.2. The Reduction shall be carried out by the Committee in the presence of the Procurement Procedure Participants admitted to the Reduction, or their representatives (hereafter the "Reduction Participants"), on the date, at the time, and in the place stated in the Reduction Notice.
- 7.24.3. The Reduction shall be held by reducing the initial (maximum) Contract price stated in the Reduction Notice by a certain value comprising part of the Contract price (hereafter the "Reduction Step").
- 7.24.4. The Committee shall elect a Reducer to conduct the Reduction Procedure.
- 7.24.5. The Reduction Step will be determined by the Reducer at one (1) to five (5) per cent and can be reduced in the course of the Reduction.
- 7.24.6. The Committee shall register the Reduction Participants immediately before commencing the Reduction. Upon registration, the Reduction Participants are provided numbered cards (hereafter the "cards").
- 7.24.7. The Reduction starts with the Reducer's declaring the beginning of the Reduction, the Contract subject, the initial (maximum) Contract price, the Reduction Step, and the Reduction Participants admitted to the Reduction, but absent from the Reduction.
- 7.24.8. After the Reducer declares the initial (maximum) Contract price and the Contract price

reduced according to the Reduction Step, the Reduction Participant raises its card if such Participant agrees to make the Contract at the declared price.

7.24.9. The Reducer shall announce the card number of the Reduction Participant raising its card first after the Reducer declared the initial (maximum) Contract price and the Contract price reduced according to the Reduction Step, and the new Contract price reduced according to the Reduction Step.

7.24.10. The Reduction shall be deemed completed, if neither of the Reduction Participants raised their card after the Reducer declared the new Contract price three times and determined. In this case, the Reducer announces the end of the Reduction, the last and the penultimate offer of the Contract price, the card number and name of the Reduction Winner and the Reduction Participant making the penultimate offer of the Contract price (if any).

7.24.11. The Reduction Winner shall be the person offering the lowest Contract Price.

7.24.12. When conducting the Reduction, the Committee must make a video recording of the Reduction.

7.24.13. Any Reduction Participant admitted to the Reduction can make an audio- and video recording of the Reduction.

7.24.14. An abstract from the Reduction minutes shall within one (1) working day following its signature be posted on the official website of the Foundation, and this abstract must not include the members of the Committee and their personal votes.

7.24.15. Any Reduction Participant can submit a Request in writing or in an electronic form to provide clarifications on the Reduction results.

7.24.16. Within seven (7) working days upon receipt of such Request, the Committee shall provide the Reduction Participant with the respective clarifications in writing or in an electronic form.

7.24.17. The Reduction shall be invalidated if:

- 1) Only one Reduction Participant took part in the Reduction;
- 2) No Reduction Participant was present at the Reduction; or
- 3) The Reduction Participants submitted no offers for the Contract price lower than the initial (maximum) Contract price.

8. PROCUREMENTS BY REQUEST FOR QUOTATIONS

Clause 25. General Provisions

8.25.1. A Request for Quotations means a method of procurement where the information on the needs for goods, work, and services for the Customer are communicated to the

wider public by posting it on the Foundation's website, or in a closed form by direct distribution of the RFP Notice to potential Procurement Procedure Participants.

Clause 26. RFQ Procedure

8.26.1. An RFQ Notice shall be posted on the website of the Foundation or sent to potential Procurement Procedure Participants at least five days before the last date of submission of the Applications.

8.26.2. Along with posting the RFQ Notice on the official website of the Foundation, the Committee can send RFQ to at least three persons delivering goods, work, and services provided for by the RFQ Notice.

8.26.3. RFQ can be sent via any communication means, including in electronic form.

Clause 27. Review and Evaluation of Applications

8.27.1. Within five (5) working days after the end of submission of the Applications, the Committee shall review the Applications for their compliance with the requirements set forth in the RFQ Notice, and evaluate the Applications subject to the requirements stated in the RFQ Notice.

8.27.2. The RFQ Winner shall be the Procurement Procedure Participant whose Application meets all the requirements defined in the RFQ Notice and offers the lowest Product price. If the lowest Product price is offered by several Procurement Procedure Participants, the RFQ Winner shall be the Procurement Procedure Participant whose Application was submitted before the Applications of the other Procurement Procedure Participants.

8.27.3. In case of RFQ, the Applications of the Procurement Procedure Participants will not be admitted if:

- 1) The information stated in the Application does not meet the requirements set forth by the RFQ Notice and these Regulations; or
- 2) The Product price offered in the Application exceeds the maximum (initial)

price stated in the RFQ Notice.

Denial of the Applications for any other reasons shall be excluded.

8.27.4. The Committee shall post an abstract from the Application evaluation minutes on the official website of the Foundation within one (1) working day following its signature, and this abstract must not contain the information on the members of the Committee and their personal votes.

8.27.5. The RFQ shall be invalidated, if:

- 1) One Procurement Procedure Participant took part in the RFQ;
- 2) No Procurement Procedure Participants took part in the RFQ; or

3) The Committee recognised all the Applications of the Procurement Procedure Participants as non-compliant with the requirements stipulated by the RFQ Notice and these Regulations.

8.27.6. If only one Procurement Procedure Participant took part in RFQ, the Committee can make a decision to award the Contract to the only Procurement Procedure Participant.

9. PROCUREMENTS BY REQUEST FOR PROPOSALS

Clause 28. Request for Proposals

9.28.1. A Request for Proposals (RFP) implies a Procurement Procedure where, based on the evaluation procedure set forth by the Procurement Procedure Documentation, the Committee determines the RFP Participant whose Application offers the best Contract terms.

9.28.2. Review and evaluation of the Applications submitted by the RFP Participants will be held by the Committee on the date stated in the Notice and will include two stages:

- 1) Review of the Applications; and
- 2) Evaluation of the Applications and choosing the RFP Winner.

Clause 29. Opening of Envelopes with RFP Applications

9.29.1. On the date and time stipulated by the Notice and the Procurement Procedure Documentation, the Committee shall open the envelopes with the Applications submitted or provide access thereto in case the Applications are submitted in the form of electronic documents bearing the electronic digital signature of the authorised person, and start reviewing and evaluating the Applications.

Clause 30. Review and Evaluation of RFP Applications

9.30.1. At the stage of reviewing the Applications submitted by the Procurement Procedure Participants, the Committee shall verify:

- 1) Accuracy of the Applications and their compliance with the requirements of the Procurement Procedure Documentation;
- 2) Conformity of the Procurement Procedure Participants, and their associate contractors (subcontractors) enlisted for the performance of the Contract to the requirements of the Procurement Procedure Documentation (if the Procurement Procedure Documentation provides for the requirements for subcontractors).

9.30.2. Based on review of the Applications, the Procurement Procedure Participant shall not be admitted to RFP in case of:

- 1) Failure to provide mandatory documents, or any inaccurate information on the

Procurement Procedure Participant contained in such documents, if the Procurement Procedure Documentation requires the respective documents;

2) Non-compliance of the Procurement Procedure Participant, or their Application, as well as of their associate contractors (subcontractors) enlisted for the performance of the Contract with the provisions of these Regulations and/or the Procurement Procedure Documentation (to the extent the Procurement Procedure Documentation provides for the requirements for subcontractors).

Denial of admission to RFP for any other reasons shall be excluded.

9.30.3. The Committee shall evaluate the Applications of the Procurement Procedure Participants admitted to RFP based on the information contained in such Applications and documents appended thereto.

9.30.4. At the stage of reviewing the Applications and selecting the RFP Winner, the Committee shall evaluate and compare the Applications and rank them by their preference in accordance with the evaluation criteria and procedure envisioned by the Procurement Procedure Documentation.

Weight value of the price criterion must be at least forty (40) per cent of the total weight value of the RFP criteria, save to the extent the Tender Committee has established a different weight value.

9.30.5. When evaluating a Procurement Procedure Participant insofar as it pertains to the associate contractors' (subcontractors') material and technical resources, labour resources, relevant personnel qualification, the Committee can factor in the respective indicators of the associate contractors (subcontractors) stated in the Application of the Procurement Procedure Participant in proportion to the scope of work they perform, to the extent it is permitted by the Procurement Procedure Documentation.

9.30.6. The time period for reviewing Applications cannot exceed ten (10) working days from the date of opening the envelopes with the Applications.

9.30.7. Based on the review of the Applications, the Committee shall select the RFP Winner.

9.30.8. The Committee shall post an abstract from the Application review and evaluation minutes on the website of the Foundation within two (2) working days upon signature thereof.

9.30.9. Any Procurement Procedure Participant can, after the Application review and evaluation minutes is posted on the Foundation's website, submit a request to the Initiator or the Committee in writing or in the form of an electronic document, to provide clarifications on the RFP results. Within seven (7) working days from the date of such request, the Customer shall provide the Procurement Procedure Participant with the respective

clarifications in writing or in the form of an electronic document.

9.30.10. If based on the Application review it is decided to deny admission of all Procurement Procedure Participants to the RFP or to admit only one Procurement Procedure Participant to the RFP, the RFP shall be invalidated.

9.30.11. If the RFP is invalidated and only one Application meets all the requirements set out in the Procurement Procedure Documentation, the Committee shall be entitled to make a decision to award the Contract to the only Procurement Procedure Participant. Such Procurement Procedure Participant cannot refuse to enter into the Contract.

10. ORDER PLACEMENT BY DIRECT PROCUREMENT

Clause 31. Order Placement by Direct Procurement from the Sole Supplier

10.31.1. Order placement by Direct Procurement from the sole Supplier shall occur in the following cases:

1) An urgent need for work, goods, and services arises due to an Emergency, as a result of which it is impossible to use any other Procurement Procedures through a lack of time required to hold them.

In this case, the volume of the Product procurement must not exceed the one sufficient to prevent a contingency or extraordinary circumstances, or to liquidate their consequences. An urgent need for the procurement of Products resulting from any inadvertence of a Foundation employee is not a contingency or emergency.

2) Exclusive rights to the Products shall be held by the respective Supplier, provided that there is no equivalent substitute for the procured goods, work, and services on the functioning market.

3) The need arose to carry out an additional procurement of the Products under the existing contract, and it would not be expedient to change the Supplier to ensure compliance with the existing goods, equipment, technology or services.

The decision on the above additional procurement must be based on positive results of the Initiator's evaluation of the efficiency of interaction with the Supplier under the existing Contract, the fair value of the Products, and inexpediency to procure the Products similar to those supplied under the Contract by their quality and consumer properties.

In this case, the amount of funds allotted for additional Direct Procurement shall not exceed 30% of the total funds provided for by the existing Contract as amended and supplemented.

4) The Procurement Procedure was invalidated as prescribed by these

Regulations.

5) Similar products are procured during a quarter for the amount of up to five million (5,000,000) roubles, including VAT.

6) Delivery of goods, work, and services refers to the activities of natural monopoly entities pursuant to Federal Law No. 147-FZ, dated August 17, 1995, "On Natural Monopolies".

7) The services for water supply, water disposal, drainage, heating, gas supply (save for liquefied gas sales services), connection to engineering networks, and other services are provided at the prices (rates) regulated under the laws of the Russian Federation.

8) A contract for power supply or electrical power sale is entered into with an electrical power supplier.

9) There is a need for work or services that can be delivered only by the executive authorities (local authorities) within their powers, or their subordinate governmental (municipal) institutions, governmental (municipal) unitary enterprises, having the authorities provided for by the regulations of the Russian Federation, the regulations of a constituent of the Russian Federation or municipal regulations.

10) An order is placed for the services on author control over the development of design and engineering documentation of the capital structures, or author supervision over the construction, reconstruction, capital repairs of capital structures, and equipment manufacture.

11) Procurement of goods, work or services is approved by the Foundation President, or the person authorised by the President, under Direct Procurement or Direct UON Procurement.

12) There is a need for procurement of Products related to supporting the visits of delegations and representatives of foreign countries (hotel service or accommodation, transport service, use of computer equipment, catering, communications services and other related expenses).

13) There is a need to procure the services of a data centre (DC) for the Foundation or its Subsidiaries, including: network and service equipment location rental services, virtual computer capacity rental services, services for data protection by the DC's hardware and software, and associated DC services.

14) There is a need to buy or lease estate property (including accommodation), or spaces required for holding exhibitions and other events.

10.31.2. To carry out the Procurement Procedure by Direct Procurement the Initiator shall prepare a Preliminary Application substantiating the choice of the Supplier by means

of Direct Procurement and append the draft Contract thereto.

10.31.3. The Preliminary Application and the draft Contract shall be prepared and approved subject to the procedure for approval of the Procurement Procedure.

Clause 32. Order Placement by Direct Procurement in Case of Urgent Operational Need

10.32.1. Order placement by Direct Procurement from the sole Supplier (or several Suppliers) in case of urgent operational need (hereafter UON Procurement Procedure) shall be carried out:

In case of an urgent operational need for work, goods, and services, which was difficult to forecast in advance, and other Procurement Procedures are not expedient due to a lack of time, or a risk of economical, commercial or other security threat to the activities or reputation of the Foundation or its Subsidiaries.

10.32.2. To carry out procurement by means of UON Procurement Procedure, the Initiator shall prepare a Protocol of Direct Procurement for the purpose of urgent operational need (UON Protocol) substantiating the choice of the Supplier by UON Procurement Procedure, and append the draft Contract thereto.

10.32.3. The authorised UON Protocol and the draft Contract shall constitute the basis for entering into the Contract on the terms specified in the UON Protocol and the approved draft Contract.

10.32.4. When considering the possibility of using the UON Procurement Procedure, the Security Adviser to the Foundation President shall, together with the Procurement Department, verify the validity of the UON Procurement Procedure as it pertains to holding it through any inadvertence or negligence of the employees of the Foundation or its Subsidiary, and, if necessary, initiate an official investigation and impose respective disciplinary sanctions on such employees.

11. APPEALING AGAINST ORDER PLACEMENT PROCEDURES

Clause 33. Procedure for Lodging and Processing Complaints

11.33.1. The Foundation's Arbitration Committee shall be the authority responsible for processing complaints regarding the Procurement Procedures for the benefit of the Foundation and its Subsidiaries.

11.33.2. The Foundation's Arbitration Committee consists of:

- 1) The Security Adviser to the Foundation President or a representative of the Security Department;

- 2) A representative of the Procurement Department; and
- 3) A representative of the Legal Department.

By the decision of the Foundation President, other persons with a voting right can be members of the Arbitration Committee.

The Procurement Procedure Participant submitting the Procurement Procedure Application can submit a complaint against any actions (omissions) of the Customer or the Committee to the Foundation's Arbitration Committee at the address and details stated on the website of the Foundation or in the Procurement Procedure Documentation.

11.33.3. Actions (omissions) of the Customer or the Committee can be appealed at any stage of the Procurement Procedure, but not later than ten days after an abstract from the Procurement Procedure Application evaluation minutes, an abstract from the Reduction minutes, an abstract from the Procurement Procedure Application review minutes, and an abstract from the Procurement Procedure Application review and evaluation minutes, in case of the Procurement Procedure invalidation, are posted on the website of the Foundation.

The terms and provisions of the Procurement Procedure Documentation can be appealed before the end of submission of Procurement Procedure Applications.

Upon expiry of the periods of time, the respective actions (omissions) of the Customer or the Committee will be appealed as prescribed by law.

11.33.4. In case a complaint is submitted, the Arbitration Committee shall, within two (2) working days, notify the Initiator and the Committee of accepting the complaint about their actions (omission) for consideration. A notice of the date and place of complaint consideration shall also be sent to the person submitting the complaint.

11.33.5. A complaint submitted to the Foundation's Arbitration Committee shall be considered within the period not to exceed ten calendar days. Such period can be extended by a reasonable decision of the Chairman of the Foundation's Arbitration Committee.

11.33.6. For the period the complaint is considered, the Procurement Procedure, including Contract award, shall be suspended until the decision is passed based on the results of such consideration, save where suspension can result in a threat to security, life or health of people.

11.33.7. Based on the results of complaint consideration, the Foundation's Arbitration Committee shall pass a decision whether to:

- 1) dismiss the complaint, recognising it unfounded; or

- 2) answer the complaint in whole or in part providing the Customer or the Committee with a reasonable Conclusion on the revision of the actions (omissions) complained about, save where the Procurement Procedure suspension can result in a threat to security, life and health of people.
- 11.33.8. The decision passed based on the results of the complaint consideration shall be notified to the Procurement Procedure Participant submitting such complaint and the party whose actions are complained about within ten working days after the date of such decision.
- 11.33.9. If the initial (maximum) Contract price of the Procurement Procedure appealed amounts to or exceeds one hundred million (100,000,000) roubles, the decision of the Foundation's Arbitration Committee on the results of processing the complaint shall be subject to a mandatory approval by the Tender Committee entitled to authorise or cancel any decision of the Foundation's Arbitration Committee.
- The Foundation's Arbitration Committee passing a decision based on processing the complaint shall post brief information on the results of processing such complaint on the website of the Foundation on the same date.
- 11.33.10. The Customer or the Committee offered to perform certain actions by the Conclusion of the Foundation's Arbitration Committee shall inform the Foundation's Arbitration Committee of the actions taken in this regard within the period of time determined in the Conclusion.
- 11.33.11. The parties shall have the right to appeal the decisions passed by the Foundation's Arbitration Committee based on its processing of complaints against any actions (omissions) of the Customer or the Committee when holding the Procurement Procedure to the Tender Committee, and the decision of the Tender Committee taken based on examination of the said appeals can be appealed to the Foundation President.

12. SPECIAL CASES OF ORDER PLACEMENT

Clause 34. Peculiarities of Procurement Procedures with Preliminary Selection

- 12.34.1. A Preliminary Selection Procedure can precede the Tender, RFP, and RFQ. In this case, only the Procurement Procedure Participants selected based on such procedure shall be admitted to the respective Procurement Procedure.
- 12.34.2. The Preliminary Selection can be open or closed.
- 12.34.3. When holding the Preliminary Selection, the employees of the Procurement

Department who are Committee members shall post a Preliminary Selection Notice on the website of the Foundation at least ten (10) days before the end of submission of Preliminary Selection Applications.

12.34.4. The Initiator can make a decision to amend the Preliminary Selection Notice no later than five (5) days before the end of submission of Preliminary Selection Applications.

1) Within one (1) day after the above decision is made, the employees of the Procurement Department who are members of the Committee shall post such amendments on the website of the Foundation under the procedure set forth for posting the Preliminary Selection Notice on the website of the Foundation.

2) In this case, the time for submitting the Preliminary Selection Applications shall be prolonged so as to make up at least five (5) days from posting of the amendments made to the Preliminary Selection Notice on the website of the Foundation to the end date of submission of the Preliminary Selection Applications.

12.34.5. The Committee shall, within the time period set forth by the Preliminary Selection Notice, open the envelopes with the Preliminary Selection Applications submitted or provide access to them in case the Preliminary Selection Applications are submitted in the form of an electronic document bearing the Electronic Digital Signature of the authorised person, and start reviewing them.

12.34.6. At the stage of reviewing the Preliminary Selection Applications, the Committee shall check:

1) Accuracy of the Preliminary Selection Applications and their compliance with the requirements set out in the Preliminary Selection Notice; and

2) Compliance of the Procurement Procedure Participants with the requirements set out in the Preliminary Selection Notice.

12.34.7. Based on the Committee's review of the Applications, the Procurement Procedure Participants shall be deemed as not having passed the Preliminary Selection in case of:

1) Failure to provide mandatory documents, or any inaccurate information on the Procurement Procedure Participant contained in such documents, if the Preliminary Selection Notice provides for submission of the required documents; or

2) Failure by the Procurement Procedure Participant to meet the requirements of these Regulations and/or the Preliminary Selection Notice.

12.34.8. The Procurement Department employees who are Committee members shall post an abstract from the minutes of the Preliminary Selection Application review on the website of the Foundation within two (2) working days upon signature thereof, or deliver them personally or send them to the Procurement Procedure Participants by e-mail or fax, in

case of closed Preliminary Selection.

12.34.9. If the Committee based on review of the Preliminary Selection Applications makes a decision to deem all Procurement Procedure Participants as not having passed the Preliminary Selection or deem only one Procurement Procedure Participant as having passed the Preliminary Selection, the Preliminary Selection shall be invalidated.

12.34.10. If the Preliminary Selection is invalidated, the Initiator can make a decision to:

- 1) Repeat the Preliminary Selection; and
- 2) Hold the Procurement Procedure on a common basis.

Clause 35. Peculiarities of Multi-stage Procurement Procedures

12.35.1. The Tender and RFP can be carried out in several stages. The Customer shall indicate that the Procurement Procedure will have several stages in the Notice of such Procurement Procedure and the Procurement Procedure Documentation, specifying the exact period of each stage.

12.35.2. At the first stage of the Procurement Procedure, the Customer shall define preliminary (tentative) requirements for the Products to be purchased and the terms of Delivery in the Procurement Procedure Documentation. In this case, it will be offered for all Procurement Procedure Participants to submit their initial proposals (Applications) prepared in accordance with the requirements of the Procurement Procedure Documentation. In the Procurement Procedure Documentation, the Customer can establish the requirement for the Procurement Procedure Participant to provide a tentative price and deadlines for the delivery of goods, work, and services at the first stage of the Procurement Procedure.

12.35.3. If necessary, the Procurement Procedure Documentation can require that at the first stage of the Procurement Procedure the Procurement Procedure Participants develop (produce) and provide, as part of their Applications, the following Products: conceptual and design solutions, design concepts or sketches, models, experimental product prototypes, product samples produced according to the Customer's special technical specifications, graphic and visual solutions, calculations and justifications, and other special information.

12.35.4. The Customer can establish the amount and the terms of payment for the Products delivered for all Procurement Participants, or establish the terms of payment for the Products depending on the position of the Procurement Procedure Participant in the final evaluation rating of the Applications generated by the Committee.

In case the Customer provides for payment to the Procurement Procedure Participant for

the Products delivered, the parties shall make a civil contract establishing the terms of such payment, the draft of which is to be included as part of the Procurement Procedure Documentation.

12.35.5. The Customer can set off the results of the preliminary Public Tender for the development (production) of products by its Participants as the first stage of the Procurement Procedure, which is to be provided by the terms of the respective Public Tender.

12.35.6. The Committee shall reject Applications that are non-compliant with the Procurement Procedure Documentation.

12.35.7. The Committee can negotiate with any Procurement Procedure Participant whose Application was rejected based on the Procurement Procedure Documentation on any aspect of their Application.

12.35.8. Based on the Applications reviewed and negotiations held, the Committee shall specify the requirements for the Products procured, and the Customer shall make the respective amendments to the Procurement Procedure Documentation constituting the basis for the following stage of the Procurement Procedure. The Procurement Procedure Participants whose Applications were not rejected at the previous stage shall be admitted to the next stage.

12.35.9. At the final stage of a multi-stage Procurement Procedure, the Procurement Procedure Participants shall submit their final proposals as to the Procurement Subject executed in accordance with the requirements of these Regulations.

12.35.10. The final proposals shall be evaluated and compared to determine the Procurement Procedure Winner as prescribed by the Procurement Procedure Documentation.

Clause 36. Order Division among Procurement Procedure Participants

12.36.1. For the RFP and RFQ, the order may be finally divided among the Participants ranked one to five in the final rating generated by the Committee based on the results of the Procurement Procedure.

12.36.2. Possible final division of the order among the Procurement Procedure Participants must be stated in the Notice of such Procurement Procedure and the Procurement Procedure Documentation.

12.36.3. In case of written refusal or avoidance by a Procurement Procedure Participant to enter into the Contract, the share of such Participant shall be equally distributed among the other Procurement Procedure Participants as agreed with them.

Clause 37. Terms of Making Framework Contracts (Agreements)

12.37.1. A Frameworks Contract is made when it is impossible to determine the volume and/or the cost of goods, works, and services in advance before commencing a contract.

12.37.2. A Framework Contract with the Supplier can be made based on RFP or Direct Procurement from the sole Supplier.

12.37.3. In case of RFP held with the purpose to make a Framework Contract, the Procurement Procedure Documentation shall determine the following basic terms of the framework contract:

- 1) Subject (delivery of goods, work, and services) of the framework contract;
- 2) Maximum financing volume (limit); and
- 3) Duration of the framework contract.

Clause 38. Accession of Third-Party Legal Entities to these Regulations

12.38.1. In case of Procurement Procedures for the right to construct and equip real estate units for the Foundation and its Subsidiaries, the Initiator or the Tender Committee can set forth a requirement for the use by the Procurement Procedure Winner of these Regulations as a document regulating the procurements required for the Procurement Procedure Winner to perform the Contract made with the Foundation or its Subsidiary.

Clause 39. Basic Principles of Public Tender

12.39.1. A Public Tender means a Procedure where the Foundation or its Subsidiary makes a Public Announcement of monetary remuneration or awarding of any other prize to the Public Tender Participant recognised as its winner for the best performance or attaining other results subject to the terms of the Public Tender. The Public Tender can comprise one or more stages.

12.39.2. The Public Tender Procedure shall be governed by Part Two, articles 1057–1061 of the Civil Code of the Russian Federation.

12.39.3. The Public Tender can be open, where the invitation of its organiser to take part in the tender is addressed to all interested persons by making an announcement in press or other media, or closed, where an invitation to tender is sent to a limited number of persons at the Initiator's discretion.

Open Tender can be preceded by a preliminary qualification of its participants, where the tender organiser holds a preliminary selection of persons wishing to participate in it.

12.39.4. To review the work or other results submitted by the participants under the Public Tender Procedure and to select the winner(s), and to pay (disperse) the award, the Customer shall create a Jury which shall, within the period of time specified in the Public Tender Notice, make a decision on the winner(s) and inform the Public Tender

Participants of its decision under the procedure and within the period of time set forth in the Public Tender announcement.

12.39.5. Under the Public Tender Procedure, the Jury shall perform the functions required for the selection of the winner(s), in particular:

- a) Review, compare and evaluate the work and other results of the participants;
- b) Determine the winner(s);
- c) Make a decision on the results of the Public Tender; and
- d) Invalidate the Public Tender in cases stipulated by the Public Tender Notice.

12.39.6. The Customer shall return work that does not win the award to the Public Tender Participants, unless otherwise provided for by the Public Tender notice or arising out of the nature of the work performed or other results of the Participants.

In this case, the costs for the return of the work and other results of the Participants shall be incurred by the Public Tender Participants, unless the Public Tender notice provides otherwise.