

ROSSETI

Schedule to the Resolution of the Board of Directors of PJSC MOESK minutes
dated 31.12.15 No. 274

UNIFORM PROCUREMENT STANDARD OF PJSC ROSSETI (REGULATION ON PROCUREMENT)

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1. GENERAL PROVISIONS

1.1 Field of application

1.1.1 This Uniform Procurement Standard of PJSC Rosseti (Regulation on Procurement) (hereinafter referred to as the Standard) is the internal document of PJSC Rosseti (hereinafter referred to as the Company) developed in furtherance of the Procurement Policy of PJSC Rosseti approved by the Board of Directors of PJSC Rosseti (minutes dated 22.04.2014 No. 149) and governs the procurement procedures for goods, works and services (hereinafter referred to as the products) irrespective of their cost in PJSC Rosseti and in subsidiary and associated companies (SAC) of PJSC Rosseti which have approved this Standard as the internal document of SAC (hereinafter referred to as SAC of PJSC Rosseti) by their management bodies.

1.1.2 This Standard shall be applied in regard to planning, procurement preparation, carrying out the procurement procedures (including the procurement methods) and terms of its application, the contract execution and performance procedure, preparation of reporting, as well as other terms connected with procurement support, but shall not govern the rules of announcing and carrying out the procurement procedures excluded herefrom in accordance with legislation of the Russian Federation.

Note: In compliance with Federal law dated 18.07.2011 No.223-FZ “On procurement of goods, works and services by certain types of legal entities” (hereinafter referred to as Law 223-FZ) the following procurement is excluded from the operation hereof:

1) procurement related to buying and selling of securities, currency valuables, precious metals, as well as related to executing the contracts which are derivative financial instruments (excluding the contracts which are executed out of scope of exchange trade and fulfilment of the obligations thereunder does not provide for deliveries of the goods);

2) procurement related to the Customer's purchasing of the exchange traded commodities at the commodity exchange in compliance with the legislation on the commodity exchanges and exchange trade;

3) procurement related to the Customer's placement of the orders for deliveries of the goods, performance of work, rendering of the services in compliance with Federal law dated 05.04.2013 No. 44-FZ “On the contract system of the federal and municipal procurement of goods, works and services”;

4) procurement in the sphere of military and technical cooperation;

5) procurement of the goods, works and services in compliance with the international contract of the Russian Federation, if such the contract provides for another procedure of determining the suppliers (the contractors, performers) of such goods, works and services;

6) procurement related to the Customer's selecting of the audit organisation for conducting the compulsory audit check of the Customer's accounting (financial) statements in compliance with article 5 of Federal law dated December 30, 2008 No. 307-FZ “Concerning Auditing Activities”¹.

¹ If the customer meets the requirements specified by part 4 of art. 5 of Federal law dated December 30, 2008 No. 307-FZ “Concerning Auditing Activities”

7) procurement related to execution and performance of the contracts in compliance with the legislation of the Russian Federation on power industry which are compulsory for the wholesale market entities: participants of electrical energy and (or) power circulation;

8) procurement related to carrying out of the leasing and bank-to-bank transactions by credit organization, inter alia, with foreign banks;

9) procurement related to determination, election and activity of the bondholders' representative in compliance with the legislation of the Russian Federation on securities;

10) procurement related to opening of the separate account in the authorised bank by head contractor of deliveries of the products under the government defence order, by contractor participating in deliveries of the products under the government defence order, and their execution of the contracts for bank support of the secured transaction with the authorised bank in compliance with Federal law dated December 29, 2012 No. 275-FZ "Concerning the government defence order".

1.1.3 Internal documents of SAC of PJSC Rosseti previously governing the procurement issues shall become inoperative in the part which is inconsistent herewith upon taking the decisions on approval hereof as the internal document of SAC by SAC management bodies. In such a case, procurement initiated before introduction hereof into operation shall be carried out in compliance with the documents of SAC of PJSC Rosseti which are in force at the moment of issuing the order on such the procurement.

1.2 Main principles of the procurement policy of PJSC Rosseti and SAC of PJSC Rosseti

1.2.1 Main principles of building the procurement policy of PJSC Rosseti and SAC of PJSC Rosseti are the following:

a) Transparency of procurement is provision of procurement activity transparency in compliance with the requirements of applicable legislation of the Russian Federation, as well as the degree which is necessary and sufficient to make it possible to take the decisions concerning participation in the procurement procedures of PJSC Rosseti and SAC of PJSC Rosseti by prospective contractors.

b) Equal rights, fairness, absence of discrimination and unreasonable restrictions of competition in relation to the procurement participants; the suppliers, the contractors and the performers are selected mainly using the competitive procedure, on the basis of equal competitive possibilities, absence of discrimination and unreasonable restrictions in relation to the procurement participants in compliance with the reasonable requirements as to the prospective participants of the procurement procedures and the purchased goods, works and services, taking into account the life cycle as may be required from time to time.

c) Intended and economically efficient expenditure of monetary resources for purchasing of the goods, works and services and implementation of the measures aimed to reduce the customer's expenses: selection of the technical and commercial proposals on the basis of total predetermined price and nonprice criteria identifying economic and other required effectiveness of procurement.

d) Absence of restriction of admission to participation in procurement by establishing not measured requirements as to the procurement participants.

e) Transparency and manageability of the procurement activity: planning,

accounting, monitoring, control and audit of procurement activity at all the stages of its carrying out in PJSC Rosseti and SAC of PJSC Rosseti.

f) Professionalism and expertise of the employees participating in the procurement activity of PJSC Rosseti and SAC of PJSC Rosseti: personal responsibility of the officers for effective organization of the procurement procedures, as well as for the decisions relating to the carried out procurement adopted by them; faultless execution of actions prescribed by the documents governing procurement.

g) Observance of the norms of applicable legislation governing organization of procurement activity, as well as anti-corruption legislation, inter alia, Anti-corruption standard of the procurement activity, as prescribed by Schedule 22.

1.3 Approval of the Standard of SAC of PJSC Rosseti

1.3.1 SAC of PJSC Rosseti shall approve this Standard (with all its further amendments) as the internal document of SAC.

1.3.2 The list of SAC of PJSC Rosseti which adopted the corresponding decision shall be posted on the official site of PJSC Rosseti and shall be updated in case of amendments in the list.

1.3.3 In addition hereto, SAC of PJSC Rosseti shall be entitled to develop their internal documents and executive documents developing the terms hereof or governing the procedure of interaction inside SAC of PJSC Rosseti when carrying out of the procurement activity. In such a case, such documents shall not be inconsistent herewith.

2. MANAGEMENT OF PROCUREMENT ACTIVITY

2.1 The functions and powers of PJSC Rosseti when managing the procurement activity

2.1.1 General Provisions

2.1.1.1. PJSC Rosseti shall carry out strategic management of the procurement activity in PJSC Rosseti and SAC of PJSC Rosseti: it determines the general rules of the procurement activity regulation, carries out general control and coordination of the procurement activity, assesses the effectiveness of the procurement activity of PJSC Rosseti and SAC of PJSC Rosseti which adopted the required decisions concerning approval hereof.

2.1.1.2. In the cases provided hereby, PJSC Rosseti shall be entitled to adopt the decisions which are binding for PJSC Rosseti and SAC of PJSC Rosseti in the sphere of the procurement activity within the framework of exercising the shareholder's rights of SAC of PJSC Rosseti by PJSC Rosseti.

2.1.2 The central procurement authority of PJSC Rosseti

2.1.2.1. The composition of the central procurement authority of PJSC

Rosseti (hereinafter referred to as CPA of PJSC Rosseti) and its operating procedure shall be approved by the Sole Executive Body of PJSC Rosseti.

2.1.2.2. CPA of PJSC Rosseti is the main procurement authority in PJSC Rosseti and SAC of PJSC Rosseti (after approval hereof as the internal document) and its decisions shall prevail over the decisions of CPA of SAC of PJSC Rosseti:

a) it is the authority which settles any disputes and disagreements concerning carrying out of procurement in PJSC Rosseti, SAC of PJSC Rosseti under a pre-action protocol except as otherwise provided in the executive documents of PJSC Rosseti;

b) it carries out agreement of the Procurement Plans of SAC of PJSC Rosseti and considers the projects of materials for the Board of Directors on the issues of considering the Procurement Plan Performance Reports of SAC of PJSC Rosseti;

c) it carries out agreement of executing the additional agreements to the contracts executed for need of SAC of PJSC Rosseti in cases of determined by internal and executive documents of PJSC Rosseti;

d) it carries out other functions provided for by the executive documents of PJSC Rosseti.

2.1.3 The structural subdivision of PJSC Rosseti responsible for organization and carrying out of procurement

2.1.3.1. The structural subdivision of PJSC Rosseti (Department of procurement activity) responsible for organization and carrying out of procurement performs its functions in compliance with regulation on the structural subdivision.

2.1.3.2. The structural subdivision of PJSC Rosseti responsible for organization and carrying out of procurement shall develop the standard documents, the standard and guidance materials in the sphere of procurement activity and give official explanations and recommendations concerning application hereof and the executive documents of PJSC Rosseti adopted in its furtherance for PJSC Rosseti and SAC of PJSC Rosseti.

2.2 The functions and powers of SAC of PJSC Rosseti when carrying out of the procurement activity in case of approval hereof by management bodies of SAC (as the internal document of SAC)

2.1.2 General Provisions

2.2.1.1. SAC of PJSC Rosseti shall perform the following functions when carrying out of the procurement activity for their own needs:

a) forming the need in the products;

b) planning the procurement;

c) organization and carrying out the procurement;

d) compliance control of organization and carrying out of the procurement

with the statutory standards;

- e) execution and control over performance of the contracts;
- f) performing other actions expressly prescribed hereby.

2.2.1.2. Unless otherwise established hereby and by other local regulatory documents of PJSC Rosseti, SAC of PJSC Rosseti shall at their own and sole discretion determine the structural subdivisions responsible for performing any functions of carrying out of the procurement activity. In such a case, it is not allowed to assign the functions of procurement organization and control over the correctness of its carrying out to one structural subdivision at the same time.

2.2.2 The central procurement authority of SAC of PJSC Rosseti

2.2.2.1. The CPA composition of SAC of PJSC Rosseti and its operating procedure shall be approved by the sole executive body of SAC of PJSC Rosseti, or another authorised management body of SAC of PJSC Rosseti invested with the authority to take the corresponding decisions, with compulsory agreement with the Structural Subdivision of PJSC Rosseti responsible for organization and carrying out of procurement.

2.2.2.2. The representatives of PJSC Rosseti shall be included among CPA of SAC of PJSC Rosseti as agreed upon with PJSC Rosseti.

2.2.2.3. The functions provided for hereby, by local regulatory documents of SAC of PJSC Rosseti shall be assigned to CPA of SAC of PJSC Rosseti.

2.2.3 Another procurement authority of the Customer

2.2.3.1. The Customer shall be entitled to establish other procurement authorities in addition to the Customer's CPA as agreed upon with the Customer's CPA.

2.2.3.2. The Customer's General Director shall approve the composition of another authorised body of the Customer and its operating procedure.

2.2.3.3. The functions provided for hereby, by the Customer's local regulatory documents shall be assigned to the Customer's another procurement authority.

2.3 Management of procurement by category

2.3.1 Unless otherwise established by CPA of PJSC Rosseti, the Customer shall determine the procurement categories, inter alia, describe the specific procurement item, research the market and develop the revised procedure for calculation the starting (maximum) price of the contract (the lot price), as well as keep track of changes in these parameters with the course of time.

2.3.2 The features of carrying out of procurement by specific categories shall be executed by decisions of the Customer's CPA, with compulsory agreement with CPA of PJSC Rosseti; these decisions may establish the

following features:

- a) the procurement planning procedure by this category;
- b) procurement preparation;
- c) conducting the procurement procedures, inter alia, assessment the procurement participants' bids;
- d) execution of the contract;
- e) performance of the contract;
- f) the procedure of preparation, agreement and approval of the decisions in connection with procurement.

2.3.3 The decisions concerning the requirements as to the procurement participants or the features of preparation and conducting the procurement procedures shall be published in the sources determined in section 3 hereof.

2.3.4 The decisions of the Customer's CPA adopted in furtherance hereof may provide detailing of the norms hereof and compulsory schedules hereto, amendment of the recommended schedules depending on the procurement category.

2.4 Management of joint procurement

2.4.1 PJSC Rosseti, its SAC may execute the agreement for joint procurement of the products with other Customers (third party companies in relation to PJSC Rosseti and its SAC), including the ones which carry out the procurement activity not according hereto. The agreement for joint procurement can be signed only upon inclusion of the term specifying that the rules of conducting such the joint procurement cannot violate the norms hereof. As a minimum, such the agreement must establish or provide for establishing of the approaches to determine the following parameters:

- a) the requirements as to the purchased products (may be different for different Customers);
- b) the terms of the contract (may be different for different Customers);
- c) the purchase amount, the time periods and the terms of supply, and the starting (maximum) price of the contract (the lot price) (shall be established for each Customer separately);
- d) the requirements as to the procurement participants (must be uniform within the framework of joint procurement);
- e) the procedure and the time periods for conducting the procurement procedures (in compliance herewith and with the reference hereto and to other documents of PJSC Rosseti governing the procedure of carrying out of procurement), the selection and assessment criteria, the procedure of choosing the winning bidder (they must be uniform within the framework of joint procurement);
- f) rights and obligations of the Customers within the framework of procurement, inter alia, the procedure of agreement and approval of the notice and the documentation on procurement, alterations and explanations of the

documentation on procurement, the procedure of forming the procurement committee and its operational procedure, the procedure of conducting the procurement committee meetings and executing its decisions;

g) reference to the party acting as the Procurement Authority, its rights and obligations, its remuneration (as may be required from time to time).

2.4.2 In PJSC Rosseti, SAC of PJSC Rosseti, the agreement for joint procurement before its signing by the Customer shall be agreed by each Customer's CPA.

2.4.3 Procurement shall be announced and carried out by the person determined in the agreement for joint procurement. If it is contemplated by the agreement for joint procurement, organization of procurement can be transferred to the third party Procurement Authority.

2.4.4 In the process of planning, each Customer (PJSC Rosseti, its SAC) shall include such procurement in its procurement plan in compliance with the parameters set for it as prescribed by cl. 2.4.1c) hereof.

2.4.5 The information on procurement must be published as prescribed by provisions of section 3 hereof and if it is contemplated by the agreement for joint procurement, it shall be published in other sources.

2.4.6 According to the results of joint procurement, the following contracts can be executed:

a) the multilateral contract between all the Customers of joint procurement and its one winning bidder (several winning bidders);

b) several separate contracts between each of the Customers and winning bidder (several winning bidders).

2.5 Central (combined) procurement

2.5.1 Central (combined) procurement shall be carried out for the purposes of increasing the effectiveness of procurement of the products similar in their characteristics and required for several Customers at the same time.

2.5.2 There are the following types of central (combined) procurement:

a) for needs of several SAC of PJSC Rosseti (on the ground of the corresponding contracts);

b) for needs of PJSC Rosseti and its SAC (on the ground of the corresponding contracts);

2.5.3 Central (combined) procurement shall be carried out using the methods and in accordance with the procedure provided for hereby. The method of carrying out of central (combined) procurement shall be chosen on the grounds provided for hereby.

2.5.4 In case of central (combined) procurement, the production requirement for the needs of specific Customer's can be both singled out as part of the separate lot, and included in one common lot. In either case, such procurement shall be included in the Procurement Plans of each Customer's for whose needs procurement is carried out.

2.5.5 Central (combined) procurement shall be carried out only providing taking the corresponding decisions of the Customers' CPA (under cl. 2.5.2a) or CPA of PJSC Rosseti and the Customer's CPA (under cl. 2.5.2b).

2.5.6 When carrying out central (combined) procurement, the Customers of which are PJSC Rosseti and (or) SAC of PJSC Rosseti, PJSC Rosseti and SAC of PJSC Rosseti shall take a decision on carrying out such procurement both at the stage of agreement of the procurement plan projects / correction of the procurement plans of the corresponding Customers in accordance with the established procedure, and in the process of implementing the approved procurement plans / correction of the procurement plans of the corresponding Customers, in case of arising the need in procurement centralization in accordance with the procedures under which the specified decision has not been taken at the stage of agreement (approval) of the procurement plans / correction of the procurement plans.

2.5.7 The procedure of agreement, preparation and carrying out of central (combined) procurement can be determined by the executive documents of PJSC Rosseti or another Customer organizing central procurement.

3. INFORMATION SUPPORT OF PROCUREMENT

3.1 Posting the information on the official site

3.1.1 The official site in the information and telecommunication network “Internet” at which the information on the Customer's procurement is posted is the site (the uniform information system in the sphere of procurement of the goods, works and services for provisioning of state and municipal needs) provided for by the legislation of the Russian Federation (hereinafter referred to as official site).

3.1.2 The following documents, information and materials shall be posted on the official site:

a) this Standard (Regulation on procurement), as well as amendments introduced herein shall be posted within 15 days from the date of its approval or approval of amendments accordingly;

b) the Procurement Plan drawn up for one calendar year shall be posted within 10 days from the date of approval, but not later than on December 31 of the current calendar year;

c) the Procurement Plan of innovative, high-technology and pharmaceutical products specified in cl. 13.1 hereof shall be posted within 10 days from the date of approval;

d) the amendments introduced into the Procurement Plans specified in subclauses 3.1.2b) and 3.1.2c) hereof shall be posted within 10 days from the date of approval;

e) the notice of carrying out of procurement, documentation on procurement, the draft contract as the integral part of the documentation on procurement shall be posted within the time periods determined in the executive document on carrying out of procurement (or series of procurement) and the corresponding norms hereof;

f) the amendments introduced into the notice of carrying out of procurement, in the documentation on procurement shall be posted not later than within 3 days from the date of taking the decision on introducing such amendments;

g) explanations regarding the notice of carrying out of procurement and (or) the documentation on procurement, refusal from carrying out of procurement shall be posted not later than within 3 days from the date of taking the decision on providing explanations and (or) refusal from carrying out of procurement;

h) the notice of the bidding period extension shall be posted not later than within 1 day from the date of taking the decision on such the extension;

i) the minutes executed in the process of carrying out of procurement and signed by the secretary of the corresponding procurement committee shall be posted not later than within 3 days from the date of signing such the minutes (the agreement procedure of the minutes can be established by the Customer's executive document, in such a case, the time period for signing of the minutes shall not exceed 15 (business) days from the date of conducting the corresponding meeting of the procurement committee);

j) the data on changing the volume, the price of the purchased products, the time periods for the contract performance in respect of the information contained in the minutes executed on the results of carrying out of procurement shall be posted not later than within 10 days from the date of introducing the corresponding alterations into the contract;

k) the data on the quantity and total cost of the contracts executed on the results of product procurement shall be posted every month, not later than on the 10th day of the month following the reporting one;

l) the data on the quantity and total cost of the contracts executed by the Customer on the results of procurement from the sole supplier (performer, contractor) shall be posted every month, not later than on the 10th day of the month following the reporting one;

m) the data on the quantity and total cost of the contracts executed by the Customer on the results of procurement the data on which are classified as state secret or in respect of which the Government of the Russian Federation has taken the corresponding decision on non-posting of the information (subclause 5.3 hereof) shall be posted every month, not later than on the 10th day of the month following the reporting one;

n) the data on the quantity and total cost of the contracts executed by the customer on the results of procurement from the small and medium-sized business entities shall be posted every month, not later than on the 10th day of the

month following the reporting one;

o) the information on the annual purchase volume which the customers shall be obliged to carry out from the small and medium-sized business entities shall be posted not later than on the 1st of February of the year following the previous calendar one;

p) the list of the goods, works and services purchased from the small and medium-sized business entities;

q) other information which the Customer deems necessary to post on the official site providing technical feasibility of such posting.

3.1.3 The Procurement Authority shall control over correctness of the information and the procurement documentation posted on the announced electronic trading platforms (ETP) and internet-sites, as well as observance of posting time periods.

3.1.4 In case of occurrence of technical or other bugs which occur in the process of official site maintenance by the authorised person and block the access to official site within more than one business day, the information to be posted on the official site in compliance with cl. 3.1.2 shall be posted by the Customer on its own site (the Customer's site) with its further posting on the official site. In the specified case, the information shall be posted on the official site within one business day from the date of working out the technical or other bugs which block the access to official site.

3.1.5 When carrying out open-bid procurement, the Customer shall be entitled to provide the additional source (sources) of posting the information on carried out procurement (in the form of the copy of Notice of carrying out of procurement, its abstracts or in the form of electronic links), except for the official site and the Customer's and (or) the Procurement Authority's site. The Customer's CPA shall determine the list of such the sources in which the data on carrying out open-bid procurement are published.

3.1.6 The data on carrying out sealed-bid procurement (cl. 5.3) shall not be posted on the official site.

3.2 Posting the information on procurement on the Customer's site and (or) the Procurement Authority's site

3.2.1 For the purposes of providing transparency of the procurement activity, the "Procurement" section where the information concerning the Customer's (or several Customers) procurement activity is posted shall be conducted on the Customer's site.

3.2.2 The link to the section must be published on home page of the Customer's site, as well as on the page in home menu on the Customer's site, in the presence of such the menu.

3.2.3 The "Procurement" section must provide the possibility to post the following information, data and documents, including the ones in the form of electronic links in compliance with the Customer's executive documents:

a) the documents and the data which are similar to the ones stated in sub-clauses 3.1.2a)–3.1.2m) hereof;

b) the archive of the information on carried out procurement;

c) other information which the Customer deems necessary to post on the Customer's site.

3.2.4 The information, data and documents specified in cl. 3.2.3 must be available free of charge.

3.2.5 The section concerning the procurement activity must have clear, accurate and simple clean design. The user interface shall not be overloaded by graphical elements. Pages of the section must have the minimal load time. The “Procurement” section shall also include the information search subsystem.

3.2.6 As a minimum, the “Procurement” section shall include the following subsections for posting:

a) this Standard and the executive documents issued in furtherance hereof (or abstracts from such executive documents);

b) the procurement plans, including correction of these plans and the procurement announcements;

c) the copies of the notices and the documentation on procurement, explanations and alterations of such documents, the minutes and other documents executed when carrying out of procurement;

d) the data on the executed contracts, amendments of the executed contracts;

e) the data on the ETP used by the Customer, inter alia, the link to the ETP;

3.2.7 The data posted on the Customer's site shall be stored at least 5 years from the date of their posting. Calculation of the starting (maximum) price of procurement shall be stored by the procurement initiator within 5 years from the date of drawing conclusions in regard to the procurement procedure.

3.2.8 The information search subsystem in the “Procurement” section must provide convenient search of information according to its type, range of dates, key words. The search subsystem must take into account Russian Grammar.

3.2.9 The data posted on the Customer's site must be available for everyone free of charge.

3.2.10 In case of involving the third party Procurement Authority, the data specified in subclause 3.1.2e)–3.1.2i) hereof may be amended on the site of the third party Procurement Authority in addition to the publications on the Customer's site. The note with the indication of the date and place of the corresponding data posting on the official site shall be made in the text of such the publications.

3.2.11 The data on carrying out sealed-bid procurement (cl. 5.3) shall not be posted on the Customer's site and (or) site the Procurement Authority.

3.3 Determination of electronic trading platforms.

Posting the information on procurement at electronic trading platforms

3.3.1 The Customer shall determine ETP as agreed upon with CPA of PJSC Rosseti, providing their compliance with the technical requirements imposed by the Customer and transfer of the data on the conducted procedures into the integrated automated system of procurement activity of the Company. In case of imposing the technical requirements as to the used ETP by the Government of the Russian Federation, or conducting selection of such ETP, the Customer shall select ETP on the ground of the requirements imposed by the Government of the Russian Federation/the conducted selection as agreed upon with CPA of PJSC Rosseti.

3.3.3.1. The functional of ETP shall provide conducting the procedures corresponding to the norms hereof. As a minimum, it must provide the possibility of conducting open and closed single-stage competitive tenders, open and closed auctions, open and closed single-stage requests for proposals, open and closed requests for quotations. When carrying out of the competitive tender, the request for proposals and the request for quotations the possibility of conducting rebidding must be provided.

3.3.3.2. The functional of ETP shall provide broad options in data and document exchange with other systems and participants, document production in automatic or semi-automatic mode from the templates and on the ground of the data available at the ETP, archive storage of data and information, the copies of documents, the information search in the information allocated at the ETP, performing the data analysis; the possibility of using the electronic signature for documents (including the notices of holding the tender, the documentation on the tender, the bid for participation in the tender, the minutes of the tender results, similar documents for other procurement).

3.3.3.3. The ETP must have advanced facilities for the information search by the procurement name, the number, the responsible person, the Procurement Authority, the Customer, the procurement method, the range of dates with the indication of the date type (the date of the procurement announcement, the bid opening date, etc.), the product category. The search subsystem must take into account Russian Morphology.

3.3.3.4. There are good reasons that the ETP have the developed system of user authorization and differentiation of access rights which provides for possible registration and work of several users on behalf of one Customer, the procurement authority and the supplier with their granting with different access rights (viewing, creation, editing, and deletion) to different information.

3.3.2 When carrying out of procurement at the ETP, the data determined by subclauses 3.1.2e) – 3.1.2i) hereof, in addition to posting on the official site, the Customer's site and (or) the third party Procurement Authority (in case of its involvement), shall be also posted at these ETP. The note with the indication of the date and place of the corresponding data posting on the official site shall be made in the text of such the publications.

4. RIGHTS AND OBLIGATIONS OF THE PARTIES UPON PROCUREMENT

4.1 The rights and obligations of the Procurement Authority

4.1.1 The Procurement Authority as agreed upon with the Customer's (including the procurement committee, if the corresponding authorities have been transferred to it) shall be entitled:

4.1.1.1. to refuse from conducting any procurement procedure after its announcement:

a) in compliance with the time periods determined in the notice of carrying out of the competitive tender and the tender documentation in case of the open competitive tenders, or in compliance with the requirements of the Civil Code of the Russian Federation in the absence of the corresponding directions therein;

b) in compliance with the time periods determined in the notice of holding the auction and the auction documentation in case of the open auctions, or in compliance with the requirements of the Civil Code of the Russian Federation in the absence of the corresponding directions therein;

c) at any time in case of sealed bid, providing compensation for the actual damage related to the bid preparation to the invited procurement participants;

d) at any time in case of other both open and closed competitive procurement methods, except as otherwise expressly stated in the notice of carrying out of procurement and (or) the documentation on procurement.

In case of taking the decision on refusal from drawing the procurement conclusions and executing the contract, the Procurement Authority shall mandatorily post the grounds for the taken decision on the official site.

4.1.1.2. to extend the period for submitting the bids for participation in any procedure (inter alia, in respect of certain lots of the procurement procedure) at any time before expiration the initially announced bid closing period. In such a case, if such the extension is connected with introducing amendment in the notice of carrying out of procurement and the documentation on procurement, the norms cl. 4.1.2 hereof shall be applied. If on the closing day of submitting the bids for participation in procurement (excluding the procurement procedures in the form of the tenders: the competitive tenders and the auctions) no bid has been submitted, or only one bid has been submitted, for the purposes of additional provision of competitiveness when carrying out the procurement procedures the Procurement Authority may extend the bid acceptance period for the term of not more than 3 (three) business days with compulsory notification of the Customer and the structural subdivisions responsible for observance of the Customer's anti-corruption measures thereon. The information on extension the bidding period shall be published in the sources determined in section 3 hereof and within the time periods provided for by the specified section.

4.1.1.3. to impose the requirements as to the procurement participants, the purchased products, the terms of its supply as agreed upon with the Customer and to determine the required documents confirming (declaring) compliance with these requirements.

4.1.1.4. to require documentary confirmation of compliance of the products, the processes of their manufacturing, storage, shipping, etc. with the requirements of applicable legislation of the Russian Federation from the procurement participants.

4.1.2 The Procurement Authority's obligations:

4.1.2.1. Publication of the notice of carrying out of procurement, the documentation on procurement, the minutes and other documents executed when carrying out of procurement in compliance with section 3 hereof, if such actions are not the Customer's obligation in compliance with the contract executed between the Procurement Authority and the Customer;

4.1.2.2. Signing the confidentiality agreements with the suppliers invited for participation in sealed-bid procurement in respect of their participation in procurement, inter alia, with regard to keeping the documentation terms, the draft contract and the technical task confidential.

4.1.2.3. To perform the following actions when taking the decision on introducing amendments into the notice of carrying out of procurement or in the documentation on procurement:

a) if procurement is carried out by holding a tender (the competitive tender or the auction), and the Customer has introduced the amendments into the notice of carrying out of procurement, the documentation on procurement later than 15 days before the closing day of submitting the bids for participation in the tender, the period of submitting the bids for participation in such procurement shall be extended so that the time period from the date of posting the information on the amendments introduced into the notice of carrying out of procurement and the documentation on procurement on the official site to the closing day of submitting the bids for participation in procurement is not less than 15 days;

b) if procurement is carried out the method which is different from the tender (the competitive tender or the auction), the amendments into the notice and the documentation on procurement shall be introduced so that the time period from the date of posting the information on the amendments introduced into the notice of carrying out of procurement and the documentation on procurement on the official site to the bidding deadline is at least half of the time period determined for the specific procurement procedure. In case of introducing amendments concerning only extension of the bid closing period, such the amendments may be introduced at any time before expiration of the initially established bidding period without the obligation to extend this period by the period of at least a half determined for the specific procurement procedure.

4.1.2.4. Signing of the minutes of the tender results which is carried out in compliance with of art. 448 of the Civil Code of the Russian Federation.

4.1.2.5. The originals of all documents in a paper format relating to procurement shall be stored within 5 years from the date of drawing the procurement conclusions or procurement cancellation. Upon expiration of the established storage period, documents in hard copy may be destroyed.

4.1.2.6. All the rights and obligations of the Procurement Authority in relation to the procurement participants and its winning bidder/the person which has submitted the best bid shall be established by the documentation on procurement.

4.1.2.7. Distribution of the functions between the Customer and the third party Procurement Authority shall be determined by the contract signed between them.

4.2 The Customer's rights and obligations

4.2.1 The Customer shall be entitled:

4.2.1.1. To post on the Customer's site the direct link to the Register of mala fide suppliers provided for by Federal law dated 18.07.2011 No. 223-FZ "On procurement of goods, works and services by certain types of legal entities" and (or) to the register of mala fide suppliers provided for by Federal law dated 05.04.2013 No. 44-FZ "On the contract system of the federal and municipal procurement of goods, works and services" irrespective of whether the Customer itself is or is not the Procurement Authority;

4.2.1.2. To post any information on the procurement activity which it deems appropriate (excluding the advertising materials) on the Customer's site and (as may be required from time to time and providing the technical feasibility) on the official site.

4.2.2 The Customer's obligations:

4.2.2.1. posting the data determined by subclauses 3.1.2e) – 3.1.2i) hereof, if such the obligation has not been transferred to the Procurement Authority;

4.2.2.2. signing of the contract the right for execution of which has been scope of procurement, save to the extent that the winning bidder acquires another right contemplated by the documentation on procurement (e.g., to be presented to the Customer's Board of Directors) with the person chosen as the winning bidder (when holding the tender – with the person with which the minutes of the tender results have been signed and providing such the person meets all the requirements provided for in the minutes of the results) or which has submitted the best bid;

4.2.2.3. signing the agreement for non-disclosure of the information concerning the terms, the execution procedure and performance of the contract with the person chosen as the winning bidder of the sealed-bid procurement or which has submitted the best bid.

4.2.3 Other rights and obligations of the Customer which occur in the process of carrying out of procurement shall be determined in the documentation on procurement.

4.3 The rights and obligations of the procurement participant, the winning bidder of procurement, the procurement participant whose bid has been acknowledged the best one

4.3.1 The procurement participant shall be entitled to:

- a) submit the bid for participation in procurement.
- b) receive the information on the procurement item from the Procurement Authority by the way of familiarization with the documentation on procurement and obtaining the explanations from the Procurement Authority published in compliance with section 3 hereof (the confidential information can be obtained on the basis of the confidentiality agreements);
- c) to amend, to supplement or to withdraw its bid before the bid closing date, or within other time periods upon the request of the Procurement Authority unless otherwise expressly provided in the notice and the documentation on procurement;
- d) to put questions about explanation the documentation on procurement to the Procurement Authority, as well as to make a request for extension of the established bidding period with the ground of the reason for such extension necessity.

4.3.2 Upon participation in sealed-bid procedure, the Procurement Participant shall be obliged to sign the agreement for non-disclosure of the information which becomes or has become known to it in the process of participation in procurement, with the Customer and (or) the Procurement Authority.

4.3.3 The Procurement Participant shall draw up the bid for participation in procurement in the form provided for by the documentation on procurement. The bid text must clearly specify that its submitting is acceptance of all the Customer's (the Procurement Authority's) terms provided for in the notice of carrying out of procurement and the documentation on procurement, inter alia, the consent to fulfil the procurement participant's obligations upon participation in procurement.

4.3.4 Other rights and obligations of the procurement participants shall be established by the documentation on procurement.

4.3.5 The winning bidder procurement and the procurement participant whose bid has been acknowledged the best one, shall have the following rights and obligations:

- a) The scope of rights and obligations which the winning bidder of procurement or the person whose bid has been acknowledged the best one (it is usually the right to execute the contract) shall be established in documentation on procurement.

Note: When holding the tender the subject of which has been the right to execute the contract, the contract with the winning bidder of the tender shall be mandatorily executed as prescribed by part 5 of art. 448 of the Civil Code of the Russian Federation. When carrying out other competitive procurement, the person which has

submitted the best bid shall acquire the right to execute the contract, but the Procurement Authority shall not be obliged to execute the contract (it is possible to refuse from procurement and execution of the contract with such the person).

b) If in the result of carrying out of procurement not the immediate right to execute the contract, but another right arises, the procedure of its execution must be specified in detail in documentation on procurement.

c) If the winning bidder has been chosen in the result of holding a tender, it shall be obliged pursuant to the procedure and within the time limit provided for hereby and by the documentation on procurement to sign the minutes of the tender results in compliance with the requirements of art. 448 of the Civil Code of the Russian Federation.

4.4 The purchasing employees' rights and obligations

4.4.1 The purchasing employees shall be obliged to:

- a) perform the actions prescribed hereby;
- b) immediately report the Customer's management about any circumstances which may lead to the adverse effects for the Customer, inter alia, about those ones which may lead to impossibility or non-expediency of performing the actions prescribed hereby;
- c) inform the Customer's management about any circumstances which do not allow this employee carrying out of procurement in compliance with the norms hereof and other internal documents governing the Customer's anti-corruption activity;
- d) immediately inform the Customer's management about the cases of establishing the facts and indications of participation and (or) winning in procurement of the legal entities or individuals affiliated with the purchasing employees, inter alia, with the members of the procurement committees and the involved experts, as well as employees of PJSC Rosseti and its SAC in charge of the contract performance;
- e) be personally responsible for performance of the actions connected with carrying out of procurement.

4.4.2 The purchasing employees shall be forbidden to:

- a) coordinate the procurement participants' activity otherwise than it is contemplated hereby, by applicable legislation of the Russian Federation, the notice and the documentation on procurement;
- b) stand to benefit from carrying out of procurement except for the benefit officially contemplated by the Customer or the Procurement Authority;
- c) provide anyone with any data on the procurement progress which are not contemplated hereby, by the documentation on procurement, the Customer's executive documents before the date of publishing the corresponding information in the sources determined in section 3 hereof;
- d) have relations with the procurement participants, other than the relations arising in the normal course of business (e.g., be the affiliate with the

procurement participant) about which it has failed to report to the procurement committee or the Customer's CPA;

e) conduct the negotiations with the procurement participants not provided for hereby and by the documentation on procurement .

4.4.3 The purchasing employees shall be entitled:

a) to recommend introducing the amendments into the documents governing carrying out of the procurement activity to the management relying on the practice of carrying out of procurement;

b) improve their qualification in the sphere of procurement activity on their own or at the special courses if possible.

4.5 The Customer's right to assign priorities upon procurement to the products of Russian origin, the works, and the services performed and rendered by Russian parties, the features of participation of the small and medium-sized business entities in procurement

4.5.1 The priority of the goods of Russian origin, the works, and the services performed and rendered by Russian parties, the features of participation of the small and medium-sized business entities in procurement shall be applied in cases and in accordance with the procedure established by applicable legislation of the Russian Federation.

4.5.2 In the cases when the Government of the Russian Federation assigns priorities to the goods of Russian origin, the works, the services performed and rendered by Russian parties, the features of participation of the small and medium-sized business entities in procurement, CPA of PJSC Rosseti can adopt the corresponding procedure of applying the established priorities and the features in the procurement activity of PJSC Rosseti and its SAC.

4.5.3 Procurement from the small and medium-sized business entities shall be carried out by carrying out of procurement:

a) the participants of which are any persons specified in part 5 of article 3 of Federal law dated 18.07.2011 No. 223-FZ “On procurement of goods, works and services by certain types of legal entities”, inter alia, the small and medium-sized business entities;

b) the participants of which are only the small and medium-sized business entities;

c) in respect of the participants of which the customer imposes the requirement as to involving the subcontractors (the joint contractors) from among the small and medium-sized business entities to performance of the contract.

4.5.4 The Procurement Authority shall be entitled to apply the corresponding priorities and features, only if it has been directly declared about their availability in the notice of procurement and (or) in documentation on procurement. The following data shall be specified in the documentation on procurement:

a) the groups of the suppliers to which the priorities are applied;

- b) the scope and method of applying the priorities;
- c) procedure of applying the priorities.

4.5.5 When carrying out of the procurement in compliance with cl. 4.5.3b) hereof, the customer shall be entitled to carry out procurement according to the standard procedure established hereby upon expiration of the bid acceptance period in the following cases:

a) the small and medium-sized business entities have not submitted the bids for participation in such procurement;

b) the bids of all the procurement participants which are the small and medium-sized business entities have been withdrawn or do not meet the requirements provided for by the documentation on procurement;

c) the bid submitted by the sole procurement participant being the small and medium-sized business entity does not meet the requirements provided for by the documentation on procurement;

d) the customer has taken the decision not to execute the contract on the results of procurement in accordance with the procedure established hereby.

4.5.6 To carry out of procurement provided for by cl. 4.5.3b) hereof, the Customer shall approve the list of the goods, works and services purchased from the small and medium-sized business entities (hereinafter referred to as the list). If the starting (maximum) price of the contract (the lot price) for supply of the goods, performance of work, rendering of the services does not exceed 50 million roubles and the specified goods, works and services are included in the list, the Customer shall be obliged to carry out procurement of such the goods, works and services from the small and medium-sized business entities. If the starting (maximum) price of the contract (the lot price) for supply of the goods, performance of work, rendering of the services exceeds 50 million roubles, but does not exceed 200 million roubles and the specified goods, works and services are included in the list, the Customer shall be entitled to carry out procurement of such the goods, works and services from the small and medium-sized business entities.

4.5.7 Procurement of petrochemical and gas chemical the products is carried out mainly from Russian manufacturers. Procurement of automotive vehicles, agricultural, utility and highway engineering machinery, the products of transport engineering and engineering for food and pharmaceutical industry, as well as metal products, inter alia, large-diameter pipes shall be carried out from Russian manufacturers, excluding the cases when the specified goods and their analogs are not manufactured in the Russian Federation.

4.6 General requirements as to the procurement participants

4.6.1 Any person shall be entitled to submit the bid for participation in open-bid procurement. As for participation in sealed-bid procurement (cl. 5.3 hereof), only the persons especially invited for participation in such the procurement may submit the bid and be allowed for participation in sealed-bid

procurement.

4.6.2 The Procurement Participant can be:

a) any legal entity or several legal entities acting for one procurement participant (including on the ground of the simple partnership foundation contract in compliance with the requirements of applicable legislation of the Russian Federation), irrespective of the legal form of organization, form of incorporation, the capital location and origin places providing compliance with the requirements imposed in the documentation on procurement developed in compliance herewith;

b) any individual or several individuals acting for one procurement participant, inter alia, the self-employed entrepreneur or several self-employed entrepreneurs acting for one procurement participant (inter alia, on the ground of the simple partnership foundation contract in compliance with the requirements of applicable legislation of the Russian Federation), providing compliance with the requirements imposed in the documentation on procurement developed in compliance herewith.

4.6.3 If the procurement participant is the legal entity, it must be registered as the legal entity in accordance with the established procedure, and it must have special approvals (licences, permits and similar documents) for the activity types requiring such the documents in compliance with the legislation of the Russian Federation. If the procurement participant is the self-employed entrepreneur, it must be registered as the self-employed entrepreneur in accordance with the procedure established by the legislation of the Russian Federation. If the procurement participant is the individual, it must have full legal capacity and competence in compliance with the requirements of applicable legislation of the Russian Federation.

4.6.4 The collective procurement participants may participate in procurement unless it is expressly forbidden by applicable legislation of the Russian Federation.

4.6.5 The members of the unions which are the collective procurement participants must have the agreement between each other (another document) conforming to the norms of the Civil Code of the Russian Federation in which the parties' rights and obligations and the leader of such the collective procurement participant must be determined. The joint and several responsibility in respect of the obligations connected with participation in procurement, execution and further performance of the contract must be provided in the agreement.

4.6.6 When carrying out the sealed-bid procurement falling within the requirements of cl.5.3 hereof, the documentation on procurement shall mandatorily specify whether the party which has not been invited personally for participation in procurement may be a part of the collective procurement participant. In either case, the leader of the collective procurement participant must be only the party invited by the Customer for participation in procurement.

4.6.7 Only the eligible procurement participants may apply for execution

of the contract with the Customer or execution of another right provided for by the documentation on procurement.

4.6.8 Other requirements as to the procurement participants shall be established by the documentation on procurement in compliance with the requirements of applicable legislation of the Russian Federation, the Customer's executive documents, inter alia, in compliance with Schedule 4 hereto.

4.6.9 In the presence of the standard requirements as to the procurement participants, CPA of PJSC Rosseti shall be entitled to change such the standard requirements and this must be taken into account by the Procurement Authority when imposing the requirements as to the procurement participants in the documentation on procurement, provided that they do not contradict the legal requirements of the Russian Federation and are aimed to increase economy when carrying out of procurement, to prevent violation of the legislation of the Russian Federation, or within the framework of complying with the order of the regulatory bodies.

4.6.10 In the presence of the standard requirements as to the procurement participants, the procurement committee shall be entitled to impose other requirements as to the procurement participants, provided that they do not contradict the requirements imposed by the Customer's permitting bodies in compliance with cl. 4.6.9 hereof and the legal requirements of the Russian Federation. In either case, the Customer shall impose the requirement concerning provision of the data in respect of all the chain of their ownership, including the beneficiaries (inter alia, the ultimate ones) by the procurement participants in compliance with the form provision of the data in respect of all the chain of their ownership, including the beneficiaries (inter alia, the ultimate ones) by the procurement participants.

4.6.11 Participation of the small and medium-sized business entities in procurement as the subcontractors (the joint contractors) shall be determined in compliance with the features approved by the Government of the Russian Federation.

5. PROCUREMENT METHODS, THEIR VARIETY AND CONDITIONS OF CHOOSING THE PROCUREMENT METHODS

5.1 The list of the approved procurement methods

5.1.1 This Standard provides for the following procurement methods:

The tender:

- a) the competitive tender;
- b) the auction.

Procurement which is not the tender:

- c) the request for proposals;

- d) the request for quotations;
- e) ordinary procurement;
- f) small procurement;
- g) procurement from the sole supplier (the performer, the contractor);
- h) procurement by the way of participation in procedures organised by sellers of the products.

5.1.2 This Standard provides for the following forms of carrying out of procurement and special procedures:

- a) open-bid and sealed-bid;
- b) in electronic form or using hard copies;
- c) with or without rebidding;
- d) with or without prequalification of the procurement participants;
- e) with or without the possibility of submitting alternative proposals;
- f) in single-, two- or multiple-stage form;
- g) special procedures of procurement of the sophisticated products;
- h) with the possibility of selecting several winning bidders/the parties which have submitted the best bid, in respect of one lot (in case of carrying out of procurement using the method other than the tender);
- i) procurement for the right to execute the framework contract with one or several procurement participants.

5.1.3 The requirements and (or) recommendations concerning carrying out and (or) non-carrying out of the procurement using the certain methods and (or) in accordance with the specific form (using the special procedures) in the quantitative and (or) price terms may be established by the Customer's executive documents or by decision of the Customer's CPA, provided that such the requirements and (or) recommendations are not inconsistent with the norms of applicable legislation of the Russian Federation.

5.2 General provisions

5.2.1 The decision on carrying out of procurement shall be taken and executed in compliance with cl. 7.2.2 hereof. Except as otherwise provided herein or the Customer's other executive documents, the same party shall appoint the commission for carrying out of the corresponding procurement.

5.2.2 This Standard provides for the following priority of the procurement methods (chosen depending on the contract scope, the criteria quantity and other factors):

- the competitive tender or the auction;
- the request for proposals or the request for quotations;
- ordinary procurement or small procurement;
- procurement from the sole supplier (the performer, the contractor).

5.2.3 Unless otherwise expressly prescribed hereby, procurement methods (except for the tender), as well as the special procedures (cl. 8.11 hereof) shall be used in the presence of the grounds established hereby in compliance with the

approved Procurement Plan or upon receipt of the permit of the Customer's CPA or another permitting body of the Customer's within its competence.

5.2.4 If at the moment of carrying out of procurement the Customer cannot determine the volume and (or) the time periods for supply of the products (performance of the works/rendering of the services), the open competitive procurement procedure (the competitive tender or the request for proposals) may be conducted for the right to execute the framework contract with several participants, with further conducting the procurement procedures (the request for proposals, the request for quotations) among them for the purposes of satisfying the production requirements arising within duration of the framework agreements. In such a case, conducting the following procurement procedures is possible without observing the cost restrictions established hereby for the request for proposals and the request for quotations accordingly.

5.2.5 In exceptional cases, the method from the ones listed in cl. 5.1 hereof may be chosen for certain specific procurement by the decision of the Customer's CPA or another permitting body of the Customer. Using this method in case of available grounds provided for hereby, shall not be allowed (inter alia, upon exceeding the threshold values for selecting the procurement methods). The Customer's CPA may take any other decisions in respect of the specific procurement which are not inconsistent with the norms of applicable legislation.

5.2.6 Procurement in the cases described in cl. 5.2.4 and cl. 5.2.5 hereof shall be approved by the Customer's CPA or another permitting body of the Customer's within its competence when formulating (correcting) the Procurement Plan and providing absence of restrictions established by the legislation of the Russian Federation.

5.3 Application of the procurement procedures in the sealed-bid form

5.3.1 Any procurement procedure may be carried out in the sealed-bid form only on the occurrence of any of the following:

a) the data classified as state secret are contained in the notice of procurement, in documentation on procurement or in the draft contract;

b) the specific procurement the data on which are not classified as state secret, but which are not subject to be posted on the official site, has been determined by the decision of the Government of the Russian Federation;

c) the lists and (or) groups of the goods, works and services the data on procurement of which are not classified as state secret, but which are not subject to be posted on the official site, have been determined by the decision of the Government of the Russian Federation.

5.4 The competitive tender

5.4.1 The competitive tender is the main procurement method in compliance with cl. 5.2.2.

5.4.2 The competitive tender can be open or closed depending on the possible range of the procurement participants.

5.4.3 Depending on the form of conducting, the competitive tender can be held using hard copies or in electronic form.

5.4.4 Depending on the stage number, the competitive tender can be single-, two- and multiple-stage one.

5.4.5 Procurement may be carried out by holding two- and multiple-stage competitive tenders if the Customer (the Procurement Authority) requires to conduct the negotiations with the procurement participants in order to determine the most effective variant for satisfying the Customer's needs, namely, upon fulfilment of at least one the following terms:

a) it is difficult for the Customer to formulate detailed requirements as to the purchased products at once due to complexity of the products or upon the availability of several variants for satisfaction of the needs;

b) the first stage of procurement is conducted for the express purpose of familiarising with the possible ways of satisfying the Customer's needs and selecting the best of them.

5.4.6 Depending on the presence of the prequalification procedure, the competitive tender can be held with or without prequalification.

5.4.7 In case of procurement of the particularly sophisticated products, the competitive tender may be held using the special procurement procedures of the sophisticated products determined hereby.

5.5 The auction

5.5.1 The auction can be open or closed depending on the possible range of the procurement participants.

5.5.2 Depending on the form of conducting, the auction can be held using hard copies or in electronic form.

5.5.3 The auction can be only single-stage one.

5.5.4 Depending on the presence of the prequalification procedure, the auction can be held with or without prequalification.

5.5.5 Post-qualification and the right to submit the alternative proposals shall not be provided in case of holding the auction.

5.5.6 The auction shall be held upon procurement of the products for which the competitive market of the product manufacturers exists and in respect of which the detailed requirements in the form of the technical task have been formulated by the procurement initiator. CPA of PJSC Rosseti shall be entitled to determine the list of the products purchased only on the results of conducting the auction.

5.6 The request for proposals

5.6.1 The request for proposals can be open or closed depending on the

possible range of the procurement participants.

5.6.2 Depending on the form of carrying out, the request for proposals can be carried out using hard copies or in electronic form.

5.6.3 Depending on the stage number, the request for proposals can be single-, two- and multiple-stage one.

5.6.4 Depending on the presence of the prequalification procedure, the request for proposals can be held with or without prequalification.

5.6.5 In case of procurement of the particularly sophisticated products, the request for proposals may be carried out using the special procurement procedures of the sophisticated products.

5.6.6 The request for proposals shall be carried out upon fulfilment of at least one the following terms:

a) the starting (maximum) price of the contract does not exceed 10 mln. roubles (inclusive of the value-added tax);

b)

c) procurement of the works for construction, technical re-equipping and reconstruction of power supply network facilities required to implement the measures of utility connection of applicant groups entitled to benefits is carried out.

In this document, applicant groups entitled to benefits are understood to be:

1) connection of the applicants' electrical installations at voltage up to 20 kV with power up to 15 kW situated at the distance of 300 (500) m in cities and urban-type settlements (in the rural areas);

2) connection of the applicants' electrical installations at voltage up to 20 kV with power up to 150 kW according to III power supply reliability category situated at the distance of 300 (500) m in cities and urban-type settlements (in the rural areas);

3) connection of the applicants' electrical installations at voltage up to 20 kV with power up to 670 kW situated at the distance of 300 (500) m in cities and urban-type settlements (in the rural areas), which does not require performance of the power supply network facility construction (reconstruction) works, excluding the works for construction of the objects from the existing networks to the connected electrical installations.

5.7 The request for quotations

5.7.1 The request for quotations can be open or closed depending on the possible range of the procurement participants.

5.7.2 Depending on the form of carrying out, the request for quotations can be carried out using hard copies or in electronic form.

The request for quotations may be used upon procurement of simple products for which there is the functioning market, the only criterion is the price and the starting (maximum) price of the contract in respect of which does not exceed 5 mln. roubles (inclusive of the value-added tax).

5.7.3 In addition to the grounds provided for by cl. 5.7.2, the request for quotations may be carried out on the results of the conducted open competitive procedures among the participants with which the framework agreements have been executed in compliance with cl. 5.2.4 hereof, inter alia, upon procurement of the works for construction, technical re-equipping and reconstruction of power supply network facilities required to implement the measures of utility connection.

5.7.4 It is forbidden to carry out procurement of complex, unique equipment using the method of the request for quotations.

Note: The open request for quotations is intended to be used mainly for procurement of simple products at the ETP.

5.8 Ordinary procurement

5.8.1 Ordinary procurement shall be carried out in case if the Customer's revenue for the reporting financial year is more than 5 bln. roubles. In other cases, such the procurement method shall not be used.

5.8.2 Depending on the form of carrying out, ordinary procurement can be carried out using hard copies or in electronic form.

5.8.3 Ordinary procurement shall be carried out at the starting (maximum) price of the contract more than 100,000 roubles up to and including 500,000 roubles (inclusive of the value-added tax). Ordinary procurement can be carried out at the starting (maximum) price of the contract less than 100,000 roubles (inclusive of the value-added tax) by the Customer's decision.

5.8.4 Ordinary procurement may be carried out subject to cl. 5.8.3 hereof and in the presence of the expressly formulated technical requirements as to the purchased products, inter alia, in cases when functional characteristics (consumer properties) of the commodity, the dimensions, the packing and shipment of the commodity have been determined, the specific requirements as to the results of the works (the services) in the technical task form have been imposed.

5.9 Small procurement

5.9.1 Small procurement shall be carried out at the starting (maximum) price procurement up to 100,000 roubles (inclusive of the value-added tax).

5.9.2 Small procurement may be carried out subject to cl. 5.9.1 hereof and in the presence of the expressly formulated technical requirements as to the purchased products, inter alia, in cases when functional characteristics (consumer properties) of the commodity, the dimensions, the packing and shipment of the commodity have been determined, the specific requirements as to the results of the works (the services) in the technical task form have been imposed.

5.9.3 Small procurement using the corporate procurement card or by cash shall be carried out in compliance with the terms determined the holder of the corporate procurement card (the person accountable) and the Customer's

executive documents.

5.10 Procurement from the sole supplier (the performer, the contractor)

5.10.1 Depending of the initiating party procurement from the sole supplier (the performer, the contractor) may be carried out by sending the proposal to execute the contract to the specific supplier or accepting the proposal to execute the contract from one supplier without considering the competitive proposals. The decision about selection of the supplier shall be taken by the Customer's CPA or another permitting body within its competence in compliance herewith on the ground of the Customer's information on the conducted market analysis.

5.10.2 Procurement from the sole supplier (the performer, the contractor) shall be divided into:

- a) Procurement of the unique goods (works, services) from the sole supplier (the performer, the contractor) (cl. 5.11 hereof)
- b) Procurement from the sole supplier (the performer, the contractor) for the purposes of preventing the emergency or rectifying its consequences (cl. 5.12 hereof).

5.11 Procurement of the unique goods (works, services) from the sole supplier (the performer, the contractor)

5.11.1 Procurement from the sole supplier (the performer, the contractor) may be carried out in the presence of any of the following grounds:

5.11.1.1 delivery of the goods, performance of work, rendering of the services belong to the scope of activities of natural monopoly entities in compliance with Federal law dated August 17, 1995 No. 147-FZ "Concerning Natural Monopolies" at the prices (tariffs) adjusted in compliance with the legislation of the Russian Federation;

5.11.1.2 there has arisen the demand in the works or the services which may be performed or rendered only by executive branch authorities in compliance with their authorities or by government institutions and state unitary enterprises under their jurisdiction, the corresponding authorities of which shall be established by statutory and regulatory enactments of the Russian Federation, statutory and regulatory enactments of the subject of the Russian Federation;

5.11.1.3 the products can be obtained only from one supplier and there is no equivalent substitute for it, inter alia, if this supplier is the only legal entity or individual, inter alia, the self-employed entrepreneur rendering the services in the territory of another state.

Note: The criteria which allow applying this clause may be the following ones:

a) the goods (works, the services) are produced/performed/rendered using the unique technology or have the unique properties what is confirmed by the corresponding documents; b) the supplier is the sole official dealer of the manufacturer of the products having the above-specified properties; c) the supplier is the sole supplier, the manufacturer, the contractor in this region, provided that the expenses related to involving the contractors from other regions make such the involvement economically unsound; d) the supplier or its exclusive dealer provides

guarantee and current maintenance of the previously supplied commodity (the works) and the presence of another supplier is impossible under the guarantee terms.

5.11.1.4 there has arisen the necessity of conducting additional procurement, when for reasons of standardization, unification, as well as for assurance of compatibility or succession (for the works and the services) with the previously purchased products, new procurement must be carried out only from the same supplier. When taking the decision on procurement from the sole supplier (the performer, the contractor) on this ground, it should be checked whether change of the supplier actually forces the Customer to do the following:

a) to purchase the goods with other technical characteristics (this may lead to considerable technical difficulties in operation and maintenance) upon procurement of the goods;

b) to undergo considerable difficulties caused by the change of the supplier having the specific experience and developed relations for successful performance of the works (rendering of the services) for this Customer upon procurement of the works (or the services);

c) upon procurement of additional works or services which have not been included into the initial project (the contract), but which are not divided from the main contract without considerable difficulties.

Additional procurement is presented in the Procurement Plan performance reports as procurement from the sole source and shall not exceed:

a) 10 % of the initial procurement cost upon procurement the initial cost of which is less than 70 mln. roubles, VAT included;

b) 7 % of the initial procurement cost upon procurement the initial cost of which is from 70 mln. roubles, VAT included, up to 100 mln. roubles, VAT included;

c) 5 % of the initial procurement cost upon procurement the initial cost of which exceeds 100 mln. roubles, VAT included.

The amount of additional procurement (or total amount for several ones, if additional procurement has been carried out from this supplier several times) can be changed by the decision of CPA of PJSC Rosseti;

5.11.1.5 there has arisen the necessity of additional procurement carried out by the way of prolongation of the contracts (extension of the contract period without concurrent increasing the volume and the price of the purchased products), in case where the contract has been executed on the results of the competitive procurement and the possibility of prolongation has been provided for in the documentation on procurement;

5.11.1.6 there has arisen the necessity to procure the training services or the services for holding topical workshops (meetings, trainings, forums and conferences), other services for organization of the cultural and sport events if the specific nature of procurement is that the equivalent replacement of the supplier is impossible;

5.11.1.7 there has arisen the necessity to procure the services of architectural supervision over development of the design documentation capital

construction objects, architectural supervision over construction, reconstruction, capital repair of capital construction objects by the corresponding authors;

5.11.1.8 there has arisen the necessity to procure the services related to corporate business travel (travelling to the business trip place and backwards, lease of the dwelling premise, transport service and provision of meals);

5.11.1.9 there has arisen the necessity of participation in the conferences and seminars (procurement of “partner”, “sponsor” packages, etc.);

5.11.1.10 there has arisen the necessity to execute the contract for the right of temporary possession and use or temporary use of movable and/or immovable assets, inter alia, rent of land lots and buildings (premises), other pieces of immovable property required for maintaining main industrial and business activity. This norm shall be applied in case of impossibility or non-expediency of replacing the lessor under the previously executed lease contracts, in view of economic and (or) technical non-expediency. In such a case, the procurement initiator shall provide the Customer's CPA with the documents confirming the specified circumstances. The primary lease contracts must be executed on a competitive basis with establishing the lease term for the maximum possible term, taking into account economic expediency (mainly at least 3-5 years);

5.11.1.11 there has arisen the necessity to execute the contract for rendering the services of water supply, water discharge, electric supply, wastewater disposal, heat supply, gas supply (excluding the services of sales of liquid gas), connection to utility networks at the prices (tariffs) adjusted in compliance with the legislation of the Russian Federation, the services of electric energy transfer (transit) via adjacent networks, inter alia, through foreign states and other goods, works and services with the prices/tariffs adjusted by the legislation of the RF;

5.11.1.12 there has arisen the necessity to execute the contract for rendering the services for distribution network facility functioning and development organization;

5.11.1.13 the availability of the requirements of applicable legislation of the Russian Federation on execution of the contract with the specific contractor;

Example: Directions for the necessity of executing the contract with the federal state institution within jurisdiction of the Ministry of Regional Development of the Russian Federation (General Board of State Expert Review) upon rendering of the services for estimate cost assessment (for the objects completely or partially funded from the federal budget (the budget of the constituent entity of the Russian Federation, the municipal budget) and the technical part of the design documentation (Regulation of the Government of the Russian Federation dated 18.05.2009 No. 427 and Regulation of the Government of the Russian Federation dated 05.03.2007 No. 145)

5.11.1.14 the presence of other circumstances requiring procurement exactly from the sole supplier (the performer, the contractor) (only by special decision of the Customer's CPA or another permitting body within its competence); in such a case, total volume of such procurement shall not exceed 5% of the total annual procurement volume of the goods, works and services, in

such a case, the procurement initiator shall provide the Customer's CPA with the documents confirming absence of competitive environment for the purchased products and signed by Deputy General Director in charge and agreed with the operating subdivisions responsible for anti-corruption control over the procurement activity.

5.11.2 The annual volume of procurement carried out on the grounds provided for by cl. 5.11.1 hereof shall not exceed 10 (ten) per cent of the total cost volume of the Customer's procurement. By the decision of CPA of PJSC Rosseti, the annual volume of procurement can be changed on the grounds provided for by cl. 5.11.1 hereof.

5.11.3 When taking the decision on carrying out of additional procurement (execution of the additional agreement), if according to its results the accrued planned increase of cost of the works under the executed contract for implementation of investment project is more than 100 mln. RUB, VAT included, the Customer shall provide preliminary agreement of conducting such the procurement (execution of the additional agreement) at the Pricing Control Commission of PJSC Rosseti.

5.12 Procurement from the sole supplier (the performer, the contractor) for the purposes of preventing the emergency or rectifying its consequences

5.12.1 Procurement by the sole supplier (the performer, the contractor) or the purposes of preventing the emergency or rectifying its consequences shall be carried out in the presence of any of the following grounds:

5.12.1.1 due to emergency circumstances of insuperable force, the urgent necessity for the specific products arose, therefore, application of other procedures is unacceptable. In such circumstances, product procurement from the sole supplier (the performer, the contractor) shall be executed taking into account the fact that the amount of the products purchased must not exceed the amount necessary for preventing the emergency situations or relieving its consequences;

5.12.1.2 upon procurement of additional works or services which have not been included into the initial project (the contract), but which are not divided from the main contract without considerable difficulties and required for preventing the emergency or rectifying its consequences.

5.12.2 The decision about the procurement from the sole supplier (the performer, the contractor), on the grounds provided for by subclause 5.12.1 hereof shall be taken by the Customer's CPA or another authorised management body of the Customer that is authorized for taking the corresponding decisions, which examines whether the urgency has been caused by negligence of the Customer's officers, and when necessary, organizes holding the employee

investigation and applying penalties for the officers at fault. The materials on the issues of procurement from the sole supplier in connection with absence of time for holding the open competitive procurement shall be signed by the Deputy General Director/Deputy Chairman of the Board that supervise the procurement initiator's block.

5.13 Procurement by the way of participation in procedures organised by sellers of the products

5.13.1 By the decision of the Customer's CPA, procurement may be carried out by the way of the Customer's participation in the auctions, the competitive tenders or other procedures organised by sellers of the products (inter alia, at the ETP). The favourable decision on participation in such the procedures shall be taken if these procedures provide fair and bona fide competition of the procurement participants.

Note: Generally, such procurement shall be carried out under the conditions of the product deficit when the product demand exceeds its supply.

5.13.2 The organizer of such the procedure shall determine the procedure of its conducting. The Customer's offer within the framework of the seller's procurement procedure shall not exceed the value provided for by the Customer's corresponding program and the procurement budget provided for by the annual Procurement Plan.

5.14 Special procedure of carrying out of procurement

5.14.1 The contracts with the government and local government authorities of the Russian Federation, the credit organizations, and the organizations guaranteeing a credit or the co-financiers can provide for the special procedure of procurement with the use of the provided resources (joint financing on the basis of credits, leasing, budget financing, etc.). The special procedure may provide for deviations herefrom (e.g. in case when carrying out of procurement at the expense of the state budget or the international financial structures, procurement is carried out in accordance with the procedure established by the funding authorities). Any stipulations in respect of the applied procurement procedures must be included into the corresponding credit (joint financing) contracts only after approval by the Customer's CPA.

5.15 Procurement in electronic form

5.15.1 Any procurement methods may be used with the aid of the ETP for their carrying out (completely or at certain stages) .

5.15.2 Procurement must be carried out in electronic form in the following cases:

- a) if the Customer purchases the products included into the list (approved

by the Government of the Russian Federation) of the goods, works and services procurement of which is carried out in electronic form;

b) in case if the starting (maximum) price of the contract is 500 thousand and roubles and more, VAT included, (and for the customers whose annual revenue for the reporting financial year is less than five billion roubles if the starting (maximum) price of the contract is 100 thousand and roubles and more, VAT included). In case if the procurement procedure is impossible to be conducted at the ETP, the additional approval of conducting the procurement procedure in a paper format at the Customer's CPA is required.

5.15.3 The rules and procedures of carrying out of procurement using the ETP shall be established by the ETP operating procedure (regulation) and the agreement executed between the Customer (the Procurement Authority) and the ETP operator.

5.15.4 The decision on using the ETP in the cases established by cl.5.15.1 hereof shall be taken at the stage of the Procurement Plan development or correction.

5.16 Execution of additional agreements to the contracts in force

5.16.1 Execution of additional agreements to the contracts on the grounds provided for by subclause 5.11.1.4 and subclause 5.11.1.5 shall be procurement from the sole supplier (the performer, the contractor) in compliance with cl. 5.10 hereof.

5.16.2 In case of execution of the additional agreement to the contract concerning introducing amendments into the effective terms of the contract regarding the volume or the price of the purchased products, or the time periods for the contract performance as compared to the ones specified in the minutes drawn up on the results of initial procurement, the Customer shall publish the data on such amendments in compliance with subclause j) of cl. 3.1.2 hereof without conducting the procurement procedures.

5.16.3 CPA of PJSC Rosseti/CPA of SAC of PJSC Rosseti shall take the decision on execution of the additional agreements to the contracts executed on the results of the procurement procedures within their competence established by the local legislative acts.

6. PROCUREMENT PLANNING

6.1 General Provisions

6.1.1 The procedure of procurement planning shall be determined hereby. The Procurement Plan is the plan of measures for one calendar year concerning execution of any contracts, excluding the ones specified in cl. 6.1.3 for execution of which (all or certain quantity) carrying out of procurement (preparation and carrying out of procurement) is required unless otherwise stipulated hereby and

(or) by the executive documents of PJSC Rosseti with regard to procurement planning. By the decision of CPA of PJSC Rosseti or the Customer's CPA, the Procurement Plan with regard to the investing activity for the period of more than one calendar year can be developed in PJSC Rosseti or SAC of PJSC Rosseti accordingly.

6.1.2 The procedure of preparation, agreement, approval and alteration of the Procurement Plan by approval of the corresponding regulations with the indication of the specific responsible structural subdivisions can be specified by the Customer's internal executive document. In such a case, these regulations shall not be inconsistent with the norms hereof and with applicable legislation of the Russian Federation.

6.1.3 Procurement of innovative, high-technology and pharmaceutical products shall be planned taking into account the norms provided for by cl.13.1 hereof. If the Government of the Russian Federation establishes the volume of innovative and high-technology products which is compulsory for procurement, the specified volume must be observed by the customer when developing the Procurement Plan.

6.1.4 The approved Procurement Plan shall be the ground for carrying out of procurement specified in such the plan.

6.1.5 If the circumstances have required changing the procurement method specified in the Procurement Plan, it shall be selected as prescribed by the norms hereof unless otherwise stipulated by applicable legislation of the Russian Federation.

6.1.6 The Procurement Plan for the ensuing calendar year (or another period established by applicable legislation of the Russian Federation), as well as the Procurement Plan corrections providing for its inclusion of new procurements the cost of which exceeds 10 % of the initially approved Procurement Plan, as well as corrections with regard to the cost increase of the previously approved procurement the cost of which is 100 mln. roubles, VAT included and more, or amendment of the technical decisions resulting in increase of the previously approved cost parameters of such procurement shall be approved the Customer's Board of Directors (the Customer's CPA for PJSC Federal Grid Company of the Unified Energy System), with preliminary agreement with CPA of PJSC Rosseti.

6.1.7 The Customer shall be entitled to correct the approved Procurement Plan by the decision of the Customer's CPA, excluding the cases specified in cl. 6.1.6, unless otherwise stipulated by the norms of applicable legislation of the Russian Federation. In such a case, the Customer shall be obliged to notify CPA of PJSC Rosseti every quarter of the conducted corrections of the Procurement Plan in compliance with the prescribed form (Schedule 3.1 hereto).

6.2 Preparation of the Procurement Plan

6.2.1 The Procurement Plan in respect of procurement of innovative, high-technology and pharmaceutical products shall be prepared according to the

standard procedure taking into account the norms of cl. 13.1 hereof and the requirements of applicable legislation of the Russian Federation.

6.2.2 The Procurement Plan shall be developed in compliance with the Customer's draft budget and on the ground of the programs determining the Customer's industrial activity.

6.2.3 the Procurement Plan shall be developed in the Customer's information system determined by the Customer's executive documents, inter alia, using the automatic means in compliance with the applicable operating instruction of this system. After implementation of the common information area (inter alia, the electronic trading platform) in PJSC Rosseti and its SAC, the Customer shall be obliged to provide integration of the information systems (inter alia, the used ETP) used in the procurement activity with the specified common information area.

6.2.4 The following rules shall be observed when developing the draft Procurement Plan:

a) procurement shall be included in the Procurement Plan of the year during which execution of the contract is planned;

b) reasonable consolidation of procurement of the homogeneous products not resulting in restriction of competition shall be carried out;

c) it is not allowed splitting the procurement of the homogeneous products into several positions for the purposes of simplifying the procurement method in respect of the procurement method priority rating (cl. 5.2.2 hereof).

d) the Customer's Procurement Plan in respect of central procurement shall be shaped taking into account cl. 2.5 hereof.

6.2.5 The Procurement Plan includes 3 stages:

a) development of the draft Procurement Plan on the basis of the draft programs determining the Customer's industrial activity and the Draft Budget for the following period;

b) approval of the Procurement Plan by the Customer's authorised body;

c) corrections of the Procurement Plan. During the calendar year the quantity of corrections and the time period for which they may be made shall be determined by the Customer's executive documents.

6.2.6 The Procurement Plan may be corrected:

a) in connection with the corrections of the Customer's Budget, the investment, production or other programs or plans of the Customer's, as well as on the results of defending the tariffs for electrical and thermal energy in the government regulatory agencies;

b) on other grounds related to previously unforeseen necessity of modifying the Procurement Plan.

6.2.7 The draft Procurement Plan must be agreed pursuant to the procedure and within the time limit established by the Customer's executive document. In such a case, the time period for approval of the Procurement Plan for a year

ahead must be not later than on November 01 of the year preceding the planned one, providing the presence of the approved budget, and in case of its absence not later than on December 30 of the year preceding the planned one. As a minimum, the executives or the following Customer's employees authorised from them must participate in agreement of the Procurement Plan:

- of the Customer's financial subdivisions with regard to agreement of the funding presence,
- of the technical subdivisions or the end consumers of the purchased products with regard to confirmation of the demand,
- of the procurement subdivisions with regard to validating for compliance of the procurement plan with the norms hereof and of applicable legislation of the RF.

6.2.8 Procurement carried out in compliance with subclause 8.11.6 and subclause 8.11.7 hereof shall be included into the Customer's Procurement Plan reasonably in advance or concurrently with execution of the contract contemplated in the specified clauses by taking the decision by the Customer's CPA or another body determined by the Customer's executive document. In such a case, the quantity of corrections in respect of this procurement shall not be taken into account when calculating the key performance indicator.

6.2.9 When preparing the Procurement Plan, the procurement initiator shall be obliged to take into account the long-term contracts previously executed for performance within the planned period, and the stock reserve volume to avoid duplicate purchasing of the required products.

6.2.10 When preparing the Procurement Plan, special attention should be given to the grounds of choosing the procurement methods different from the priority ones (cl. 5.2.1 hereof) taking into account the price caps, as well as to determining the list of participants of the sealed-bid procurement methods and choosing the contractor upon procurement from the sole supplier (the performer, the contractor). The detailed rationales which must be stored at the Customer's CPA together with the Procurement Plan, and in the procurement initiator's subdivisions must be executed in respect of each such the decision as schedules to the Procurement Plan. The procurement initiator shall include the executive summary in the set of rationalizing materials with explanation of the reasons which have lead to occurrence of the necessity to procure using the method which is different from the open tender, and containing the reference to the clause hereof contemplating the ground for admissibility of using the chosen procurement method. In case of procurement from the sole supplier (the performer, the contractor), the procurement initiator shall analyse when preparing materials submitted to the CPA and prepare the executive summary with substantiation of the situation which resulted in the necessity of procurement from the sole source and the position paper containing the comparison data from not less than three suppliers, calculation of the executed contract price with description of the conducted market research (monitoring of the manufacturers'

sites, monitoring of similar contracts executed by other customers, own calculations of the contract execution initiator and other documents).

6.2.11 Description of the purchased products (the contract scope, the minimum threshold requirements as to the goods, works and services) specified in the Procurement Plan must sufficiently complete and clear set out the products purchased within the framework of the corresponding row of the Procurement Plan.

6.2.12 The Procurement Plan shall be prepared in the form and in compliance with the procedure established by Schedule 2 hereof and shall be subject to publication in the form provided for by the requirements of applicable legislation, pursuant to the procedure and within the time limit provided for by section 3 hereof.

6.3 Special provisions

6.3.1. The Customer's CPA shall be entitled to initiate punishment the Customer's officers which are guilty of unsatisfactory planning of the Customer's production requirements. For the Customer's CPA, the key indicators determining the presence of unsatisfactory planning may be the following: volume of the Procurement Plan corrections exceeding the acceptable limits established by the internal executive document of the Companies; the facts of unreasonable "split" of procurements into smaller ones; the substantial difference between the starting (maximum) price of the contract assumed in the Procurement Plan and the cost obtained in the result of carrying out of procurement.

6.4 Reporting in respect of the procurement activity on the whole

6.4.1. The Procurement Authority and the Customer shall be obliged to enter the information on the course of carrying out of procurement into the information management systems used by the Customer. The operating procedure and distribution of responsibility for entering the information shall be established by the Customer's certain executive documents.

6.4.2. The Procurement Plan performance report shall be drawn up according to the form (Schedule 3 hereto) and submitted every quarter to the Customer's subdivision responsible for the report preparation, with further submitting to Procurement Activity Department of PJSC Rosseti within the time period before the 25th day of the month following the reporting period for raising the issue of the report agreement at the CPA of PJSC Rosseti. The Customer's structural subdivisions responsible for the report preparation and drawing up, the time periods for submitting the Procurement Plan performance report shall be determined by the Customer's internal executive documents.

6.4.3. The Procurement Plan performance report according to the form (Schedule 3 hereto) shall be provided annually for approval by the Board of

Directors of the Company.

7. THE PROCEDURE OF PREPARING AND TAKING A DECISION ON PROCUREMENT

7.1 Preparation for procurement

7.1.1 For the purposes of generating the notice of carrying out of procurement and the documentation on procurement, the Customer shall determine the following in advance:

- a) the requirements as to the purchased products, inter alia, the starting (maximum) price of the contract (the lot) if it is possible to determine it at the stage of publication of the notice and the documentation on procurement;
- b) the requirements as to the procurement participants;
- c) the terms of the contract executed on the results of procurement procedure;
- d) the requirements as to the composition and execution of the bids;
- e) that compliance of the purchased products (as well as the processes of their manufacturing, storage, transportation, etc.) with the requirements imposed to them on the Customer's part shall be confirmed in compliance with the legislation of the Russian Federation, inter alia, the legislation on technical regulation in accredited authorities for compulsory certification (with regard to the requirements relating to safety), and the voluntary certification systems included into the state register (with regard to other essential requirements the list of which is determined by the Customer). Documentary statement of compliance determination shall be the certificates or other documents not inconsistent with the applicable legislation of the Russian Federation;
- f) procedure of assessment and ranking of the bids according to the their preference for the Customer and determining the party (parties) obtaining the right to execute the corresponding the contract (except for procurement from the sole supplier (the performer, the contractor)) on the procurement procedure results.

7.1.2 The requirements and assessment rules contemplated by cl. 7.1.1 hereof shall not impose excessive restrictions on the procurement participants' competitive struggle. When forming the composition of lots, artificial restriction of competition (composition of the procurement participants) by inclusion of the products which are not technologically connected with the procurement item, with each other, in the lot composition is not allowed.

7.1.3 In case of carrying out of procurement, it is not allowed to specify the trademarks, the service marks, the legal names, the patents, the useful models, the industrial designs, appellation of origin of goods or the manufacturer name, as well as the requirements as to the commodity, the information, works, the

services if such the requirements result in restriction of the quantity of the procurement participants. When the trademarks are specified in the notice of carrying out of procurement and the documentation on procurement, they must be accompanied with the wording “or the equivalent”. The notice and documentation on holding the tender may contain indication to the trademarks in case if it is assumed to use the goods supply of which is not the procurement item upon performance of the works and rendering of the services.

7.1.4 In the case set out in cl. 7.1.3, the wording “or the equivalent” may not be specified:

a) upon procurement of spare parts or consumable materials for the equipment under the warranty, and if usage of exactly these spare parts or consumable materials is contemplated by the warranty terms, the design documentation, the technical operational documentation, in such a case, the reference to the provisions of such the documentation is given in the documentation on procurement together with the indication of the trademark;

b) by the decision of the Customer's, in case if the purchased goods are used only in concert with the goods which are already being used by the Customer, and in such a case, the goods which are already being used are incompatible with the goods of other trademarks; in such a case, substantiation of such the decision shall be specified in the documentation on procurement together with the indication of the trademark;

c) in cases of standardization (unification) of the purchased products in compliance with the Customer's technical policy; in such a case, the references to the provisions of such the technical policy shall be specified in the documentation on procurement together with the indication of the trademark.

7.2 Taking and execution of the decision on carrying out of procurement

7.2.1 The decision on immediate carrying out of procurement (each specific procurement or the series of similar procurements carried out within the framework of any program, project, time period, etc.), excluding the procurement which is carried out using the following methods: procurement from the sole supplier (the performer, the contractor), ordinary procurement, small procurement, procurement by the way of participation in the procedures organised by the sellers of the products, shall be executed in the form of the order (instruction) of the person determined in compliance with cl. 7.2.2 hereof and shall contain:

- a) the procurement item (specific or generalised);
- b) the time periods for carrying out of procurement;
- c) the procurement method name;
- d) the data on the party vested with the Procurement Authority's functions;
- e) the data on the procurement committee composition.

7.2.2 The order (instruction) about carrying out of procurement specified in

cl. 7.2.1 hereof shall be signed by the person performing the functions of the sole executive body, or by another authorised person in the prescribed form (Schedule 5. Standard form of the order (instruction) for carrying out of procurement hereto).

Procurement carried out by the procurement committee of the Customer's branch shall be carried out on the ground of the orders (instructions) of the branch managers prepared by the branch itself or by the third party organization authorised on the ground of the contract in the prescribed form.

7.2.3 The contract not requiring execution of the order (instruction) shall be signed on the ground of the approved Procurement Plan or the decision of the Customer's CPA or another permitting body within its competence or the executive summary approved in accordance with the established procedure (for ordinary and small procurement).

7.2.4 Unless otherwise established by the internal documents of PJSC Rosseti, the procedure of preparation and agreement of the orders (instructions) for immediate carrying out of product procurement with the Customer's operating units shall be performed in compliance with the Customer's executive documents.

The authorities to prepare the orders (instructions) for immediate carrying out of product procurement may be transferred under the contract to the third party Procurement Authority. In this case, the orders (instructions) shall be agreed and signed in accordance with the procedure established by contract and the Customer's executive documents.

7.2.5 The order (instruction) shall be prepared on the ground of the procurement initiator's bid which must contain:

- a) item number in the Procurement Plan;
- b) the procurement method and its form (open-bid/closed-bid/in electronic form/using hard copies, etc.) in compliance with the approved Procurement Plan;
- c) the procurement item, the scope of the contract executed on the results of procurement;
- d) aggregative composition of the purchased products;
- e) the time periods for fulfilment of the obligations under the contract;
- f) the list of persons responsible for development of general, commercial and technical part of the documentation on procurement. In case of involving the third party Procurement Authority, it is possible to transfer obligations for preparation of general and commercial part of the documentation on procurement by this organization, which is specified in the bid;
- g) proposals on the candidatures for inclusion into the procurement committee, the expert board, in such a case, the principle of independence of the committee members, as well as equality when taking the decisions shall be ensured upon formation of the procurement committees. It is not recommended to form the composition of the committees the majority of members of which are the representatives of one functional unit or area of activities. The security block representatives must be included into the composition of the procurement

committee, and also for the purposes of providing independent decision taking, it is recommended to include the representatives of legal and anti-corruption subdivisions;

h) the circle of especially invited procurement participants (this clause shall be included only in case of conducting the sealed-bid procurement).

i) updated calculation of the starting (limit) price of procurement formed on the results of the market research (monitoring of the manufacturers' sites, monitoring of similar contracts executed by other customers, own calculations of the contract execution initiator) and other documents. The cost calculation shall be carried out in compliance with the Customer's internal executive document determining the procedure, the time periods, the rules of calculating the starting (limit) price and the structural subdivision responsible for its performance, the procedure of storage of these calculations and the confirming materials.

The bid may not be executed if the Procurement Authority is the contract initiator, in such a case, the calculations and the documents provided for in cl. 7.2.5. must be submitted in substantiation of issuing the order (instruction).

7.2.6 In case of involving the third party Procurement Authority, the bid together with the order for procurement shall be transferred to such the Procurement Authority not later than 10 business days before the supposed date of the procedure announcement.

7.3 Procurement announcement

7.3.1 Procurement announcement is additional providing the suppliers with the information, in addition to publication of the information on procurement in the Procurement Plan, on planned carrying out of specific procurement (procurement group) which is carried out by publishing the data on such the procurement (procurement group) both separately and as part of any programs, projects, etc. on the Customer's site (site of the Procurement Authority), the official site (in case of technical feasibility of such posting), as well as in other sources determined by the Customer.

7.3.2 The decision on the procurement announcement shall be carried out by the Customer's decision.

7.3.3 It must be specified in the text of the published announcement that this publication is not the official document announcing the commencement of procedures, and also it must contain the Procurement Authority's contact information to which the interested suppliers may send the information on themselves, so that the information on the procedure commencement is sent to these suppliers after official announcement of the competitive procurement.

7.3.4 The Procurement Authority shall be entitled to ask the interested suppliers to provide any information on themselves, the manufactured products, the terms of supply, the rendered services, the performed works, etc., but it shall specify that such the information shall not be considered as the proposals which are compulsory for execution of the contract.

7.3.5 It shall be specified in the announcement text that failure to carry out of the previously announced procurement cannot be the ground for any claims on the suppliers' part.

7.4 General requirements as to the notice of procurement and the documentation on procurement

7.4.1 The commencement of the procedures of any procurement in the open form must be officially announced by the way of publishing the notice of carrying out of procurement and the documentation on procurement in the sources determined in section 3 hereof. The notice of carrying out of the open-bid procurement shall be published concurrently with publication of the documentation on procurement. The notice of carrying out of the sealed-bid procurement must be concurrently sent to all the invited suppliers; the documentation on the sealed-bid procurement shall be transferred to such the procurement participants only after their signing the confidentiality agreements in respect of their participation in procurement with the Procurement Authority (the Customer).

7.4.2 The following data must be specified in the notice of procurement:

a) the procurement method and form from the ones contemplated by section 5 hereof (excluding procurement by the way of participation in the procedures organised by the sellers of the products);

b) the Customer's and the third party Procurement Authority's (in case of its involving) name, registered address, postal, e-mail address and contact telephone number;

c) the contract scope with the indication of the quantity of the supplied commodity, the volume of the performed works and rendered services,

d) the place of commodity supply, performance of the works, rendering of the services;

e) the data on the starting (maximum) price of the contract (price lot). In case of establishing the starting (maximum) price of the contract (the lot price), there must be clearly indicated whether the expenses for the product transportation, insurance, payment of customs duties, taxes and other possible payment are included in the cost of the products;

f) the time period, the place and the procedure of providing the documentation on procurement, the amount, the procedure and the time periods for making the payment charged by the Customer for provision of the documentation if such payment has been established by the Customer (excluding the cases of providing the documentation on procurement in the form of the electronic document);

g) the place and the time periods for consideration of the procurement participants' proposals and drawing procurement conclusions.

7.4.3 The data determined hereby must be specified in the documentation on procurement, inter alia:

a) the requirements as to the procurement participant and the list of documents to be submitted by the procurement participant and confirming its compliance, as well as compliance of the joint contractors (the subcontractors, the subsuppliers) in the event the documentation on procurement provides the possibility of involving the joint contractors (the subcontractors, the subsuppliers) by the procurement participant for performance of the contract, in case if in compliance with the legislation of the Russian Federation the requirements as to the parties supplying the goods, performing the works and rendering the services which are the procurement item, have been imposed;

b) the requirements imposed by the Customer as to quality, technical characteristics of the commodity, works and services, as to their safety, functional characteristics (consumer properties) of the commodity, as to the dimensions, packing, shipment of the commodity, as to the results of works and other requirements related to determining compliance of the supplied commodity, performed works and rendered services with the Customer's needs and the procedure of confirming compliance with these requirements;

c) the requirements as to the content, the form, execution and composition of the bid for participation in procurement;

d) the requirements as to the procurement participants' description of the supplied commodity which is the procurement item, its functional characteristics (consumer properties), its quantitative and qualitative characteristics, the requirements as to the procurement participants' description of the performed works and the rendered service which are the procurement item, their the quantitative and qualitative characteristics;

e) the place, the terms and the time periods (periods) of the commodity supply, performance of the works and rendering the services;

f) procedure of forming the contract price (the lot price) (taking into account or without including the expenses for transportation, insurance, payment of customs duties, taxes and other compulsory payments);

g) the form, the procedure and deadlines for the payment for the commodity, works and services;

h) the procedure, the place, the starting date and the closing date for submitting the bids for participation in procurement;

i) the forms, the procedure, the time period of providing the procurement participants with the explanations of provisions of the documentation on procurement;

j) the place and the time period of consideration of the procurement participants' proposals;

k) the place and the time period of drawing conclusions on procurement;

l) the criteria of assessment and comparison of the bids for participation in procurement;

m) the procedure of assessment and comparison of the bids for participation in procurement.

7.4.4 The notice of procurement, documentation on procurement, in addition to the data specified, accordingly, in subclauses 7.4.2 and 7.4.3 hereof, may contain other terms of carrying out of procurement as prescribed by provisions of section 8 hereof.

7.4.5 The draft contract must be attached to the documentation on procurement.

7.4.6 The eligibility qualification criteria shall not impose excessive restrictions on the procurement participants' competitive struggle.

7.4.7 The notice of procurement and documentation on procurement shall be posted on the official site within the time periods determined hereby depending on the procurement method.

7.5 Recognition of the competitive procurement procedure as void

7.5.1 The competitive procurement procedure shall be recognised as void if no bid is submitted upon expiration of the bidding period.

7.5.2 The competitive procurement procedure shall also be recognised as void if the following decision has been taken on the results of consideration of the bids:

a) on refusal in admission for all the procurement participants which have submitted the bids;

b) on admission for only one procurement participant;

7.5.3 In addition to subclauses 7.5.1 and 7.5.2 hereof, the auction shall be recognised as void if no one from the admitted procurement participants has submitted the quotation which is lower than the starting (maximum) price of the contract (the lot price).

7.5.4 If two and more lots are provided in the documentation on procurement, the procedure shall be recognised as void only in respect of that lot with regard to which the provisions of subclauses 7.5.1, 7.5.2 and 7.5.3 hereof are fulfilled.

7.5.5 If only one bid has been submitted when carrying out of any competitive procurement, but conducting new procurement procedures is inexpedient (e.g., the time limits for carrying out of procurement have finished, carrying out of new competitive procurement shall not lead to changing the circle of the procurement participants), the procurement committee shall be entitled to take the decision to execute the contract with the procurement participant which has submitted such the bid provided that the following conditions are concurrently met:

a) this procurement participant meets the requirements of the documentation on procurement about what the procurement committee has taken the corresponding decision;

b) the contract shall be executed at the price, in the volume and upon the terms specified by such the sole procurement participant in its bid (and in case of the auction at the price agreed by the parties and not exceeding the starting

(maximum) price of the contract (price lot)), or upon the best terms for the Customer (inter alia, the ones reached on the results of precontractual negotiations).

7.5.6 Recognition of the competitive procurement as void does not mean its termination if the procurement is continued in the form of executing the contract with the competitive procedure sole participant which has submitted the bid for participation in the competitive procedure and in case if such the bid has been declared complying with terms the documentation on procurement.

7.5.7 The results of non-performed open competitive procedure in view of absence of competition in the market may be the ground for taking the decision by the Customer's CPA (in compliance with their competence) to carry out the procurement without changing the procurement item, but with changing the procurement method towards simplification of the procedure (e.g., to carry out the request for proposals instead of the competitive tender).

7.5.8 If more than one bid has been submitted when carrying out any competitive procurement, but only one of them has been declared complying with the requirements of the documentation on procurement, the Customer's CPA or another permitting body of the Customer shall take the decision within its competence to execute the contract with the procurement participant which has submitted such the bid.

7.5.9 If carrying out of procurement has not resulted in selection of the winning bidder and (or) execution of the contract according to its results (excluding the cases specified in subclauses 7.5.5 and 7.5.8 hereof), the procurement committee shall be entitled to take the decision to carry out repeated procurement using the same method with or without changing the terms of the documentation on procurement (except for the time periods for carrying out of procurement). When carrying out the repeated procurement, changing the procurement item is not allowed. The procurement initiator shall be obliged to submit the following for consideration the procurement committee: the analysis of the procurement documentation (its technical and commercial parts) and the prospective contractors' submitted proposals containing the conclusions on the reasons which have not allowed choosing the winning bidder, and also the statement of absence of (or the availability of) the competition restrictions when carrying out of the procedure and expediency of repeated procurement announcement upon the same terms or appropriateness of their alterations.

7.5.10 If carrying out of procurement has not resulted in selection of the winning bidder, and it is not possible to carry out of procurement using the same method in compliance with the terms of cl. 7.5.9 hereof, the Procurement Initiator shall form the proposal to change the procurement method and submit it for the Customer's CPA. The decision on the procurement method, the time periods for preparation of the notice and the documentation on procurement and conducting the procedure, other issues which are compulsory for inclusion in the order (instruction) to carry out of procurement and without issuing it shall be taken at

the meeting of the Customer's CPA. The Customer's CPA shall be entitled to take the decision on carrying out of procurement using any of the methods provided for in section 5 hereof regardless of the procurement cost.

8. THE PROCEDURE OF CARRYING OUT THE PROCUREMENT PROCEDURES

8.1 The procedure of conducting the open single-stage competitive tender

8.1.1 General provisions

8.1.1.1. The open single-stage competitive tender shall be held as follows:

a) determination of main terms, requirements and procedure of the competitive tender as prescribed by cl. 7.1 hereof;

b) issuing the corresponding executive document as prescribed by cl. 7.2 hereof;

c) announcement of the competitive tender (as may be required from time to time) as prescribed by cl. 7.3 hereof;

d) development of the notice of carrying out of the competitive tender and the tender documentation as prescribed by general requirements of cl. 7.4 hereof and special requirements of subclauses 8.1.2 and 8.1.3 hereof, their approval as prescribed by cl. 8.1.2.5 hereof;

e) publication of the notice of carrying out of the competitive tender and the tender documentation on the official site and in other sources in compliance with section 3 hereof, as well as, additional notifying of the most probable procurement participants by the decision of the bidding commission in accordance with the procedure provided hereby;

f) as may be required from time to time, providing the procurement participants with the tender documentation as prescribed by cl. 8.1.4 hereof;

g) providing the procurement participants with the tender documentation explanations and the notice (as may be required from time to time), introducing amendments into these documents (as may be required from time to time), refusal from conducting of the competitive tender as prescribed by cl. 8.1.5 hereof (as may be required from time to time); publication of the explanations/alterations/the information on refusal in the same sources in which the notice and documentation on procurement have been published;

h) carrying out prequalification (as may be required from time to time) as prescribed by cl. 8.11.1 hereof;

i) obtaining the envelopes with the competitive bids and (or) obtaining the bids via the functional of ETP as prescribed by cl. 8.1.7 hereof;

j) public opening of the envelopes with the competitive bids or opening the access to the submitted bids at the ETP, publication of the minutes in the same

sources in which the notice and documentation on procurement have been published as prescribed by cl. 8.1.8 hereof;

k) comparison and assessment of the competitive bids as prescribed by cl. 8.1.9 hereof, inter alia, carrying out of rebidding, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

l) selection of the winning bidder or recognition of the competitive tender as void; publication of the corresponding minutes in the same the sources where the notice and documentation on procurement have been published;

m) signing of the minutes of the competitive tender results with the winning bidder and their publication in the same sources in which the notice and documentation on procurement have been published;

n) conducting the precontractual negotiations between the Customer and the winning bidder of the competitive tender (as may be required from time to time) and if the volume and the price of the purchased goods, the works, the services or the time periods of the contract performance have changed as compared to the ones specified in the minutes drawn up on the results of procurement, publication of the data on the contract modification with the indication of the modified terms in the same sources in which the notice and documentation on procurement have been published;

o) signing of the contract with the winning bidder;

p) drawing up the report on carrying out of the competitive tender.

8.1.1.2. Conducting the rebidding within the competitive tender procedure shall be compulsory regardless of the amount of the starting (maximum) price of the contract (the lot price), excluding the following cases:

a) in connection with the specific nature of procurement item, the procurement participants do not submit the proposals in respect of the contract price as part of the bid (holding of the non-cost competitive tenders, the winning bidder of which is determined only on the ground of the procurement participants' qualitative and qualification characteristics);

b) when carrying out of the open competitive tender for the right to execute the framework agreements with further sending the requests according to the rules of conducting the request for proposals and the request for quotations to the suppliers with which the framework agreements have been executed. When carrying out the requests for proposals and the requests for quotations among the participants determined on the results of the open competitive tender for the right to execute the framework agreements, rebidding shall be conducted on general grounds;

c) when carrying out of the open competitive tender for the right to execute the framework agreement with one procurement participant.

8.1.2 The notice of carrying out of the competitive tender

8.1.2.1. The notice of carrying out of the competitive tender must be published concurrently with the tender documentation in the sources determined in section 3 hereof within the following time periods:

a) at least 20 days before the closing day of submitting the bids for participation in the competitive tender upon product procurement in the amount of less than 100 mln. RUB (inclusive of the value-added tax);

b) at least 30 days before the closing day of submitting the bids for participation in the competitive tender upon product procurement in the amount equalling to or exceeding 100 mln. RUB, but not more than 500 mln. RUB (inclusive of the value-added tax);

c) at least 45 days before the closing day of submitting the bids for participation in the competitive tender upon product procurement at the cost of 500 mln. RUB and more (inclusive of the value-added tax).

8.1.2.2. Abridgement of the time period established in subclauses b) and c) of cl.8.1.2.1 hereof (in any case, the time period shall not be less than 20 days before the bid closing date) is possible only by the decision of the Customer's CPA in the presence of substantiation for taking such the decision, excluding procurement in respect of choosing the contractor organisations to perform design and survey and construction and installation works in relation to the technical connection projects implemented by the Customer and procurement in respect of choosing the contractor for rendering of the financial services (abridgement of the time period (in any case, the time period shall not be less than 20 days before the bid closing date) for the specified procurement regardless of the starting (maximum) price of the contract is possible by the decision of the procurement committee).

8.1.2.3. The notice of carrying out of the competitive tender in addition to the data specified in cl. 7.4 hereof must contain:

a) indication of the competitive tender type in compliance with cl. 5.2 hereof, and also the varieties of the applied special procedures in compliance with cl. 8.11 hereof as may be required from time to time (by the decision of the procurement committee);

b) main requirements as to the competitive tender participant;

c) the information on the form, the amount, the time period and the procedure of providing security for performance of the competitive tender participant's obligations related to its submitting the competitive bid (hereinafter referred to as the competitive bid security), and (or) the contract security, if it is contemplated;

d) the data on concession of priorities provided for by the corresponding decision of the Government of the Russian Federation (cl. 4.5 hereof);

e) the data on the starting and ending time of submitting the competitive bids, the place and the procedure of their submitting by the procurement participants;

f) the data on the place and time of conducting the procedure of opening

the envelopes with the competitive bids or opening the access to the bids transferred via the ETP;

g) indication of the Customer's (the Procurement Authority's) right to refuse from conducting of the competitive tender and the time period before occurrence of which the Customer (the Procurement Authority) may do it without any consequences for itself;

h) the data on the time periods of the contract execution after determining the winning bidder of the competitive tender if the time periods differ from the ones established by art. 448 of the Civil Code of the Russian Federation, and in cases where the winning bidder of the competitive tender obtains the right for participation in further procedures of its execution (e.g., the right to be represented to the Customer's CPA, the Customer's Board, etc.), the data on the procedure of such the participation;

i) other essential information on the procedure of conducting of the competitive tender, execution of participation in it, determination of the party which has won the competitive tender;

j) the reference to the fact that the remaining and more detailed terms of the competitive tender are stated in the tender documentation (cl. 8.1.3 hereof).

8.1.2.4. The data specified in the notice of carrying out of the competitive tender must correspond to the data specified in the tender documentation (cl. 8.1.3 hereof).

8.1.2.5. The bidding commission shall approve the notice. The notice of carrying out of the competitive tender shall be the integral part of the tender documentation.

8.1.3 The tender documentation

8.1.3.1. The tender documentation must contain the information which is necessary and sufficient in order that the procurement participants can take the decision on participation in the competitive tender, prepare and submit the bid, so that the procurement committee can assess them on the merits and choose the best proposal.

8.1.3.2. The tender documentation in addition to the data provided for in cl. 7.4 hereof must contain the following terms and the procedure of conducting of the competitive tender:

a) general data on the competitive tender and its purposes, the ground for its carrying out;

b) rights and obligations of the Tendering Authority and its procurement participants, including the Tendering Authority's and (or) the Customer's right to validate authenticity of the data provided by the procurement participant;

c) the form, the procedure, the starting date and the closing date of the time period for submitting the tender documentation explanations, introduction of amendments into it in compliance with cl. 8.1.5 hereof, as well as extension of the competitive bid closing time periods;

d) the procedure and the time period for withdrawal of the bids for participation in the competitive tender, the procedure of introducing amendments into such the bid;

e) reference to usage of special requirements and procedures listed in cl. 8.11 hereof;

f) the requirements as to the form, the amount, the procedure of providing and the validity term of security for performance of the competitive tender participant's obligations related to its submitting the competitive bid (hereinafter referred to as the competitive bid security) in compliance with cl. 8.1.6 hereof, and the contract obligation security if it is contemplated;

g) the place, the date and the time, the procedure of opening the envelopes with the bids for participation in the competitive tender or opening the access to the bids at the ETP (when carrying out of the competitive tender at the ETP);

h) the time period from the date of choosing the winning bidder of the competitive tender within which the winning bidder must sign the draft contract or perform other actions provided for by the tender documentation for its signing;

i) the data specifying that in case if for execution of the contract its preliminary approval the Customer's Board of Directors and General Meeting of shareholders is required, such the contract can be executed only after the corresponding approval;

j) other requirements imposed in compliance with applicable legislation of the Russian Federation, herewith or with the Customer's reasonable wishes.

8.1.3.3. The bidding commission shall approve the tender documentation. The text of the technical and commercial parts of the tender documentation must be agreed with the Customer's corresponding subdivisions before its approval.

8.1.3.4. The Tendering Authority shall make copies (print) the approved tender documentation in the quantity sufficient for meeting the procurement participants' requirements (providing the procurement participants with the paper copy of the documentation on procurement if required). The original tender documentation shall be bound and certified by the signature of the Customer's authorised person, and its copies shall also be certified by the stamp (words) "true copy". The original tender documentation shall be stored at the Procurement Authority.

8.1.4 Submitting the tender documentation

8.1.4.1. The tender documentation shall be posted in the sources determined in section 3 hereof.

8.1.5 Explanation of the tender documentation. Introducing amendments into the tender documentation. Extension of the time periods for carrying out of the competitive tender. Refusal from carrying out of the competitive tender

8.1.5.1. The Tendering Authority shall be obliged to reply timely for any written request of the procurement participant concerning explanations of the notice and (or) the tender documentation, which has been received not later than within the time period established in the tender documentation. Explanations of the notice and the tender documentation provisions shall be published in the same sources in which the notice and the documentation on procurement are published.

8.1.5.2. Before the bid closing date, the Tendering Authority as agreed upon with the Customer (if the Tendering Authority and the Customer are different parties) may introduce amendments into the notice and the tender documentation for any reason. Amendments in the notice and the tender documentation shall be published in the same sources in which the notice and the documentation on procurement are published. In such a case, the Tendering Authority shall postpone the competitive bid closing time periods in compliance with cl. 4.1.2.3 hereof. Before the bid closing date, the Tendering Authority may extend the bid closing time period for any reason.

Example: in case of issuing explanations or introducing amendments into the tender documentation; if one or several procurement participants which fail to submit their the competitive bids within the established time period have applied with the corresponding request to the Tendering Authority.

8.1.5.3. When extending the competitive bid closing period, the Tendering Authority shall publish the information thereon in the same sources in which the notice and the documentation on procurement are published.

8.1.5.4. The norms of cl. 4.1.2.3 hereof shall apply to the procedure of the bidding period extension.

8.1.5.5. The Tendering Authority as agreed upon with the Customer may for any reason refuse from conducting of the competitive tender subject to the term established in cl. 4.1.1.1 hereof.

8.1.6 Securing the performance of obligations

8.1.6.1 The Tendering Authority as agreed upon with the Customer (if the Tendering Authority and the Customer are different persons) shall be entitled to define in the tender documentation the requirement for each procurement participant to provide the security, other than penalty, for performance of obligations, associated with their offer of the competitive bid (competitive bid security) and (or) the security for the performance of the winning bidder's obligations under the contract (the contract security). There are the following methods of security: the pledge, the surety, the independent guarantee (inter alia, the bank guarantee), the advance payment, the security deposit or another one defined by the Customer's CPA and specified in the tender documentation. The requirements as to the security issuer shall not impose excessive restrictions on the procurement participants' competitive struggle.

8.1.6.2 The competitive bid security amount shall not exceed five per cent of the starting (maximum) price (if it is announced) or the price specified by the

participant of the competitive tender in the competitive bid where the cost of procurement is below 1 bln. rub. (inclusive of the value-added tax), and not more than 1 (one) per cent where the cost of procurement is above 1 bln. rub. (inclusive of the value-added tax). If procurement is carried out in compliance with cl. 4.5.3b) hereof, the bid security amount may not exceed 2 per cent of the starting (maximum) contract price (the lot price). Thereat, such the security, except for the penalty, may be provided by the procurement participant at its own choice by the way of depositing the monetary funds to the account specified by the customer in the documentation on procurement, by submitting the bank guarantee or using another method provided for by the documentation on procurement. The monetary funds deposited as the security of the bid for participation in procurement that is carried out in compliance with cl. 4.5.3b) hereof shall be returned to all the procurement participants, except for the procurement participant whose bid has been ranked the first, within 7 business days from the date of signing the minutes compiled subsequent to the procurement results, and to the procurement participant whose bid has been ranked the first, within 7 business days from the contract execution date or from the date of taking the decision that the contract shall not be executed on the results of procurement.

8.1.6.3 The contract security amount shall be determined in the tender documentation. The Customer, as agreed upon with CPA of PJSC Rosseti, may define the cases, the amounts and the procedure of providing additional security of the contract performance (inter alia, in case of proposing the bid with the abnormally low price, in such a case, the abnormally low price implies the procurement participant's pricing proposal that is reduced by definite per cent from the starting (maximum) procurement price established by the Customer's executive documents). If procurement is carried out in compliance with cl. 4.5.3b) hereof and the requirement as to contract obligation security has been imposed, the amount of such the security may not exceed 5 per cent of the starting (maximum) price of the contract (the lot price) if the advance payment is not stipulated by the contract or is established in the advance payment amount if advance payment is stipulated by the contract. Thereat, such the security, except for penalty, may be provided by the procurement participant at its own choice by the way of depositing the monetary funds to the account specified by the customer in the documentation on procurement by submitting the bank guarantee or using another method provided for by the documentation on procurement.

8.1.6.4 The competitive bid security shall be provided concurrently with the bid. The security period must be equal or longer than bid validity term and should be determined in the tender documentation. The contract security shall be provided by winning bidder of the competitive tender after signing of the contract, and in such a case:

- a) the requirements concerning the security of the competitive bid must be the same for all the participants of the competitive tender;
- b) the tender documentation must contain the requirements that are

applicable to the guarantors (sureties), as well as to the methods, the amounts and the procedure of providing the security;

c) the tender documentation must contain description of the procedure of returning the competitive bid security, as well as the cases when the participant of the competitive tender forfeits it;

d) the terms of return and forfeit of the contract obligation security are subject to the draft contract that shall be formed, inter alia, as a listing of its material terms, which shall be included into the tender documentation.

8.1.7 Obtaining the competitive bids

8.1.7.1 The competitive bids shall be accepted before the deadline specified in the notice of carrying out of the competitive tender and in the tender documentation. If the competitive tender participant has submitted its bid behind schedule, the bid shall not be considered, the envelope in which the bid has been submitted shall not be opened. At the procurement participant's request (submitted not later than 3 months from the bid closing date), such the envelope can be returned to the procurement participant which has submitted it.

8.1.7.2 It should be specified in the tender documentation, that the competitive bids must be submitted in envelopes.

Note: The "envelope" is understood to be any packaging securely covering the content (the envelope, the box, the bag, etc.).

8.1.7.3 The Tendering Authority shall take reasonable security measures in respect of checking the content of the envelopes without their opening.

8.1.7.4 When carrying out of the competitive tender at the ETP, the bids shall be accepted using the method provided for by the rules of this ETP.

8.1.7.5 If the Tendering Authority extends the competitive bid acceptance deadline, the participant of the competitive tender which has already submitted the bid, shall be entitled to take any of the following decisions:

a) to withdraw the submitted bid;

b) not to withdraw the submitted bid having extended for this purpose its validity term by the corresponding time period and having modified it (if desired); in such a case, if the Tendering Authority has taken the decision to extend the procurement bid closing period less than 3 (three) business days before expiration of the initially established bid closing period, and the re-established bid closing period has been extended by less than 10 (ten) business days from the initial one, the competitive tender participant shall be entitled not to extend the validity of the documents issued by the third parties and forming part of the bid, these documents shall be deemed meeting the requirements of the tender documentation if the actual period of the document validity non-compliance with the required one as prescribed by the tender documentation is not violated by more than the extension term of the bid closing period;

c) not to withdraw the submitted bid and not to change its validity term, in

such a case, the competitive bid shall cease to be in force within the time period initially established in it, furthermore, if the Tendering Authority has taken the decision to extend the procurement bid closing period less than 3 (three) business days before expiration of the initially established bid closing period, and the re-established bid closing period has been extended by less than 10 (ten) business days from the initial one, and extends the bid closing period by not more than 10 (ten) days, the competitive tender participant shall be entitled not to extend the validity of the documents issued by the third parties and forming part of the bid, these documents shall be deemed meeting the requirements of the tender documentation if the actual period of the document validity non-compliance with the required one as prescribed by the tender documentation is not violated by more than the extension term of the bid closing period.

8.1.7.6 The Procurement Participant may submit only one bid per one lot (excluding submitting the alternative bids if such the possibility has been provided in the documentation on procurement).

8.1.8 Opening of the envelopes submitted to the competitive tender

8.1.8.1 The procedure of opening the envelopes in hard copies submitted to the competitive tender shall be conducted at the prearranged time and the predetermined place as prescribed by the notice of carrying out of the competitive tender; if the competitive tender is held at the ETP, the procedure of opening the access to the procurement participants' bids shall be established by the corresponding governing documents of the ETP.

8.1.8.2 The envelopes in hard copies submitted to the competitive tender shall be opened in the presence of at least two members of the bidding commission (or the authorised representatives on the ground of the bidding commission member's written proxy) or at the commission meeting, with possible involvement of other employees of the Customer, the Tendering Authority (if the Tendering Authority and the Customer are different parties) or third parties. When carrying out of the competitive tender in hard copies, the representatives of each participant of the competitive tender which has timely submitted the competitive bid shall be entitled to be present at this procedure.

8.1.8.3 When carrying out of the competitive tender at the ETP, the procedure of opening the access to the procurement participants' bids shall be conducted in compliance with the ETP governing documents, the secretary of the bidding commission shall supervise this procedure.

8.1.8.4. In the course of public opening of the envelopes in hard copies submitted to the competitive tender, the chairman or any member of the bidding commission (or the authorised representatives on the ground of the bidding commission members' written proxies) shall announce the following information based on the documents provided in the competitive bid:

- a) on the content of the envelope (the competitive bid, its modification,

withdrawal, etc.);

b) the name, the registered and business address of the competitive tender participant;

c) short description of the products proposed in the bid and the competitive bid price (or another indication of the total proposal cost of the competitive tender participant) if the price is specified in the bid;

d) the subject of alterations or the fact of the bid withdrawal for the envelopes with alterations and withdrawals of the bids;

e) any other information which the bidding commission sees fit to announce.

8.1.8.5. The competitive tender participants' representatives can be entitled to provide the information message as per the substance of the submitted bid and answers to the questions of the bidding commission members or the authorised representatives acting on the ground of the bidding commission members' written proxies. The questions to the representatives of participants may relate only to clarification of the information announced during opening the envelopes.

8.1.8.6. The competitive bids which have been neither opened nor read out in accordance with the above-described procedure cannot hereinafter be accepted for consideration in this procurement for any reason whatsoever.

8.1.8.7. According to the results of procedure of opening the envelopes with the competitive bids irrespective of the form of envelope opening, the corresponding minutes which must contain the following data shall be drawn up:

a) the composition of those present at the procedure of opening;

b) total number of the submitted competitive bids and the list of competitive tender participants which have submitted the bids, together with their addresses;

c) the information which was announced in the course of procedure;

d) the list of the competitive bids (alterations/withdrawals of the competitive bids) obtained after the bid closing date.

8.1.9 Comparison and assessment of the competitive bids

8.1.9.1. The bidding commission shall compare and assess the competitive bids. The bidding commission shall be entitled to involve the experts and any other persons in this process that it considers necessary. In such a case, the bidding commission must ensure confidentiality of the assessment process and observance of the competitive tender participants' trade secret.

8.1.9.2. Before being involved into comparison and assessment of the competitive bids, each member of the bidding commission, as well as external experts and any other persons that have the access to the information on the competitive bids, must prepare a written statement of their impartiality addressed to the bidding commission chairman. The bidding commission member, the expert or another person that after the procedure of opening the envelopes with

competitive bids has found out that among the participants of the competitive tender there are the persons whose proposals they cannot consider impartially, shall be obliged to declare self-disqualification upon which the bidding commission chairman decides.

8.1.9.3. It is recommended to carry out the assessment of the competitive bids in the following order:

a) conducting the qualifying stage in compliance with subclause 8.1.9.4 hereof;

b) conducting the assessment stage in compliance with subclause 8.1.9.7 hereof.

8.1.9.4. **The Qualifying Stage.** Within the framework of the qualifying stage, the bidding commission shall sequentially take the following actions:

a) requesting the participants of the competitive tender to explain the competitive bid provisions and to provide data and (or) documents (if required) on the condition that such the data and documents have been determined in the tender documentation. In such a case, the inquiries or requests about providing the missing documents aimed to change the merits of the competitive bid, including changing the competitive bid terms (the price, the currency, the supply terms and provisions, the supply or payment schedule and other commercial conditions) shall not be allowed. The follow-up inquiries about the terms of the competitive bid (the list of the proposed products, their technical characteristics, other technical terms that unfold the information specified in the participant's bid for the goods, works and services) shall be allowed, however, such detailing should not change the item of the procurement carried out;

b) checking the bids for compliance with the requirements of the tender documentation as to drawing-up of the bids; in such a case, the competitive bids shall be treated as meeting the requirements of the tender documentation, even if they have insignificant discrepancies in the form, or arithmetical and grammar mistakes that have been corrected, and the procurement participant that has submitted such the bid agrees to this correction;

c) checking the participant of the competitive tender for compliance with the requirements of the tender documentation (in case, if prequalification has not been conducted);

d) checking of the offered products for compliance with the requirements of the tender documentation;

e) checking the compliance of the bid price with the starting (maximum) price of the contract (price lot) if it has been established;

f) checking the availability of the data on the supplier in the Register(s) of mala fide suppliers provided for hereby if the requirement on absence of the procurement participant in such the Register(s) has been stipulated in the tender documentation;

g) obtaining the conclusion of the Customer's Economic Security Service;

h) rejecting the competitive bids that from the bidding commission

members' perspective fail to meet the requirements of the tender documentation;

i) in case of finding arithmetical, grammar and other apparent mistakes, the commission shall be entitled to acknowledge the correction of such mistakes sent by the participant in writing to the address of commission.

8.1.9.5. When carrying out the qualifying stage, the bidding commission accepts the assessment and recommendations from the experts (if they have been involved), nevertheless, it may take any independent decisions with due consideration of the bid assessment procedure stipulated in the tender documentation.

8.1.9.6. When carrying out the qualifying stage, the Customer and the Tendering Authority shall be entitled to check the veracity of data provided by the procurement participant, inter alia, by sending the requests to the state agencies, to the persons specified in the bid, as well as to carry out desk audit.

8.1.9.7. **The Assessment Stage.** Within the framework of the assessment stage, the bidding commission shall assess and compare the competitive bids which have not been rejected at the qualifying stage.

8.1.9.8. Assessment is carried out in strict adherence to the criteria and procedures specified in the tender documentation.

8.1.9.9. When ranking the bids, the bidding commission shall accept the assessment and recommendations from the experts (if they were involved), nevertheless it may take any independent decisions with due consideration of the bid assessment procedure stipulated in the tender documentation.

8.1.9.10. Both the criterion assessment procedure and the exact relative importance (weighted coefficients) of each such criterion must be specified in the tender documentation.

8.1.9.11. The criteria may concern:

a) the reliability and qualification of the procurement participant, as well as the announced joint contractors (subcontractors, joint suppliers);

b) the effectiveness of the proposal submitted by the procurement participant from the standpoint of satisfying the Customer's needs (including the proposed contractual terms);

c) the bid price examined either directly, or as the estimate aggregate expenses of the Customer when accepting this proposal (e.g., the price and the operational, maintenance and repair costs, required additional costs, etc.);

d) other reasonable criteria.

8.1.9.12. Where there is the explicit reference to application of priorities specified in cl. 4.5 in the notice and the tender documentation, the bidding commission in the process of assessment and comparison of the competitive bids shall consider such the priorities.

8.1.9.13. The qualifying and assessment stages may be combined (be conducted simultaneously).

8.1.9.14. When assessing the quantity parameters of the activity of several legal entities or individuals, inter alia, self-employed entrepreneurs acting for one

of the procurement participants (joint procurement participants), these parameters shall be summarized in compliance with distribution of supplies, works and services between such legal entities or individuals, inter alia, self-employed entrepreneurs. At least one such party shall have the results that cannot be summarized.

8.1.10 Reversed auction procedure (rebidding)

8.1.10.1. When carrying out of the competitive tender, the Tendering Authority shall announce in the tender documentation (irrespective of the contract starting (maximum) price (the lot price) amount) that it shall provide the participants of the competitive tender with the opportunity to increase preferability of their bids of their own free will by decreasing the initial (specified in the bid) price (hereinafter referred to as the rebidding procedure, rebidding) providing keeping the remaining provisions of the bid unchanged. Rebidding shall not be carried out in case of holding the competitive tender for the right to execute the framework agreement with further conducting the procurement procedures (the request for proposals, the request for quotations) for the purposes of meeting the production requirements occurring within the term of the framework agreements (5.2.4), in case of holding the open competitive tender for the right to execute the framework agreement with one procurement participant (cl. 8.10), as well as in case of holding the competitive tenders at which the price is not the assessment criterion for selecting the winning bidder.

8.1.10.2. Rebidding must be conducted after validation of compliance of the bids with the requirements imposed in the tender documentation, providing admission of 2 (two and more participants) to participation in rebidding.

8.1.10.3. All the procurement participants admitted to participation in the competitive tender shall be invited to the rebidding. The commission shall also be entitled to admit the procurement participants' alternative proposals for rebidding where available. The notice of carrying out rebidding must be sent to the competitive tender admitted participants' addresses within the reasonable time period which is sufficient for taking the decision on participation in the rebidding procedure. For the purposes of equal opportunities of participation for all rebidding participants, it is recommended to fix the time of rebidding taking into account the time zones of the competitive tender participants' location.

8.1.10.4. The competitive tender participant invited for rebidding shall be entitled not to participate in it, in such a case its bid shall remain valid with the previously quoted price.

8.1.10.5. The bidding commission shall determine the rebidding step before conducting rebidding on the ground of the corresponding gradation approved by the Customer's CPA. It is allowed to round up (mathematically) the rebidding step obtained when calculating to the nearest whole number.

8.1.10.6. When carrying out rebidding, the time interval for waiting the new price quotation with the duration of ten minutes shall be established. If

within ten minutes after commencement of rebidding or submitting last proposal for the contract price in compliance with the rebidding step the new proposal for the contract price is not submitted, rebidding shall be terminated.

8.1.10.7. Rebidding may be conducted in person (subclause 8.1.10.8 hereof), in absentia (cl. 8.1.10.12 hereof) or in the mixed form (cl. 8.1.10.13 hereof).

8.1.10.8. The parties which signed the competitive bid or the parties authorized by the competitive tender participant to participate in the rebidding procedure on its behalf and to announce the prices which are compulsory for the competitive tender participant must arrive at the rebidding conducted in person. In either case, before the rebidding commencement such the parties must provide the Tendering Authority with the documents confirming their authorities (the passport, as well as the original power of attorney or the order and the abstract of the minutes of the founding members' meeting on the head officer appointment, in case if he himself arrives at the rebidding procedure). The copies of the mentioned documents shall be transferred to the Tendering Authority. More detailed requirements as to the parties participating in the rebidding may be contemplated in the tender documentation.

8.1.10.9. Rebidding shall be conducted in the presence of at least two members of the bidding commission (or the authorised representatives of the Customer's, the Tendering Authority's employees on the ground of the bidding commission members' written proxies). In case the rebidding is conducted in person and in a paper format, the Tendering Authority shall propose all the invited participants of the competitive tender to announce new prices publicly. The competitive tender participant shall announce the new price of its proposal basing on knowledge of the prices of other participants of the competitive tender, but it is not obliged to suggest the price which is mandatorily lower than the prices of other participants of the competitive tender. The rebidding step or the procedure of its determination can be established in the tender documentation. Rebidding shall be conducted in a sequential order with all the participants of the competitive tender, with the right to skip announcement of next price unless and until all those present declare that they have announced the final price and shall not reduce it subsequently (inter alia, by the way of absence of the proposals to declare the new price).

8.1.10.10. The bidding commission shall terminate rebidding if the competitive tender participants have failed to submit new proposal to reduce price the contract price (the lot price) within ten minutes upon receipt of the last proposal for the contract price (the lot price).

8.1.10.11. In the course of conducting the rebidding, the Tendering Authority shall be entitled to carry out audio or video recording; all the parties participating in this procedure shall be notified on this. The tender participants shall also be entitled to carry out audio or video recording of this rebidding procedure and shall be obliged to notify the Tendering Authority about this

before conducting the rebidding.

8.1.10.12. In case the rebidding is conducted in absentia, the rebidding participants of the competitive tender which have been invited by the Tendering Authority to this procedure shall be entitled to send the sealed envelope with the document containing the new price which must be less than the one initially specified by it in the competitive bid, to the address of the Tendering Authority before the predetermined time period . In this case, the procedure of marking and submitting such the envelope must be described in detail in the tender documentation in order not to open the envelope earlier than conducting the rebidding. Also, it shall not restrict the rights of the competitive tender participants which have submitted such the envelopes, for their replacement or withdrawal within the period between taking the decision to carry out rebidding by the Tendering Authority and its carrying out. The specified envelopes shall be opened on the day of conducting rebidding in a sequential order, in the presence of at least two members of the bidding commission (or the authorised representatives of the Customer's, the Tendering Authority's employees on the ground of the written proxy of the bidding commission member), in such a case, the final bid price of each participant of the competitive tender shall be announced and recorded in the minutes. The representatives of each participant of the competitive tender which has timely submitted the envelope containing the document with the new price shall be entitled to be present at this procedure of opening.

8.1.10.13. In case of the mixed rebidding, the competitive tender participants which have been invited by the Tendering Authority to this procedure shall be entitled to arrive personally (represented by their authorised representatives) or to send the envelope containing the document with the minimal price which is the final bid price of this participant of the competitive tender, to the address of the Tendering Authority . The mixed rebidding shall be carried out according to the rules of the rebidding conducted in person, aside from the fact that the bidding commission shall open the envelopes containing the document with the minimal price from the procurement participants which are not present at the rebidding (“participation in absentia”) and announce the prices specified therein before public announcement of the new prices by the competitive tender participants which are present in person.

8.1.10.14. The prices obtained in the course of rebidding shall be documented in the minutes and deemed the final ones for each participant of this procedure. The minutes of the rebidding conducted in person and in the mixed form in a paper format shall be signed by the executive secretary of the commission and the competitive tender participants' representatives which have been present at the rebidding. The Tendering Authority shall publish the minutes of the rebidding results in accordance with the procedure provided for by section 3 hereof.

8.1.10.15. The competitive tender participants having participated in the

rebidding and reduced its price shall be obliged to submit additionally the documents which have been corrected with account of the new price obtained after rebidding and which determine their quotation, and shall be obliged to specify this in the tender documentation. Reducing the price shall not result in changing other terms of the competitive bid or the proposal, except for the price ones.

8.1.10.16. The competitive tender participant's proposals to increase the price shall not be considered, such the participant of the competitive tender shall be deemed not participated at the rebidding. This requirement must be specified in the tender documentation.

8.1.10.17. After conducting the rebidding procedure, the qualifying stage of assessment of the competitive tender participants' bids can be continued, and on the ground of the responses obtained from the participants of the competitive tender or other information received by the Tendering Authority, the competitive tender participants' bids which do not meet the tender documentation requirements may be rejected by the decision of the bidding commission if the competitive tender participants have been notified by the Tendering Authority on such the possibility before conducting the rebidding.

8.1.10.18. Upon receipt of the final (specified) competitive bids and conducting the rebidding, the bidding commission as may be required from time to time shall charge the expert board with the task to conduct assessment in compliance with the previously announced criteria and taking into account the prices obtained in the course of rebidding. The bids of competitive tender participants which have been invited for rebidding, but have not participated in it, shall be recognised at the initial price during the bid ranking.

8.1.10.19. When carrying out the competitive tender at the ETP, the rebidding shall be carried out according to the rules of ETP in the real-time mode, and the data on such rebidding being held must be available to all ETP users that are registered for this procurement. When carrying out the rebidding procedure at the ETP, there is no need of holding the bidding commission meeting for settling the rebidding prices announced by the participants of the competitive tender. The minutes of the results of conducting rebidding shall be generated at the ETP.

8.1.10.20. Generally, rebidding is conducted one time. The invited participants of the competitive tender shall take part in it free of charge.

8.1.10.21. After conducting the rebidding for the first time and (or) at request of any of the invited participants of the competitive tender or by the decision of the bidding commission, the rebidding can be held repeatedly, for a third time, etc. (hereinafter referred to as repeated rebidding). In such a case, the Tendering Authority may claim compensation of the expenses related to organization of such the rebidding from the competitive tender participant on the ground of the contract executed with the Tendering Authority. The maximum amount of the expenses to be compensated shall be 1 mln. roubles (inclusive of the value-added tax); the exact amount of the expenses shall be calculated by the

Tendering Authority in each specific case based on the Tendering Authority's remuneration amount, but not more than 50% of such the remuneration. The specific procedure of conducting the repeated rebidding shall be determined by the tender documentation.

8.1.10.22. If there is information on the opportunity of additional reducing the submitted price quotations, the Tendering Authority or the bidding commission can take the decision to carry out repeated rebidding. If repeated rebidding is carried out by the decision of the Tendering Authority or the bidding commission, no fee for their conducting shall be charged from the competitive tender participants.

8.1.11 Determination of the winning bidder of the competitive tender

8.1.11.1. The party which has suggested the best terms of the contract performance in compliance with the criteria and the procedure of the bid assessment and comparison which have been established in the tender documentation on the ground hereof, shall be pronounced the winner of the competitive tender (the winning bidder of the competitive tender).

8.1.11.2. The bidding commission shall be entitled to reject all the competitive bids if none of them meets the requirements established by the tender documentation in respect of the competitive tender participant, the competitive tender item, the contract terms, and the bid execution.

8.1.11.3. The bidding commission shall be entitled to demand confirmation of compliance with qualification requirements from any participant of the competitive tender before choosing the winning bidder.

8.1.11.4. According to the results of the bidding commission meeting at which the competitive bids are assessed and the winning bidder of the competitive tender is determined, the minutes of choosing the winning bidder shall be drawn up. Therein the participants of the competitive tender whose bids have been examined and the bid ranking according to the preference of the bidding commission shall be specified, as well as the winning bidder of the competitive tender shall be indicated. The minutes of the bidding commission meeting shall be executed in the prescribed form (Schedule 15. Set of supporting documents to this Standard).

8.1.11.5. The Tendering Authority shall immediately send the written notification to the winning procurement participant about acknowledging it to be the winning bidder of the competitive tender and shall invite it to sign the minutes of the competitive tender results in compliance with the requirements of art. 448 of the Civil Code of the Russian Federation.

8.1.11.6. The minutes of the competitive tender results must include the price and other material terms of the contract (depending on its type), its parties, the term within which such the contract must be executed, as well as the compulsory actions and requirements that should be implemented for its execution (e.g., the contract obligation security), as well as the results of

conducting the precontractual negotiations, if they have been held before signing the minutes of the competitive tender results, and the possibility of conducting such the negotiations has been stipulated by the tender documentation. In case if by the moment of signing the minutes of the results the precontractual negotiations have not been held, and the possibility of conducting them has been stipulated by the tender documentation, the price of the contract may be not included in the minutes of the results. Conducting precontractual negotiations shall not provide the preferential terms of participation in the competitive tender. The minutes of the competitive tender results shall be executed in the prescribed form (Schedule 15. Set of supporting documents to this Standard).

8.1.11.7. The minutes of the competitive tender results shall be signed on the Winning Bidder's part within the time period not exceeding 5 business days from the date of sending the notice to it and publication of the minutes provided for by cl. 8.1.11.4 hereof in the sources determined in section 3 hereof.

8.1.11.8. According to the results of conducting the competitive tender, the competitive tender participants which have not been chosen as the winning bidder shall be returned the security for their competitive bids. The terms and the procedure of the bid security return shall be determined in the tender documentation.

8.1.11.9. The competitive tender participant chosen as the winning bidder shall lose the winning bidder status, and its actions (omission to act) shall mean refusal from execution of the contract on the occurrence of any of the following:

a) it has failed to sign the minutes of the competitive tender results within the time period determined by the tender documentation;

b) it has failed to sign the contract on the results of the competitive tender conducting within the time period determined in cl. 9.1.3 hereof;

c) it has proposed the Customer to introduce the significant amendments worsening the terms of the contract, inter alia, by means of negotiations (save to the extent that such the negotiations are conducted upon the Customer's initiative in compliance with the bidding commission decision).

8.1.11.10. Upon occurrence of the cases determined in cl. 8.1.11.9 hereof, the Tendering Authority shall be entitled to choose the new winning bid from among the remaining effective ones or to terminate the competitive tender without determining the winning bidder and to propose the Customer to consider the issue on repeated carrying out of procurement. The data on the supplier which has lost the status of the competitive tender winning bidder shall be included into the Register of mala fide suppliers in compliance with the requirements of applicable legislation of the Russian Federation and the procedure established in Schedule 18 hereto.

8.1.11.11. The Tendering Authority shall be entitled to apply the additional special procedures of the competitive tender (cl. 8.11 hereof) and impose special requirements as to the winning bidder. Direct reference to applying these procedures and the presence of such the requirements as to winning bidder must

be contained in the notice of carrying out of the competitive tender (in brief) and in the tender documentation (in detail).

8.1.12 Exclusion of the competitive tender participant

8.1.12.1. At any stage, up until signing of the contract, the bidding commission shall be entitled to debar the competitive tender participant, inter alia, the one admitted to participate in the procedure when finding:

a) the fact that the participant has supplied the untrustworthy data that is substantial for admission of such participant to the competitive tender or establishing its position in ranking;

b) the data which allow reasonable cancellation of the previously taken decision on admission;

c) the documented fact that such procurement participant has put strain on the commission member, expert, or the head officer of the Tendering Authority;

d) the presence of other grounds expressly provided by the tender documentation.

8.2 The features of the closed competitive tender procedures

8.2.1 The closed competitive tender may be held in the cases specified in cl. 5.3 hereof.

8.2.2 In any matter not covered by this subsection, the rules of conducting of the open competitive tender (cl. 8.1 hereof) shall be applied to holding the closed competitive tenders.

8.2.3 The Tendering Authority shall not publish the notice as it is set forth in cl. 8.1.2 hereof, but it shall send it at the same time (on one day) personally to each procurement participant with the invitation to participate in the competitive tender. The Customer or the Tendering Authority as agreed upon with the Customer shall form the list of the closed competitive tender participants.

8.2.4 The Tendering Authority shall take all reasonable measures for keeping the composition of participants of the closed competitive tender confidential for the purposes of preventing the procurement participants from collusion.

8.2.5 The Tendering Authority shall not be entitled to accept for assessment the competitive bids from the suppliers which it has not invited for participation in the closed competitive tender. Such the right can be granted in the tender documentation only to the suppliers submitting the competitive bid as part of the collective procurement participant.

8.3 The features of the two-stage competitive tender procedures

8.3.1 In any matter not covered by this subsection, the provisions of cl. 8.1 hereof shall be applied to conducting the two-stage competitive tenders, and if the tender is closed, the provisions of cl. 8.2 hereof shall also be applied.

8.3.2 During the first stage of the two-stage competitive tender, the procurement participants shall submit the initial competitive bids containing technical proposals without the price, as well as the documents confirming compliance of the procurement participants with the imposed requirements. The tender documentation may stipulate submitting the preliminary cost estimates, but only as reference materials.

8.3.3 During the first stage, the Tendering Authority shall not require the competitive bid security (cl. 8.1.6 hereof).

8.3.4 It must be specified in the text of the tender documentation of the first stage, in addition to the data specified in cl. 8.1.3 hereof, that on the results of conducting of the first stage of the competitive tender the Customer shall be entitled to specify the procurement terms, that is:

a) any requirement as to the functional, technical, qualitative or operating characteristics of the procurement object and the contractual terms specified in the tender documentation. In such a case, the Customer shall be entitled to supplement the specified characteristics with the new ones meeting the requirements hereof, of the Customer's local regulatory documents and the legal requirements of the Russian Federation;

b) any assessment criterion of the bids for participation in such the competitive tender specified in the tender documentation. In such a case, the Customer shall be entitled to supplement the specified criteria with the new ones meeting the requirements hereof, of the Customer's local regulatory documents and the legal requirements of the Russian Federation, only to the extent this supplement is necessary in the result of modifying the functional, technical, qualitative or operational characteristics of the procurement object, or the contractual terms which occurred in the result of consideration of the procurement participants' bids by the Customer at the first stage.

c) the procurement participant which does not wish to submit the competitive bid at the second stage shall be entitled to withdraw from further participation in the competitive tender without bearing the liability for it to the Tendering Authority.

8.3.5 The procedure of public opening of the envelopes submitted to the competitive tender (cl. 8.1.8 hereof) may not be conducted at the first stage.

8.3.6 The Tendering Authority shall assess compliance of the procurement participants with the requirements of the competitive tender, as well as substance of the proposal with respect to forming the final technical task and the tender documentation of the second stage. Submitting of the technical quotations not meeting the Customer's purposes in the opinion of the bidding commission at the first stage may not be the ground for refusal in further participation.

8.3.7 During the first stage, the Tendering Authority shall be entitled to hold the negotiations with any procurement participant in respect of any provision of the initial competitive bid. If the negotiations are required, the Tendering Authority shall send the invitation for the negotiations to the

procurement participants. Unless otherwise indicated in the tender documentation, the negotiations with each procurement participant shall be held separately, their results shall be recorded in the minutes with obligatory reference to the issues discussed. The minutes shall be signed by the plenipotentiary representatives of the parties and published by the Tendering Authority in compliance with section 3 hereof. The information constituting the trade secret of the procurement participant with which the negotiations are conducted shall not be included into the minutes.

8.3.8 The Tendering Authority shall be entitled to exclude the procurement participants which do not meet the competitive tender requirements from further procedures of the competitive tender (both before the negotiations, during them or after them).

8.3.9 According to the results of the negotiations with the participants of procurement of the first stage, the Tendering Authority shall prepare the list of the procurement participants admitted to the second stage, the final technical task and the tender documentation of the second stage in which it is entitled to specify the terms of the second stage of procurement (cl. 8.3.4 hereof). The tender documentation of the second stage can be executed as a separate document, or in the form of alterations of the tender documentation of the first stage (depending on the customer's decision or the technical feasibility of publishing such the documents on the official site). The tender documentation of the second stage, as well as alterations and explanations thereto shall be published in compliance with section 3 hereof, and also the Tendering Authority shall be entitled to send the targeted invitations to the competitive tender participants admitted for participation at the second stage of the competitive tender.

8.3.10 Only those procurement participants which on the results of the first stage have been admitted by the bidding commission to participate at the following stage of the competitive tender shall be admitted to participate at the second stage of the two-stage competitive tender. In case the Tendering Authority introduces the corresponding amendments into the tender documentation of the second stage, the participants of the second stage of the competitive tender shall be given the opportunity to replace/involve new subcontractors (the joint suppliers/the joint contractors).

8.3.11 During the second stage, the Tendering Authority shall propose the procurement participants submitting the final competitive bids with the indication of price, i.e. the final technical and commercial proposal. The Procurement Participant which does not wish to submit the competitive bid at the second stage shall be entitled to withdraw from further participation in the competitive tender.

8.3.12 Further procedures of the second stage of the competitive tender are similar to the ones described in clause 8.1 hereof, excluding the prequalification which is not carried out within the two-stage competitive tender.

8.3.13 When assessing the competitive tender participant's compliance with the imposed requirements, the Tendering Authority shall be entitled to use

the data of the first stage (if the requirements in this part have not changed). Also, it shall be entitled to request confirmation of compliance with these requirements from any procurement participant.

8.3.14 If on the results of conducting the first stage of the competitive tender and considering the submitted competitive bids, the Tendering Authority (the Customer) makes sure that the circle of the prospective procurement participants can be expanded by means of preparing new technical requirements as to the products and modifying the requirements as to the procurement participants, this competitive tender can be cancelled, and the new open-bid procurement can be carried out using the method provided for hereby.

8.4 The features of the multiple-stage competitive tender procedures

8.4.1 The multiple-stage competitive tender may be held upon procurement of sophisticated and particularly sophisticated products.

8.4.2 When carrying out of the multiple-stage competitive tender, it is specified in the tender documentation that the competitive tender shall be held in several stages the number of which may or may not be specified in advance.

8.4.3 The number of stages of the multiple-stage competitive tender shall be determined by its Tendering Authority based on the task complexity, quality of the bids submitted by the procurement participants and the results of the negotiations with them.

8.4.4 The last stage of the multiple-stage competitive tender shall be conducted in accordance with the same procedure as the second stage of the two-stage competitive tender.

8.4.5 The remaining stages of the multiple-stage competitive tender shall be conducted just as the first stage of the two-stage competitive tender.

8.4.6 In all other respects the provisions of cl. 8.3 hereof shall be applied to conducting the multiple-stage competitive tender, and if the tender is closed, the provisions of cl. 8.2 hereof shall also be applied.

8.5 The features of the open auction procedures

8.5.1 In any matter not covered by this subsection, the provisions concerning conducting the open single-stage competitive tender (cl. 8.1 hereof) shall be applied to conducting the auction.

8.5.2 The auction shall be conducted in the following sequence:

- a) determination of main terms and requirements of the auction as prescribed by cl. 7.1 hereof;
- b) issuing the corresponding executive document as prescribed by cl. 7.2 hereof;
- c) announcement of the auction (as may be required from time to time) as prescribed by cl. 7.3 hereof;
- d) development of the notice of conducting the auction and the auction

documentation as prescribed by cl. 7.4 hereof, their approval by the auction committee;

e) publication of the notice of holding the auction and the auction documentation on procurement in compliance with section 3 hereof;

f) providing the procurement participants with the auction documentation as prescribed by cl. 8.1.4 hereof;

g) providing the auction participants with the auction documentation explanations and the notice (as may be required from time to time), introducing amendments into these documents (as may be required from time to time), refusal from conducting the auction as prescribed by cl. 8.1.5 hereof (as may be required from time to time); publication of the explanations/alterations/the information on refusal in the same sources in which the notice and documentation on procurement have been published;

h) carrying out prequalification (as may be required from time to time) as prescribed by cl. 8.11.1 hereof;

i) obtaining the envelopes with the auction bids and (or) or obtaining the bids via the functional of ETP as prescribed by cl. 8.1.7 hereof;

j) public opening of the envelopes with the auction bids or opening of the bids submitted at the ETP as prescribed by cl. 8.1.8 hereof, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

k) selection of the bids for participation in the auction as prescribed by cl. 8.1.9 hereof, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

l) conducting the auction (the procedure of price lowering), recognition of the auction as void (as may be required from time to time and on the grounds provided for by cl. 7.5 hereof); publication of the minutes of the auction conducting or the minutes of recognising the auction as void in the same sources in which the notice and documentation on procurement have been published;

m) signing of the minutes of the results the auction with the winning bidder, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

n) conducting the precontractual negotiations between the Customer and the auction winning bidder (as may be required from time to time) and if the volume and the price of the purchased goods, the works, the services or the time periods of the contract performance have changed as compared to the ones specified in the minutes drawn up on the results of procurement, publication of the data on the contract modification with the indication of the modified terms in the same sources in which the notice and documentation on procurement have been published;

o) signing of the contract with the winning bidder;

p) drawing up the report on conducting the auction.

8.5.3 In addition to the data established in cl. 7.4.2 hereof, the

documentation on the auction must contain the data on the place and the procedure of conducting the auction.

8.5.4 For participation in the auction the procurement participant shall submit the bid for participation in the auction. The requirements as to the content, form, execution and composition of the bid for participation in the auction shall be specified in the auction documentation taking into account the provisions of this section.

8.5.5 The Customer shall be obliged to impose the well-defined requirements in the auction documentation as to the procurement participants and the purchased products which cannot be modified by the procurement participant.

8.5.6 The Procurement Participant shall be entitled to submit only one bid for participation in the auction in respect of each piece of the auction (lot).

8.5.7 The bid price proposal shall be specified in the letter of offer. When carrying out the procedure of opening the envelopes with the auction bids, such the price, together with other data the list of which is determined in the auction documentation shall be announced.

8.5.8 The auction procedure (the price lowering by the auction participants) shall be carried out within the time period determined in the auction documentation. Only those procurement participants which have been admitted to participate in such the procedure may take part in the price lowering procedure.

8.5.9 The procedure of conducting the auction shall be determined in the auction documentation.

8.5.10 The party which has suggested the lowest price of the contract, or the party which has suggested the highest price of the contract if in the process of holding the auction the contract price has been reduced to zero and the auction for the right to execute the contract is conducted, shall be pronounced the winning bidder of the auction. In case if none of the procurement participants has reduced its price relative to the one specified by it in the letter of offer, the procurement participant which has suggested the lowest price in accordance with the letter of offer shall be pronounced the winning bidder of the auction.

8.5.11 The auction minutes shall be executed in the course of conducting the auction. The auction minutes must contain the data on the place, date and time of conducting the auction, the auction participants, the starting (maximum) price of the contract (price lot), the minimal contract price bids suggested by each participant of the auction and ranked in descending order. These minutes shall be published in accordance with the procedure provided for in section 3 hereof.

8.5.12 The minutes of the auction results which must contain the data similar to the ones contemplated by cl. 8.1.11.6 hereof shall be drawn up according to the results of conducting the auction.

8.5.13 The auction shall be conducted in electronic form taking into account the rules applicable at the ETP.

8.6 The features of procedures of the request for proposals

8.6.1 In any matter not covered by this subsection, the provisions concerning conducting the open single-stage competitive tender (cl. 8.1 hereof) shall be applied to carrying out the request for proposals.

8.6.2 The request for proposals shall be conducted in the following sequence:

a) determination of main terms, requirements and procedure of the request for proposals as prescribed by cl. 7.1 hereof;

b) issuing the corresponding executive document as prescribed by cl. 7.2 hereof;

c) announcement of the request for proposals (as may be required from time to time) as prescribed by cl. 7.3 hereof;

d) development of the notice of carrying out of procurement, the documentation on procurement as prescribed by cl. 7.4 and 8.6.5 hereof, their approval by the procurement committee;

e) publication of the notice of procurement and the documentation on procurement in compliance with section 3 hereof;

f) providing the participants of the request for proposals with the documentation on procurement as prescribed by cl. 8.1.4 hereof;

g) providing the procurement participants with the explanations of the documentation on procurement and the notice (as may be required from time to time), introducing amendments into these documents (as may be required from time to time), refusal from carrying out of procurement as prescribed by cl. 8.1.5 hereof (as may be required from time to time); publication of the explanations/alterations/the information on refusal in the same sources in which the notice and documentation on procurement have been published;

h) obtaining the bids in hard copy and (or) via the functional of the ETP as prescribed by cl. 8.1.7 hereof;

i) public opening of the envelopes with the bids or opening the access to the submitted bids at the ETP, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

j) examination of the bids and holding the negotiations (as may be required from time to time) as prescribed by cl. 8.6.10–8.6.12 hereof;

k) obtaining the final proposals from the procurement participants on the results of the negotiations (as may be required from time to time) as prescribed by cl. 8.6.13 hereof;

l) comparison and assessment of the bids, inter alia, conducting rebidding as prescribed by subclauses 8.1.9 and 8.1.10 hereof, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

m) selection of the best bid, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

n) signing of the contract with the procurement participant which has submitted the best bid;

o) drawing up the report on carrying out of procurement.

8.6.3 It is recommended to provide at least 15 days between posting the notice of carrying out of the request for proposals and the documentation on the request for proposals on the official site and the bid closing date. By the decision of the procurement committee, the bidding period can be changed, but it may not be less than 10 days from the date of posting the information on procurement.

8.6.4 The Procurement Authority shall appoint the procurement committee consisting of at least three persons for conducting the request for proposals.

8.6.5 It must be specified in the notice of the request for proposals, that it is not the notice of holding the tender and it does not impose the obligations to execute the contract with the party whose bid has been deemed the best, upon the Procurement Authority or the Customer.

8.6.6 The Procurement Authority shall be entitled to extend the bidding period by the Customer's decision in compliance with subclause b) of cl. 4.1.2.3 hereof, in such a case, it shall publish the information thereon in compliance with section 3 hereof.

8.6.7 The Procurement Authority shall establish the criteria for proposal assessment and determine the procedure of their application when assessing the proposals with the indication of the relative importance value of each such criterion (of weight in case of scoring assessment).

8.6.8 Both concurrent and separate submitting of the technical and commercial parts of the bid can be provided for in the documentation on procurement.

8.6.9 The Procurement Authority shall consider the obtained bids in such a way as to avoid disclosure of their content to other participants of the carried out procurement.

8.6.10 The Procurement Authority may conduct concurrent or successive negotiations with the procurement participants in respect of their bids, inter alia, the negotiations to reduce the price subject to the following conditions:

a) open negotiations shall be conducted between the Procurement Authority and the procurement participant, excluding the negotiations in respect of the confidential information the content of which is not disclosed to anyone without the other party's consent;

b) the opportunity to participate in the negotiations shall be offered to all the procurement participants whose proposals have not been rejected or which have been admitted to submit the commercial quotation if technical and commercial quotations have been submitted separately (cl. 8.6.8 hereof).

8.6.11 The negotiations (except for the negotiations to reduce the price) may not be conducted upon procurement of simple products.

8.6.12 The negotiations shall be documented with the minutes which are signed by the commission members which have been present at the negotiations, the Procurement Authority and the procurement participant with which the negotiations are conducted. These minutes shall be published in compliance with

section 3 hereof.

8.6.13 If required, after completion of the negotiations the Procurement Authority shall ask all the procurement participants which continue to participate in the procedures to submit the final bid by the fixed date. In this case, the Procurement Authority shall select the winning procurement participant from the participants which have submitted such final bids.

8.6.14 The Procurement Authority shall apply the following procedure when assessing the proposals:

a) only the criteria published in the request for proposals shall be taken into account;

b) the quality of the proposals included in the bid shall be assessed separately from the price (price and quality analysis);

c) the bid price shall be considered only after completion of technical assessment (of quality).

8.6.15 The rebidding step, as well as the procedure and the rules of conducting rebidding when carrying out the procedures of the request for proposals shall be established in compliance with cl. 8.1.10 hereof. In such a case, rebidding must be carried out for procurement to the value of 5 mln. RUB and more (inclusive of the value-added tax) (in exceptional cases the Customer's CPA can take the decision not to carry out rebidding), and when carrying out the procurement procedures for implementation of the utility connection contracts rebidding must be carried out for procurement to the value of 25 mln. RUB (inclusive of the value-added tax) and more. When carrying out the procurement procedures for implementation of the utility connection contracts to the value less than 25 mln. RUB (inclusive of the value-added tax), the rebidding procedure shall be carried out upon the existence of the time frame for its carrying out. For procurement to the value of less than 5 mln. RUB (inclusive of the value-added tax), the procurement committee can take the decision not to carry out rebidding. The established price cap can be changed by decision of the CPA.

8.6.16 The Procurement Authority shall take the decision to execute the contract with that procurement participant whose proposal to the fullest extent possible meets the Customer's requirements determined in compliance with the criteria specified in the request for proposals.

8.7 The features of procedures of the request for quotations

8.7.1 In any matter not covered by this subsection, the provisions concerning carrying out of the open request for proposals (cl. 8.6 hereof) shall be applied to carrying out of the request for quotations.

8.7.2 The request for quotations shall be conducted in the following sequence:

a) determination of main terms, requirements and procedure of the request for quotations as prescribed by cl. 7.1 hereof;

b) issuing the corresponding executive document as prescribed by cl. 7.2

hereof;

c) developing the notice of carrying out of procurement and the documentation on procurement as prescribed by cl. 7.4 and 8.7.5–8.7.7, their approval by the procurement committee;

d) publication of the notice of procurement and the documentation on procurement in compliance with section 3 hereof;

e) obtaining of the documentation on procurement as prescribed by cl. 8.1.4 hereof by the procurement participants;

f) explanation of the documentation on procurement, its amendment (as may be required from time to time), refusal from carrying out of procurement and publication of the explanations/alterations/the information on refusal in the same the sources in which the notice and documentation on procurement have been published;

g) obtaining the bids in hard copy and (or) via the functional of the ETP as prescribed by cl. 8.1.7 hereof;

h) public opening of the envelopes with the bids or opening the access to the submitted bids at the ETP, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

i) selection of the bids for participation in the request for quotations as prescribed by cl. 8.1.9.1–8.1.9.6 hereof, conducting rebidding in the cases established in cl. 8.7.12 hereof, determination of the winning bidder of the request for quotations as prescribed by cl. 8.7.13 hereof, publication of the minutes in the same sources in which the notice and documentation on procurement have been published;

j) signing of the contract with the procurement participant which has submitted the best bid;

k) drawing up the report on carrying out of procurement.

8.7.3 The time period between posting of the notice of carrying out the request for quotations and the documentation on the request for quotations on the official site and the bid closing date shall be established depending on the starting (maximum) price of the contract (the lot price) and shall be:

a) at least 5 days in the amount of up to 2,500,000 roubles (inclusive of the value-added tax);

b) at least 10 days in the amount of more than 2,500,000 roubles (inclusive of the value-added tax).

8.7.4 By the decision of the procurement committee, the bid acceptance period established in cl. 8.7.3b) can be reduced, but in such a case, it shall be at least 5 days.

8.7.5 It can be specified in the text of the notice of the request for quotations that it is also the documentation on the request for quotations. In this case, the documentation on the request for quotations shall not be developed separately. The notice of carrying out the request for quotations developed in such a way and the draft contract shall be published in compliance with section 3

hereof.

8.7.6 The Procurement Authority shall specify any well-defined requirements as to the procurement item, the terms of supply, payment by the procurement participants, confirmation of compliance of the products and the procurement participants with the Customer's requirements and the submitted documents.

8.7.7 It shall be specified in the text the documentation on procurement that the request for quotations is not the tender and it does not impose the obligations to execute the contract with the procurement winning bidder upon the Procurement Authority or the Customer.

8.7.8 The Procurement Authority shall be entitled to extend the bidding period by the Customer's decision in compliance with subclause b) of cl. 4.1.2.3 hereof, in such a case, it shall publish the notice thereon in compliance with section 3 hereof.

8.7.9 When carrying out of the request for quotations using hard copies, each procurement participant shall be entitled to submit only one bid. When carrying out the request for quotations at the ETP, it is allowed for the same supplier to offer several pricing proposals that go down in price successively within limits of one procurement procedure. In such a case, the prices proposed by the procurement participants must be stated progressively as they are submitted at the ETP (in real time – “on-line”) using the software and hardware facilities of such the platform.

8.7.10 The procurement participant's bid must fully comply with each one of the submitted requirements or to be better, i.e. the specified requirements are the threshold ones. The degree of threshold requirement exceedance shall not be evaluated and shall not be counted. If at least one of the requirements toward the procurement participant's bid does not meet the terms of the request for quotations, it can be rejected.

8.7.11 The Procurement Authority shall be entitled to demand the participant of the request for quotations to specify the price and to submit the bid with the specified prices if the procurement participant had allowed deviations from the requested price calculation method (e.g., even it has been required, the expenditures for transportation, customs clearance charges, taxes and other payments have been left out) or to reject the bid.

8.7.12 If it has been provided in the documentation on the request for quotations, the Procurement Authority shall be entitled to carry out rebidding. It is recommended to carry out the rebidding in the cases when the prices declared by the procurement participants in their bids are significantly overstated, or the Procurement Authority has received a request about carrying out rebidding from any participant of the request for quotations (when carrying out the rebidding during the qualifying stage). If the starting (maximum) price of procurement exceeds 5 mln. roubles, VAT included, rebidding must be conducted. If the starting (maximum) price of procurement exceeds 5 mln. roubles, VAT included,

rebidding must be conducted. In such a case, rebidding must be carried out for procurement to the value of 5 mln. RUB and more (inclusive of the value-added tax) (in exceptional cases the Customer's CPA can take the decision not to carry out rebidding), and when carrying out the procurement procedures for implementation of the utility connection contracts rebidding must be carried out for procurement to the value of 25 mln. RUB (inclusive of the value-added tax) and more. When carrying out the procurement procedures for implementation of the utility connection contracts to the value less than 25 mln. RUB (inclusive of the value-added tax), the rebidding procedure shall be carried out upon the existence of the time frame for its carrying out. For procurement to the value of less than 5 mln. RUB (inclusive of the value-added tax), the procurement committee can take the decision not to carry out rebidding. The established price cap can be changed by decision of the CPA.

8.7.13 The procurement committee shall determine the procurement participant whose bid meets all the requirements of the notice of the request for quotations and the documentation on procurement and which has suggested the lowest price of the contract, as the winning bidder of the request for quotations.

8.7.14 The contract shall be executed with the participant determined as the winning bidder as prescribed by cl. 8.7.13 hereof. The procurement committee shall be entitled to reject all the bids if the best price bid does not meet its requirements and to carry out new request for quotations.

8.8 The features of the ordinary procurement procedures

8.8.1 The procurement initiator shall carry out the ordinary procurement, and the information on its carrying out may not be published in the sources determined in section 3 hereof. CPA of PJSC Rosseti shall be entitled to take the decision on the necessity of publishing the information on ordinary procurement on the Customers' sites.

8.8.2 When carrying out ordinary procurement, the Customer shall send the official requests and obtain the official answers (on the signature form with the stamp and signature) from (at least three) the prospective suppliers specializing in this kind of delivery (performance of the works, rendering of the services). The request shall contain the information required for completing the position paper. The request shall be sent to the suppliers meeting the following requirements:

- a) it shall have civil legal capacity to the fullest extent for execution and performance of the contract supposed for execution;
- b) it shall not be in the process of liquidation;
- c) it shall have the corresponding permitting documents to carry out the activity types within the framework of the contract (if required);
- d) it shall have required professional knowledge and experience of performing similar contracts, management competence, (financial, material and technical, manpower) resources;
- e) it shall not be included into the Register of mala fide suppliers which is

kept in compliance with Federal law dated 18.07.2011 No. 223-FZ “On procurement of goods, works and services by certain types of legal entities” or into the Register of mala fide suppliers which is kept in compliance with Federal law dated 5.04.2013 No. 44-FZ “On the contract system of the federal and municipal procurement of goods, works and services”.

8.8.3 The Customer shall specify the following in the request to the suppliers:

- a) the requirements as to the products;
- b) the requirements as to the procurement participant's description of its proposals according to the characteristics and quality of the products and the contract performance terms;
- c) the Customer's name and address, the responsible person's full name, its contact telephones, fax number, e-mail address and other required contact details;
- d) the data on the time period for submitting the proposals and the procedure of their submitting.

8.8.4 The Customers are recommended to specify the following in the request to the suppliers:

- a) the draft contract or its material terms;
- b) procedure of forming the contract price (including the price currency and currency of calculations, the procedure of recognition of the expenses for transportation, insurance, payment of customs duties, taxes and other compulsory payments in the price);
- c) the requirements as to the procedure of confirming the compliance of the products with the established requirements;
- d) the requirements as to the suppliers (cl. 8.8.2 hereof) and the list of documents submitted by the procurement participants as part of their proposals in confirmation of meeting the specified requirements;
- e) other required information.

8.8.5 Upon receipt of the proposals, the Customer shall analyse them and select the supplier which has suggested the minimal cost of the contract performance.

8.8.6 If due to the purchased product market suppliers' work features, it is impossible or considerably difficult to obtain the suppliers' proposals executed as prescribed by subclauses 8.8.1-8.8.6 hereof, the Customer shall be entitled to confine itself to attach the copies of the official price lists, public offers, printing the data from the suppliers' sites in the information and telecommunication network Internet and other similar documents, to the position paper.

8.8.7 The obtained proposals must be consolidated in the single position paper the form of which is approved by the Customer's executive documents which is stored at the Customer together with the copy of the contract executed on the results of ordinary procurement. In such a case, the procedure and the time periods of storing the position paper shall be determined by the Customer's internal executive documents.

8.8.8 The position paper executed in the form established by the Customer's executive documents must contain substantiation of the supplier selection. In case of selection of the product supplier which has suggested the price different from the minimal one, the conclusion shall be accompanied by the detailed substantiation of such the selection.

8.8.9 In exceptional cases or in the absence of competition in the market of the purchased products, it is allowed making the request only to one supplier. In this case, the position paper must contain the table with the data from the proposal of such the supplier and the conclusion explaining the reason for absence of competition or exclusivity of procurement from such the supplier.

8.9 The features of the small procurement procedures

8.9.1 The Customer shall carry out the small procurement without publishing the information on its carrying out in the sources determined in section 3 hereof.

8.9.2 The results of small procurement shall be presented in the position paper (signed by the procurement initiator) in the form approved by the Customer's internal executive documents and stored in accordance with the procedure established by the Customer's executive document.

8.9.3 The procurement initiator shall at its own and sole discretion impose the requirements as to the purchased products and present them in the position paper. The requirements as to the products shall not be inflated.

8.9.4 The procurement initiator shall research the market and compare the prices and other terms of product supply relying on the public information source (the copies of the official price lists, public offers, printing the data from the suppliers' sites in the information and telecommunication network Internet and other similar sources) or by the way of obtaining the proposals from the prospective suppliers. In such a case, it is recommended to research at least three information sources. All the information gathered when carrying out of small procurement shall be attached to the position paper.

8.9.5 The procurement initiator shall execute the contract with the supplier which suggested the minimal cost of the contract performance. Selection of the product supplier which has suggested the price different from the minimal one, the conclusion shall be accompanied by the detailed substantiation of such the selection in the position paper under the responsibility of the procurement initiator.

8.9.6 The position paper shall be stored by the procurement initiator together with the copy of the contract executed on the results of small procurement.

8.9.7 When carrying out of procurement using the corporate procurement cards, the position paper shall not be formed.

8.10 The procedure of carrying out of procurement from the sole

supplier (the performer, the contractor)

8.10.1 Procurement from the sole supplier (the performer, the contractor) shall be carried out in the following sequence:

a) preparation of the executive summary with substantiation of the necessity to carry out procurement using the non-competitive method in compliance herewith and with substantiation of the supplier selection. The product cost suggested by the supplier shall be specified, and if possible, this cost is compared with at least two proposals of other suppliers officially obtained in response to the Customer's request;

b) approval of the supplier candidature, the material terms of the draft contract by decision of the Customer's CPA;

c) publication of the notice of carrying out of procurement from the sole supplier (the performer, the contractor), the documentation on procurement, the draft contract (it can be specified in the text of the notice of carrying out of procurement that it is the documentation on procurement and in this case the documentation on procurement shall not be published separately) not earlier than 3 days, but not later than on the date of the contract signing unless otherwise provided by applicable legislation in the sources determined in section 3 hereof;

d) execution of the contract with the approved supplier.

8.10.2 When executing the contract with the sole supplier (the performer, the contractor) in connection with absence of competition in the market of the goods, works and services or impossibility of sending the requests to prospective contractors supplying the similar commodity (performing the similar works, rendering the similar services), as well as when signing the additional agreement to the contract executed on the results of the procurement procedure and contemplating delivery of the goods (performance of works, rendering of services) which are not provided for by the executed contract, the initiator of the issue raising shall submit substantiation of the executed contract (additional agreement) price as part of the executive summary. The price substantiation must contain the information and (or) or the calculation with the indication of the used sources of the information on the prices or other data which have formed the basis of the posted price.

8.10.3 Other actions taken upon procurement from the sole supplier (the performer, the contractor) shall be determined by the Customer at its own and sole discretion, depending on the terms requiring such the procurement, in compliance with cl. 5.10 hereof.

8.11 Special procedures

8.11.1 Prequalification

8.11.1.1. Prequalification shall be carried out only in the procedures of the open single-stage competitive tender, the open auction and the open request for proposals.

Note: Generally, prequalification shall be carried out in cases of procurement at the open competitive tenders (large number of new procurement participants) of sophisticated or unique products, as well as in case of expensive procurement if the performer's qualification issues is of the essence for successfulness of the contract performance. Prequalification is usually not carried out in cases of ordinary procurement of the standard products.

8.11.1.2. Only the Customer shall take the decision to carry out prequalification.

8.11.1.3. The decision to carry out prequalification as part of the corresponding procedure shall be taken before publishing the notice of carrying out of procurement and the documentation on procurement.

8.11.1.4. In case of carrying out prequalification, the notice of carrying out of procurement and the documentation on procurement must additionally contain:

a) the information on carrying out prequalification and that technical and commercial proposals of only those procurement participants which have been successfully prequalified (the ones admitted to submit the technical and commercial proposal) shall be considered subsequently;

b) the procedure description and specifying the place of obtaining the first part of the (pre-qualification) documentation on procurement, the charge for it if applicable, the time periods and the procedure of making payment for receipt of the first part of the (pre-qualification) documentation on procurement;

c) the information on the end date of acceptance and the procedure of submitting the pre-qualification bids.

8.11.1.5. The first part of the (pre-qualification) documentation on procurement must, inter alia, contain:

a) short description of the purchased products and the draft contract, inter alia, in the form of specifying the material terms of the contract;

b) general terms and procedure of carrying out of procurement;

c) detailed terms and procedure of conducting prequalification;

d) rights and obligations of the Procurement Authority and the procurement participants separately at the stage of prequalification and the following procurement stages;

e) the requirements as to the procurement participant;

f) the requirements as to the composition and execution of the pre-qualification bid, inter alia, as to the method of confirming compliance of the procurement participant with the imposed requirements;

g) the procedure of submitting the pre-qualification bids, the time period and the place for their submitting;

h) the data on the consequences of the procurement participant's non-compliance with the established requirements or the negative result of its prequalification;

i) other requirements and terms established in compliance herewith and

with the Customer's local legislative acts.

8.11.1.6. The procurement committee shall approve the first part of the (pre-qualification) documentation on procurement.

8.11.1.7. The pre-qualification bids shall be accepted before the end of the term established in the notice of carrying out of procurement with prequalification and in the first part of the (pre-qualification) documentation on procurement. This time period must be sufficient in order for the procurement participants to manage preparing the pre-qualification bid and must be at least 20 days from the date of publication of the notice and the first part of the (pre-qualification) documentation on holding the tender, and for other procurement it must be at least 10 days from the date of publication of the notice and the first part of the (pre-qualification) documentation on procurement.

8.11.1.8. The procurement committee shall assess compliance of the procurement participants with the requirements imposed in the first part of the (pre-qualification) documentation on procurement on the basis of the documents submitted by the procurement participant. It is not allowed to apply the criteria, the requirements or the procedures which have not been previously contemplated in the first part of the (pre-qualification) documentation on procurement.

8.11.1.9. In case of absence of any information or any documents which do not allow to assess compliance the procurement participant with the established requirements, the Procurement Authority shall be entitled to request the procurement participant to submit the missing documents by providing the minimum required time period for it. If the documents have not been submitted within the established time period, the participant shall be deemed to have failed prequalification.

8.11.1.10. Within one day from the date of drawing the prequalification conclusions, the Procurement Authority shall be obliged to notify each procurement participant on the results of its prequalification. The procurement participants which have been successfully prequalified shall be invited to further procedures, the second part of the documentation on procurement (the second part of the documentation on procurement shall be posted in the same sources in which the notice and the first part of documentation on procurement have been published in the presence of technical feasibility of such publication) shall be sent to them. The time period between such the invitation and the bid closing date for the bids with the technical and commercial proposals cannot be less than 10 days.

8.11.1.11. The Procurement Participant which has failed the established prequalification or which has not taken part in it shall be excluded from the procurement participants.

8.11.1.12. The detailed procedure of conducting prequalification shall be determined by the Customer's executive documents.

8.11.2 Carrying out of procurement with the possibility of submitting alternative proposals

8.11.2.1. The right to submit the alternative proposals can be granted to the procurement participant when carrying out of the competitive tender, the request for proposals and conducting the competitive negotiations.

8.11.2.2. The term concerning the possibility of submitting the alternative proposals shall be established in the documentation on procurement.

8.11.2.3. The alternative proposals shall be allowed only in respect of the imposed requirements as to the products or the contract terms. Absence of the term on the possibility of submitting the alternative proposal in the documentation on procurement shall mean that submitting the alternative proposals is not allowed.

8.11.2.4. The documentation on procurement must expressly provide for the procurement participant's right to submit the alternative proposal, and also it must include the rules for preparing and submitting the alternative proposals, including the procurement participant's obligation to explicitly separate them in the framework of its bid.

8.11.2.5. The Customer shall be entitled to limit the quantity of alternative proposals submitted by one procurement participant.

8.11.2.6. The norm of cl. 8.1.7.6 hereof concerning the procurement participant's right to submit only one bid shall not be applied to the alternative proposals.

8.11.2.7. It must be provided in the documentation on procurement that the alternative proposals shall be accepted only in the presence of the main proposal; in such a case, the proposal which meets the requirements and the terms specified in the documentation on procurement to the fullest extent must be the main one. If one proposal with the alternative parameters permitted by the documentation on procurement is submitted, such the proposal shall be deemed the main one.

8.11.2.8. The information on submitting the alternative proposal shall be recorded in the minutes of opening the envelopes.

8.11.2.9. According to the results of the qualifying stage of considering the bids, the procurement participant shall be allowed for participation in the procurement procedure if at least one of its proposals (the main or alternative one) has been acknowledged complying with the requirements established in the documentation on procurement.

8.11.2.10. When considering the bids, the main and alternative proposals shall be considered separately. The minutes formed on the results of carrying out of procurement must contain the information on the results of considering each alternative proposal (whether they have been accepted for further consideration or rejected).

8.11.2.11. The grounds for admission (rejection) of the main and alternative proposals shall not differ. If any alternative proposal of the procurement participant differs from the main or another alternative one only by the price, all the alternative proposals of this procurement participant shall be

rejected.

8.11.2.12. At the assessment stage of the bid consideration and in the process of choosing the winning bidder, the alternative proposals shall be considered on equal terms with the main one. The alternative proposals shall take part in the ranking irrespective of the main one, in such a case, the procurement participant shall obtain several places in the ranking in conformity with the quantity of the non-rejected proposals. Identical parameters of the main and alternative proposals shall be assessed in the same way.

8.11.2.13. In case of conducting rebidding, the procurement participant shall be entitled to declare new prices or other terms, both in respect of the main and alternative proposals.

8.11.2.14. The Customer shall be entitled to choose the alternative proposal as the best one in compliance with the criteria and the procedure established in the documentation on procurement.

8.11.2.15. If the procurement participant which has submitted the alternative proposal evades the contract execution, the customer shall be entitled to reject all the proposals of such the procurement participant (the main and alternative ones).

8.11.3 Subcontracting (subsupply and subcontract)

8.11.3.1. When executing the product supply contract, the contract for performance of the contractual works, the Customer shall be entitled to demand from the winning procurement participant execution of the subsupply contracts or subcontract agreements in the volume not exceeding 25% of the procurement cost (unless otherwise agreed by the Customer's CPA) with the specific suppliers and (or) the contractors. This term shall be announced in the documentation on procurement in advance.

8.11.3.2. When executing the product supply contract, the contract for performance of the contractual works, the Customer shall be entitled to demand from the winning bidder or the party which has submitted the best bid execution of the subsupply contracts or subcontract agreements with the enterprises from the priority suppliers' groups determined in compliance with cl. 4.5 hereof. This term shall be announced in the documentation on procurement in advance.

8.11.3.3. The Procurement Authority may specify the particular subcontractors (with which the procurement participant shall execute the contracts in case of winning) in the documentation on procurement. In this case, the Procurement Authority shall be obliged to specify the material terms of such the contracts, inter alia, the price or the method of its determining and the payment terms in documentation on procurement.

8.11.3.4. This procedure shall not be applied if the contract terms do not admit the possibility of subsupply and subcontract, or the requirement for compulsory subcontracting has not been specified in the documentation on procurement.

8.11.4 Special procedures of the sophisticated product procurement

8.11.4.1. When carrying out the competitive tenders and the requests for proposals on purchasing the particularly sophisticated products on the Customer's direct instruction, the technique described below (subclauses 8.11.4.2–8.11.4.8 hereof) may be used, *inter alia*, at the last stage of two- or multiple-stage competitive tender.

8.11.4.2. Future procurement must be announced.

8.11.4.3. Procurement of sophisticated products may be carried out both with and without the prequalification. At the stage of prequalification (in case it is conducted) the written requests may be sent to the procurement participants, or the representatives of the procurement participants can be invited to an interview aimed to specify their qualification and experience. "The short list of the procurement participants" shall be compiled on the ground of the prequalification results. If such selection has been held, only the persons from this list shall be invited to take part in the further procedures.

8.11.4.4. The documentation on procurement, along with the usual data necessary for the corresponding procedures, must also contain:

a) the information whether the Procurement Authority invites the bids for the purposes of finding out various alternatives for satisfying the Customer's needs;

b) description of the separate part (parts) of the purchased products for the cases when submitting bids only for a part of the purchased products is allowed;

c) reference to the procedure of the winning bidder selection (with or without holding the price negotiations in compliance with subclauses 8.11.4.7–8.11.4.8 hereof);

d) reference to the possibility of an interview, as well as to the range of issues which may be discussed at the precontractual negotiations must contained in the documentation on the procurement.

8.11.4.5. The procurement committee shall approve the bid assessment regulations that comprise the bid assessment procedure, including preliminary hierarchy of the bid assessment criteria (all the way to allocating the preliminary weighted coefficients) that reflects the opinions of the procurement committee members. The abovementioned criteria may concern:

a) management and technical competency of the procurement participant and its reliability;

b) the effectiveness of the proposal submitted by the procurement participant, from the standpoint of satisfying the Customer's needs;

c) the proposal price that is defined either as a net price, or as an estimate aggregate expenses of the Customer when accepting this proposal (e.g., price and the operational, maintenance and repair costs, required additional costs, etc.);

d) other reasonable criteria.

8.11.4.6. The Customer shall be entitled to apply one of two procedures of

selecting the best bid, with or without holding the price negotiations.

8.11.4.7. The procedures of selecting the winning bidder without holding the price negotiations shall be applied upon procurement of the product for which the Customer, despite the complexity of such procurement, is able to formulate the technical task and the required amount of works clearly enough, as well as to assess the received bids for compliance with the defined requirements and is seeking not only the quality product, but also the possible cost-cutting. The winning bidder shall be selected as follows:

a) the Procurement Authority shall establish the minimum requirement level as to the quality of products (i.e. in respect of qualitative and technical aspects of the proposal), assess the quality for each proposal and rank the bids in order of quality;

b) the bids which have been declared non-complying with the established minimum quality level shall be rejected and shall not take part in the procedure of selecting the winning bidder and (or) the best bid;

c) in cases when the execution of the task to a considerable extent depends on qualification and experience of the procurement participant's core personnel (e.g., project manager who has a big group of the specific individuals as his subordinates, or well established and renowned research team), the Customer or the Procurement Authority shall be entitled to hold interviews with the abovementioned personnel of the procurement participant and consider the results of these interviews when assessing the bid quality at any stage of procurement;

d) neither of the parties is allowed to advance requests related to changing the terms of the procurement documentation or the procurement participant's bid, inter alia, price, in the process of the interview;

e) the Procurement Authority shall perform the final ranking of the bids which comply with the established minimum quality level (the nonprice requirements) or exceed it according to the results of comparing the procurement participant qualification, quality of received technical offers and price;

f) the procurement participant that has submitted the technical proposal which has received the highest position in the final ranking shall be invited to precontractual negotiations;

g) the technical tasks, method of work performance, personnel, material and technical resources provided by the Customer, as well as the special terms of the contract shall be discussed in the course of such negotiations. Such discussions shall not lead to substantial alteration to the initial variant of the technical task, the price and the terms of the procurement participant's contract. The final variant of the technical task and the agreed method shall be included in the draft contract;

h) the selected procurement participant shall not be entitled to change the core personnel or the joint contractors of the contract (the subsuppliers, the subcontractors) in the course of negotiations, excluding the cases, when both parties agree that such changes do not have the crucial importance for achieving

the objectives of the task. The core personnel, offered as substitution, shall have qualification similar or higher than the initially proposed core personnel (the joint contractors);

i) if the negotiations have been successful, this procurement participant shall be announced to be the winning bidder (when carrying out the competitive tender) or its bid shall be recognized to be the best one (when carrying out of the request for proposals);

j) if in the course of negotiations the parties shall be unable to agree upon the text of the contract, the Procurement Authority shall invite for the negotiations the procurement participant that has the next highest position in the final ranking;

k) if in the course of negotiations with the procurement participants which are next in the ranking, the parties shall be unable agree upon the text of the contract, the Procurement Authority may return to the negotiations with the procurement participants with whom they have been unable to reach agreement earlier, or to refuse holding the negotiations;

l) if in the course of negotiations with the procurement participants, the amount or the price of the purchased goods, works, or services, or the performance time of the contract have been changed as compared to the specified in the minutes that have been compiled on the results of procurement, the Procurement Authority shall publish the data on changes of the contract with the indication of terms changed in the same sources where the notice and documentation on procurement have been published.

8.11.4.8. The procedure of selecting the winning bidder and (or) the best bid by conducting the turn-based price negotiations shall be used upon procurement of the especially sophisticated products when the product quality or the procurement participant's reliability are the critical factors, or when the consequences of the selection for the Customer are incommensurable as compared to the price of procurement. The winning bidder shall be selected out as follows:

a) the minimum acceptable quality level of the technical proposal shall be established;

b) the technical quotations of the procurement participants shall be ranked in order of quality. The Procurement Participant whose proposal has received the highest assessment shall be invited to take part in the negotiations in respect of the price proposed by it. The technical tasks, method of work performance, personnel, material and technical resources provided by the Customer, as well as the special terms of the contract can be also discussed during such negotiations.

Such discussions shall not lead to substantial alteration to the initial variant of the technical task and the terms of the contract;

c) if the negotiations do not lead to the execution of the contract caused by impossibility of reaching the agreement on the acceptable price, the procurement

participant shall be informed on suspension of the negotiations with it. Then, the Procurement Authority shall invite to negotiations the procurement participant whose technical proposal has received next highest quality assessment, and so on until execution of the contract or rejection of all other proposals. If the parties shall be unable agree upon the text of the contract in the course of negotiations with the procurement participants next in ranking, the Procurement Authority may return to the negotiations with the procurement participants with whom they have been unable to reach agreement earlier, or to refuse holding the negotiations;

d) any negotiations that are held with the procurement participants are confidential and neither of the negotiation parties shall be entitled to disclose the technical, pricing or other information related to the contents of these negotiations, to third parties without permission of the other party.

8.11.5 The features of conducting the procurement procedures with the involvement of the foreign procurement participants

8.11.5.1. Procurement in which participation of the foreign procurement participants is allowed and (or) supposed shall be carried out in accordance with the procedure provided for hereby.

8.11.5.2. The foreign procurement participant must have legal capacity to execute and perform the contract the right to execute which is the procurement item, inter alia, such the procurement participant must be registered as subject of civil law and have all the required permits for carrying on business in compliance with the legislation of the state at its location, at the place of commodity supply (performance of the works, rendering the services) and the legislation of the Russian Federation.

8.11.5.3. The foreign procurement participant's legal capacity shall not be restricted by the court and (or) administrative authorities of the state at its location and (or) the place of carrying on business, as well as of the Russian Federation.

8.11.5.4. The foreign procurement participant shall not be insolvent, the insolvency or liquidation proceeding shall not be carried out in respect of it.

8.11.6 The features of executing the contracts in the process of the Customer's participation in the third party procurement

8.11.6.1. If the Customer as one of the procurement participants submits the bid (the proposal) for participation in the procurement procedure carried out by another party (hereinafter referred to as third party procurement), and if it is not inconsistent with the terms of such the procurement, the Customer shall determine the joint suppliers of the equipment specified in the bid and the subcontractors (the joint contractors) of the products (the goods, works and services) specified in the bid in the process of preparing such the bid (the proposal).

8.11.6.2. If there is enough time for preparing the bid and determining prospective joint suppliers (subcontractors, joint contractors), the Customer shall be entitled to use the procedure of the competitive tender and the auction, as well as the procedure of the request for proposals and the request for quotations without regard to the price caps established hereby for the specified procedures.

8.11.6.3. By the decision of the Customer's CPA, the supplier (the subcontractor, the joint contractor) may be selected using the method of procurement from the sole supplier (the contractor, the performer) on the ground of cl. 5.11.1.14 hereof.

8.11.6.4. The preliminary contract or the contract under the condition of the contract execution with the Customer on the results of third party procurement shall be executed with the selected supplier (the subcontractor, the joint contractor).

8.11.6.5. When forming the requirements as to the purchased products and the suppliers (the subcontractors, the joint contractors), the Customer shall completely take into account all the legal terms of participation in the third party procurement and accordingly present them in its notice and documentation on procurement, as well as in the contract executed on the results of procurement.

8.11.6.6. The Customer's CPA shall take the decision on the procurement method and the time periods of its applying taking into account the requirements of applicable legislation.

8.11.7 The features of executing the contracts after the order receipt

8.11.7.1. If the Customer has been determined as the contractor under the contract with the third party (hereinafter referred to as the third party Customer) and the procedures provided for by cl. 8.11.6 hereof have not been applied for any reasons, the Customer shall be entitled to determine the joint supplier (the subcontractor, the joint contractor) by conducting of the competitive tender, the auction, the request for proposals, the request for quotations or using the ordinary procurement method taking into account the price caps established hereby for the specified procedures.

8.11.7.2. By the decision of the Customer's CPA, the joint supplier (the subcontractor, the joint contractor) may be selected using the method of procurement from the sole supplier (the contractor, the performer) on the ground of cl. 5.11.1.14 hereof or the price caps in respect of the specific procurement procedure may be increased.

9. THE CONTRACT EXECUTION AND PERFORMANCE PROCEDURE

9.1 Execution of the contract

9.1.1 The procedure of the contract execution and performance shall be governed by the Civil Code of the Russian Federation, other statutory and regulatory enactments of the Russian Federation, local regulatory documents and the Customer's executive documents taking into account the norms of this subsection.

9.1.2 The procedures carried out in connection with execution of the contract shall provide:

a) preparation of the draft contract for signing by the Customer and the organization chosen as the winning bidder and (or) submitted the best bid by the decision of the procurement committee. The draft contract for signing shall be prepared on the ground of the draft contract which is the integral part of the documentation on procurement, and the bid of the procurement winning bidder and (or) the procurement participant which has submitted the best bid, as well as taking into account the provisions determined in the course of conducting precontractual negotiations (if they have been conducted). According to the results of holding the tender, the contract shall also be executed on the ground of the minutes of the tender results;

b) signing of the contract;

c) control over fulfilment of all the terms for entry of the contract into force.

9.1.3 The contract between the Customer and the winning bidder of the carried out procurement shall be executed in no event sooner than ten days from the date of drawing the conclusions of the procurement procedure, or in case if it is provided to post the procurement results on the site in the information and telecommunication network "Internet", from the date of such posting, excluding the cases of executing the contracts for utility connection and other cases provided for by the legislation of the Russian Federation. The time period for signing of the contract by the procurement participant chosen as the winning bidder and (or) which on the ground of the decision of the procurement committee has submitted the best bid shall be determined by the documentation on procurement. Furthermore, in case of carrying out of procurement in compliance with cl. 4.5.3b) hereof, the time period for signing of the contract shall be not more than 20 business days from the date of taking the decision to execute such the contract by the customer, save to the extent that the customer's actions (omission to act) when carrying out of the procurement are appealed against in the competition authority or in a judicial procedure. In the specified cases, the contract must be executed within 20 business days from the date when

the decision of the competition authority or the court order contemplating execution of the contract enters into legal force.

9.1.4 If the obligation to provide the contract security has been contemplated in the documentation on procurement, such the security must be provided by the organization chosen as the winning bidder and (or) which has submitted the best procurement bid by the decision of the procurement committee within the time period provided for in the documentation on procurement and the contract.

9.1.5 If the procurement participant which must sign the contract has failed to provide the Customer with the contract signed by it within the time period specified in cl. 9.1.3 hereof or has sent the written refusal from execution of the contract to the Customer, or has failed to provide the contract security, or has raised the counterclaims in respect of the contract terms which are inconsistent with the ones previously established in the documentation on procurement, it shall be considered that such participant has avoided execution of the contract. In case the procurement participant avoids execution of the contract, the bid security provided by such the procurement participant shall not be returned (if the Customer has imposed the requirement to provide the bid security for participation in procurement in the documentation on procurement).

9.1.6 If it has been considered that the procurement participant which is obliged to execute the contract has avoided to do it, the Customer shall be entitled to execute the contract with the procurement participant whose bid for participation in procurement has been assigned the following sequential number. In such a case, the time period for signing of the contract shall be the same as the one provided for in cl. 9.1.3 hereof.

9.1.7 In case if the participant evades execution of the contract, the Customer shall send the data on such the participant to the register of mala fide suppliers in accordance with the procedure established by Schedule 18 hereto.

9.1.8 The interested party contracts shall be executed only after their approval by the Customer's management bodies in strict adherence with the legal requirements of the Russian Federation.

9.1.9 The procedure of the contract execution and control over its performance shall be determined by the Customer's executive documents.

9.1.10 The Customer's right to execute several contracts, inter alia, within the framework of one lot, on the results of procurement can also be provided in the documentation on procurement (excluding the tenders, such as the competitive tenders and the auctions).

9.2 Performance of the contract

9.2.1 The contract shall be performed in compliance with the terms specified by legislation of the Russian Federation and the contract itself, including the amendments introduced into it.

9.2.2 Upon fulfilment of the contract as agreed upon by the Customer and

the supplier (the contractor, the performer), it is allowed to supply (to use) the commodity the quality, technical and functional characteristics (consumer properties) of which are better as compared to such the quality and such the characteristics of the commodity which are specified in the contract.

9.2.3 Termination of the contract is allowed on the grounds and in accordance with the procedure provided for by civil legislation and the contract.

9.2.4 Upon fulfilment of the contract, it is not allowed to change the supplier (the contractor, the performer), except where the new supplier (the contractor, the performer) is the successor of the supplier (the contractor, the performer) under such the contract as a result of the legal entity reorganization in the form of transformation, merger or acquisition.

9.2.5 In case of the contract termination in connection with material breach of the contract terms by the supplier (the performer, the contractor), the Customer shall send the data on such the participant (the supplier (the performer, the contractor) to the register of mala fide suppliers in accordance with the procedure established by Schedule 18 hereto.

9.2.6 When carrying out the procurement in compliance with cl. 4.5.3b) hereof, the maximum time limit of payment for the supplied goods (the performed works, the rendered services) under the contract (the separate stage of the contract) executed on the results of procurement shall be not more than 30 calendar days from the date of performing the obligations under the contract (the separate stage of the contract).

10. RESOLUTION OF DISAGREEMENTS CONNECTED WITH CARRYING OUT OF PROCUREMENT

10.1 General Provisions

10.1.1 The procurement participants' complaints and applications may be sent to the address of the parties which have carried out procurement (to the address of the corresponding procurement committee), to the address of the Customer's CPA, as well as to the address of CPA of PJSC Rosseti. The detailed procedure of processing of the procurement procedure participants' complaints and applications is established in Schedule 21 hereto.

10.2 Miscellaneous provisions

10.2.1 The disputes between the procurement participants and the Procurement Authority in respect of the procurement which has been carried out at the ETP, may also be adjudicated in accordance with the procedure provided

for at these ETP.

10.2.2 The Procurement Participant shall be entitled to appeal against the Customer's actions (omission to act) upon procurement of the goods, works and services as provided by applicable legislation in the competition authority.

10.2.3 The Procurement Participant shall be entitled to appeal through the courts against the Customer's actions (omission to act) when carrying out of procurement of the goods, works and services at the Arbitration Court under the Chamber of Commerce and Industry of the Russian Federation, the Arbitration Court under the Russian Union of Industrialists and Entrepreneurs (Moscow), or at the Arbitration Court under the All-Russian Public Organization of Small and Medium Business "Opora Russia" at the procurement participant's discretion.

10.2.4 The norms hereof cannot be construed as any restriction of the procurement participants' or the product suppliers' right to take legal recourse.

11. CERTIFICATION

11.1 Confirmation of compliance (certification) shall be carried out for ascertaining that the products, manufacturing processes, exploitation, transportation, storage and utilization, the works, the services or the other objects comply with the technical regulations, standards, and terms of the contracts, and with the Voluntary Certification Systems.

11.2 Statutory confirmation of compliance with the safety requirements shall be carried out by the certification authorities that are accredited in the GOST R (Russian National Standard) system and in accordance with the procedure established by applicable federal legislation on technical regulations.

11.3 Voluntary confirmation of the quality level of the goods, performance and safety index of works and services, as well as competence and reliability of prospective contractors that offer their works and services, shall be carried out in the Voluntary Certification Systems which are registered in accordance with the procedure established by the Federal Technical Regulation and Metrology Agency (its successors).

11.4 Activity of Voluntary Certification Systems whose certificates are presented by the suppliers of the products and the performers of the works and services, must be carried out on the basis of the principles defined by the applicable legislation of the Russian Federation on technical regulation.

Note: At the moment, these principles are defined by article 19 of Federal law dated December 27, 2002, No. 184-FZ "On technical regulation".

11.4.1 The procedure of assessment and compliance confirmation in Voluntary Certification Systems in general should consider:

a) preliminary examination of the application for certification and the attached documents in the certification authority;

b) identification and testing of the product samples in the accredited or

authorized laboratories;

c) assessment of the quality and safety of the performed works and rendered services, analysis of the manufacturing conditions of the enterprises that offer their products;

d) carrying out the expert examination and preparing suggestions on the results of compliance assessment with the accredited or properly authorized expert organizations from among the most competent and authoritative scientific, project, technological and research organisations;

e) examination of the expert opinions and the test protocols, and taking the decision about confirmation (rejection of confirmation) of the certified object conformity, and about issuing (rejection of issuing) the certificate in the certification authority;

f) registration of the certificate.

11.5. If the procurement participant has the Voluntary Certification System certificates, it may be considered by the procurement committees as one of assessment criteria that increases preferability of this procurement participant's proposals in the context of reliability, in case if the system simultaneously meets the following requirements:

a) does not have the restrictions in selecting the certification objects purchased by electric utility industry enterprises and organizations;

b) ensures the high level of expertise and objectiveness of expert reviews and the results of tests that are carried out by highly qualified institutions and laboratories;

c) provides the Customer with the possibility of receiving the compliance confirmation on those requirements towards the purchased object in which he is interested foremost;

d) has different form designs of certificates and conformity marks for different certification objects which eliminate the possibility of dishonest use.

12. REQUIREMENTS AS TO THE PURCHASED EQUIPMENT, TECHNOLOGIES AND MATERIALS

12.1 The executive documents of PJSC Rosseti may impose the requirements as to the purchased equipment, technologies and materials providing their compliance with the applicable legislation norms which must be posted on the customer's official site.

13. THE TIME PERIODS OF POSTING THE PROCUREMENT PLAN FOR INNOVATIVE, HIGH-TECHNOLOGY AND PHARMACEUTICAL PRODUCTS

13.1 The Procurement Plan of innovative, high-technology and pharmaceutical products shall be posted by the Customer on the official site for a term from five to seven years.

14. SCHEDULES TO THE STANDARD

14.1 General Provisions

14.1.1 Schedules hereto may be amended in accordance with the procedure established by the legislation. Schedules 2-15 and 19 are the standard recommended forms of the corresponding documents.

14.2 Schedules

14.2.1 Schedule 1. Glossary

14.2.2 Schedule 2. The Procurement Plan form

14.2.3 Schedule 3. Procurement Plan Performance Report

14.2.4 Schedule 4. Standard requirements as to the Procurement Participants which are included in the documentation on procurement, the criteria and the techniques of assessment of the Procurement Participants' bids

14.2.5 Schedule 5. Standard form of the order (instruction) for carrying out of procurement

14.2.6 Schedule 6. The notice of carrying out of the competitive tender

14.2.7 Schedule 7. The notice of holding the auction

14.2.8 Schedule 8. The notice of carrying out of the procurement which is not the tender, small procurement, procurement from the sole supplier (the performer, the contractor)

14.2.9 Schedule 9. The tender documentation of the open single-stage competitive tender

14.2.10 Schedule 10. The auction documentation

14.2.11 Schedule 11. The documentation for conducting the open request for proposals

14.2.12 Schedule 12. The documentation for conducting the open request for quotations

14.2.13 Schedule 13. Standard form of the bid for procurement

14.2.14 Schedule 14. Invitation for participation in ordinary procurement

- 14.2.15 Schedule 15. Set of supporting documents
- 14.2.16 Schedule 16. Regulation on work of the procurement committee
- 14.2.17 Schedule 17. Regulation on the expert board
- 14.2.18 Schedule 18. The rules of sending the data on mala fide participants of procurement and suppliers to the register of mala fide suppliers.
- 14.2.19 Schedule 19. The set of the standard documents for implementation of the measures aimed to increase the share of procurement from the small and medium-sized business entities.
- 14.2.20 Schedule 20. Regulations for carrying out of central (combined) procurement for needs of SAC of PJSC Rosseti.
- 14.2.21 Schedule 21. Regulations for processing of complaints and applications when carrying out of the procurement procedures of PJSC Rosseti and SAC of PJSC Rosseti.
- 14.2.22 Schedule 22. Anti-corruption standard of the procurement activity