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Unipro PJSC
Procurement Regulations

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1. Objectives and Scope

- 1.1. These Regulations define all relevant duties, responsibilities, methods and tools for procurement process of goods, works, services of Unipro PJSC (hereinafter the “purchases”).
- 1.2. The objective of procurement is to ensure efficient costs of Unipro PJSC (hereinafter – “Company”), and to achieve reasonable expenses for goods, works, services purchasing in the Company’s interests.
- 1.3. In addition they relate to the following binding policies of Unipro PJSC:
 - 1.3.1. Unipro PJSC Code of Ethics;
 - 1.3.2. Unipro PJSC Intermediaries Regulations.
- 1.4. These Regulations apply to all goods, works and services purchased by the Company except as listed in Appendix 01 (“Exception List”). The exception list specified in Appendix 01 is conclusive. Purchases without involvement of Procurement Department and not included in the “Exception List” in Appendix 01 are defined as a case of Maverick buying.
- 1.5. Procurement of goods, works and services at the cost of less than EUR 10,000¹ is defined in Appendix 02.
- 1.6. In respect of purchasing within investment projects approved by the Company Board of Directors, deviations of the standard procurement processes are defined by Appendixes to these Regulations.
- 1.7. All processes and activities described in these Regulations are carried out by the Company in accordance to the Russian Federation legislation that prevails over these Regulations.
- 1.8. The application of these Regulations is mandatory.
- 1.9. Authority of the Head of Procurement under the Regulations may be delegated to the Procurement Unit staff members in accordance with the Authority Delegation Policy of Unipro PJSC.

2. Overarching Principles

- 2.1. The segregation of duties between Business, Procurement, Finance and Accounting at all procurement process stages must be ensured by the Company’s Departments Heads. Procure-to-Pay based on MS Dynamics AX is a mandatory tool to ensure the procurement process and fulfil this task.
- 2.2. All employees of the Company who take part in procurement activities should comply with the following principles:
 - 2.2.1. Principles of fairness and competition
 - 2.2.1.1. The Company employees should always act in accordance with Unipro PJSC Code of Ethics and these Regulations;
 - 2.2.1.2. All purchases except as provided in these Regulations should be made on a competitive basis;

¹ The amounts in Euro specified in the Regulations shall be converted in roubles at the official exchange rate of the Central Bank as of the date of approval of the annual integrated procurement program (AIPP) of the current period. When unscheduled procurement is included, conversion shall be performed as of the date when adjustment of the AIPP of the current period is approved.

²All amounts in these Regulations are without VAT.

2.2.1.3. Any competitive purchase should be open and transparent and comply with the principles of competitiveness and equality of rights for all suppliers, as well as non-discrimination and unreasonable competition restrictions.

2.2.2. Confidentiality

2.2.2.1. All information about supplier selection strategies, relations with suppliers, purchase prices and terms of contracts shall be considered confidential. Access to this information shall be available only to employees of the Company who are directly involved in the procurement procedure. It is prohibited to disclose such information to third parties. The principle of confidentiality applies both for current and for already completed procurement procedures .

2.2.2.2. Group employees directly involved in purchase shall have access to the information. It is not allowed to share such information with any third party. This applies to ongoing as well as concluded purchases.

2.2.2.3. An exception is a case when a third party is contracted to support the procurement process.

2.2.3. Emergency

2.2.3.1. In case of emergency (including imminent danger) the procurement activities are done to prevent any damage to the Company.

2.2.4. Monitoring of Maverick Buying

2.2.4.1. All purchases except as provided in Appendix 01 and Appendix 02 should be made by Procurement Department. Any purchase in breach of this principle is a case of Maverick buying.

2.2.4.2. Cases of Maverick buying:

- a) late purchase requisition in MS Dynamics AX leading to insufficient timeline for procurement procedures;
- b) procurement procedures carried out without involvement of the Procurement Department;
- c) goods delivered, work performed, service rendered prior to involvement of the Procurement Department (prior to filing a respective purchase requisition in MS Dynamics AX and procurement procedures);
- d) assumption by the Company of payment obligations before involving of the Procurement Department (prior to filing the purchase requisition in MS Dynamics AX and procurement procedures);
- e) splitting the demand into several purchases in order to avoid the established approval thresholds;
- f) volume of orders (delivery) exceeding the volume determined by results of the procurement procedure more than the approved allowable value (“tolerance”).

2.2.4.3. Procurement Department is required to record the respective cases to ensure efficient and reliable internal monitoring of Maverick buying.

2.2.4.4. The Head of Procurement shall provide quarterly reports on cases of Maverick buying to the Company's Management Board.

3. Terms and Definitions

3.1. **Purchasing Documentation:** a set of documents containing complete information on the procurement procedure subject, terms and conditions, including the Quotes (Proposals)

preparation, formalization and application rules complied by the Tenderer (Supplier), as well as terms and conditions of the contract to be concluded according to the procurement results.

3.2. **Annual Integrated Procurement Program (hereinafter — “AIPP”):** a plan of measures to purchase goods, works and services on the basis of the Company’s requirements.

3.3. **Customer:** Unipro PJSC (hereinafter — “Company”), that initiates procurement procedures to meet the Company’s needs.

3.4. **Competitive activity:** method of purchasing (procurement) of goods, works, services wherein the supplier (contractor) which is able to deliver goods, perform works, render services according to the purchasing subject, terms and conditions is selected on a competitive basis. The Company’s competitive activity is not bidding (tender, auction) under articles 447—449 of the Civil Code of the Russian Federation or public competition under articles 1057—1061 of the Civil Code of the Russian Federation, as well as any other regulated procurement procedure (methods) provided by the law of the Russian Federation. Competitive activity rules are defined by these Regulations.

3.5. **Single supplier (vendor) sourcing:** not a competitive goods, works, services purchasing (procurement) method at which the only one supplier (contractor) is offered to contract, or the only one Quote (Proposal) from the single supplier (contractor) is accepted to contract in cases stipulated hereby.

3.6. **Requester:** is an employee of the Department which initiates the purchasing procedure.

3.7. **The Contract Managing Department:** Company’s Department (in Headquarter, Branches) holding respective budget under which product is purchased. . Company’s Department that is not responsible for the budget can also be appointed as the Contract Managing Department if it is agreed with the relevant Department-holder of the respective budget. In case when purchasing subject is Goods the Procurement Department act as a Managing Department for the Contract concluded based on (procurement) procedure results indifferently to the actual budget holder.

3.8. **Tendering Authority:** the Procurement Department of the Headquarter or the Branches that arranges and carries out procurement procedure.

3.9. **Responsible purchaser:** an employee of the Procurement Department who is responsible for arranging and carrying out sourcing activity.

3.10. **Quote (Proposal):** set of documents provided to the Tendering Authority to participate in procurement procedure. Such set of documents is required to be in form and to comply with Purchasing Documentation.

3.11. **Products:** goods, works, services and other objects of civil law rights acquired by the Customer for a fee.

3.12. **Requester Department:** the Company’s Department (in Headquarter, Branches) applying for purchasing and initiating it.

3.13. **Procurement Department:** the Company’s Headquarter and/or the Company’s Branches Departments that perform functions related to arranging and carrying out the procurement activities.

3.14. **Head of Directly Subordinate Department:** Head of the Department directly subordinate to the Director General.

3.15. **Supplier:** any legal entity or several legal entities acting as one procurement procedure participant, of any form of incorporation, ownership, location and place of capital origin, or any individual(s) acting as one procurement procedure supplier, including an individual entrepreneur or several individual entrepreneurs acting as one procurement procedure participant, that provides the Tendering Authority with a quote (proposal) for procurement procedure irrespective of their method. Until such Quote (Proposal) is provided, such individual who is interested in procurement procedure and notifies the Tendering Authority that he intends to take part in procurement procedure or requests Purchasing Documentation or sends other requests is a potential supplier.

3.16. **Branches:** the Company's separate subdivision outside of its location performing all or some of its functions.

3.17. **Financial Responsibility Centre (hereinafter — "FRC"):** the financial structure element responsible for the target financial factors (indicators) performance in individual business areas. Financial Responsibility Centre is a budgetary and management accounting entity.

3.18. **Financial Accounting Centre (hereinafter — "FAC"):** the business under the Company's financial structure responsible for the goals achieving and functionally subordinating to the authority appointed as a FRC.

3.19. **E-Trading Platform:** web-site, a software and hardware package where information on the Customer's purchasing procedures are announced.

3.20. **Medium-term Planning (MTP):** business plan for medium-term planning period (three years).

3.21. **MS Dynamics AX:** enterprise resource planning system.

3.22. **Procure-to-Pay (P2P):** an ongoing process implemented on the basis of MS Dynamics AX which includes the products purchasing by the Company started with the purchasing requisition preparation up to full performance of financial obligations under the contracts.

4. Segregation of Responsibility

4.1. Procurement Department

4.1.1. The Procurement Department is responsible for compiling of the Company's annual integrated procurement program based on its demands.

4.1.2. The Procurement Department defines sourcing strategy and timeline in accordance with these Regulations.

4.1.3. The Procurement Department is responsible for goods, works and services purchasing process in accordance with these Regulations.

4.1.4. The Procurement Department represented by the Responsible Purchaser while preparing and carrying out procurement procedures and concluding and performing the contract:

4.1.4.1. Researches the market of goods, works and services to be purchased by the Company.

4.1.4.2. Reviews documents provided by the Requester for procurement procedure in order to eliminate competition restraining requirements.

4.1.4.3. Monitors completeness of documents provided by the Requester under clause 5.4.2. and prepares Purchasing Documentation in due time.

4.1.4.4. Carries out procurement procedure.

4.1.4.5. Carries out commercial evaluation of submitted Quotes (Proposals).

4.1.4.6. Arranges technical and commercial negotiations as part of procurement procedure with segregation of competences and responsibilities: Procurement Department is responsible for commercial issues, the Requester Department is responsible for technical issues.

4.1.4.7. Upon obtaining procurement procedure results Purchaser is responsible for concluding Contract for delivery of goods or goods delivery related services in accordance with terms, conditions and timeline of the Purchasing Documentation and submitted Quote (Proposal) which is recognized the best.

4.1.4.8. Ensures execution of the contractual terms of the goods delivery and goods delivery related services performance.

4.1.4.9. Performs other functions related to sourcing activities.

4.2. Requester Department

- 4.2.1. The Requester Department is responsible for correct, complete and timely presentation of purchase requirements to form the Company's annual integrated procurement program.
- 4.2.2. The Requester Department represented by the Requester while preparing and carrying out the procurement procedure, concluding and executing the contract is:
- 4.2.2.1. Responsible for quality and completeness of technical specifications (technical requirements) presented to carry out procurement procedure.
- 4.2.2.2. Responsible for timely purchase initiation as provided by these Regulations (taking into account the time of agreeing upon requisition, procurement procedure and time of goods delivery, works performance and services rendering).
- 4.2.2.3. Participates in procurement process on the part of the Requester Department within his competence.
- 4.2.2.4. Provides all required explanations of technical part of Purchasing Documentation.
- 4.2.2.5. Responsible for timeline of provision, substantiation (objectivity) of technical evaluation of submitted Quotes (Proposals).
- 4.2.2.6. Starts technical negotiations, negotiates according to these Regulations.
- 4.2.2.7. Upon obtaining procurement results the Requester is responsible for the contract execution on works and services performance in accordance with terms and conditions and within timeline of Purchasing Documentation and the supplier's Quote (Proposal) that is recognized the best.
- 4.2.2.8. Ensures execution of the contractual terms on the works and services performance.

5. Procurement Processes

5.1. Procurement processes described below must be followed for all procurement activities of the Company, excluding cases explicitly indicated in Appendices.

5.2. Process of planning

- 5.2.1. The Company's process of planning is carried out by forming the Company's annual integrated procurement program (hereinafter the "AIPP"). An AIPP is formed for a calendar year.
- 5.2.2. The AIPP is a procurement plan for contracting for goods delivery, works performance and service rendering during a planned calendar year. Purchase starts only after it has been included in the AIPP, excluding purchases explicitly indicated in these Regulations.
- 5.2.3. Requirements for goods delivery, works performance and service rendering are formed by FACs.
- 5.2.4. FACs form demands on the basis of and within the budgets approved by the Company Controlling Department in the process of MTP formation.
- 5.2.5. Based on the requirements presented by the FACs the Procurement Department forms the AIPP for the next calendar year with consideration of the necessary optimization of demands, lead time and purchasing methods. When needed, Procurement Department may request more information to form the AIPP.
- 5.2.6. Procurement Department of the Company's Headquarter define the Tendering Authority for purchasing activities. In general, the Company Headquarter conducts the following purchases:
- 5.2.6.1. Consolidated purchases (i.e., similar goods or services purchases for conclusion of the contracts to cover demands of two or more Branches of the Company);
- 5.2.6.2. Purchases with a planned cost from RUB 5,000,000.
- 5.2.6.3. Purchases related to demands of the Company's Headquarter.

5.2.7. The Company branches conduct purchases with a planned cost of less than RUB 5,000,000. However, the threshold cost may be changed for any branch by a special resolution of the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC.

5.2.8. It may be allowed for a branch to make purchases with the planned cost of RUB 5,000,000 or more by a resolution of the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC.

5.2.9. If purchases are conducted by the Headquarter, the Company's Branches departments may act as requesters.

5.2.10. To enhance the competitive environment and to mitigate the risk of supplier (contractor) failure to fulfill its obligations purchases may be divided into lots or consolidated into one lot at any purchase stage.

5.2.11. If single source purchases are included in the AIPP on the basis of clause 6.11, the Requester Department gives a written rationale for each of such purchases that:

- explains why purchase is not competitive activity;
- gives rationale for the planned purchase cost and necessary calculations, market analysis data, etc.;
- gives rationale for selection a particular supplier (contractor).

5.2.12. If purchase for non-production demand is included in the AIPP with the terms and conditions stipulating delivery of goods, rendering services and work performing period exceeding One (1) calendar year, the Requester Department gives a written explanation why the contract is needed to be concluded for more than one year.

5.2.13. The planning process results in the approved AIPP. The AIPP timeline and planning, formation and adjustment are established by the Company's administrative documents.

5.2.14. The AIPP shall be approved by the Head of Procurement.

5.2.15. A decision on adjustment of the approved AIPP during the period of its implementation shall be taken by the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC.

The AIPP could be adjusted based on the following:

- adjustment of investment, production and any other programs and activities of the Company;
- change in the Company's budget;
- in case of unforeseen demand.

5.2.16. Before the MTP and AIPP are approved, procurement (if necessary) may be performed as actually needed by a special resolution of the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC based on the following:

- long lead products are purchased;
- Purchase of products for production needs volumes of purchasing of which directly correlates with excess of electric or thermal power production over planned values of the MTP and/or purchase of products absence of which may lead to a shut-down of the production process;
- Purchase of products for health and safety of the Company's employees that could not be reasonably planned/purchased under the approved AIPP;
- any other purchases due to long-term procurement procedure.

5.2.17. The AIPP is published on the Company's web-site in Procurements section in accordance with the due format within 10 business days after its approval.

5.3. Purchasing process

5.3.1. The procurement processes regulated by clauses 5.3.2—5.3.8 must be followed for purchases from EUR 10,000. Purchases below that cost threshold are carried out according to Appendix 02.

5.3.2. Any procurement procedure irrespective of the purchasing method is based on the approved annual integrated procurement program of the Company unless otherwise provided hereby.

5.3.3. Procurement methods and application conditions are defined in Section 6 hereof.

5.3.4. Competitive activity is carried out in following order:

- 5.3.4.1. purchase requisition;
- 5.3.4.2. selection of potential suppliers;
- 5.3.4.3. preparing Purchasing Documentation;
- 5.3.4.4. sourcing notification (publications in public sources, special invitations of potential suppliers);
- 5.3.4.5. Quotes (Proposals) submission
- 5.3.4.6. evaluation of Quotes (Proposals);
- 5.3.4.7. negotiation (when needed);
- 5.3.4.8. approval of purchasing results;
- 5.3.4.9. contracting;
- 5.3.4.10. evaluation of supplier performance.

5.3.5. Timeline to submit Quotes (Proposals) for competitive procedures is defined according to the following cost thresholds:

- not less than 5 business days if a planned purchase cost is less than RUB 2,000,000;
- not less than 10 business days if a planned goods purchase cost is from RUB 2,000,000;
- not less than 15 business days if a planned works or service purchase cost is from RUB 2,000,000.

5.3.6. If production necessity is substantiated by the Requester, the timeline of Quotes (Proposals) submission for the competitive procedure is reduced by decision of the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy.

5.3.7. Non-competitive activity is carried out in following order:

- 5.3.7.1. purchase requisition;
- 5.3.7.2. request for a Technical and Commercial Quote (Proposal);
- 5.3.7.3. negotiating (when needed);
- 5.3.7.4. approval of purchasing results;
- 5.3.7.5. contracting;
- 5.3.7.6. evaluation of supplier performance.

5.3.8. Valid contracts can be altered in part of changes in goods, services and works volumes in order defined in clauses 5.3.7. and 5.10.10.

5.4. Purchase Requisition

5.4.1. The basis for purchasing activity is a purchase requisition in MS Dynamics AX. The requisition is made by the requester according to the approved annual integrated procurement program (AIPP) of the Company.

5.4.2. The Requester attaches to the requisition the following documents in MS Dynamics AX:

5.4.2.1. Technical specification or technical requirements (except for standardized commodities);

5.4.2.2. If a services or works requisition is formed, the requester includes in the requisition a draft contract agreed upon with the Company's Legal Department. Where applicable, the requester uses standard contract forms approved by the Company or draft contracts based on the modifications of Company's standard contract forms;

5.4.2.3. A list of technical criteria, if evaluation model applies to purchases under these Regulations;

5.4.2.4. Any other documents required for procurement procedure.

5.4.3. A requisition is formed in MS Dynamics AX in a standard form.

5.4.4. In case a requisition is for services or works, the Requester indicates potential qualified service and works suppliers [at least one]. If this requirement is impossible to meet reasons are needed to be stated.

5.4.5. The technical specification sets requirements for purchased goods, works, services based on technical and functional characteristics of the products (their consumer properties), and on other indicators that define the Products conformity to the Company needs, i.e.:

- requirements for goods, including for their complete set, quantity, delivery location, date (schedule) of delivery. Additional requirements are stated for delivery terms and conditions based on the goods category, such additional requirements are for their packaging and labelling, delivery, after-sales service, goods quality, set of consumables and spare parts, employees training, environmental and other necessary requirements;
- requirements for works performed or services rendered, including for type, composition, scope or method of its calculation, sequence (steps) of execution, technology and arrangement, timeline and location, works safety and other necessary requirements;
- requirements for goods, works, services conformity to applicable standards, technical conditions or other regulatory documents, and requirements for presence and set of confirmation documents (certificates, technical passports, opinions, manuals, warranty documents, etc.), that should be submitted together with the supplier's Quote (Proposal) or when products are delivered under the concluded contract;
- when needed, requirements for products manufacturing conditions (use of certain technologies, compliance with standards, availability of permits for design, engineering, manufacture of products) based on legal requirements.

5.4.6. Trademarks, service marks, trade names, utility models, industrial designs, place of the goods origin or name of manufacturer are allowed to be stated in requirements for standard goods. In this case they are followed by the words "or similar" ("or equivalent").

5.4.7. These words "or similar" ("or equivalent") are omitted, if spare parts or consumables are purchased for equipment under warranty and their use is stipulated by the warranty and technical and operational documentation, and if the purchased goods relate to unique equipment and/or will be used only together with goods already operated by the customer, and such goods are not compatible with other trademarks.

5.4.8. After a requisition is received, a Procurement Department employee checks within Three (3) business days that information needed for purchase is complete, the possibility to conduct purchase in the stated timeline and approves requisition (give to the requisition a respective status in MS Dynamics AX). So it is confirmed that there are no comments to the requisition. If the Procurement Department employee consider that the information in the requisition is not enough to purchase, he makes reasonable comments to the requisition and returns it to the requester (in MS Dynamics AX) for revision.

5.4.9. If it is not possible to purchase in the timeline stated in the requisition, the Procurement Department employee consults the requester to agree upon timeline acceptable for purchase. The Procurement Department employee is responsible for timely announcement and carrying out procurement procedure according to the requisition to be fulfilled.

5.5. Potential Suppliers

5.5.1. The responsible purchaser and the requester select potential Suppliers together using, among other things, the Company supplier database (hereinafter — "Supplier Database"). In any case, the

final decision on potential suppliers is taken by Procurement Department. Every potential Supplier is officially invited to participate in the procurement procedure.

5.5.2. The minimum number of competent suppliers specially invited to participate in the procurement procedure is at least three if the purchase is from RUB 500,000. A deviation of those requirements is stated in the purchasing results report.

5.5.3. The Company suppliers and contractors must be accredited in the supplier database:

5.5.3.1. If the purchase cost is from RUB 500,000 up to RUB 2,000,000 it is allowed to receive and evaluate Quotes from any Suppliers to meet the Company's demands. Requirements for mandatory accreditation in the supplier database apply to the Suppliers which Quote is considered the best only.

5.5.3.2. If the purchase cost is from RUB 2,000,000, Quotes (Proposals) are received from any Suppliers to cover the Company's demands. However, only Quotes (Proposals) of Suppliers accredited in the supplier database are evaluated.

5.5.4. In exceptional cases, when there are no suppliers other than a supplier that is not accredited or is blocked in the supplier database, and/or its Quote is the most cost-effective, the Head of Procurement together with the Head of respective level of structural department on the part of the requester (Deputy Director General, Functional Director, Assistant Director General) can make a reasoned decision to enter into a contract with that supplier using the four-eyes principle. Such decisions shall be kept together with the rest procurement documentation. A copy of that memo shall be attached to the original Purchasing Results Report. In this case, the decision to enter into a contract covers only particular purchase.

5.5.5. As a general rule, purchases are always made directly from the product manufacturer (or from its authorized dealer) or from a supplier that directly renders services or performs work. It is allowed to purchase from intermediaries (an intermediary is not the manufacturer of the goods offered or its authorized representative or affiliate) only if it is economically feasible.

5.5.6. When selecting a counterparty and concluding and performing a contract, Unipro PJSC Intermediaries Regulations should be followed in addition to these Regulations.

5.6. Purchasing Documentation, purchase announcement, Suppliers Quotes (Proposals) submission

5.6.1. The Purchasing Documentation content is approved by a separate regulatory document of the Company.

5.6.2. A Procurement Department employee prepares Purchasing Documentation. Such documentation has to be approved by the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy.

5.6.3. All Purchasing Documentation is altered by an official supplement or alteration of the original Purchasing Documentation. The responsible purchaser notifies all potential suppliers in due manner of such alterations directly and/or by publishing relevant information in the public source where such procurement procedure is carried out.

5.6.4. Procurement procedures are carried out by one of the purchasing (procurement) methods provided in section 6.

5.6.5. Suppliers' Quotes (Proposals) are submitted within the timeline and as stated in the Purchasing Documentation.

5.6.6. For competitive activity up to RUB 5,000,000, Quotes (Proposals) are submitted by electronic means of communication, if it is agreed upon by the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy.

5.6.7. For competitive activity from RUB 5,000,000 the Quotes (Proposals) are submitted on paper in sealed envelopes. Suppliers' Quotes (Proposals) may be submitted by electronic means

of communication at any step of competitive activity from RUB 5,000,000 but less than RUB 50,000,000, if it is agreed upon by the Head of Procurement.

5.6.8. If it is agreed upon by the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy, the responsible purchaser has the right to extend the timeline for Quotes (Proposals) receipt under the Purchasing Documentation for not more than 7 business days. It is possible to extend that timeline for more than 7 business days or to extend it again if it is additionally agreed upon with the requester.

5.6.9. Quotes (Proposals) submitted by Suppliers behind time are rejected, as a general rule. It is allowed to receive them by decision of the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy.

5.6.10. After Suppliers Quotes (Proposals) are received, report of Quotes (Proposals) receipt is executed.

5.7. Quotes evaluation

5.7.1. If purchase is from RUB 5,000,000 decision to select the supplier is taken based on evaluation model. Evaluation model is developed before the competitive activity. Quotes (Proposals) are weighed up and evaluated to meet the Purchasing Documentation and technical specifications requirements. Their compliance with the Purchasing Documentation and technical specifications is evaluated based on such model.

5.7.2. If purchase is less than RUB 5,000,000 it is enough to compare the Quotes (Proposals). The evaluation model is applied at the discretion of the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy.

5.7.3. The requester evaluates the Suppliers' compliance with the Health and Safety Management System for all purchases, regardless of the planned cost of the products purchased. Purchases are evaluated in accordance with Contractors and Company Partners Management Standard of the Company.

5.7.4. To mitigate potential material adverse tax consequences for the Company, the responsible purchaser and/or the requester (depending on procurement procedure step) shall initiate evaluation of tax risks of the potential winner (the leader of commercial and technical evaluation). The evaluation shall be carried out in accordance with the Regulations for Management of the Supplier Database, Reliability Verification and Preliminary Qualification of Suppliers effective in the Company..

5.7.5. The responsible purchaser defines commercial criteria of the evaluation model, the requester states its technical criteria. Weighted coefficients are assigned to each criterion. The evaluation model shall be defined before the procurement procedure. The evaluation model may be altered not later than 1 business day before the end of receipt of initial Suppliers' Quotes (Proposals).

5.7.6. If Quotes (Proposals) are subject to technical evaluation, the responsible purchaser hands all Suppliers' Quotes (Proposals) over to the requester for examination within Three (3) business days, excluding their commercial part (especially prices).

5.7.7. The Requester submits technical expertise results to the responsible purchaser. Such results are a summary evaluation by each technical criterion. Timeline for such expertise is set by the Head of the Requester Department that initiated the purchase, but in any case it is not more than 14 business days and 28 business days for technology-intensive procurement.

5.7.8. Performance characteristics are examined in full compliance with the Purchasing Documentation and technical specification. At the technical evaluation step the Requester may

request through the responsible purchaser the Suppliers' explanations and relevant information required for technical evaluation. If the Suppliers' written explanations are not enough, the requester decides to consult (negotiate) technical issues. In any case, all technical requests are sent to Suppliers in writing and only by the responsible purchaser within Three (3) business days after receipt of such requests from the requester.

5.7.9. The requester evaluates the technical part of Quotes (Proposals) and transfers expertise results to the responsible purchaser, who checks if evaluation is complete for each Supplier under certain criteria.

5.7.10. After receipt of Quotes (Proposals) technical expertise results the responsible purchaser carries out their commercial evaluation. At the commercial evaluation step, the Tendering Authority requests from the Suppliers any information that is incomplete or is not duly submitted. In the course of commercial evaluation the responsible purchaser must ensure transparency and equality of rights of all Suppliers, analyse the current market conditions and Suppliers strength and weaknesses.

5.7.11. For evaluation of payment terms of a Supplier's Quote (Proposal), the responsible purchaser takes into account payment terms and discounts offered by the supplier as an alternative to the standard terms and conditions. For such evaluation the responsible purchaser applies special methods of the Company. Such evaluation results are kept together with other Purchasing Documentation.

5.7.12. The responsible purchaser prepares and documents consolidated deliverables of commercial and technical review of Quotes (Proposals) received. As provided hereby, consolidated results are documented using evaluation model. The responsible purchaser hands over to the requester consolidated results of commercial and technical review and commercial parts of Suppliers Quotes (Proposals) if they are additionally requested by.

5.7.13. The Suppliers are selected to take part in commercial negotiations based on summary evaluation. In case a large number of Suppliers is approved at the technical expertise step, negotiations are held with at least three Suppliers whose Quotes (Proposals) are the best. Negotiating parties selection is explained in writing with evaluation results attached. Such explanation is kept together with other Purchasing Documentation.

5.7.14. If any suspicion arises that Suppliers are in conspiracy, submit false documents, are possibly affiliated, etc. in the course of Quotes (Proposals) examination and evaluation the responsible purchaser and/or the requester initiate an additional check of Suppliers' Quotes (Proposals) by the Company Economic Security Department before the purchase is approved to mitigate procurement procedure risk.

5.7.15. If a contract is concluded with a Supplier which price is not the lowest, and the supplier is selected without an evaluation model, a detailed written explanation of such decision is given in the purchasing results report.

5.8. Negotiation

5.8.1. Negotiations are held with Suppliers if it is expedient. All Suppliers should have equal chances in negotiations.

5.8.2. The responsible purchaser and the requester negotiate on the part of the Customer. Such negotiations are aimed at finalization of all procurement terms and conditions. The responsible purchaser defines the negotiations type together with the requester (if necessary): personal meeting, telephone conversation or official correspondence. As a rule, the responsible purchaser is the negotiations leader, but has the right to appoint other persons. The negotiations results are documented. When needed, experts (e.g., lawyers, technicians, etc.) are involved in negotiations.

5.8.3. At the step of Suppliers' Quotes (Proposals) technical evaluation, the Customer has the right to discuss with suppliers the technical part of their Quotes (Proposals).

5.8.4. If the procurement procedure content is altered in the course of negotiations, the responsible purchaser defines the need to carry out new procurement procedures together with the requester. If they decide so, all suppliers must be informed on the changes so that they are able to take part in the procurement procedures once again.

5.8.5. All material terms and conditions of the contract, including contract disagreement reconciliation list, final price, products quality guarantees, dates and conditions of delivery, payment terms must be discussed with Suppliers and recorded by mutual consent in the course of commercial negotiations (before the official end of the best Supplier's Quote (Proposal) selection). Commercial negotiations should not lead to a change in the technical requirements of Purchasing Documentation.

5.8.6. The Customer and the contracting Supplier hold pre-contractual negotiations. Negotiations results are documented by the responsible purchaser.

5.8.7. The final Quotes (Proposals) are handed over for final expertise to the requester and other department employees, when needed. The results of all Suppliers' Quotes (Proposals) expertise are included in evaluation model (or in the comparison matrix if no evaluation model applies to such procurement procedures) by negotiations results to decide on the best Supplier's Quote (Proposal) selection.

5.9 Purchases approval

5.9.1 The responsible purchaser prepares a purchasing results report within three business days. Purchases up to EUR 10,000 are according to Appendix 02, and no report is required.

5.9.2 The best Supplier's Quote (Proposal) from RUB 5,000,000 is selected with the use of evaluation model under clause 5.7.

5.9.3 The best Supplier's Quote (Proposal) is selected under four eyes principle by the responsible purchaser and the requester based on technical and commercial evaluation after the end of negotiations and receipt of all adjusted Suppliers' Quotes (Proposals) (when needed) and after the planned cost adjustment by the requester, if necessary. The best Quote (Proposal) selection is recorded in purchasing results report. All material terms and conditions of the contract should be agreed upon by that date.

5.9.4 In the event that the applicant does not agree with the results of the procurement procedure, the decision is passed to a higher authority, according to Table 1:

Table 1

By Requester Department	By Procurement Department
Requester	Responsible purchaser
Head of Corresponding Department in Headquarter or Head of Branch Structural Department	Head of Branch Procurement Unit or Headquarter
Deputy Director General, Functional Director, Assistant Director General, Head of Directly Subordinate Department	Head of Procurement
Director General	Head of Procurement

5.9.5 Purchasing results, including single sourcing of less than RUB 5,000,000 are approved by the Head of Procurement or a person to whom such authority is delegated by the Head of Procurement according to Unipro PJSC Authority Delegation Policy and the Head of relevant department on the part of the requester at the Branches or by the Head of relevant department on the part of the requester in the Company's Headquarter.

5.9.6 Procurement results, including single sourcing worth RUB 5,000,000 or more, shall be approved by the Head of Procurement on the part of the Procurement Department and by Deputy Director General, Functional Director, Assistant Director General, and Head of Directly Subordinate Department from the Requester's side.

5.9.7 Single sourcing from RUB 5,000,000 is approved by the Company's Management Board.

5.9.8 If additional works/services required for main and auxiliary equipment repair are purchased from single source, such purchase is approved by the Company's Management Board only if the additional purchase is from RUB 5,000,000 and is at the same time more than 20% of the master contract price.

5.9.9 Before contracting, requirements of law and Company's Charter in part of contracts approval by the Management Board, the Board of Directors or the General Meeting of Shareholders should be observed. If a governing board (the Management Board, the Board of Directors or the General Meeting of Shareholders) is required to decide on entering into transaction by the law or the Company's Charter, respective contract is signed only after such board adopts necessary decision. To adopt such decision, the Contract Managing Department sends documents needed to approve the transaction to the person authorized to initiate a meeting of such Board.

5.10 Contracting

5.10.1 The contract is concluded based on the purchasing results report in accordance with to the Purchasing Documentation and the best supplier's Quote (Proposal).

5.10.2 If the supplier, whose Quote (Proposal) is considered the best, fails to sign (tries to evade the contract) within 20 business days from the date when such Supplier is notified of the need to sign the contract, the Customer has the right to review the purchasing results and select other best Quote (Proposal) from the rest of valid Quotes (Proposals) or decide to carry out new procurement procedures.

5.10.3 Contract evasion is actions of the contracting Supplier which do not lead to signing the contract:

- a) an explicit written waiver to sign the contract;
- b) requirements for the contract contrary to the terms and conditions stated earlier in the Purchasing Documentation and/or in such Supplier's Quote (Proposal) and to requirements agreed upon in the process of pre-contractual negotiations;
- c) contracting supplier fails to present mandatory documents provided by Purchasing Documentation and the Supplier's Quote (Proposal) prior to contracting.

5.10.4 The contracting supplier's evasion has to be documented and attached to the Purchasing Documentation to explain such decision.

5.10.5 In case Quotes (Proposals) of the same supplier are considered the best for several lots, one contract for several lots is concluded with such Supplier. If a valid contract is in place with the supplier whose Quote (Proposal) is considered the best, and the subject and the terms and conditions of such contract apply to the purchasing results, an additional agreement to such contract is signed instead of a separate contract.

5.10.5.1 In certain cases a frame contract is concluded that stipulates the supplier's goods, works, services unit price and/or procedure of price adjustment and the terms and conditions of goods delivery, works performance, services rendering by the supplier. The subject of such

contract has to be goods or works/services delivery, which purchase volume may not be unambiguously defined for the period under review, but the rules to calculate goods, works, services unit price are agreed upon with the supplier. Frame contracts do not stipulate the Company's commitments to purchase certain quantities of goods or works, services.

5.10.5.2 A frame contract states procedure for closing transactions and a list of actions required to close it.

5.10.6 The Contract Managing Department is responsible for the process of concluding contracts and contract upon obtaining purchasing results and coordinates contracting under these Regulations and the Company's valid Contracting Guidelines.

5.10.7 Terms and conditions of the concluded contract are defined:

a) based on original draft contract (the contract terms and conditions) being a part of the Purchasing Documentation, subject to the contracting Supplier's Quote (Proposal) acceptable for the Company, — if the contract is concluded under competitive activity or procurement procedure as a result of which the single Supplier's Quote (Proposal) is submitted;

b) by negotiations, if the contract is concluded with single source in case this purchase method is planned or for urgency reasons.

5.10.8 In any case, all requirements of the applicable law, the need to protect the Company rights and lawful interests and to mitigate its risks during contract performance to the fullest extent possible are taken into account for the contract terms and conditions definition.

5.10.9 Payment Terms

5.10.9.1 The standard payment terms are defined in accordance with Purchasing Documentation and contract forms that are an integral part of Purchasing Documentation.

5.10.9.2 The Company's standard payment terms are as follows:

5.10.9.2.1 for goods delivery contracts within Eighty (80) calendar days from the date of signing of delivery note (or other bilateral document that confirms the goods transfer);

5.10.9.2.2 for works/services contracts within Eighty (80) calendar days from the date when the parties sign the completed works/services transfer and acceptance certificate.

5.10.9.3 The standard payment terms may be altered in the course of procurement procedures subject to their impact on the Company's working capital as provided by a separate regulatory document of the Company. If the standard payment terms are varied in the course of procurement procedures, it must be stated in the purchasing results report.

5.10.9.4 In general, advance payments must be avoided. Contracts providing for Prepayment are allowed only in case the supplier incurs provable expenses at the time of contract performance or economic benefit may be derived as a result of prepayment.

5.10.9.5 Prepayment from RUB 4,000,000 or an equivalent in relevant currency is made only against advance payment bond. Deviation of that requirement must be agreed upon by the Deputy Director General for Finance and Economics or by the Company's Management Board.

5.10.9.6 If interim payments are agreed upon for works/services contracts, payment is usually made under an interim invoice which amount may not be more than 90% of the value of the completed work/services transfer and acceptance certificate. The balance is paid only after the final acceptance.

5.10.9.7 To ensure that deficiencies in works/services are eliminated, 10% of the total contract value is withheld under works/services contract with a value from RUB 4,000,000 until the counterparty's obligations are performed in full. An advanced payment bond may be provided in lieu of withholding the money.

5.10.9.8 The bank guarantee is to be provided without any extra charges. A credit institution must be approved by the Company.

5.10.10 Contract Management

5.10.10.1 Existing contracts may be altered in terms of increase in goods, services and works volume following to the procedure set in clause 5.3.8.

5.10.10.2 Additional goods, works and services that are not the contract subject and which prices/pricing are not established by such contract are drawn up as follows:

- a) the requester sets up a requisition in MS Dynamics AX. Such requisition states the master contract number;
- b) additional volumes prices in the supplier's quote (proposal must be checked by the requester and the responsible purchaser, as such pricing is usually non-competitive);
- c) additional goods, works and services and contract variations are agreed upon with the supplier in writing.

5.10.10.3 The decision to purchase additional goods, works and services that are not the contract subject is approved in accordance with clauses 5.9.5-5.9.9.

5.10.10.4 If frame contracts stipulate goods, works and services pricing, the requester presents to the responsible purchaser a cost calculation of additional goods, works and services under the contract together with the requisition. The decision to purchase additional goods, works and services under such contracts is approved in accordance with clauses 5.9.5-5.9.8.

5.10.10.5 If due to the current market conditions, new procurement procedure does not lead to more favourable prices and terms and conditions than those of the valid contract, the valid contract is extended once. Such purchasing results are approved in accordance with clauses 5.9.5-5.9.9.

5.10.10.6 To define requirements for additional goods, works and services purchase approval, only their cost is taken into account, without regard to the value of contract concluded earlier.

5.10.10.7 When entering into additional agreements to maintenance contracts (for performing maintenance contracts for main equipment of combined cycle gas turbine, CCGT only (Long Term Maintenance Contract)), *including preventive inspections, routine maintenance, diagnostic, setting, adjusting works, preventive and restoring repairs, technical consultations, supply of spare parts, and rendering of other services and use of special software and facilities required to prevent failure and maintain the operability and safety of the Equipment at a level that meets the manufacturer's requirements and current standards* for the Products for which the procedure for pricing and determining commercial terms is defined in the primary contract, and provided that the primary contract envisages that the performance of works or services or the delivery of goods may be commenced under an additional agreement before final determination of the value and commercial terms, such purchases may be included in the AIPP and the purchase requisition may be filed to MS Dynamics AX after the start of the period of performance of such works or services or the delivery of such goods. The Requester shall inform the Procurement Department on the commencement of performance of works, services or the delivery of goods through the electronic document management system. Together with the request, the Requester shall provide the responsible purchaser with the calculation of the value according to the actual demand, in accordance with the procedure established in the contract. Such purchase requisition shall be checked by the responsible purchaser for the compliance of the additional agreement with the procedure for determining the value and commercial terms provided for by the contract and for the evidences of Maverick buying, in particular, clause 2.2.4.2. (d) of the Regulations. In this case, no purchasing results report is required.

5.11 Supplier's Performance Evaluation

5.11.1 Supplier's performance is evaluated in accordance with Unipro PJSC Supplier Performance Evaluation Regulations.

5.11.2 Such evaluation results are taken into account among other things to evaluate the supplier's business reputation when Suppliers' Quotes (Proposals) are evaluated.

6. Procurement Methods

6.1 If no grounds are explicitly provided by these Regulations the purchase is competitive.

6.2 Purchasing strategy and method is defined by the Company's Procurement Department based on the goods, works, services purchased.

6.3 Procurement procedure may be one-stage or multi-stage, open or selective, with selection of several winners for one lot or in any other forms provided by these Regulations that ensure the maximum efficiency of sourcing results.

6.4 Sourcing activities provided by these Regulations may be carried out with the use of electronic means of communication (as a whole or at certain steps), i.e. information may be exchanged in the form of e-documents by e-mail, electronic digital media, and on e-sourcing platforms.

6.5 Based on a reasoned request of the Requester's Unit, the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC may decide to change the procurement method in compliance with these Regulations.

6.6 The Company use competitive and non-competitive purchasing (procurement) methods according to these Regulations.

6.7. Tender

6.7.1. Tender is competitive procedure, where Tendering Authority informs potential suppliers on goods, works, and services requirements and invites them to submit their Quotes (Proposals) under criteria defined by Purchasing Documentation. The Tendering Authority has the right to discuss Quotes (Proposals) of authorized suppliers, evaluates the relevant Quotes (Proposals) and selects the best one.

6.7.2. The Customer has no obligations to contract neither with the Supplier which Quote (Proposal) is the best nor with any other tender participants.

6.7.3. Tender is used to purchase any products and in any cases.

6.7.4. A tender may be:

- open or selective;
- one-stage or multi-stage;
- electronic or in hard copy;
- with or without rebidding;
- with selection of several winners for one lot.

6.7.5. The Tendering Authority have a right to cancel the tender at any step with notification to Suppliers of such cancellation, without any compensation to tender participants.

6.8. Request for Quotation

6.8.1. Request for Quotation is a competitive procedure where Tendering Authority informs potential suppliers in advance on goods, works, services requirements, invites them to submit Quotes (Proposals), considers whether they comply with Purchasing Documentation and selects the best Supplier's Quote (Proposal) with the lowest price.

6.8.2. The Customer has no obligations to contract neither with the Supplier which Quote (Proposal) is the best nor with any other Request for Quotation participant.

6.8.3. Request for Quotation may be:

- open or selective;
- electronic or in hard copy;
- with or without rebidding;
- with selection of several winners for one lot.

6.8.4. Request for quotation may be open if the purchase subject is off-the-shelf goods, standard works or services with the planned cost of less than RUB 5,000,000.

6.8.5. Selective Request for Quotation can also be carried out without contract price restrictions to purchase goods, works, services from Suppliers with which frame agreements have been concluded earlier based on the results of open tender.

6.8.6. The Tendering Authority has a right to cancel the Request for Quotation at any step with notification to Suppliers of such cancellation, without any compensation to the participants.

6.9. Procurement through Procedures Arranged by Products Sellers

6.9.1. The Company has the right to take part in competitive sales of goods, among other things as a trader.

6.9.2. Procedures and their terms and conditions are defined by Tender Authority.

6.9.3. By resolution of the Head of Procurement, procurement may also be made through the Company's participation in auctions, tenders, or any other procedures arranged by products sellers (including by means of participating on e-sourcing platforms). A positive decision to participate in such procedures shall only be made, if these procedures secure honest and fair competition of participants.

6.10. Single source

6.10.1. Single sourcing is a non-competitive procurement procedure that is applied only if one of the grounds provided by these Regulations is in place. Single sourcing is carried out by Procurement Department employees with exceptions explicitly indicated in Appendix 01 and Appendix 02.

6.10.2. Single sourcing is carried out in the following cases:

6.10.2.1. Urgent substantiated production requirements, in connection with which other procedures are inexpedient. If permission for the single source is asked for the Head of Procurement should check (regardless of the decision adopted) whether the urgency is caused by the requester's imprudence;

6.10.2.2. Urgent necessity that could not be foreseen by the requester, for accidents (incidents) prevention and for complying in due time with competent state supervisory authorities orders which period of performance is less than a month, and other procurement procedures are unacceptable. In this case, goods are purchased from single source if they do not exceed the volume that is enough to prevent the accident (incident), eliminate the deficiencies stated in the orders, and replenish the established minimum (emergency) reserve of goods when needed.

6.10.2.3. Products may only be purchased from the single source and their equivalent replacement is not available:

- a) services are purchased for designer supervision over development of capital construction design documentation or over construction, reconstruction, overhauls of capital construction by respective designers;

- b) supplier/manufacturer or its sole dealer (distributor, representative) performs supervising installation of equipment, ensures guarantee and current maintenance of the goods delivered to the Customer under supply contract and other suppliers are not allowed under the warranty;
- c) contracting for intellectual deliverables with a supplier (contractor), that has exclusive right to the intellectual deliverables and a brand identity certified by a relevant title document (patent, certificate);
- d) products are manufactured by a unique technology or have unique properties;
- e) the supplier is the only one able to manufacture goods, perform works or render services (depending on the purchase subject, this condition also applies to suppliers that are the only suppliers in a certain region, if involvement of suppliers from other regions is not cost-effective);

6.10.2.4. Additional purchase is made from the same supplier only for reasons of standardization, unification and compatibility or continuity (for works/services) with the goods purchased earlier. When a decision on single sourcing is adopted on this ground the following should be taken into account:

- a) purchase of goods with other performance capability may lead to significant technical difficulties in operation and maintenance;
- b) change of works/services supplier with specific experience and well-established relations for successful works performance/services rendering may lead to significant difficulties in works performance/services rendering;
- c) additional works/services are purchased which are not included in the original works/services scope under the contract but can be separated from the master contract with significant difficulties only and which are necessary to be performed due to unforeseen circumstances;

6.10.2.5. If any competitive activity is carried out and only one Supplier's Quote (Proposal) is submitted or complies with the Purchasing Documentation, but new procurement procedure is inexpedient (e.g., timeline has expired and/or new procurement procedure would not lead to change in Suppliers and selection of any other winner). In this case, the purchasing results report must contain exhaustive information on the current situation. Such purchases are not required to be approved by the Management Board under clause 5.9.8, but they are subject to tightened internal control;

6.10.2.6. If goods are purchased at a price significantly lower than the current market price, and such purchases may be made within a very short period;

6.10.2.7. Products are purchased from the persons affiliated with the Company;

6.10.2.8. If additional agreements are made to service contracts to keep register of issuer's registered securities holders or to issuer service contract, i.e. for counting commission functions, for general shareholders meetings preparation and holding (among other things for bulletins form development and sending materials to shareholders), for dividend payment, as well as for other related services rendered by the registrar to the issuer.

6.10.3. Single sourcing is carried out only on the grounds listed in this section.

6.10.4. In any case, single sourcing is allowed only if the purchase cost is substantiated by estimates, tariff calculation, etc.

6.11. Cases of Emergency

6.11.1. If goods, works, services are urgently needed to recover from an accident, natural disasters and force majeure, contract is allowed to be concluded without involvement of Procurement Department and procurement procedures.

6.11.2. Decision on such contract is within the competence of the Company Main Anti-Crisis Office (MAO). If this is the case, the Requester Department sets up a requisition in MS Dynamics AX as soon as possible. Report of those purchasing results is not required.

6.12. Request for Information

6.12.1. To make a request for information, the Procurement Department studies the market by publishing announcements in public information sources and by sending requests for information to potential suppliers.

6.13. Multi-Stage Procurement

6.13.1. Competitive activity may be carried out by two and multi-stage way if the Tendering Authority is required to negotiate with potential suppliers to define the most efficient option to meet the Customer's requirements, i.e. when at least one of the following conditions is met:

6.13.1.1. detailed requirements for the products purchased (any other contractual terms) could not be set immediately as the products are highly complicated or there are other options to meet the Customer's requirements;

6.13.1.2. quotes are requested to study possible ways to meet the Customer's requirements and choose the best one.

6.13.2. The Tendering Authority updates the terms and conditions of Purchasing Documentation at each step (excluding the last one) (negotiates with Suppliers) and updated Quotes (Proposals) of potential Suppliers are submitted at the next step.

6.14. Open and Selective sourcing procedure

6.14.1. Any potential Suppliers participate in open sourcing procedure.

6.14.2. Only invited potential Suppliers participate in selective competitive procedure.

6.14.3. Competitive activity is selective if two or more potential Suppliers are selected, and at least one of conditions below is met at the same time:

- products may be purchased from a limited (known) number of suppliers due to their complexity, special nature, other specific features of their market, if all such suppliers are invited to the competitive activity;
- direct involvement of Suppliers ensures that confidentiality is kept in the Company's interests (potential Suppliers receive Purchasing Documentation with information classified as state secret; if the purchase subject is a commercial secret and may not be described in Purchasing Documentation without disclosure of such trade secrets).

6.14.4. Based on a reasonable request by the Requester's Department, the Head of Procurement can decide to approve a number of Participants and carry out selective procurement in accordance with provisions hereof.

6.15. Rebidding

6.15.1. Rebidding is an additional element of a competitive activity. Rebidding is voluntary promotion of Suppliers' Quotes (Proposals) preference within procedure aimed at such promotion. Suppliers reduce the price of Quotes (Proposals) originally submitted by them or improve payment terms for the Customer.

6.15.2. Rebidding is carried out only if it is stated in the Purchasing Documentation. Rebidding number is unlimited. The rebidding form (in person or by correspondence) and its parameters are defined in accordance with Purchasing Documentation.

6.15.3. In the course of rebidding the authorized Suppliers voluntarily promote preference of their Quotes (Proposals). It is done by lowering the original (stated in the Quote (Proposal)) price or by

improving payment terms for the Customer, and the rest of the Quote (Proposal) remains unchanged.

6.15.4. A Supplier has the right not to take part in rebidding. In such case its Quote (Proposal) remains in force with the price and payment terms offered earlier. A Supplier's Quote (Proposal) that worsens the original terms and conditions (among other things an increase of unit prices) is not considered, and such Supplier does not take part in the rebidding. The Quote (Proposal) of such Supplier remains in force with the terms and conditions set earlier. All conditions above are explicitly stated in the Purchasing Documentation.

6.15.5. In the course of rebidding, Suppliers submit documents with revised terms and conditions of the Quote (Proposal) by the timeline set by the Tendering Authority as provided by the Purchasing Documentation.

6.15.6. After rebidding, the best Supplier's Quote (Proposal) is defined as established for that procurement procedure in accordance with the evaluation methods of the Company.

6.16. E-sourcing

6.16.1. Any procurement procedure provided for by these Regulations is applied in full or at individual steps with the use of e-sourcing platforms.

6.16.2. A list of e-sourcing platforms that are permitted to be used for electronic procurement must be approved by the Management Board of the Company. The Head of Procurement shall decide on using an electronic trading platform for procurement.

6.16.3. In case purchasing procedure is made on e-sourcing platforms certain deviations of purchasing procedure provided by these Regulations are allowed. Such deviations are due to technical features of e-sourcing platforms and rules and regulations of such platforms.

7. Procurement Information Support

Information on procurement is published on the Company's official website www.unipro.energy.

8. Accreditation of Suppliers

8.1. To be accredited in Unipro PJSC supplier database (hereinafter — "supplier database") a potential supplier fills in the form and attaches to it relevant documents in the required format in accordance to the rules published on the Company's official website.

8.2. A supplier is validly accredited in the supplier database during one year from the date of its accreditation. After the end of that period the supplier re-registers by submitting an updated set of documents.

8.3. The supplier database, information in it and the Company's Departments interaction are in accordance with the Company's supplier database rules.

9. Reporting and Control

9.1. Procurement Department reports on purchasing results at the direction of the Company managing bodies. Procurement Department reports quarterly and annually upon request of the Company's Management Board.

9.2. Procurement Department records the following procurement (purchases) indicators:

- purchasing results;

- contribution to the company value;
- number of Maverick buying;
- number of emergency purchases.

9.3. Procurement is controlled by the Head of Procurement.

9.4. Audit of procurement process is executed by the Internal Audit Departments of the Company.

10. Workflow Rules

10.1. Any procurement process step is documented in full by Procurement Department so that the material decisions on a transaction can be tracked later, i.e.:

- rationale for products purchases (inclusion of purchases in the AIPP);
- check and selection of potential suppliers;
- selection of the supplier;
- information on deviation of standard procurement process, with necessary explanations;
- rationale for contracting without procurement procedure.

10.2. Documentation on the completed purchases is kept in full. The set of documents includes:

- requisitions;
- requests;
- Suppliers' Quotes (Proposals) (including letters of refusal);
- comparative analysis of Quotes (Proposals) (including evaluation model);
- negotiations results;
- purchasing results report;
- other correspondence.

10.3. After procurement completion the original Purchasing Documentation is transferred to the Company archives under the Company's workflow rules. Special technical documentation (drawings, equipment certificates, manuals, safety rules, etc.) is kept by the requester.

10.4. At the end of the calendar year, the AIPP with the rationales in clauses 5.2.11 and 5.2.12 is transferred to the Company archives under the Company's workflow rules.

11. Alterations

11.1. Alterations of these Regulations are approved by the Company's Board of Directors.

11.2. These Regulations are made in Russian and in English.

Appendix 01
Exception List
Unipro PJSC Procurement Regulations

1. These Regulations do not cover relations, including payments, related to the following types of operations:
 - the Company participation in the wholesale electric power (capacity) market;
 - contracting for activities related to consumer technological connection to power grids;
 - contracting with guaranteeing power supplier or power purchase and sale contracts;
 - electric power (capacity) purchase;
 - purchase of process fuel and services for its transportation;
 - purchase of electric and thermal power for housekeeping needs;
 - purchase of utility services (water, sewerage, waste disposal, etc.) for housekeeping needs;
 - financial markets transactions and services related to them, including purchase and sale of securities, currency valuables, property trust;
 - contracting with credit institutions;
 - purchase of stock/shares in companies authorized capitals (mergers and acquisitions);
 - purchase of goods, works and services being the subjects of natural monopoly from natural monopoly holders;
 - purchase of exchange commodities on the commodity exchange;
 - insurance services;
 - acquisition of rights (ownership, lease, use, etc.) to land plots and other specific real estate (buildings, structures, constructions, premises, etc.) that are purchased from their owners only;
 - recruitment under employment or civil contracts;
 -
 - travel;
 - contracting for services related to offsite events (hotels, transport services, computers operation, catering);
 - taxes, levies and other compulsory payments;
 - legal services contracts;
 - notary's fees;
 - legal expenses, penalties;
 - purchase of goods, works and services that are purchased from particular suppliers as provided by state authorities regulations;
 - purchase of certifications, licenses, etc.;
 - charity and sponsorship, membership fees and other similar payments;
 - contracts for the Company accounting audit;
 - purchase of goods, works and services that are purchased without procurement procedure by decision of the Company's Board of Directors;
 - participation on conferences (economic/business/investment forums);
 - agreements for information and advice services and support of Unipro PJSC activities in the media sphere (with media sources) for the purposes of corporate image management including communication and preparation of informational content for media sources

Appendix 02
Purchases less than EUR 10,000
Unipro PJSC Procurement Regulations

2. This Appendix sets forth rules for purchases with target cost of and less than EUR 10,000.

Purchases with planned cost of and less than EUR 10,000 are made in simplified form. No purchasing results report is required. Nor are Purchasing Results Report is required in the case of a competitive procurement procedure resulting in the actual procurement cost of less than EUR 10,000.

2.1. Procurement shall be approved directly at the stage of submitting the Purchase Requisition in MS Dynamics AX by the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC and the FRC on the part of the Requester.

2.2. Such purchases shall be included in the Company's AIPP, both at the stage of annual planning and of unforeseen demand by decision of the Head of Procurement or a person to whom such authority has been delegated by the Head of Procurement in accordance with the Authority Delegation Policy of Unipro PJSC.

2.3. Suppliers' proposals; the proforma-invoice and/or the contract signed by the supplier shall be attached to the Purchase Requisition in MS Dynamics AX. If particular procurement activity requires submission of the draft of the contract, such draft shall be approved by the Legal Department if it is stipulated in the internal regulatory documents of the Company.

2.4. If the purchase cost is less than EUR 10,000 it is permitted to receive and consider Proposals from any Participants in order to cover the Company demands.

2.5. Purchases worth less than EUR 1,000 with a confirmed budget (in AIPP as well) may be included in the AIPP at the stage of submitting a Purchase Requisition to MS Dynamics AX. In this case, an employee of the requester department and the procurement department shall check whether the required Products may be purchased under an effective contract concluded earlier within the period of AIPP in consideration. In this case, those products shall be purchased under the terms of the previously concluded contract.

It is not permitted to split the purchase into several parts in order to reduce the purchase planned cost and thus to avoid threshold values and competitive procurement methods.