

**THE NOVATEK GROUP
PURCHASING POLICY**

1. GENERAL PROVISIONS

1.1. This Purchasing Policy (the "Policy") determines the principles of purchasing materials and equipment (the "M&E"), works and services (the "Purchase") in NOVATEK and its controlled entities (the "NOVATEK Group" or the "Group"), that are designed to ensure:

- higher efficiency of the Group's Purchases;
- timely and full satisfaction of the Group's demand for M&E, works and services meeting the required parameters to support the Group's operations and investment activities;
- a consistent approach to Purchases within the Group.

1.2. The Policy applies to Purchases carried out in the form of direct award, open and closed bidding as well as to the qualification (the "Qualification"), conducted to verify that the suppliers/manufacturers of M&E have the technical capability, technologies and resources to manufacture/supply particular M&E.

1.3. Purchases within the NOVATEK Group pursue the purpose of finding the best proposal on the market, do not constitute either an offer in the meaning of Article 435 of the Russian Federation Civil Code, or an invitation to make offers in the meaning of Article 437 of the Russian Federation Civil Code; are not a bidding process, including in the form of a tender, auction, or a public tender in the meaning of Articles 447-449, 1057-1061 of the Russian Federation Civil Code; are not subject to Federal Law No. 44-FZ dated April 5, 2013 On the Contracting System in Government and Municipal Procurement of Goods, Works and Services and Federal Law No. 223-FZ dated July 18, 2011 On Procurement of Goods, Works and Services by Certain Types of Legal Entities.

Any use of the terminology or mentions of competitive bidding, tenders, auctions, and procurement in the qualification/purchasing documentation shall not be interpreted in the meaning of Articles 447-449, 1057-1061 of the Russian Federation Civil Code, Federal Law No. 44-FZ dated April 5, 2013 On the Contracting System in Government and Municipal Procurement of Goods, Works and Services and/or Federal Law No. 223-FZ dated July 18, 2011 On Procurement of Goods, Works, and Services by Certain Types of Legal Entities.

1.4. None of the individuals, legal entities or individual entrepreneurs who intend to participate, or are participating, in a Purchase/Qualification (the "Bidders") is entitled to:

- raise claims against NOVATEK/Group companies in relation to failure to pass the Qualification, the termination of a Purchase, or a proposal not being found the best one following the Purchase;
- demand that NOVATEK/Group companies enter into a contract following the Purchase or reimburse its expenses or losses connected with the Bidder's participation in the Qualification/Purchase.

Any actions by the Bidder to deliver M&E or perform the works and services before the contract is awarded shall not oblige NOVATEK/Group companies to accept the performance or award the contract for the delivery of M&E, performance of works and services to such Bidder.

1.5. When conducting a Qualification/Purchase, NOVATEK shall apply requirements set forth by the Policy, the qualification/purchasing documentation and the regulations (rules) of an electronic procurement platform (the "EPP") used for the Purchase.

2. PRINCIPLES OF PURCHASING

2.1. Equality, non-discrimination, competition

2.1.1. Bidders are entitled to participate in the Qualification and open competitive bidding pursuant in the manner and on terms and conditions determined by NOVATEK/Group company.

2.1.2. Purchases in the form of closed competitive bidding and direct award shall be carried out in cases provided for by the purchasing documentation.

2.1.3. Qualification/Purchase requirements for Bidders are established to minimize the risks of default on (improper performance of) the contract, and may not be aimed at securing advantages for certain entities.

2.2. Information transparency

2.2.1. During a Qualification/Purchase the Bidders shall be given access to the qualification documentation containing the conditions and the procedure of the Qualification, as well as to purchasing documentation in case of open competitive bidding. Participants in closed competitive bidding and direct award procedures shall be granted access to the purchasing documentation of the closed competitive bidding and direct award procedures, respectively.

2.2.2. In case of a Qualification and open competitive bidding, information on the Purchase and qualification/purchasing documents shall be made available at the EPP

and/or the NOVATEK/Group company's website and may also be provided to the Bidder at its request.

2.2.3. In case of closed competitive bidding or direct award procedures, information on the Purchase shall be included in the invitation to bid sent to the Bidder, and may also be made available at the EPP and/or provided to a participant in the closed competitive bidding and direct award procedures at its request.

2.2.4. When conducting a Purchase through an EPP, all information related to the Purchase shall be communicated to Bidders exclusively through the EPP administrator (operator) in line with the EPP regulations.

2.2.5. NOVATEK/Group companies are not obliged to:

- disclose the grounds for decisions related to a Qualification/Purchase, including decisions regarding passing or failure to pass the Qualification, termination of the Purchase, an award following a Purchase;
- provide information and documents containing trade secrets, personal data, confidential information or other NOVATEK/Group companies' secrets protected by law;
- notify persons not participating in a Qualification/Purchase of decisions related to the Qualification/Purchase.

2.2.6. NOVATEK/Group companies shall:

- notify the Bidder of passing/failing to pass of the Qualification based on its results;
- notify all participants in a Purchase of a decision to terminate the Purchase, where such as a decision is made;
- following a Purchase, notify the participants in it of the Purchase completion and send an invitation to the Bidder, whose bid is found to be the best in the Purchase, to enter into negotiations to conclude a contract.

2.3. Compliance with NOVATEK's business ethics and anti-corruption requirements and the NOVATEK Group Supplier Code of Conduct.

2.3.1. Participating in a Qualification/Purchase, the Bidders shall comply with NOVATEK's business ethics and anti-corruption requirements and the NOVATEK Group Supplier Code of Conduct posted on NOVATEK's official website.

2.4. Appropriate and economically justified spending of funds for purchasing M&E, works and services

2.4.1. The best bid in a Purchase shall be determined on the basis of:

- the economic feasibility and relevance of the Purchase, reduction of the Purchasing-related costs, appropriate spending of funds for purchasing M&E, works and services, their life cycle cost;
- the assessment of the Bidder in terms of financial stability, professional experience and capabilities, business reputation, as well as production resources and manpower required to perform the contract, and the quality system applied.

2.4.2. NOVATEK/Group companies are entitled to:

- negotiate with any Bidder on the subject matter of a Purchase, including obtaining necessary information and documents from the Bidder;
- make changes to the purchasing/qualification documentation at any time;
- terminate a Qualification/Purchase with a Bidder notification in accordance with the qualification/purchasing documentation;
- select in a Purchase any bid of the Bidder, who successfully passed the Qualification, that complies with the purchasing documentation, including one that does not contain the cheapest price, or select none of the bids.

2.5. Responsibility for own costs

2.5.1. Notwithstanding the results of a Qualification/Purchase and in case of termination of a Qualification/Purchase:

2.5.1.1. NOVATEK/Group company shall bear all the costs associated with organizing and conducting the Qualification/Purchase, informing the Bidders, including publishing information in the Internet and at the EPP, executing contracts for the delivery of M&E, performance of works and services;

2.5.1.2. Bidders shall bear all their costs related to the participation in a Qualification/Purchase, including the execution of contracts for the delivery of M&E, performance of works and services.