

to Contract No _____
dated _____

**GENERAL TERMS AND CONDITIONS
of the CONTRACT FULFILLMENT
(Version 5)**

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These General Terms and Conditions of the Contract fulfillment (hereinafter the “Terms and Conditions”) shall be made an integral part of the Contract, shall be posted on Rostelecom official website at <https://www.company.rt.ru/about/disclosure/>, and shall be complied with by the Parties to the full extent, except for the cases where the contrary is expressly stated in the Contract. The person which is Rostelecom counterparty under the Contract according to the recitals of the Contract shall be hereinafter referred to as the “Contractor”. Obligations that are the Contract subject matter, shall be hereinafter referred to as the “Obligations”.

1. Representations and warranties made by the Contractor regarding circumstances significant for the Contract conclusion, fulfillment and termination (representations and warranties)

1.1. The Contractor represents and warrants to Rostelecom that as on the Contract execution date there existed no circumstances that might affect Rostelecom decision to make the Contract, in particular, that:

1.1.1. the Contractor is a legal entity (individual entrepreneur), properly created and operating in accordance with applicable Russian law, and the representative signing on behalf of the Contractor the Contract and other documents related to the Contract conclusion, execution or termination, has all the powers and authority required thereto according to applicable Russian law;

1.1.2. there are no signs of the Contractor insolvency (bankruptcy) according to applicable Russian law, and no insolvency (bankruptcy) judicial proceedings are ongoing against the Contractor;

1.1.3. with respect to the Contractor, there exist no open legal proceedings or unsettled claims directly affecting performance under the Contract, or where the claimed amount is in excess of 10% (ten percent) of the Contractor’s asset value;

1.1.4. conclusion of the Contract by the Contractor does not result in any infringement of third party interests;

1.1.5. the Contractor has no overdue wage arrears to the Contractor’s employees;

1.1.6. the Contractor duly pays all taxes and duties, and maintains and timely submits to tax and other state authorities Contractor’s tax, statistical and other statutory reporting in accordance with current applicable Russian law;

1.1.7. all the Contractor’s procurement activities to purchase goods/works/services/property rights from its respective counterparties, and sales of supplied goods/works/services/property rights supplied by Rostelecom will be fully reflected in and supported by Contractor’s basic documentation in compliance with requirements set forth in Federal law No 402-FZ of 06.12.2011 “Accounting”, as well as in any accounting, tax accounting, statistical and other accounting where the duty to maintain such accounting is imposed on the Contractor;

1.1.8. the value-added tax imposed on sales of goods/works/services/property rights under the Contract, will be reflected by the Contractor in Contractor’s tax accounting records according to tax invoices (faktura) correctly generated and issued by Rostelecom (as corrected and adjusted);

1.1.9. the Contractor will submit to Rostelecom fully compliant with current applicable Russian law basic documents and tax invoices (if applicable) in respect of sales of goods/works/services/property rights within timeline and according to procedure set forth in applicable law and the Contract terms;

1.1.10. If applicable, the Contractor represents and warrants to Rostelecom, that the Contractor has exercised due care and prudence in selecting vendors/suppliers/subcontractors, guarantees their reliability and will be obliged at Rostelecom request to provide copies of documents confirming the ability of such vendors/suppliers/subcontractors to fulfill relevant obligations under the Contract, as well as (if applicable) confirming the rights of possession and/or use in respect of relevant intellectual property items;

1.1.11. the Contractor’s ability to duly perform its duties under the Contract will not be adversely affected by the Contractor financial position;

1.1.12. there are no events or circumstances that could affect performance by the Contractor of obligations under any other agreement or could result in the Contractor’s inability to duly perform its obligations under the Contract;

1.1.13. conclusion and performance by the Contractor of the Contract does not contradict its founding documents, other deals or arrangements;

1.1.14. the Contractor obtained all corporate approvals required in connection with conclusion of the Contract, as well as in connection with performance under the Contract in accordance with applicable Russian law, the founding documents of the Contractor, if any such approval is required in accordance with the Contractor's founding documents.

1.2. If any changes in the circumstances specified above in par. 1.1 of the Terms and Conditions occur in the period of performance of the Obligations under the Contract, the Contractor shall provide a relevant notice to Rostelecom within 2 (two) business days after the date of such changes and as prescribed in the "Notices" section of these Terms and Conditions.

2. General terms and conditions of making payments under the Contract

2.1. Rostelecom shall make payments in respect of the Obligations under the Contract by remitting required funds according to the procedure prescribed in the Contract to the Contractor bank account specified in the "Parties' Addresses and Details" section of the Contract. The Contractor shall be responsible for paying all expenses and fees charged in connection with remittance of funds from Rostelecom bank account to that of the Contractor (including but not limited to applicable commissions charged by the Contractor's bank), except expenses and commissions of the bank, with which Rostelecom opened the relevant bank account.

2.2. The Contractor shall not be entitled to demand payment of interest on the debt amount in accordance with Article 317.1 of the Russian Civil Code.

2.3. Rostelecom duty to make payment in respect of the Obligations shall be deemed discharged as of the moment when Rostelecom bank account is debited to the relevant amount. If within five (5) business days after Rostelecom discharged its payment obligation, the Contractor fails to receive the relevant funds in its bank account, Rostelecom at the Contractor's request will provide the Contractor with an uncertified copy of the relevant remittance order.

2.4. Any payment made by Rostelecom under the Contract performance, shall be applied by the Contractor strictly according to the intended purpose of such payment. Unless the Parties agree otherwise, no change by the Contractor of the intended purpose of the payment shall be allowed (i.e. where a payment made by Rostelecom makes it possible to identify how funds should be applied, the Contractor shall not be entitled to apply the funds for performance of obligations under any other Contract).

2.5. At least once a year or more often, if required, the Parties shall undertake reconciliation of accounts under the Contract with execution of a bilateral statement of account reconciliation. If the Parties do not use e-document flow system to submit statements of account reconciliation, such statement is allowed to be sent by e-mail at the address specified in the Contract. If a statement of account reconciliation is sent by e-mail, such e-mailed statement shall be accepted by the Parties as issued in writing. A statement of account reconciliation shall be drawn up by the relevant interested Party and signed by such Party's authorized representative. The initiating Party shall send the issued statement of account reconciliation to the receiving Party. Within ten (10) business days after receipt of the statement of account reconciliation the receiving Party shall either sign and send back to the initiating Party a copy of the statement of account reconciliation, or provide to the initiating Party in writing substantiated objections of the receiving Party regarding true and fair nature of the information contained in the statement of account reconciliation. If within ten (10) business days after receipt of the statement of account reconciliation the receiving Party fails either to send to the initiating Party a signed copy of the statement of account reconciliation or provide substantiated objections regarding true and fair nature of the information contained in it, such statement of account reconciliation shall be deemed accepted by the receiving Party as issued by the initiating Party. The Parties have admitted identical legal force and effect of handwritten signatures and facsimiled signatures on statements of account reconciliation under the Contract, reproduced by mechanical or other means of making copies. Contact information of the Parties' designated persons for communicating on matters related to account reconciliation, is shown in the Contract.

2.6. Within five (5) business days upon entering into the Contract, the Contractor shall submit to Rostelecom:

- sample signatures of persons who will sign tax invoices to be issued to Rostelecom;
- documents confirming powers of persons who will sign tax invoices (duly certified copies of orders, instructions, powers of attorney, bank signature cards or other similar documents), if the right to sign them is granted to other persons besides the Chief Executive and Chief Accountant of the organization.

The Contractor shall notify Rostelecom in writing (attaching confirmation documents) about any changes in the list of persons authorized to sign tax invoices and contact information of the Contractor accounting office for communicating on account reconciliation matters within ten (10) business days after the date of such changes.

2.7. The Contractor shall issue according to applicable Russian law and submit to Rostelecom relevant tax invoices not later than five (5) calendar days upon fulfillment of an Obligation, and not later than five (5) calendar days after the date of receipt (inclusively) by the Contractor of funds paid in respect of partial payments for future fulfillment of an Obligation; such tax invoices shall contain the Contract identification details and specify the Obligations, for which such payment was made.

2.8. Overdue payment by Rostelecom of some portion of the Total Contract Value shall not be treated as a cause for delay of the fulfillment by the Contractor of Obligations under the Contract.

2.9. Rostelecom shall be entitled to make payments under the Contract before the due date set forth in the Contract, provided that a discount is granted and/or premium (incentive remuneration) is paid by the Contractor according to the procedure and timeline set forth in the Contract.

3. Confidentiality

3.1. The Parties shall provide and use any confidential information under the Contract according to requirements of the Non-Disclosure Agreement (Annex 1 to these Terms and Conditions).

4. Causes for the Contract modification and termination

4.1. The Parties shall be entitled to amend or terminate the Contract at any time by an agreement in writing.

4.2. The Contract may be amended or terminated following the procedure and for causes stipulated by applicable Russian law, the Contract terms.

4.3. The Contract may be terminated upon mutual agreement of the Parties.

4.4. Rostelecom shall be entitled at any time without going to court to refuse unilaterally to perform under the Contract by sending to the Contractor a relevant renunciation notice as prescribed in the “Notices” section of these Terms and Conditions. The Contract shall be deemed terminated as of the delivery of such notice, unless other termination date is stated in it.

4.5. Rostelecom shall be entitled to refuse unilaterally to perform under the Contract without going to court in the event of a material breach of the Contract by the Contractor, meaning:

4.5.1. material breaches expressly listed in the Contract and Terms and Conditions;

4.5.2. misrepresentations and invalid warranties made by the Contractor in the “Representations and Warranties” section (section 1 of the Terms and Conditions);

4.5.3. violation by the Contractor of other material terms of the Contract according to legislation.

4.6. Unless otherwise is set forth in the Contract, where the Contractor unilaterally without going to court and without a cause refuses to perform under the Contract before the end of the Contract effective term, Rostelecom shall be entitled to demand from the Contractor payment of a Compensation (a fee payable for unilateral renunciation of the Contract in accordance with par. 3 Article 310 of the Russian Civil Code). The amount and size of the Compensation shall be stated in the Contract and it shall be due and payable within ten (10) business days after provision of an invoice by Rostelecom. Such invoice shall not be issued before the date of the Contractor’s renunciation of the Contract.

4.7. In the event of early termination of the Contract, the Parties within not more than ten (10) business days after occurrence of the event that was the cause of such termination shall execute a bilateral

certificate confirming fulfillment of a portion of the Obligations. Based on such certificate the Parties shall complete account settlements between them not later than within fifteen (15) business days after signing such certificate.

4.8. Unless otherwise is set forth in the Contract, any changes in the Contract shall be introduced by executing a relevant Addendum to be signed by the Parties as prescribed in this par. 4.8. of the Terms and Conditions:

4.8.1. The Initiating Party shall submit to the other Party a Draft Addendum sending it to the e-mail address of responsible person of the Receiving Party (par.7.4. of the Terms and Conditions) in accordance with the “Notices” section of these Terms and Conditions.

4.8.1.1. The Receiving Party within two (2) business days after receipt of the Draft Addendum (par. 4.8.1. of the Terms and Conditions) shall either approve the Draft Addendum term and accordingly send a letter thereof to the e-mail address of the responsible person of the Initiating Party (par. 7.4. of the Terms and Conditions) in accordance with the “Notices” section of these Terms and Conditions, or within the same timeline and using the same means provide a substantiated refusal to approve the Draft Addendum.

Such substantiated refusal shall contain reasonable causes of the refusal to approve the Draft Addendum, proposals of wording of the Draft Addendum and other terms that the Receiving Party will deem necessary to note, including assessment of the need to sign the Addendum to the Contract.

4.8.1.2. If a substantiated refusal to approve is received, the Initiating Party shall either further improve the wording of the Draft Addendum within not more than two (2) business days after the receipt of the substantiated refusal to approve the Draft Addendum, and send it for approval as prescribed in par.4.8.1. of the Terms and Conditions, or make a decision that it would not be sensible to sign the Addendum to the Contract, and advise thereof the Receiving Party accordingly to the e-mail of the responsible person.

4.8.1.3. A Draft Addendum shall be deemed approved by the Parties as of the date of receipt of the letter stating the approval of the Draft Addendum (par. 4.8.1.1. of the Terms and Conditions), sent by e-mail from the Receiving Party at the e-mail address of the responsible person of the Initiating Party.

4.8.2. Not later than within two (2) business days after approval of a Draft Addendum the Initiating Party shall send to the address of the Receiving Party the Addendum to the Contract signed by the Initiating Party (in two original counterparts, in accordance with the “Notices” section of these Terms and Conditions).

4.8.3. Within three (3) business days after receipt of the Addendum signed by the Initiating Party (par.4.8.2. of the Terms and Conditions), the Receiving Party shall be obliged:

4.8.3.1. to sign the Addendum on behalf of the Receiving Party;

4.8.3.2. to send a scanned copy of the Addendum signed by the Parties to the Initiating Party (to the e-mail address of the responsible person of the Initiating Party);

4.8.3.3. to send an original counterpart of the Addendum signed by the Parties to the Initiating Party (in accordance with the “Notices” section of these Terms and Conditions).

4.8.4. Any Addendum shall take effect as of the date of its signing by the Parties, unless otherwise is stipulated in the relevant Addendum.

4.8.5. Any Addendum shall be an integral part of the Contract.

5. Dispute resolution

5.1. Relations arising out of the Contract shall be regulated by applicable Russian law.

5.2. Any dispute or difference under the Contract the Parties shall resolve through negotiations.

5.3. In the cases stipulated by law, the Parties shall use claim procedure for dispute resolution. A claim under the Contract shall be presented as prescribed in the “Notices” section of these Terms and Conditions and shall be reviewed ten (10) business days after its delivery to the Party.

5.4. If any dispute or difference is not resolved according to the applicable procedure and within the prescribed timeline, as set forth in this section of the Terms and Conditions, any disputes, differences, claims and demands arising out of or directly or indirectly connected with the Contract, including those related to the Contract conclusion, existence, amendment, performance, violation, termination,

discontinuation and validity shall be resolved using one of following methods, as listed in par. 5.4.1 – 5.4.3. of the Terms and Conditions, and further clarified in the Contract:

5.4.1. in the Court of Arbitration, specified in the Contract;

5.4.2. as selected by the Plaintiff Party:

5.4.2.1. either in the Court of Arbitration specified in the Contract;

5.4.2.2. or using arbitration procedure (proceedings in the arbitral tribunal in the Arbitration Center at the Russian Union of Industrialists and Entrepreneurs (RSPP)/in a regional division of Arbitration Center at RSPP in accordance with the Rules of the Arbitration Center current as on the day of filing of the plaintiff application for arbitration, taking into account the following:

5.4.2.2.1. where the claimed value is less or equal to the amount, stated in the Contract, the dispute shall be resolved by a sole arbitrator;

5.4.2.2.2. where the claimed value exceeds the amount specified in par.5.4.2.2.1 of the Terms and Conditions, the dispute shall be resolved by three arbitrators. Either Party shall be entitled to select one arbitrator in accordance with the Rules of the Arbitration Center at RSPP. The third arbitrator (the chairperson of the arbitral tribunal) shall be elected by a joint decision of the two other arbitrators within not more than thirty (30) calendar days after the last of these two arbitrators was selected (appointed).

If:

- either Party fails to select an arbitrator in accordance with the Rules of the Arbitration Center,
- or the two elected (appointed) arbitrators fail to elect the chairman of the arbitral tribunal within thirty (30) calendar days from after the date of selection (appointment) of the last of the two arbitrators, the arbitrator/chairman of the arbitral tribunal shall be appointed by the Arbitration Center at the RSPP in accordance with the its Rules.

5.4.2.2.3. the award of the arbitral tribunal shall be final, binding on the Parties and uncontestable.

5.4.2.2.4. an application for issuing an execution order for enforcement the arbitral tribunal decision may be filed at the discretion of the Recovering Party to the competent court of the Russian Federation at the location of the debtor Party or its property, or to the competent court of the Russian Federation, on the territory of which the arbitral tribunal decision was passed, or to the competent court of the Russian Federation at the location address of the Recovering Party.

5.4.2.3. as of the commencement of the legal proceedings in accordance with this clause 5.4.2. of the Terms and Conditions and until their completion (the entry into legal force of the judicial act and exhaustion of all possibilities to apply to the court of appeal, cassation and supervisory instances, par. 5.4.2.1. of the Contract) or as of the arbitration commencement and until its completion (bringing the final decision or ruling by the arbitral tribunal, par.5.4.2.2. of the Contract), any other dispute under the Contract shall be resolved in the same arbitral court or arbitration institution in which the initial dispute is considered.

5.4.3. using arbitration procedure (proceedings in the arbitral tribunal) in the Arbitration Center at the RSPP/in a regional division of the Arbitration Center at RSPP in accordance with the Rules of the Arbitration Center current as on the day of filing of plaintiff application for arbitration, taking into account the following:

5.4.3.1. where the claimed value is less or equal to the amount, stated in the Contract, the dispute shall be resolved by a sole arbitrator;

5.4.3.2. where the claimed value exceeds the amount specified in par. 5.4.3.1. of the Terms and Conditions, the dispute shall be resolved by three arbitrators. Either Party shall be entitled to select one arbitrator in accordance with the Rules of the Arbitration Center at RSPP. The third arbitrator (the chairperson of the arbitral tribunal) shall be elected by a joint decision of the two other arbitrators within not more than thirty (30) calendar days after the last of these two arbitrators was selected (appointed).

If:

- either Party fails to select an arbitrator in accordance with the Rules of the Arbitration Center,
- or the two elected (appointed) arbitrators fail to elect the chairman of the arbitral tribunal within thirty (30) calendar days from after the date of selection (appointment) of the last of the two

arbitrators, the arbitrator/chairman of the arbitral tribunal shall be appointed by the Arbitration Center at the RSPP in accordance with the its Rules.

5.4.3.3. the award of the arbitral tribunal shall be final, binding on the Parties and uncontestable.

5.4.3.4. an application for issuing an execution order for enforcement the arbitral tribunal decision may be filed at the discretion of the Recovering Party to the competent court of the Russian Federation at the location of the debtor Party or its property, or to the competent court of the Russian Federation, on the territory of which the arbitral tribunal decision was passed, or to the competent court of the Russian Federation at the location address of the Recovering Party.

5.5. The Parties agree that documents and other materials connected with performance under this section 5 of the Terms and Conditions are allowed to be sent to the-mail addresses within the framework of section 7 of the Terms and Conditions.

6. Force-majeure

6.1. The Parties hereto shall be relieved from liability for a partial or full failure to fulfill their respective obligations under the Contract, if such failure to perform was caused by occurrences of force-majeure events, i.e. extraordinary circumstances happening after signing the Contract, which could be neither predicted, nor prevented by a Party using reasonable measures. Force-majeure events may include restrictions imposed by governmental authorities in connection with epidemic, fire, flood, earthquake, other Acts of God. Any occurrence of a force-majeure event shall be confirmed by a relevant document issued by competent authorities certifying existence of such circumstances.

6.2. Should any force-majeure event occur, the affected Party shall notify the other Party in writing about such circumstances within not more than seven (7) business days after commencement of such circumstances, and where it is impossible to give such notice within the above time due to continuing force-majeure event, the notice shall be given as the first practicable opportunity and documents confirming the circumstances that prevented sending the notice shall be attached. The notice shall contain information about the nature of the force-majeure event and confirmation of its direct impact on the ability of the Party to fulfil its obligations under the Contract, as well as expected timeline for fulfillment of such obligations. Failure to give a notice, as well as untimely or undue notification about force-majeure event occurrence shall deprive the relevant Party of the right to be relieved from liability for partial or complete non-performance of obligations under the Contract caused by said circumstances. The time for fulfillment by the Parties of their obligations under the Contract shall be extended accordingly for the duration of the force-majeure events and their consequences preventing performance under the Contract.

6.3. Once a force-majeure event ceased to exist the relevant Party shall without undue delay but in any case not later than three (3) business days after the relevant events and its consequences preventing performance under the Contract no longer exist, give a due notice in writing thereof to the other Party. The relevant notice shall specify the period expected to be required for fulfillment of obligations under the Contract.

6.4. Where force-majeure events and/or their consequences last over three (3) months in a row, either Party shall be entitled unilaterally and without going to court to terminate the Contract subject to a prior notice in writing thereof to be given to the other Party ten (10) business days before the expected termination date of the Contract. The Parties shall use all reasonable efforts to mitigate any possible losses that might be incurred by them as a result of termination of the Contract due to a force-majeure event occurrence.

7. Notices

7.1. Any notices sent by the Parties in connection with the Contract, shall be in writing and sent by registered or certified mail return receipt requested (hereinafter the “Notice”), via courier service or delivered in hand by an authorized representative of the Sender Party to an authorized representative of the Recipient Party against a document delivery-acceptance confirmation. Either the date of delivery stated in the report of the notice delivery or handing in, or the date stated in the document delivery and acceptance confirmation shall be deemed the date of notification.

7.2. Provisions of this section 7 of the Terms and Conditions of the Contract shall not apply for generating and sending documents using electronic document flow system (section 12 of the Terms and Conditions), if in respect of such documents the Parties entered into E-document use agreement posted at <https://www.company.rt.ru/about/disclosure/>. The date of a document receipt in the e-document flow system shall be deemed the date of the document receipt.

7.3. If a request to collect a notice that was sent by the postal service to the address specified in the "Parties' Addresses and Details" section of the Contract, or to the Party's domicile address, for any reason was not received by that Party, such notice shall be deemed received upon expiry of five (5) business days after the notice was delivered to the post office that sent the request to collect the notice.

7.4. The Parties shall designate their representatives-responsible persons for all matters of performance under the Contract, including receipt and dispatch of notices under the Contract. Given name, surname, patronymic and contact numbers (phone, e-mail address, etc.) of such designated responsible persons are specified in the Contract. If at the time of delivery no authorized representative of the Recipient Party is available at the delivery address, the notice may be received by another authorized representative of the Party who was granted required powers on the basis of a Power of Attorney.

7.5. The Parties shall use e-mail solely for performance of obligations expressly stipulated in the Contract.

7.6. The Parties shall be obliged to inform each other in writing according to provisions of this "Notices" section about any changes of addresses and banking details within three (3) business days following the day of introduction of such changes.

7.7. Any notice of changes in addresses and banking details (par.7.6. of the Terms and Conditions) shall be signed by a duly authorized representative of the Party. In the event of failure to give a notice or giving an undue notice, all actions of the other Party performed according to the addresses and details specified in the "Details and signatures of the Parties" section of the Contract shall be deemed duly executed, and all adverse consequences associated with failure to notify or improper notification shall be borne by the violating Party.

7.8. Documents related to the Contract, including basic accounting documents generated by the Parties in the course of performance under the Contract, shall be in compliance with applicable Russian law and terms of the Contract, and contain identification details of the Contract. The data in such documents shall be fully consistent with data specified in the Contract.

7.8.1. The Contractor is obliged to replace any incorrectly issued document specified in par. 7.8. of the Terms and Conditions, within five (5) business days after the date of receipt from Rostelecom of a notice about comments to such document, to be sent as described in the "Notices" section of these Terms and Conditions, while Rostelecom shall be entitled not to accept for review such incorrectly issued documents until they are brought into compliance with requirements of par.7.8. of the Terms and Conditions.

8. Provision of security for performance of obligations under the Contract

8.1. The Parties have set forth terms and condition for provision of security for performance of obligations under the Contract in accordance with this section 8 of the Terms and Conditions.

8.2. Rostelecom as security for performance of Obligations under the Contract agrees to accept from the Contractor either a Bank Guarantee, or Cash Deposit, as described in more details below in this section 8 of the Terms and Conditions. Amount and size of such security for performance of obligations under the Contract in accordance with section 8 of the Terms and Conditions (Bank Guarantee or Cash Security amount, as applicable) are set forth in the Contract.

8.3. If the Contract is made on the basis of the results of competitive bidding for procurement contract, the security for performance of the Obligations under the Contract shall be provided in accordance either with par. 8.3.1. (Bank Guarantee), or par. 8.3.2. (Cash Security) of the Terms and Conditions, as set forth in the Contract.

8.3.1. Bank Guarantee.

8.3.1.1. At the time of the Contract conclusion the Contractor provided a Bank Guarantee in the amount set forth in the Contract (hereinafter the "Bank Guarantee Amount") as security for due performance of all Obligations of the Contractor, set forth in the Contract, including, obligation to pay damages, make

penalty payment, payments of fines, interest, refund of advance payment, if the obligation to refund the advance payment is prescribed by law or the Contract, and other obligations of the Contractor to Rostelecom.

8.3.1.2. In the event of non-performance or undue performance by the Contractor of the Obligations under the Contract by the due dates stipulated in the Contract or relevant notice, including obligation to pay damages, penalties, fines, interest on late payment, to refund the advance payment, if the obligation to refund the advance payment is stipulated by law or the Contract, and other obligations of the Contractor to Rostelecom in accordance with terms of the Contract, Rostelecom shall submit a written demand to the Guarantor (the lending institution that issued the Bank Guarantee) to pay the Bank Guarantee Amount (partially or in full).

8.3.1.3. If the Guarantor makes payment of the Bank Guarantee Amount (partially or in full) to Rostelecom, the Contractor shall be obliged within three (3) business days after the date of receipt of the relevant written demand from Rostelecom, to provide a new Bank Guarantee that complies with requirements of the Contract, these Terms and Conditions and previously issued Bank Guarantee, to the amount paid to Rostelecom by the Guarantor.

8.3.1.4. If the effective term of the Contract (the time for performance of Obligations under the Contract) is extended and/or if the volume of the Contractor's Obligations set forth in the Contract is increased, resulting in an increase of the Total Contract Value, the Contractor shall provide to Rostelecom a new Bank Guarantee for an amount consistent with the increased volume of Obligations and/or taking into account the extended term of the Contractor's Obligations under the Contract. The newly issued Bank Guarantee shall comply with requirements of the Contract and previously issued Bank Guarantee, with the exception of the Bank Guarantee Amount and term, which both shall be consistent with requirements set forth in this paragraph of the Terms and Conditions.

8.3.1.5. If, for any reason, the Bank Guarantee is no longer valid, expired or for other reasons no longer ensures security for performance by the Contractor of its Obligations under the Contract, including revocation of the Guarantor's license for banking operations, the Contractor undertakes no later than the date on which the relevant Bank Guarantee becomes no longer effective, provide to Rostelecom a new Bank Guarantee to the Bank Guarantee Amount specified in the Contract, subject to provisions of par. 8.3.1.4. of these Terms and Conditions, if applicable.

8.3.1.6. In the event of violation by the Contractor of any of the obligations set forth in par.8.3.1.3. - 8.3.1.5. of the Terms and Conditions, Rostelecom shall be entitled unilaterally and without going to court to refuse to perform under the Contract by giving the Contractor a relevant notice as described in the "Notices" section of these Terms and Conditions. The Contract shall be deemed terminated upon delivery of such notice of refusal to the Contractor, unless other termination date is specified therein.

8.3.1.7. Expenses connected with Bank Guarantee issuing and other bank commissions and fees shall be borne by the Contractor.

8.3.1.8. In the event of violation by the Contractor of the obligations set forth in par. 8.3.1. of the Terms and Conditions, Rostelecom shall be entitled to apply to the Contractor the following liability measures:

8.3.1.8.1. if the Contractor violated the procedure of Bank Guarantee provision and/or provided a Bank Guarantee that does not meet requirements of the Contract or procurement documentation, based on results of which the Contract was concluded, Rostelecom shall be entitled to demand from the Contractor a penalty payment in the amount of 10% (ten percent) of the Total Contract Value for each instance of violation;

8.3.1.8.2. if the Contractor failed to meet the due date of the Bank Guarantee provision or due dates of fulfillment of other obligations with specified term of performance as set forth in 8.3.1. of the Terms and Conditions, Rostelecom shall be entitled to demand:

- payment by the Contractor of a penalty in the amount of 0.1% (one tenth of a percent) of the Total Contract Value for each day of delay after the due date,

or

- payment by the Contractor of a penalty in the amount of 10% (ten percent) of the Total Contract Value, while the type of the applied penalty shall be determined by Rostelecom at its discretion.

8.3.2. Cash Security.

8.3.2.1. At the time of the Contract conclusion, a cash security deposit was provided by the Contractor to Rostelecom in the amount specified in the Contract (hereinafter referred to as the Security Deposit Amount), by remitting the relevant funds to Rostelecom bank account according to the banking details specified in the Contract, as security for the proper performance by the Contractor of its Obligations under the Contract, including obligations to pay damages, penalties, fines, late payment interest, refund of the advance payment, if the obligation to refund the advance is stipulated by law or by the Contract, and other obligations of the Contractor.

8.3.2.2. In the event of non-performance or undue performance by the Contractor of the Obligations under the Contract by the due dates stipulated in the Contract or relevant notice, including obligation to pay damages, penalties, fines, interest on late payment, to refund the advance payment, if the obligation to refund the advance payment is stipulated by law or the Contract, and other obligations of the Contractor to Rostelecom under the Contract, Rostelecom shall be entitled to withdraw (partially or in full) the amount payable by the Contractor, from the Security Deposit.

8.3.2.3. If the Security Deposit Amount is decreased due to withdrawals made by Rostelecom in accordance with par. 8.3.2.2. of the Terms and Conditions, the Contractor upon Rostelecom's written demand shall replenish the Security Deposit up to the initial amount, specified in the Contract, within not more than two (2) business days after receipt of the relevant demand from Rostelecom, by remitting relevant funds according to banking details mentioned in par. 8.3.2.1. of the Terms and Conditions.

8.3.2.4. Where the volume of the Contractor Obligations, set forth in the Contract, is increased, resulting in the increase of the Total Contract Value, the Contractor shall be obliged to increase the Security Deposit Amount pro rata to the increase of the volume of the Obligations under the Contract, before the required variations are incorporated in the Contract.

8.3.2.5. The Security Deposit shall be refunded to Contractor (subject to provision of par. 8.3.2.6 and par. 8.3.2.7. of the Terms and Conditions) by remitting relevant funds to the Contractor bank account, specified in the Contract identification details, within twenty (20) business days after all the following events occurred (after the last date of occurrence):

8.3.2.5.1. the Contractor fulfilled in full the Obligations set forth in the Contract;

8.3.2.5.1. Rostelecom is in receipt of a letter from the Contractor demanding refund of the Security Deposit, because the Obligations under the Contract are fulfilled.

8.3.2.6. No amount withdrawn by Rostelecom from the Security Deposit pursuant to provisions of this par. 8.3.2 of the Terms and Conditions during the term of performance of the Obligations under the Contract, shall be refunded to the Contractor.

8.3.2.7. If Rostelecom made any withdrawals from the Security Deposit, but the events listed in par. 8.3.2.5. or par.8.3.2.8. of the Terms and Conditions, occurred before fulfillment by the Contractor of the obligation to replenish the Security Deposit set forth in par.8.3.2.3. of the Terms and Conditions, the Security Deposit Amount remaining after such withdrawals shall be refunded to the Contractor according to par. 8.3.2.5. or par.8.3.2.8. of the Terms and Conditions.

8.3.2.8. In the event of violation by the Contractor of any of the obligations set forth in par.8.3.2. of the Terms and Conditions, Rostelecom shall be entitled unilaterally and without going to court to refuse to perform under the Contract by giving the Contractor a relevant notice as described in the "Notices" section of these Terms and Conditions. The Contract shall be deemed terminated upon delivery of such notice of refusal to the Contractor, unless other termination date is specified therein. In this case the Security Deposit shall be refunded to the Contractor (subject to provisions of par. 8.3.2.6 and par. 8.3.2.7. of the Terms and Conditions) by remitting to the Contractor bank account, specified in the Contract identification details, within twenty (20) business days after the Contract termination.

8.3.2.9. No interest on the Security Deposit Amount shall be payable.

8.3.2.10. In the event of violation by the Contractor of obligations set forth in par. 8.3.2. of the Terms and Conditions, Rostelecom shall be entitled to apply to the Contractor the following liability measures:

8.3.2.10.1. If the Contractor violates the procedure of replenishment and/or increasing the Security Deposit size, specified in par.8.3.2.3 or par. 8.3.2.4. of the Terms and Conditions, Rostelecom shall be entitled to demand payment by the Contractor of a penalty equal to 10% (ten percent) of the Total Contract Value;

8.3.2.10.2. If the Contractor fails to meet due date of replenishment and/or increasing of the Security Deposit size, specified in par. 8.3.2.3. or par. 8.3.2.4. of the Terms and Conditions, or due date of fulfillment of other obligations with specified terms of fulfillment, set forth in par.8.3.2. of the Terms and Conditions, Rostelecom shall be entitled to demand:

- payment by the Contract of interest at the rate equal to 0.1% (one tenth of a percent) of the Total Contract Value for each day of delay

or

- payment by the Contractor of a penalty equal to 10% (ten percent) of the Total Contract Value, while the applicable type of the applied penalty shall be determined by Rostelecom at its discretion.

8.4. If the Contract was concluded on the basis, other that stated in par. 8.3. of the Terms and Conditions, security for performance of Obligations under the Contract shall be provided in accordance with either par. 8.4.1. (Bank Guarantee), or par. 8.4.2. (Cash Security) of the Terms and Conditions, as set forth in the Contract.

8.4.1. Bank Guarantee.

8.4.1.1. The Contractor shall be obliged within three (3) business days after the Contract conclusion to provide a Bank Guarantee in the amount set forth in the Contract (hereinafter the “Bank Guarantee Amount”) as security for due performance of all Obligations of the Contractor, set forth in the Contract, including, obligation to pay damages, make penalty payment, payments of fines, interest, refund of advance payment, if the obligation to refund the advance payment is prescribed by law or the Contract, and other obligations of the Contractor to Rostelecom.

8.4.1.2. Rostelecom will accept as security for the contract a Bank Guarantee issued by any of the listed banks. Current list of such banks is available at: <http://zakupki.rostelecom.ru/docs/manual/>

8.4.1.3. For the purpose of definitions of terms used in this par. 8.4.1. of the Terms and Conditions (in addition to the recitals in the Terms and Conditions), the following terms are defined:

“Guarantor” shall mean an entity (lending organization), which issues/grants a Bank Guarantee;

“Principal” shall mean the Contractor;

“Beneficiary” shall mean Rostelecom.

8.4.1.4. Any Bank Guarantee shall contain provisions enabling proper identification of the Contract, for security of performance of Obligations under which the Bank Guarantee is designed, as well as the following provisions:

a) names of the Principal and Beneficiary under such Bank Guarantee;

b) Bank Guarantee Amount, meeting the terms of the Contract;

c) the Guarantor duty to pay (partially or in full) to the Beneficiary at the latter’s written demand the Bank Guarantee Amount in the event of non-performance and/or undue performance by the Principal of its obligations to the Beneficiary under the Contract;

d) the Bank Guarantee shall be irrevocable;

e) a clause stating that the Bank Guarantee shall be valid and effective throughout the entire term of the Contract, as well as within ninety (90) calendar days upon expiry of the term of the Contract;

f) the Guarantor duty to pay to the Beneficiary a penalty at the rate of 0.1 % (one tenth of a percent) of the payable monetary amount, for each calendar day of delay, starting from the calendar day following the due day of making payment according to the Beneficiary demand set forth in the Bank Guarantee, until the value date on which the relevant funds are credited to the Beneficiary’s bank account as payment according to a demand under the Bank Guarantee;

g) a clause according to which the actual receipt of relevant monetary funds in the Beneficiary's bank account shall be deemed fulfillment of the Guarantor's obligations under the Bank Guarantee;

h) a clause stating that the Guarantor shall fulfill the Beneficiary's demand under the Bank Guarantee only subject to submitting a written demand of payment of the Bank Guarantee pointing out the specific violation by the Principal of an obligation to the Beneficiary under the Contract in accordance with the Contract terms.

8.4.1.4. The issued Bank Guarantee shall be executed following the form available at:

<http://zakupki.rostelecom.ru/docs/manual/>

8.4.1.5. It is prohibited to include into the terms of the Bank Guarantee any requirement to submit by the Beneficiary to the Guarantor any judicial acts confirming non-performance by the Principal of the Obligations under the Contract.

8.4.1.6. In the event of non-performance or undue performance by the Contractor of the Obligations under the Contract by the due dates stipulated in the Contract or relevant notice, including obligation to pay damages, penalties, fines, interest on late payment, to refund the advance payment, if the obligation to refund the advance payment is stipulated by law or the Contract, and other obligations of the Contractor to Rostelecom in accordance with the Contract terms, Rostelecom shall submit a written demand to the Guarantor to pay the Bank Guarantee Amount (partially or in full).

8.4.1.7. If the Guarantor makes payment of the Bank Guarantee Amount (partially or in full) to Rostelecom, the Contractor shall be obliged within three (3) business days after the date of receipt of the relevant written demand from Rostelecom, to provide a new Bank Guarantee that complies with requirements of the Contract, these Terms and Conditions and previously issued Bank Guarantee, to the amount paid to Rostelecom by the Guarantor.

8.4.1.8. If the effective term of the Contract (the time for performance of Obligations under the Contract) is extended and/or if the volume of the Contractor's Obligations set forth in the Contract is increased, resulting in an increase of the Total Contract Value, the Contractor shall provide to Rostelecom a new Bank Guarantee for an amount consistent with the increased volume of Obligations and/or taking into account the extended term of the Contractor's Obligations under the Contract. The newly issued Bank Guarantee shall comply with requirements of the Contract and previously issued Bank Guarantee, with the exception of the Bank Guarantee Amount and its term, which both shall be consistent with requirements set forth in this paragraph of the Terms and Conditions.

8.4.1.9. If, for any reason, the Bank Guarantee is no longer valid, expired or for other reasons no longer ensures security for performance by the Contractor of its Obligations under the Contract, including revocation of the Guarantor's license for banking operations, the Contractor undertakes no later than the date on which the relevant Bank Guarantee becomes no longer effective (or no longer serves as security), to provide to Rostelecom a new Bank Guarantee with the Bank Guarantee Amount specified in the Contract, subject to provisions of par. 8.4.1.8. of these Terms and Conditions, if applicable.

8.4.1.10. In the event of violation by the Contractor of any of the obligations set forth in par.8.4.1. of the Terms and Conditions, Rostelecom shall be entitled unilaterally and without going to court to refuse to perform under the Contract by giving the Contractor a relevant notice as described in the "Notices" section of these Terms and Conditions. The Contract shall be deemed terminated upon delivery of such notice of refusal to the Contractor, unless other termination date is specified therein.

8.4.1.11. Expenses connected with a Bank Guarantee issuing and other bank commissions and fees shall be borne by the Contractor.

8.4.1.12. In the event of violation by the Contractor of obligations set forth in par. 8.4.1. of the Terms and Conditions, Rostelecom shall be entitled to apply to the Contractor the following liability measures:

8.4.1.12.1. if the Contractor violated the procedure of Bank Guarantee provision and/or provided a Bank Guarantee that does not meet requirements of the Contract or Terms and Conditions, Rostelecom shall be entitled to demand from the Contractor a penalty payment in the amount of 10% (ten percent) of the Total Contract Value for each instance of violation;

8.4.1.12.2. if the Contractor failed to meet the due date of the Bank Guarantee provision or due dates of fulfillment of other obligations with specified term of performance as set forth in 8.4.1. of the Terms and Conditions, Rostelecom shall be entitled to demand:

- payment by the Contractor of a penalty in the amount of 0.1% (one tenth of a percent) of the Total Contract Value for each day of delay after the due date,

or

- payment by the Contractor of a penalty in the amount of 10% (ten percent) of the Total Contract Value, while the type of the applied penalty shall be determined by Rostelecom at its discretion.

8.4.2. Cash Security.

8.4.2.1. The Contractor shall provide to Rostelecom within three (3) business days after conclusion of the Contract, monetary funds in the amount specified in the Contract (hereinafter referred to as the Security Deposit Amount), by remitting the relevant funds to Rostelecom bank account according to the banking details specified in the Contract, as security for the proper performance by the Contractor of its Obligations under the Contract, including obligations to pay damages, penalties, fines, late payment interest, refund of the advance payment, if the obligation to refund the advance is stipulated by law or by the Contract, and other obligations of the Contractor to Rostelecom.

8.4.2.2. In the event of non-performance or undue performance by the Contractor of the Obligations under the Contract by the due dates stipulated in the Contract or relevant notice, including obligation to pay damages, penalties, fines, interest on late payment, to refund the advance payment, if the obligation to refund the advance payment is stipulated by law or the Contract, and other obligations of the Contractor to Rostelecom under the Contract, Rostelecom shall be entitled to withdraw (partially or in full) the amount payable by the Contractor, from the Security Deposit.

8.4.2.3. If the Security Deposit Amount is decreased due to the withdrawals made by Rostelecom in accordance with par. 8.4.2.2. of the Terms and Conditions, the Contractor at Rostelecom's written demand shall replenish the Security Deposit up to the initial amount, specified in the Contract, within not more than two (2) business days after receipt of the relevant demand from Rostelecom, by remitting relevant funds according to banking details mentioned in par. 8.4.2.1. of the Terms and Conditions.

8.4.2.4. Where the volume of the Contractor Obligations, set forth in the Contract, is increased, resulting in the increase of the Total Contract Value, the Contractor shall be obliged to increase the Security Deposit Amount pro rata to the increase of the volume of the Obligations under the Contract, before the required variations are incorporated in the Contract.

8.4.2.5. The Security Deposit shall be refunded to Contractor (subject to provision of 8.4.2.6 and par. 8.4.2.7. of the Terms and Conditions) by remitting relevant funds to the Contractor bank account, specified in the Contract identification details, within twenty (20) business days after all the following events occurred (after the last date of occurrence):

8.4.2.5.1. Obligations set forth in the Contract are fulfilled by the Contractor in the full volume;

8.4.2.5.1. Rostelecom is in receipt of a letter from the Contractor demanding refund of the Security Deposit, because the Obligations under the Contract are fulfilled.

8.4.2.6. No amount withdrawn by Rostelecom from the Security Deposit pursuant to provisions of this par.8.4.2. of the Terms and Conditions during the term of performance of the Obligations under the Contract, shall be refunded to the Contractor.

8.4.2.7. If Rostelecom made any withdrawals from the Security Deposit, but the events listed in par. 8.4.2.5. or par. 8.4.2.8. of the Terms and Conditions, occurred before fulfillment by the Contractor of the obligation to replenish the Security Deposit set forth in par. 8.4.2.3. of the Terms and Conditions, the Security Deposit Amount remaining after such withdrawals shall be refunded to the Contractor according to par. 8.4.2.5. or par. 8.4.2.8. of the Terms and Conditions.

8.4.2.8. In the event of violation by the Contractor of any of the obligations set forth in par. 8.4.2. of the Terms and Conditions, Rostelecom shall be entitled unilaterally and without going to court to refuse to perform under the Contract by giving the Contractor a relevant notice as described in the "Notices" section of these Terms and Conditions. The Contract shall be deemed terminated upon delivery of such

notice of refusal to the Contractor, unless other termination date is specified therein. In this case the Security Deposit shall be refunded to the Contractor (subject to provisions of par. 8.4.2.6 and par. 8.4.2.7. of the Terms and Conditions) by remitting funds to the Contractor bank account, specified in the Contract identification details, within twenty (20) business days after the Contract termination.

8.4.2.9. No interest on the Security Deposit Amount shall be payable.

8.4.2.10. In the event of violation by the Contractor of obligations set forth in par. 8.4.2. of the Terms and Conditions, Rostelecom shall be entitled to apply to the Contractor the following liability measures:

8.4.2.10.1. If the Contractor violated the procedure of replenishment and/or increasing of the Security Deposit size, specified in par. 8.4.2.3. or par. 8.4.2.4. of the Terms and Conditions, Rostelecom shall be entitled to demand payment of a penalty equal to ten percent (10%) of the Total Contract Value.

8.4.2.10.2. If the Contractor fails to meet due date of replenishment and/or increasing of the Security Deposit size, specified in par. 8.4.2.3. or par. 8.4.2.4. of the Terms and Conditions, or due date of fulfillment of other obligations with a specified term of fulfillment, set forth in par. 8.4.2. of the Terms and Conditions, Rostelecom shall be entitled to demand:

- payment by the Contract of interest at the rate of 0.1% (one tenth of a percent) of the Total Contract Value for each day of delay;

or

- payment by the Contractor of a penalty equal to 10% (ten percent) of the Total Contract Value, while the applicable type of the applied penalty shall be determined by Rostelecom at its discretion.

8.5. Security to be provided for performance of obligations under Purchase Orders

8.5.1. If a requirement to provide security for performance of obligations under Purchase Orders is stipulated in the Contract, general provisions of security for performance of obligations under Purchase Orders are set forth in this section of the Terms and Conditions.

8.5.2. Rostelecom as security for performance of Obligations under a Purchase Order agrees to accept from the Contractor either a Bank Guarantee (hereinafter the “Bank Gurantee for a Purchase Order”, or Cash Security (hereinafter the “Cash Deposit for a Purchase Order”. Amount and size of such security for performance of obligations under a Purchase Order in accordance with this section of the Terms and Conditions (the “Bank Guarantee Amount for a Purchase Order” or “Security Deposit Amount for a Purchase Order”, as applicable) are set forth in the Contract.

8.5.3. Security for performance of the Obligations under Purchase Orders shall be ensured by the Contractor before a Purchase Order is signed. A Purchase Order shall be signed after the Contractor provided a Bank Guarantee for the Purchase Order or Security Deposit for the Purchase Order, depending on the type of security required by the Contract.

8.5.4. Bank Guarantee.

8.5.4.1. At the time of the Purchase Order execution the Contractor provided a Bank Guarantee meeting requirements set forth in par. 8.5.6. as security for due performance of all Obligations of the Contractor, set forth in such Purchase Order and the Contract, including, payment of damages obligation, penalty payment, payments of fines, interest, refund of advance payment, if the obligation to refund the advance payment is prescribed by law or the Contract, and other obligations of the Contractor to Rostelecom in the amount set forth in the Contract (hereinafter the “Bank Guarantee Amount for Purchase Order”).

8.5.4.2. In the event of non-performance or undue performance by the Contractor of the Obligations under the Purchase Order by the due dates stipulated in the Purchase Order, in the Contract or in relevant notice, including obligation to pay damages, penalties, fines, interest on late payment, to refund the advance payment, if the obligation to refund the advance payment is stipulated by law or the Contract, and other obligations of the Contractor to Rostelecom in accordance with terms of the Purchase Order and the Contract, Rostelecom shall submit a written demand to the Guarantor (the lending institution that issued the Bank Guarantee) to pay the Bank Guarantee Amount (partially or in full).

8.5.4.3. If the Guarantor makes payment of the Bank Guarantee Amount for a Purchase Order (partially or in full) to Rostelecom, the Contractor shall be obliged within three (3) business days after the date of

receipt of the relevant written demand from Rostelecom, to provide a new Bank Guarantee that complies with requirements of the Contract, these Terms and Conditions and previously issued Bank Guarantee, to the amount paid to Rostelecom by the Guarantor.

8.5.4.4. If the effective term of a Purchase Order (the time for performance of Obligations under the Purchase Order) is extended and/or if the volume of the Contractor's Obligations under the Purchase Order is increased, resulting in an increase of the Total Value of the Purchase Order, the Contractor shall provide to Rostelecom a new Bank Guarantee for an amount consistent with the increased volume of Obligations and/or taking into account the extended term of the Contractor's Obligations under the Purchase Order. The newly issued Bank Guarantee shall comply with requirements of the Contract and previously issued Bank Guarantee, with the exception of the Bank Guarantee Amount for the Purchase Order and its term, which both shall be consistent with requirements set forth in this paragraph of the Terms and Conditions.

8.5.4.5. If, for any reason, the Bank Guarantee is no longer valid, expired or for other reasons no longer ensures security for performance by the Contractor of its Obligations under the Contract, including revocation of the Guarantor's license for banking operations, the Contractor undertakes no later than the date on which the relevant Bank Guarantee becomes no longer effective, to provide to Rostelecom a new Bank Guarantee with the Bank Guarantee Amount for Purchase Order, specified in the Contract, subject to provisions of par. 8.5.4.4. of these Terms and Conditions, if applicable.

8.5.4.6. In the event of violation by the Contractor of any of the obligations set forth in par. 8.5.4.3. - 8.5.4.5. of the Terms and Conditions, Rostelecom shall be entitled unilaterally and without going to court to refuse to perform under the Purchase Order by giving the Contractor a relevant notice as described in the "Notices" section of these Terms and Conditions. The relevant Purchase Order shall be deemed terminated upon delivery of such notice of refusal to the Contractor, unless other termination date is specified therein.

8.5.4.7. Expenses connected with a Bank Guarantee issuing and other bank commissions and fees shall be borne by the Contractor.

8.5.4.8. In the event of violation by the Contractor of obligations set forth in par. 8.5.4. of the Terms and Conditions, Rostelecom shall be entitled to apply to the Contractor the following liability measures:

8.5.4.8.1. if the Contractor violated the procedure of Bank Guarantee provision and/or provided a Bank Guarantee that does not meet requirements of the Contract or procurement documentation, based on results of which the Contract was concluded, Rostelecom shall be entitled to demand from the Contractor a penalty payment in the amount of 10% (ten percent) of the Total Value of the Purchase Order for each instance of violation;

8.5.4.8.2. if the Contractor failed to meet the due date of the Bank Guarantee provision or due dates of fulfillment of other obligations with a specified term of performance as set forth in par. 8.5.4. of the Terms and Conditions, Rostelecom shall be entitled to demand:

- payment by the Contractor of a penalty at the rate of 0.1% (one tenth of a percent) of the Total Value of the Purchase Order for each day of delay after the due date,

or

- payment by the Contractor of a penalty in the amount of 10% (ten percent) of the Total Value of the Purchase Order, while the type of the applied penalty shall be determined by Rostelecom at its discretion.

8.5.5. Cash Security.

8.5.5.1. At the time of the Purchase Order signing, a cash security deposit was provided by the Contractor to Rostelecom in the amount specified in the Contract (hereinafter referred to as the Security Deposit Amount for the Purchase Order), by remitting the relevant funds to Rostelecom bank account according to the banking details specified in the Contract, as security for the proper performance by the Contractor of its Obligations under the Purchase Order, including obligations to pay damages, penalties, fines, late payment interest, refund of the advance payment, if the obligation to refund the advance is stipulated by law or by the Contract, and other obligations of the Contractor.

8.5.5.2. In the event of non-performance or undue performance by the Contractor of the Obligations under the Purchase Order by the due dates stipulated in the Purchase Order, the Contract or relevant notice, including obligation to pay damages, penalties, fines, interest on late payment, to refund the advance payment, if the obligation to refund the advance payment is stipulated by law or the Contract, and other obligations of the Contractor to Rostelecom under the Purchase Order in accordance with the terms of the Purchase Order and the Contract, Rostelecom shall be entitled to withdraw (partially or in full) the amount payable by the Contractor, from the Security Deposit.

8.5.5.3. If the Security Deposit Amount for the Purchase Order is decreased due to the withdrawals made by Rostelecom in accordance with par. 8.5.5.2. of the Terms and Conditions, the Contractor at Rostelecom's written demand shall replenish the Security Deposit for the Purchase Order up to the initial amount, specified in the Contract, within not more than two (2) business days after receipt of the relevant demand from Rostelecom, by remitting relevant funds according to banking details mentioned in par. 8.5.5.1. of the Terms and Conditions.

8.5.5.4. Where the volume of the Contractor Obligations, set forth in the Contract, is increased, resulting in the increase of the Total Value of the Purchase Order, the Contractor shall be obliged to increase the Security Deposit Amount for the Purchase Order pro rata to the increase of the volume of the Obligations under the Purchase Order, before the required variations are incorporated in the Purchase Order.

8.5.5.5. The Security Deposit for the Purchase Order shall be refunded to Contractor (subject to provision of par. 8.5.5.6 and par. 8.5.5.7. of the Terms and Conditions) by remitting relevant funds to the Contractor bank account, specified in the Contract identification details, within twenty (20) business days after all the following events occurred (after the last date of occurrence):

8.5.5.5.1. obligations under the Purchase Order set forth in the Purchase Order and the Contract are fully fulfilled by the Contractor;

8.5.5.5.2. Rostelecom is in receipt of a letter from the Contractor demanding refund of the Security Deposit for the Purchase Order, because the Obligations under the Purchase Order are fulfilled.

8.5.5.6. No amount withdrawn by Rostelecom from the Security Deposit for the Purchase Order pursuant to provisions of this par. 8.5.5. of the Terms and Conditions during the term of performance of the Obligations under the Purchase Order, shall be refunded to the Contractor.

8.5.5.7. If Rostelecom made any withdrawals from the Security Deposit for the Purchase Order, but the events listed in par. 8.5.5.5. or par.8.5.5.8. of the Terms and Conditions, occurred before fulfillment by the Contractor of the obligation to replenish the Security Deposit for the Purchase Order set forth in par. 8.5.5.3. of the Terms and Conditions, the Security Deposit Amount remaining after such withdrawals shall be refunded to the Contractor according to par. 8.5.5.5. or par. 8.5.5.8. of the Terms and Conditions.

8.5.5.8. In the event of violation by the Contractor of any of the obligations set forth in par.8.5.5. of the Terms and Conditions, Rostelecom shall be entitled unilaterally and without going to court to refuse to perform under the Contract by giving the Contractor a relevant notice as described in the "Notices" section of these Terms and Conditions. The Purchase Order shall be deemed terminated upon delivery of such notice of refusal to the Contractor, unless other termination date is specified therein. In this case the Security Deposit for the Purchase Order shall be refunded to the Contractor (subject to provisions of par. 8.5.5.6 and par.8.5.5.7. of the Terms and Conditions) by remitting the funds to the Contractor bank account, specified in the Contract identification details, within twenty (20) business days after termination of the Purchase Order.

8.5.5.9. No interest on the Security Deposit for the Purchase Order amount shall be payable.

8.5.5.10. In the event of violation by the Contractor of obligations set forth in par.8.5.5. of the Terms and Conditions, Rostelecom shall be entitled to apply to the Contractor the following liability measures:

8.5.5.10.1. If the Contractor violates the procedure of replenishment and/or increasing the size of the Security Deposit for the Purchase Order, specified in par. 8.5.5.3 or par.8.5.5.4. of the Terms and Conditions, Rostelecom shall be entitled to demand payment by the Contractor of a penalty equal to 10% (ten percent) of the Total Value of the Purchase Order;

8.5.5.10.2. If the Contractor fails to meet due date of replenishment and/or increasing of the size of the Security Deposit for the Purchase Order, specified in par. 8.5.5.3. or par.8.5.5.4. of the Terms and Conditions, or due date of fulfillment of other obligations with specified terms of fulfillment, set forth in par.8.5.5. of the Terms and Conditions, Rostelecom shall be entitled to demand:

- payment by the Contract of interest at the rate equal to 0.1% (one tenth of a percent) of the Total Value of the Purchase Order for each day of delay

or

- payment by the Contractor of a penalty equal to 10% (ten percent) of the Total Value of the Purchase Order, while the applicable type of the penalty shall be determined by Rostelecom at its discretion.

8.5.6. Bank Guarantee requirements:

8.5.6.1. Rostelecom will accept as security for a Purchase Order a Bank Guarantee issued by any of the listed banks. Current list of such banks is available at:

<http://zakupki.rostelecom.ru/docs/manual/>

8.5.6.2. For the purpose of definitions of terms used in this par.8.5.6. of the Terms and Conditions in addition to the recitals in the Terms and Conditions, the following terms are defined:

“Guarantor” shall mean an entity (lending organization), which issues/grants a Bank Guarantee;

“Principal” shall mean the Contractor;

“Beneficiary” shall mean Rostelecom.

8.5.6.3. Any Bank Guarantee shall contain provisions enabling proper identification of the Purchase Order, for security of Obligations performance under which the Bank Guarantee is designed, as well as the following provisions:

- a) names of the Principal and Beneficiary under such Bank Guarantee;
- b) the amount of the Bank Guarantee for the Purchase Order, compliant with the Contract terms;
- c) the Guarantor duty to pay (partially or in full) to the Beneficiary upon the latter’s written demand the Amount of the Bank Guarantee for the Purchase Order in the event of non-performance and/or undue performance by the Principal of its obligations to the Beneficiary under the Purchase Order;
- d) the Bank Guarantee shall be irrevocable;
- e) a clause stating that the Bank Guarantee shall be valid and effective throughout the entire term of the Purchase Order, as well as within ninety (90) calendar days upon expiry of the term of the Purchase Order;
- f) the Guarantor duty to pay to the Beneficiary a penalty at the rate of 0.1 % (one tenth of a percent) of the payable monetary amount for each calendar day of delay, starting from the calendar day following the due day of making payment according to the Beneficiary demand set forth in the Bank Guarantee, until the value date at which the relevant funds are credited to the Beneficiary’s bank account as payment according to a demand under the Bank Guarantee;
- g) a clause according to which the actual receipt of relevant monetary funds in the Beneficiary’s bank account shall be deemed fulfillment of the Guarantor’s obligations under the Bank Guarantee;
- h) a clause stating that the Guarantor shall fulfill the Beneficiary’s demand under the Bank Guarantee only subject to submitting a written demand of the Bank Guarantee payment pointing out the specific violation by the Principal of an obligation to the Beneficiary under the Contract in accordance with the Contract terms.

8.5.6.4. It is prohibited to include into the terms of the Bank Guarantee any requirement to submit by the Beneficiary to the Guarantor any judicial acts confirming non-performance by the Principal of the Obligations under the Purchase Order.

9. Anti-corruption clause

9.1. The Contractor is well aware and acknowledges that Rostelecom pursues anti-corruption policies and foster culture intolerable to any manifestation of corruption. Provisions of this section of the Terms and Conditions shall be applied by the Parties only where the Total Contract Value is more that 500,000.00 (five hundred) rubles inclusive of VAT.

9.2. The Contractor hereby acknowledges and confirms that that the Contractor has read the Rostelecom Supplier's Code of Ethics available on the following page: <http://zakupki.rostelecom.ru/docs/code/>, and certifies that the Contractor fully understands provisions of the Code of Ethics and undertakes to ensure compliance with its requirements both on the Contractor's own part, and on the part of its affiliated individuals and legal entities, performing under the Contract, including without limitation the Contractor's owners, officers and agents.

In addition, the Contractor acknowledges and confirms that the Contractor pursues a policy of zero-tolerance of corruption implying complete prohibition of any corruption activities in accordance with requirements of applicable law preventing and fighting corruption.

9.3. In the course of fulfilment of the Contractor's obligations under the Contract, the Contractor, its affiliated persons, employees or agents shall not pay or offer to pay and shall not cause payment of any monetary funds or valuables, directly or indirectly, to any persons in order to influence actions or decisions of such persons for the purposes of obtaining any unlawful advantages or for other unlawful purposes, and shall not engage in any actions qualified by the legislation applicable for the purposes of the Contract, as a promise, mediation, giving or receiving a bribe (commercial bribery).

9.4. If Rostelecom has any suspicions that in the course of performance under the Contract any violation by the Contractor of the Code of Ethics has occurred or is likely to occur, Rostelecom shall send to such Contractor a notice in writing requesting to provide clarifications as appropriate within a specified period. Such written notice should refer to facts or materials clearly and reliably confirming or serving as grounds for expecting that a violation by the Contractor, and/or by its affiliated persons or employees or agents of any provisions of the Code of Ethics has occurred or is likely to occur.

9.5. After serving such written notice Rostelecom will be entitled to suspend performance of obligations under the Contract until a confirmation is received that the violation has not occurred or will not occur. Such confirmation of no occurrence shall be sent by the Contractor within ten (10) business days after the notice in writing was served.

9.6. In the event of any violation by the Contractor of the obligations to refrain from actions prohibited according to the Code of Ethics, and/or if Rostelecom, within the period mentioned in par. 9.5 of the Terms and Conditions, received no confirmation assuring that such violation has not occurred or will not occur, Rostelecom shall be entitled to terminate the Contract unilaterally in full or in part, by giving a written termination notice.

9.7. Should the Contract be terminated according to provisions of this section of the Terms and Conditions, Rostelecom shall be entitled to claim damages incurred as a result of such termination.

9.8. Throughout the term of the Contract Rostelecom will be entitled to supervise Customer compliance with requirements of the Code of Ethics, using Rostelecom's own efforts and engaging third parties for audits, including inspection of all documentation of the Contractor relating to the Contract.

9.9. Rostelecom shall undertake to protect any information that may come to its notice in the course of audits, as Confidential Information according to the Non-Disclosure Agreement, which is annexed as Annex 1 to these Terms and Conditions.

10. Liability provisions

10.1. The Parties shall be liable in accordance with current applicable Russian law for any failure to perform or undue performance of their respective obligations under the Contract.

10.2. If applicable, the Contractor shall refund the advance payment amount within thirty (30) business days after receipt of a demand/written claim from Rostelecom (par.10.6.1. of the Terms and Conditions) in the event of incomplete discharge of the Contractor's obligations under the Contract.

10.3. In the event of a material breach by the Contractor of the Contract Terms, connected with Representations and Warranties (section 1 of the Terms and Conditions), Rostelecom shall be entitled to make a substituting deal (or a number of deals) in order to achieve with required quality the result of performance of the Obligation, which is subject matter of the Contract, concluded with the Contractor, and also to recover from the Contractor damages according to procedure prescribed in applicable Russian law in the amount equal to the difference between the Total Value of the terminated (discontinued)

Contract within the scope connected to its unfulfilled part, and the price of the contract made by Rostelecom in substitution for the terminated (discontinued) Contract, while if no substituting contract was made, the amount of recoverable damages shall be equal to the difference between the Total Value of the terminated Contract within the scope of its unfulfilled part and average market price of similar obligation at the time of the Contract discontinuation.

10.4. If the amount of fines set forth in the relevant section of the Contract as imposed by Rostelecom on the Contractor for an unfulfilled/unduly performed Obligation, exceeds 15% (fifteen percent) of the Total Contract Value, while violations are found in respect of more than 15% (fifteen percent) of the Obligation volume, such violations shall be treated by Rostelecom as a material breach of the Contract Terms.

10.5. Assurances made by the Contractor (par.1.1. of the Terms and Conditions) are Representations and warranties regarding the circumstances, and in the event of any misrepresentation or invalid warranty the Contractor shall be held liable in accordance with applicable Russian law.

10.5.1. If any tax authority acting on the basis of any misrepresentation/invalid warranty made by the Contractor (par.1.1. of the Terms and Conditions) claims that Rostelecom shall pay taxes (penalties, late payment interest) additionally assessed under the Contract, including (but not limited to) on the basis of the refusal to apply VAT tax deductions and/or exclusion of the cost of procured goods/works/services/property rights from the tax base expenses for the purpose of assessment and payment of the income tax, the Contractor shall reimburse Rostelecom for losses in the amount assessed on the basis of decisions of tax authorities according to results of a tax audit, including the amount of fines and penalties; while the fact that any additional tax assessments are challenged in the tax authority and/or in court shall not affect the Contractor obligation to reimburse losses. The compensation amount shall be determined by multiplying the amount of claims filed by the tax authority (including penalties and late payment interest) according to the relevant decision by 1.25 (one point twenty five hundredths). To support its demand to reimburse losses, Rostelecom shall provide to the Contractor a certified by Rostelecom extract from the effective decision of the tax authority that caused losses incurred by Rostelecom.

10.5.1.1. If a superior tax authority or court declares that the relevant decision of the tax authority is invalid, Rostelecom shall be obliged to refund the compensated losses to the Contractor (par.10.5.1. of the Terms and Conditions), while the amount of losses to be refunded to the Contractor shall be reduced by the amount of expenses sustained by Rostelecom for the decision to be declared invalid. The amount of the compensated losses less expenses sustained by Rostelecom shall be refunded by Rostelecom to the Contractor within ten (10) business days after the date of the following events whichever occurs later:

- entry into force of the last judicial act in the case, based on the outcome of hearing of which the tax authority decision was declared invalid, if the demand to pay tax, fine, late payment interest according to the relevant decision was not fulfilled by that time;
- actual remittance of funds into Rostelecom account (offsetting) by the tax authority pursuant to the court ruling which declared invalid the tax authority decision, if the demand to pay tax, fine, late payment interest according to the relevant decision was fulfilled by that time, but not earlier than the Contractor's demand to refund the compensated losses signed by an authorized representative was received.

10.6. Penalty payments under the Contract shall be effected using one of the following methods:

10.6.1. based on a claim in writing filed by the Party suffering violation of the Contract Terms. In this case the penalty shall be due and payable by the violating Party within ten (10) business days upon the notice delivery date determined in accordance with the Contract Terms;

10.6.2. Rostelecom shall be entitled to reduce the amount due and payable to the Contractor according to the Contract Terms, by the amount:

- of the penalties charged under the Contract,
- of the penalty charged by Rostelecom to the Contractor under any other agreement concluded between them,

- of the advance payment made under the Contract and/or any other agreement/purchase order concluded between them, to be refunded for any causes,

and to make relevant payment less the listed above amounts to the address of the Contractor.

Upon making such payment Rostelecom payment obligations as related to the accrued penalty amount, as well as refund of the paid advance payment shall be deemed discharged.

10.6.3. Nevertheless, any use by either Party of any of the methods listed in this par. 10.6. of the Terms and Conditions shall not limit or prejudice collection of a penalty from the other Party using any method listed in the Contract or granted according to current applicable Russian law.

10.7. The Contractor shall be obliged to compensate Rostelecom in full for losses incurred by the latter as a result of non-performance or improper performance by the Contractor of the obligations under the Contract that resulted in, including but not limited to, taking liability measures (penalty charge and other measures) against Rostelecom under governmental contracts or other agreements, pursuant to which the Contract was concluded, payment by Rostelecom of whatever compensations and penalties to subscribers (customers) or other third parties, payments of administrative and other fines, as well as any amounts payable by Rostelecom according to, among others, a court decision. The above mentioned losses shall be reimbursed by the Contractor in full to the extent not covered by the penalties stipulated by the Contract, within thirty (30) business days after receipt of the demand/written claim from Rostelecom (par. 10.6.3 of the Terms and Conditions).

10.8. If a tax invoice (faktura) is generated and issued with violations of applicable Russian law, as well as of par. 2.7. of the Terms and Conditions, the Contractor shall be liable in the amount of VAT under the relevant tax invoice multiplied by $\frac{1}{4}$ (one fourth) of the key rate of the Russian Central Bank effective as on the day when the claim was filed.

10.9. The Parties agree that making penalty payment shall not relieve the Party violating the Contract from fulfillment of its obligations. Unless otherwise follows from the Contract Terms, making penalty payment shall not relieve the Party from paying damages.

10.10. For the purposes of performance by the Parties of the remaining provisions of the Contract, the amounts of late payment interest and fines specified in the Contract shall be accepted as definitive and proportionate to the consequences of violations of obligations unless and until otherwise is ruled by court or agreed in writing by the Parties.

11. Specific features of involvement of small and medium enterprises in performance of obligations under the Contract and specifics of making payments on accounts with small and medium enterprises.

11.1. Unless otherwise is prescribed in the Contract, if the Contract was awarded upon the outcome of the competitive bidding procedure, where the relevant bidding notice and associated documentation set forth requirements to engage in the Contract performance subcontractors/associate contractors which are small and medium enterprises (SME), Annex 2 “Specific features of involvement of small and medium enterprises in performance of obligations under the Contract” to the Terms and Conditions shall be applied by the Parties.

11.2. The Contractor be obliged to notify Rostelecom of the termination of the Contractor’s status as a small and medium enterprise within two (2) business days after the date on which the relevant information about the Contractor is entered into the Unified Register of Small and Medium Enterprises by sending a notice according to the procedure prescribed in section 7 of these Terms and Conditions.

11.3. According to par. 11.2. of these Terms and Conditions since the date of entering the information about the Contractor into the Unified Register of Small and Medium Enterprises about termination of the Contractor’s status as a small and medium enterprise, new payment terms and conditions specified in the Contract and applicable for making payments in respect of Obligations fulfilled by the Contractor under the Contract, shall take effect.

11.4. If within the effective term of the Contract the Contractor is granted a status of a small and medium enterprise, the Contractor shall notify Rostelecom within ten (10) business days after the date of entering

information about the Contractor into the Unified Register of Small and Medium Enterprises by sending a notice thereof as prescribed in section 7 of these Terms and Conditions.

11.5. According to par. 11.4. of these Terms and Conditions upon expiry of ten (10) business days after receipt by Rostelecom of the notice from the Contractor about assignment to the Contractor of a status of small and medium enterprise, the payment terms stipulated by current applicable Russian law as applied to small and medium enterprises shall become applicable.

11.6. Rostelecom shall be relieved from liability for failing to meet due dates of making payments for the Obligations performed by the Contractor under the Contract, as set forth in current applicable Russian law in relation to small and medium enterprises, if the Contractor fails to give a notice and/or violates the notice period specified in par. 11.5. of these Terms and Conditions.

11.7. If the Contractor fails to notify and/or to meet the deadline for giving the notice specified in par. 11.5. of these Terms and Conditions, while Rostelecom is held liable by paying a fine for failing to meet the due dates of making payments for the Obligations performed by the Contractor under the Contract, set forth in current applicable Russian law in relation to small and medium enterprises, the Contractor shall be obliged to reimburse Rostelecom twice the amount of such a fine within ten (10) business days after receipt of the relevant demand.

11.8. If the Contractor fails to give a relevant notice within the notice period set forth in par. 11.2. of these Terms and Conditions, Rostelecom shall be entitled to recover from the Contractor a fine in the amount determined as prescribed in par. 11.9. of these Terms and Conditions.

11.9. The amount of the fine mentioned above in par. 11.8. of these Terms and Conditions shall be computed using the following formula:

$F = \text{SUM} * \text{the rate for calculating the premium applied to early payments, effective as on the date of computing the fine amount}^1 * 0.3 \text{ (three tenths)},$

where:

F is the amount of the fine;

SUM is the total sum of all amounts of payments made by Rostelecom to the Contractor after the date on which the Contractor no longer complies with requirements to be met for treating the Contractor as a small and medium enterprise in accordance with applicable Russian law.

12. Using Electronic document flow for the Contract

12.1. In the course of performance under the Contract, the Parties agree to exchange documents using electronic document flow. A complete list of the documents can be found in the Agreement to Use Electronic Documents posted at <https://www.company.rt.ru/about/disclosure/>. If a document is generated using the electronic document flow system, the Contract requirements regarding signing a document hardcopy, and exchanging hardcopies of such a document shall not apply.

12.2. The Parties determined that the exchanging electronic documents using electronic document flow shall be allowed only subject to using a qualified electronic signature through electronic document flow operators registered in the Network of Trusted Electronic Document Flow Operators as approved by the Federal Tax Service of Russia. At the time of accomplishing actual actions aimed at exchanging electronic documents, the Contractor joins the agreement on the use of electronic documents posted at <https://www.company.rt.ru/about/disclosure/>.

13. Performance of the Contractual Obligations under Purchase Orders/Requests

13.1. If the Contract provides for the performance of Obligations under Purchase Orders/Requests (hereinafter collectively the “Purchase Order”), this section of the Terms and Conditions shall set forth general provisions regarding Purchase Orders.

13.2. A Purchase Order shall mean a document to be signed by both Parties as prescribed in these Terms and Conditions, and containing: Obligations requirements, Obligations scope, Obligations volume, due

¹ Information about currently effective rate applicable to the bonuses for early payment can be found on Rostelecom official website at https://zakupki.rostelecom.ru/info_docs/manual/

date of the Obligations fulfillment, Obligations value, Obligations performance result (if applicable, including requirements thereto, procedure and form of the result presentation, etc.), as well as other Obligations related information, at the discretion of the Customer.

13.3. Unless otherwise is inferred directly from the Contract language, a Purchase Order shall not provide for any change of the pricing and other provisions of the Contract Terms expressly stated therein.

13.4. A Purchase Order to the Contract shall be subject to approval and signing pursuant to one of the following options, determined by the Parties in the Contract:

13.4.1. Approval and signing of a Purchase Order if the Parties agreed to use paper document flow, where the Contractor to be the first to sign a Purchase Order approved by the Parties

13.4.1.1. Rostelecom shall send to the Contractor a draft Purchase Order, drawn up following the form provided in the relevant Annex to the Contract, to the email address of the Contractor's responsible person (par.7.4. of the Terms and Conditions) specified in the "Notices" section of these Terms and Conditions.

13.4.1.2. In such draft Purchase Order Rostelecom shall provide information specified in the form of a Purchase Order (par.13.4.1.1. of the Terms and Conditions) in accordance with the Contract Terms. For the purpose of performance under the Contract, the date of sending the Purchase Order as prescribed in this par.13.4.1. shall be deemed the date of generating such Purchase Order.

13.4.1.3. The Contractor shall be obliged to review the submitted draft Purchase Order not later than within three (3) business days after the date of its receipt (par. 13.4.1.1. of the Terms and Conditions). Upon expiry of such review period, the Contractor shall be obliged to send to Rostelecom either a signed Purchase Order (two originals, in accordance with the "Notices" section of these Terms and Conditions) or a substantiated refusal to sign (execute) it (to be sent by e-mail to the e-mail address of the Contractor's designated responsible person (par.7.4. of the Terms and Conditions)), while such refusal is allowed only if a Purchase Order does not meet the Contract Terms (in terms of the form or content). A substantiated refusal to sign shall contain references to provisions of the Contract, which are not complied with by the draft Purchase Order (references to paragraph numbers of the Contract, Annexes, etc.).

13.4.1.4. Within not more than two (2) business days after receipt by Rostelecom of the Contractor's substantiated refusal to sign the draft Purchase Order (par.13.4.1.3. of the Terms and Conditions), the Parties shall finalize the text of the draft Purchase Order in the normal course of business (using exchange of e-mails at the e-mail addresses of the designated responsible persons of the Parties, see par.7.4. of the Terms and Conditions). The Contractor shall send to Rostelecom a signed Purchase Order (two originals, in accordance with the "Notices" section of these Terms and Conditions) not later than within three (3) business days after the date of sending to Rostelecom the substantiated refusal to sign (par .13.4.1.3. of the Terms and Conditions).

13.4.1.5. Within three (3) business days after receipt of the relevant Purchase Order signed by the Contractor (par. 13.4.1.3. or par. 13.4.1.4. of the Terms and Conditions), Rostelecom shall:

13.4.1.5.1. sign the Purchase Order on its behalf;

13.4.1.5.2. send to the Contractor a scanned copy of the Purchase Order signed by the Parties (to the e-mail address of the Contractor's designated responsible person);

13.4.1.5.3. send the original Purchase Order signed by the Parties to the Contractor (in accordance with the "Notices" section of these Terms and Conditions).

13.4.2. Approval and signing of a Purchase Order if the Parties agreed to use paper document flow, where Rostelecom to be the first to sign a Purchase Order approved by the Parties

13.4.2.1. Rostelecom shall send to the Contractor a draft Purchase Order, drawn up following the form provided in the relevant Annex to the Contract, to the email address of the Contractor's responsible person (par. 7.4. of the Terms and Conditions) specified in the "Notices" section of these Terms and Conditions.

13.4.2.2. In such draft Purchase Order Rostelecom shall provide information specified in the Purchase Order Form (par.13.4.2.1. of the Terms and Conditions) in accordance with the Contract Terms. For the

purpose of performance under the Contract, the date of sending the Purchase Order in accordance with this par.13.4.2. shall be deemed the date of generating such Purchase Order.

13.4.2.3. The Contractor shall be obliged to review the provided draft Purchase Order not later than within three (3) business days after the date of its receipt (par. 13.4.2.1. of the Terms and Conditions). Upon the expiry of such review period, the Contractor shall be obliged to send to Rostelecom to the e-mail address of Rostelecom's designated responsible person either a confirmation of the Purchase Order approval, or a substantiated refusal to sign (execute) it, however, the refusal to execute is allowed only if the Purchase Order does not meet the Contract Terms (in terms of the form or content). A substantiated refusal to sign shall contain references to provisions of the Contract, which are not met in the draft Purchase Order (references paragraph numbers of the Contract, Annexes, etc.). If neither of the two above mentioned notices is received from the Contractor within the allocated timeline, the draft Purchase Order shall be deemed approved by the Contractor to the full extent.

13.4.2.4. Not later than within two (2) business days after receipt by Rostelecom of the Contractor's substantiated refusal to sign the draft Purchase Order (par. 13.4.2.3. of the Terms and Conditions), the Parties shall finalize the text of the draft Purchase Order in the normal course of business (using exchange of e-mails at the e-mail addresses of the designated responsible persons of the Parties, see par.7.4. of the Terms and Conditions).

13.4.2.5. Within three (3) business days after expiry of the period specified par. 13.4.2.4., or termination of the period specified in par. 13.4.2.4., Rostelecom shall send to the Contractor a Purchase Order signed on behalf of Rostelecom (two originals, in accordance with the "Notices" section of these Terms and Conditions).

13.4.2.6. Within three (3) business days after receipt of the relevant Purchase Order signed by Rostelecom (par. 13.4.2.5. of the Terms and Conditions), the Contractor shall:

13.4.2.6.1. sign the Purchase Order on its behalf;

13.4.2.6.2. send to Rostelecom a scanned copy of the Purchase Order signed by the Parties (to the e-mail address of Rostelecom's designated responsible person);

13.4.2.6.3. send an original Purchase Order signed by the Parties to Rostelecom (in accordance with the "Notices" section of these Terms and Conditions).

13.4.3. Approval and signing of a Purchase Order if the Parties agreed to use electronic document flow, where Rostelecom to be the first to sign a Purchase Order approved by the Parties

13.4.3.1. Rostelecom shall send to the Contractor a draft Purchase Order, drawn up following the form provided in the relevant Annex to the Contract, to the email address of the Contractor's responsible person (par. 7.4. of the Terms and Conditions) specified in the "Notices" section of these Terms and Conditions. For the purpose of the performance under the Contract, the date of sending the Purchase Order in accordance with this par.13.4.3.1. shall be deemed the date of generating such Purchase Order.

13.4.3.2. In such draft Purchase Order Rostelecom shall provide information specified in the form of a Purchase Order (par. 13.4.3.1. of the Terms and Conditions) in accordance with the Contract Terms.

13.4.3.3. The Contractor shall be obliged to review the provided draft Purchase Order not later than within three (3) business days after the date of its receipt (par.13.4.3.1. of the Terms and Conditions). Upon the expiry of such review period, the Contractor shall be obliged to send to Rostelecom either a confirmation of the Purchase Order approval or a substantiated refusal to sign (execute) it, however a refusal to confirm the approval is allowed only if the Purchase Order does not meet the Contract Terms (in terms of the form or content). A substantiated refusal to approve shall contain references to provisions of the Contract, which are not met the draft Purchase Order (references to paragraph numbers of the Contract, Annexes, etc.). If neither of the two above-mentioned notices is received from the Contractor within the allocated timeline, the draft Purchase Order shall be deemed approved by the Contractor to the full extent.

13.4.3.4. Not later than within two (2) business days after receipt by Rostelecom of the Contractor's substantiated refusal to sign the draft Purchase Order (par. 13.4.3.3. of the Terms and Conditions), the Parties shall finalize the text of the draft Purchase Order in the normal course of business (using exchange

of e-mails at the e-mail addresses of the designated responsible persons of the Parties, see par.7.4. of the Terms and Conditions).

13.4.3.5. Within three (3) business days after expiry of the period specified in par. 13.4.3.3., or termination of the period specified in par. 13.4.3.4., Rostelecom shall send to the Contractor the Purchase Order signed on behalf of Rostelecom (two originals, in accordance with the “Notices” section of these Terms and Conditions).

13.4.3.6. Within three (3) business days after receipt of the relevant Purchase Order signed by Rostelecom (par. 12.1. of the Terms and Conditions), the Contractor shall sign the Purchase Order on its behalf using electronic document flow system.

13.5. A Purchase Order shall take effect as of the date of its signing by, unless otherwise is stipulated in the relevant Purchase Order.

13.6. Any Purchase Order shall be made an integral part of the Contract.

13.7. The timeline set forth in this section of the Terms and Conditions shall be subject to changes in the Contract.

13.8. Where the Contractor fails to meet any deadline set forth in this section of the Terms and Conditions, Rostelecom shall be entitled to submit to the Contractor a demand to pay a penalty in the amount to be determined in accordance with the Contract Terms.

14. Other terms and condition of the Contract performance

14.1. The Contractor’s rights in terms of engaging third parties for performance of the Obligations under the Contract are stated in the Contract and shall be consistent with one of subparagraphs of this par. 14.1. of the Terms and Conditions:

14.1.1. The Contractor shall be entitled to engage third parties to perform the Contractor’s Obligations under the Contract subject to prior written consent of Rostelecom.

14.1.2. The Contractor shall be entitled to engage third parties for performance of the Contractor’s Obligations under the Contract subject to a prior notice thereof to be given to Rostelecom.

14.1.3. The Contractor shall not be entitled to engage third parties for performance of the Contractor’s Obligations under the Contract.

14.1.4. The Contractor shall not be entitled to engage third parties for performance of the Contractor’s Obligations under the Contract, except circumstances expressly described in the Contract.

14.2. Unless otherwise is inferred from the Contract, the Obligations under the Contract shall be performed either by the Party to the Contract itself or by a person to which such obligations to perform under the Contract are assigned in accordance with the Contract terms and conditions or by operation of the law.

14.3. The Contractor shall not assign the Contractor’s rights (claims) under the Contract, partially or in full, without a prior consent of Rostelecom. If this prohibition is violated, the Contractor shall be obliged to pay to Rostelecom a penalty of 10% (ten percent) of the Total Contract Value.

14.4. In all other matters that are not regulated by these Terms and Conditions, the Parties shall be guided by provisions of the Contract.

14.5. The Contract shall be executed in duplicate having identical legal force and effect, one counterpart for either Party, except for the cases where the Contract is signed in an electronic form using technical capabilities of an electronic trading floor or electronic document flow operators.

15. Annexes to these Terms and Conditions

15.1. Annex 1 to the Terms and Conditions: “Non-Disclosure Agreement”;

15.2. Annex 2 to the Terms and Condition: “Specific features of involvement of small and medium enterprises in performance of obligations under the Contract”.

_____/_____/_____ / _____/_____

Annex 1**to the General Terms and Conditions of the Contract fulfillment****NON-DISCLOSURE AGREEMENT**

This Non-Disclosure Agreement (this NDA) is made and entered into by and between the Parties to the Contract and shall set forth the following:

WHEREAS in connection with performance under the Contract, the Parties to the Contract having discussed probable provision to each other of certain sensitive information of a confidential nature concerning their commercial activities and operations, have made this Non-Disclosure Agreement (this NDA) to agree as follows:

1. TERMS AND DEFINITIONS

For the purpose of this NDA, the Parties to this NDA agree to use the following terms and definitions:

1.1. The “**Confidential Information**” shall mean any information (communications, messages, data) with respect to any persons, things, facts, events, phenomena, circumstances and processes, which is identified by the Disclosing Party as confidential information and provided according to terms and conditions set forth in this NDA.

The Confidential information shall not include any information that: (1) is in the public domain or (2) was available to the Receiving Party not on a confidential basis prior to disclosure of the information by the Disclosing Party, or (3) becomes available to the Receiving Party not on a confidential basis from any source other than the Disclosing Party provided that the Receiving Party is aware that such source is not prohibited to disclose such information under contractual or any other legal obligation towards the Disclosing Party.

1.2. The “Parties” shall mean Rostelecom and the Contractor collectively.

1.3. The “Disclosing Party” shall mean either Rostelecom or the Contractor, providing the Confidential Information to the Receiving Party subject to terms and conditions of this NDA.

1.4. The “Receiving Party” shall mean either Rostelecom or the Contractor, receiving the Confidential Information from the Disclosing Party subject to terms and conditions of this NDA.

1.5. “Representatives” shall mean directors, officers, employees, auditors and affiliated persons of a Party who are authorized to disclose and/or receive the Confidential Information.

1.6. Third Parties shall mean any party other than the Parties to this NDA or their Representatives.

1.7. Unauthorized Disclosure of the Confidential Information shall mean an action or omission of the Receiving Party that caused the Confidential Information provided under this NDA in any possible form whatever (whether oral, written, or otherwise, including by means of technical capabilities) to be made available to any Third Party without the Disclosing Party’s consent.

1.8. The NDA shall mean this Non-Disclosure Agreement.

2. THE NDA SUBJECT-MATTER

2.1. This NDA shall cover Confidential Information provided by the Disclosing Party to the Receiving Party in relation to the Contract, as well as other Confidential Information made known to the Receiving Party otherwise and associated with the Contract (in this latter case the Disclosing Party shall notify the Receiving Party in writing that such information is Confidential Information).

2.2. The Parties hereby confirm that under this NDA no provision/receipt of the following information is intended:

- information covered by trade secret provisions according to Federal Law No98-FZ of 29.07.2004 “On trade secrets”,
- any personal data according to Federal Law No152-FZ of 27.07.2006 “On personal data”.

Arrangements regulating provision, receipt and protection of information listed in this par. 2.2. may be set forth in separate agreements.

2.3. The Confidential Information to be provided shall be delivered in hard copies or on other tangible medium marked as confidential (Confidential Information/In Confidence markings bearing the name and domicile of the Disclosing Party). The Parties agree that tangible media containing Confidential

Information shall be delivered against Delivery-Acceptance Confirmation specifying description and volume of the provided Confidential Information and quantities of the copies. The Parties agree that Confidential Information may be provided by the Disclosing Party to the Receiving Party by e-mail as follows:

- in the encrypted form, applying for the encryption of information to be transmitted a software suite according to the GOST algorithm);
- in an archived form (the archive shall be password protected with a password at least 8 character long and containing upper and lower case letters, digits and special symbols. Any password shall be made available using a different communications channel.). Where any Confidential Information is provided by e-mail the relevant e-mail message shall contain a notice that the provided information is Confidential. Wherever the Confidential Information is provided orally the Parties undertake within three (3) business days after the date of the oral provision to arrange for delivery of such Confidential Information in hard copies or on other tangible media, or to use e-mail in accordance with this par. 2.3 of the NDA. Provision of the Confidential Information by any other means not stipulated by this par. 2.3 of the NDA shall be strictly prohibited.

3. RIGHTS AND OBLIGATIONS OF THE PARTIES

3.1. The Receiving Party shall be entitled to provide access to the Confidential Information received under this NDA only to those of its Representatives who need to know it for the purposes of the Contract and only to the extent required for this, provided that such Representatives of the Receiving Party who are provided with access to such information, shall be notified by the Receiving Party of the confidential nature of such Information and of the terms and conditions of its usage. A list of the Receiving Party's Representatives to be provided with access to the Confidential Information shall be submitted by the Receiving Party to the Disclosing Party before they are provided with access to the Confidential Information.

3.2. The Receiving Party acknowledges and agrees that Confidential Information will be used solely in connection with the Contract and that the Receiving Party and its Representatives will maintain confidentiality of such information, and it will not be disclosed or made available to Third Parties without a prior written consent of the Disclosing Party.

3.2.1. The Receiving Party undertakes to protect the received Confidential Information at least with the same degree of care that the Receiving Party applies to its own confidential information.

3.2.2. Should the Receiving Party make available the Confidential Information to Third Parties with the Disclosing Party's written consent, the Receiving Party shall ensure that before provision of any Confidential Information to Third Parties, such Third Parties have undertaken to use and not to disclose such information according to terms and conditions set forth in this NDA. The Receiving Party shall provide the Disclosing Party with a copy of a confidentiality agreement, signed by the Receiving Party with a Third Party, before any disclosure of Confidential Information to such Third Party.

3.3. If the Receiving Party is reasonably requested by a governmental or municipal authority to disclose the Confidential Information, the Receiving Party shall:

- notify the relevant governmental or municipal authority about confidential nature of such requested Information and identify its owner;
- unless prohibited by applicable Russian law, promptly notify in writing the Disclosing Party about such request in order to enable the Disclosing Party to obtain an injunctive relief or restrict or prevent such provision or Disclosure of the Confidential Information.

3.3.1. The Receiving Party shall be entitled to disclose to the requesting governmental or municipal authority the Confidential Information received from the Disclosing Party only to the extent required by applicable law.

4. LIABILITY OF THE PARTIES

4.1. The Receiving Party shall be liable according to the applicable Russian Law and terms and conditions of this NDA for any breach of obligations to abide by terms and conditions of use and protection of confidentiality of the Confidential Information received according to this NDA, and shall be liable for

damages incurred by the Disclosing Party, resulting from undue performance by the Receiving Party of provisions of this NDA.

4.2. The Receiving Party shall be liable to the full extent for any Unauthorized Disclosures of the Confidential Information by its Representatives and Third Parties which were granted access to such information, pursuant to terms and conditions set forth in par. 3.1. and 3.2. of this NDA.

4.3. If an Unauthorized Disclosure of the Confidential Information occurs, as well as in circumstances conducive to such Unauthorized Disclosure, the Receiving Party shall promptly notify the Disclosing Party of such occurrence, provide the Disclosing Party with all necessary information about the event of an Unauthorized Disclosure or threat of an Unauthorized Disclosure, explain the reasons resulting in such event and measures undertaken by the Receiving Party to prevent the occurrence of an Unauthorized Disclosure and remedy its adverse consequences.

5. DISPUTE RESOLUTION

5.1. Relationships between the Parties arising out of this NDA shall be subject to applicable Russian Law.

5.2. Any dispute or controversy arising between the Parties hereunder shall be resolved through bona fide negotiations as prescribed in the Contract.

6. TERM OF THIS NDA

6.1. This NDA shall take effect as of signing of the Contract by both Parties and continue in effect until the Contract termination.

6.2. The Receiving Party's obligations to maintain confidentiality of the Confidential Information received from the Disclosing Party as set forth in this NDA shall survive for three (3) years after expiry of the Contract.

7. MISCELLANEOUS

7.1. Not later than three (3) days after signing of the Contract by both Parties, the Receiving Party shall designate and advise the Disclosing Party of the names of its authorized Representatives responsible for overseeing performance of obligations under this NDA. The Receiving Party shall provide a notice to the Disclosing Party about any changes of its authorized representatives at least five (5) business days before such changes.

7.2. Any notices and communications between the Parties to be sent in accordance with or in connection with this NDA shall be in writing and delivered as prescribed in the Contract.

7.3. The Receiving Party agrees and acknowledges that neither the Disclosing Party, nor any its Representatives provides any guarantees or assurances concerning completeness of the Confidential Information. The Disclosing Party shall not be responsible for any results of usage of the Confidential Information by the Receiving Party, its Representatives or by any persons to whom the Confidential Information may be provided subject to terms and conditions of this NDA.

7.4. The Disclosing Party hereby warrants that it has all rights with respect to the Confidential Information, including the right to provide such information to the Receiving Party subject to terms and conditions of this NDA.

7.5. The Disclosing Party shall be entitled to demand that the Receiving Party return all tangible copies of the Confidential Information provided to it, by giving a notice in writing to the Receiving Party. Within the timeline indicated in such notice, but not later than ten (10) business days upon receipt of such return notice, the Receiving Party shall return all tangible media items received by it that contain Confidential Information and destroy all copies of such Information and reproductions of it in any form whatever (including computer records and files) in possession of the Receiving Party and those persons to whom such Information was provided under this NDA. The Receiving Party shall be entitled to retain Confidential Information as required for compliance with requirements of applicable Russian law or with a reasonable request of any competent governmental or municipal authority (and for period prescribed by current applicable Russian law).

7.6. The Disclosing Party shall have the right to terminate protection of the confidentiality of the Confidential Information provided by it under this NDA subject to a mandatory notice in writing to be



given to the Receiving Party within ten (10) business days after the decision to terminate protection is taken.

7.7. This NDA constitutes the entire understanding of the Parties on the subject matter of this NDA. As of signing of the Contract any previous negotiations and correspondence related to this NDA shall be null and void.

7.8. Procedure of assignment of rights and obligations under this NDA shall be carried out as prescribed in the Contract.

7.9. Invalidity or unenforceability of any provision of this NDA shall not affect the validity and enforceability either of any other provisions of this NDA or this NDA as a whole.

7.10. Provisions of this NDA shall prevail over any other agreements between the Parties related to the Contract and any confidentiality provisions contained in them regulating the same and/or similar relationships between the Parties.

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