

To all tender participants

*Dear Sirs,*

We herewith invite you to submit your bids on the following terms:

<b>Lot #</b>	<b>6/5-2020-10</b>
<b>Product</b>	Export heavy petroleum fuel/ VGO/ Vacuum gasoil
<b>Producer</b>	Ryazan, Kuibyshev, Syzran, Saratov, Novokuibyshev, Ufimskiy, Ufaneftekhim, Novoil refineries. Other Producers are in Seller's option subject to meeting the below quality guarantees.
<b>Quantity</b>	up to 3 000 000 mt in Seller's option
<b>Delivery terms</b>	FOB Black Sea (including STS with floating storage) in Seller's option. Given development of our shipping activity please also provide your bids on CIF/CFR basis or propose alternative FOB + freight formula (flat rate * world scale average month of nomination)
<b>Delivery period</b>	January 01, 2020 – December 31, 2020 (both dates inclusive), carryover deliveries are available till January 31, 2021.
<b>Quality</b>	meeting the specification below. Please provide your bids for blended and segregated materials subject to producing refinery.
<b>Bidding deadline</b>	The signed bid to be send to Rosneft Oil Company to <a href="mailto:residue_tender@rosneft.ru">residue_tender@rosneft.ru</a> not later than <b>October 16<sup>th</sup>, 2019 19:00 o'clock Moscow time</b>
<b>Validity</b>	Your bid should be valid till <b>22:00 o'clock Moscow time 25<sup>th</sup> of November, 2019.</b>

<b>General terms and conditions</b>	<p>Contract form and its contents shall be in Sellers option. The following agreed provisions shall comprise the oil product supply contract: Laytime, Specific conditions 1-4, Nomination, Payment terms as per <b>attachment №1</b> to the present invitation letter; Alternative currency, Payment obligations, Anti-corruption, Confidentiality, Sanctions, Liability, trade controls and boycotts as per <b>attachment №2</b> to the present invitation letter;</p>
<b>Price basis:</b>	<p><b>1.</b> high consecutive quotations for VGO 2,0% published by 'Platt's European Marketscan' under headings «CIF NWE/BASIS ARA» and/ or <b>2.</b> mean of the mean quotations for <u>Brent (DTD)</u> (PCAAS00) as published in Platt's Crude Oil Marketwire <b>Basis 1 and/or 2 in Seller's option on monthly basis.</b></p>
<b>Pricing period:</b>	Month of actual delivery (month of BL date)
<b>Escalation/ De-escalation:</b>	Kindly note that we are ready to consider escalation/ de-escalation based on density measured in kg/l at 15 degree of Celsius.
<b>Jurisdiction:</b>	In accordance with the laws of the Russian Federation.
<b>Cargo sizes:</b>	<p>- 30 000 mt +/-10% in Seller's operational, - 55 000 mt +/-10% in Seller's operational. Other cargo size is subject to mutual agreement. Rosneft has the right but no obligation to award the bids for cargo sizes other than 30 000 mt.</p>

**! Cargo size shall always be in Seller's option.**

**! Buyer's option of laycan dates is not acceptable.**

**You are requested to present your bids strictly on the above terms and conditions. Nevertheless in the addition to the above you are free to give bids on any terms and conditions/delivery basis not specified in this letter for our consideration. Rosneft will have the right but no obligation to award the bids on additional terms and conditions.**

### Guaranteed quality specification:

Test	Unit	Method	Guarantee					
			Kuibyshev \ Syzran	Saratov	Ufimskiy, Ufaneftek him, Novoil	Ryazan	Novokuib yshev	Blend
Kinematic viscosity at 50 Dgr C, <b>max</b>	mm <sup>2</sup> /s	GOST 33 ASTM D 445 ISO 3104	60,0	60,0	95,0	80,0	60,0	95,0
Sulphur Content, <b>max</b>	% mass	ASTM D 4294 GOST R 51947	3,0	2,0	3,0	2,5	3,0	3,0
Flash Point (closed cup), <b>min</b>	Dgr C	ASTM D 93 (B) GOST 6356	61	61	61	61	61	61
Pour Point, <b>min</b>	Dgr C	GOST 20287 ASTM D97 ISO 3016	10	19	19	19	19	10
Density at 15 Dgr C, <b>max</b>	kg/l	GOST R 51069 ASTM D 1298	0,930	0,920	0,953	0,940	0,940	0,953
Cokeability, <b>max</b>	%	EN ISO1037 0 GOST 19932	0,4	0,4	1,3	0,8	0,4	1,3
Vanadium, <b>max</b>	%	GOST 10364 IP 470/ 501	0,0006	0,0005	0,0010	0,0005	0,0006	0,0010

- ! **No other quality guarantees or assurances besides the above are to be guaranteed by the Seller.**
- ! **Historical quality specifications are enclosed for your information only with no guarantees from our side.**
- ! **Bidder by presenting a relevant bid confirms that the subject Export heavy petroleum fuel/ VGO/ Vacuum gasoil is of fully merchantable quality, that he fully understands and accepts its quality and therefore waives the right to present any claims on non-merchantability of the delivered goods unless the specification deviates from that described above.**

Mandatory conditions for your participation in the bid selection process are as follows:

- ✓ Completed Rosneft Oil Company counterparty clearing procedure with a positive decision.
- ✓ A signed bid to be send to Rosneft Oil Company strictly to [residue\\_tender@rosneft.ru](mailto:residue_tender@rosneft.ru), which includes the following information:
  - Price quotations with one or more of the suggested delivery terms
  - Product name and producer
  - Maximum quantity of products requested
  - Delivery terms, which correspond to the price quotation
- ✓ Your bids shall be submitted in table format as follows:

Refinery	Product	Quality (if applicable)	Dispatch period	Annual tender quantity, tons (from 0 up to X mt)	Delivery terms (dispatch point/destination), as per terms indicated in the call for bids.	Price/premium/discount against price formula, in USD per ton at delivery terms	Price formula + pricing period

- ! **Date and time of the received email with your bid, shall be deemed date and time of the bid receipt.**
- ! **Bids forwarded by other means and/or to other addresses (as well as those forwarded past the deadline indicated in this letter) will not be considered.**
- ! **Keep in mind, that observing our bid receipt deadlines is a mandatory prerequisite to further participation in the product purchase procedure.**
- ! **Please note that the correct format and substance of your bid helps us expedite our internal totaling and objective offer evaluation.**
- ! **Your acceptance of the terms of the present Invitation, Attachments №1, 2 to the present Invitation Letter and export contracts of Oil Company Rosneft is an essential condition to your taking part in the oil product purchasing process under this proposal.**
- ! **You are requested to present your bids for a one round tender, Rosneft does not intend to introduce another round.**

You will be informed of the results of your bid review as follows:

- **Before 22:00 Moscow time on 25<sup>th</sup> of November 2019** you will be informed of the bid review results.

- Should the bidding winner refuse to enter into or execute a contract on any contractual parcel under the winning bid, Rosneft Oil Company shall have the right to award such contractual volume to third parties and to penalize the bidding winner. In this case the penalty amount shall be calculated basis the price difference between the winners bid and third party price and, accordingly, will include all the consequent losses caused by such refusal.
- Your bid shall include a reference to the relevant lot name and number with validity until **22:00 Moscow time on 25<sup>th</sup> of November 2019**.

- ! Rosneft Oil Company reserves a right to reject a bid with validity, which deviates from the requirement stipulated in this letter.**
- ! If the Buyer during the contract's execution will change delivery terms (even with netback parity), the Rosneft Oil Company has right not to confirm such redirection.**
- ! Rosneft Oil Company reserves the right to decline all bids received.**
- ! Seller shall be Oil Company Rosneft or any Rosneft's affiliated company.**

If you have encountered theft, fraud or corruption in Rosneft, please reach out to us via the Security Hotline. We ensure confidentiality of all calls and messages.  
Contact phone number: 8 (800) 500-25-45 – (free call around-the-clock)  
E-mail: [sec\\_hotline@rosneft.ru](mailto:sec_hotline@rosneft.ru)  
Mailing address: 119180, Moscow, 3/9 B. Polyanka, POB 13  
(marked "Security hotline")

**This invitation to bid shall not under any circumstances be considered a legally binding document or offer and shall not constitute an offer or invitation to participate in a tender.**

We are looking forward to our long-term and mutually beneficial cooperation.

Kind regards,

Denis Nyrkov  
Director  
Crude Oil and Product Trading Department



METHOD	TEST	UNIT	JULY	AUGUST
ASTM D1298	Density at 15°C	g/ml	0,9146	0,9156
GOST 3900	Density at 20°C	g/cm <sup>3</sup>	0,9111	0,9121
ASTM D445	Kinematic Viscosity at 50°C	mm <sup>2</sup> /s	41,85	48,06
NOM 47 /UNI 20048	Viscosity at 50°C	Engler Degree	5,59	6,40
ASTM D4294	Total Sulphur Content	%(m/m)	1,69	1,67
ASTM D93 (Procedure B)	Flash Point by PMCC	°C	200,0	222,0
ASTM D95	Water by distillation	%(m/m)	0,05	0,05
ASTM D97	Pour point	°C	39	42
ASTM D4530	Micro Carbon Residue	%(m/m)	0,43	0,31
ASTM D1160	Vacuum distillation			
	Distillation Pressure	mm Hg	2	2
	Initial boiling point (IBP)	°C	244	277
	5 % recovered at (AET)	°C	362	379
	10 % recovered at (AET)	°C	395	392
	20 % recovered at (AET)	°C	405	410
	30 % recovered at (AET)	°C	426	424
	40 % recovered at (AET)	°C	434	434
	50 % recovered at (AET)	°C	446	445
	60 % recovered at (AET)	°C	468	457
	70 % recovered at (AET)	°C	486	474
	80 % recovered at (AET)	°C	516	495
	90 % recovered at (AET)	°C	546	520
	95 % recovered at (AET)	°C	567	535
	Final boiling point (FBP)	°C	576	556
	Final Recovered	%(v/v)	99,0	98,0
IP 501	Elements in Residual Fuel Oil by ICP			
	Vanadium	mg/kg	<1	<1
	Nickel	mg/kg	<1	<1
	Sodium	mg/kg	<1	<1
IP 501	Iron	mg/kg	<2	<2
ASTM D5762	Nitrogen content	mg/kg	1200	1300
ASTM D611 Procedure E	Aniline Point	°C	88,95	88,50
TOTAL 642	Asphaltenes content	µg/g	220	141
ASTM D1500 /ASTM D6045	Colour ASTM	-	8,0	<7,0
ASTM D4740	Cleanliness by spot test	-	2	2
ASTM D1159/ ASTM D1160	Bromine number on OVHD up to 3600C	g Br <sub>2</sub> /100 g	3,3	3,5
	Recovered at 360°C	%(v/v)	5,0	2,0
	Distillation Pressure	mm Hg	2	2
ASTM D482	Ash	%(m/m)	0,001	0,001
SMS 1600-83	P- Value	-	>5,0	>5,0
UOP 779	Total Organic Chloride	ppm(m/m)	0,6	0,4
ASTM D664 (method A)	Acid number (Inflection end-point)	mg KOH/g	0,1	0,1

## Novokuybishev VGO

METHOD	TEST	UNIT	JULY	AUGUST
ASTM D1298	Density at 15°C	g/ml	0,9314	0,9307
GOST 3900	Density at 20°C	g/sm <sup>3</sup>	0,9280	0,9273
ASTM D445	Kinematic Viscosity at 50°C	mm <sup>2</sup> /s	42,28	40,93
NOM 47 /UNI 20048	Viscosity at 50°C	Engler Degree	5,65	5,47
ASTM D4294	Total Sulphur Content	%(m/m)	2,38	2,33
ASTM D93 (Procedure B)	Flash Point by PMCC	OC	184,5	189,0
ASTM D95	Water by distillation	%(m/m)	0,05	0,05
ASTM D97	Pour point	OC	39	36
ASTM D4530	Micro Carbon Residue	%(m/m)	0,43	0,30
ASTM D1160	Vacuum distillation			
	Distillation Pressure	mm Hg	2	2
	Initial boiling point (IBP)	OC	253	244
	5 % recovered at (AET)	OC	362	347
	10 % recovered at (AET)	OC	383	371
	20 % recovered at (AET)	OC	403	392
	30 % recovered at (AET)	OC	418	402
	40 % recovered at (AET)	OC	436	418
	50 % recovered at (AET)	OC	460	437
	60 % recovered at (AET)	OC	469	447
	70 % recovered at (AET)	OC	477	467
	80 % recovered at (AET)	OC	496	483
	90 % recovered at (AET)	OC	520	510
	95 % recovered at (AET)	OC	544	518
	Final boiling point (FBP)	OC	544	539
	Final Recovered	%(v/v)	95,0	99,0
IP 501	Elements in Residual Fuel Oil by ICP			
	Vanadium	mg/kg	<1	<1
	Nickel	mg/kg	<1	<1
	Sodium	mg/kg	<1	<1
IP 501	Iron	mg/kg	<2	<2
ASTM D5762	Nitrogen content	mg/kg	2000	2000
ASTM D611 Procedure E	Aniline Point	OC	78,45	77,15
TOTAL 642	Asphaltene	µg/g	158	<100
ASTM D1500 /ASTM D6045	Colour ASTM	-	7,5	<8,0
ASTM D4740	Cleanliness by spot test	-	1	1
ASTM D1159/ ASTM D1160	Bromine number on OVHD up to 3600C	g Br2/100 g	14,3	12,3
	Recovered at 360°C	%(v/v)	5,0	6,0
	Distillation Pressure	mm Hg	2	2
ASTM D482	Ash	%(m/m)	<0,001	<0,001
SMS 1600-83	P- Value	-	>5,00	>5,00
UOP 779	Total Organic Chloride	ppm(m/m)	0,6	0,3
ASTM D664 (method A)	Acid number (Inflection end-point)	mg KOH/g	0,1	<0,1

## Syzran VGO

METHOD	TEST	UNIT	JULY	AUGUST
ASTM D1298	Density at 15°C	g/ml	0,9180	0,9202
GOST 3900	Density at 20°C	g/sm <sup>3</sup>	0,9145	0,9168
ASTM D445	Kinematic Viscosity at 50°C	mm <sup>2</sup> /s	44,70	40,75
NOM 47 /UNI 20048	Viscosity at 50°C	Engler Degree	5,96	5,45
ASTM D4294	Total Sulphur Content	%(m/m)	2,07	2,15
ASTM D93 (Procedure B)	Flash Point by PMCC	°C	172,5	204,5
ASTM D95	Water by distillation	%(m/m)	0,05	0,05
ASTM D97	Pour point	°C	39	36
ASTM D4530	Micro Carbon Residue	%(m/m)	0,41	0,37
ASTM D1160	Vacuum distillation			
	Distillation Pressure	mm Hg	2	2
	Initial boiling point (IBP)	°C	254	282
	5 % recovered at (AET)	°C	355	352
	10 % recovered at (AET)	°C	370	377
	20 % recovered at (AET)	°C	393	401
	30 % recovered at (AET)	°C	413	414
	40 % recovered at (AET)	°C	427	426
	50 % recovered at (AET)	°C	439	436
	60 % recovered at (AET)	°C	451	450
	70 % recovered at (AET)	°C	465	464
	80 % recovered at (AET)	°C	484	476
	90 % recovered at (AET)	°C	509	491
	95 % recovered at (AET)	°C	530	519
	Final boiling point (FBP)	°C	550	538
	Final Recovered	%(v/v)	98,0	97,0
IP 501	Elements in Residual Fuel Oil by ICP			
	Vanadium	mg/kg	1	1
	Nickel	mg/kg	<1	<1
	Sodium	mg/kg	<1	<1
IP 501	Iron	mg/kg	<2	<2
ASTM D5762	Nitrogen content	mg/kg	1400	1400
ASTM D611 Procedure E	Aniline Point	°C	82,45	82,00
TOTAL 642	Asphaltene	µg/g	413	400
ASTM D1500 /ASTM D6045	Colour ASTM	-	>8.0	8,0
ASTM D4740	Cleanliness by spot test	-	1	3
ASTM D1159/ ASTM D1160	Bromine number on OVHD up to 3600C		3,4	2,7
		g Br <sub>2</sub> /100 g		
	Recovered at 360°C	%(v/v)	5,0	6,0
	Distillation Pressure	mm Hg	2	2
ASTM D482	Ash	%(m/m)	0,001	<0.001
SMS 1600-83	P- Value	-	>5.0	>5.0
UOP 779	Total Organic Chloride	ppm(m/m)	0,9	0,7
ASTM D664 (method A)	Acid number (Inflection end-point)	mg KOH/g	<0.1	<0.1



## Ryazan VGO

TEST	UNIT	METHOD	RESULT	
			01-31 August 2019	01-30 September 2019
Density at 15 Dgr C	g/ml	ASTM D 1298	0.9287	0.9294
Density at 20 Dgr C	g/ml	GOST 3900	0.9236	0.9242
Kinematic Viscosity at 50 Dgr C	mm <sup>2</sup> /s	ASTM D 445	53.74	54.39
Engler Viscosity at 50 Dgr C	Dgr E	NOM 47-71	7.13	7.22
Sulphur Content	% mass	ASTM D 4294	2.28	2.28
Flash Point, PMCC	Dgr C	ASTM D 93 (B)	154.0	184.0
Water Content	% mass	ASTM D 95	0.05	Lt 0.05
Pour Point	Dgr C	ASTM D 97	30	39
Carbon Residue (Micro Method)	% mass	ASTM D 4530	0.54	0.52
Vacuum Distillation (2mm Hg)		ASTM D 1160		
Initial boiling point	Dgr C		287	264
5% vol recovered at	Dgr C		379	389
10% vol recovered at	Dgr C		395	398
20% vol recovered at	Dgr C		414	417
30% vol recovered at	Dgr C		427	432
40% vol recovered at	Dgr C		444	447
50% vol recovered at	Dgr C		459	460
60% vol recovered at	Dgr C		475	474
70% vol recovered at	Dgr C		490	491
80% vol recovered at	Dgr C		508	510
90% vol recovered at	Dgr C		534	535
95% vol recovered at	Dgr C		553	558
Final boiling point / Recovery	Dgr C / % vol		568 / 97.5	568 / 97.0
Total Recovery	% vol		98.0	97.0
Vanadium	mg/kg	IP 470	Lt 1	1
Nickel	mg/kg	IP 470	Lt 1	Lt 1
Sodium	mg/kg	IP 470	Lt 1	Lt 1
Iron	mg/kg	IP 470	Lt 2	Lt 2
Total Nitrogen	% mass	ASTM D 3228	0.09	0.09
Aniline Point	Dgr C	ASTM D 611 B	80.40	79.00
Asphaltene content	% mass	IP 143	Lt 0.5	Lt 0.50
Color ASTM		ASTM D 1500	Lt 3.0	Lt 3.5
Cleanliness by Spot test		ASTM D 4740	3	2
Bromine number	gBr/100g	ASTM D 1159	1.1	3.5
Ash	% mass	ASTM D 482	Lt 0.001	Lt 0.001
P-value		SMS 1600	Gt 5	Gt 5
Total Chloride content	mg/kg	UOP 779	0.6	1.3
Total Acid Number	mgKOH/g	ASTM D 664	Lt 0.1	Lt 0.1

**Laytime:** subject to port/terminal loading procedures/regulations  
(to be stipulated by the Seller in the contract)

**Specific condition 1:** The agreed vessel's laydays shall always be two calendar days.  
The Buyer shall provide the arrival of the vessel, chartered for lifting of the Goods, at loadport within the first day of agreed laydays.

The below mentioned penalties are applicable for deliveries at ports of Nakhodka, Arkhangelsk and Tuapse only:

In case the Buyer fails to provide arrival of the vessel for lifting of the Goods within 1<sup>st</sup> day of agreed laydays, the Buyer upon the Seller's request shall pay the Seller penalty at the rate, as stated below, per each metric ton of the Goods shipped on board of the vessel as per Bills of Lading quantity for each calendar day (part day to count as a full day) of such delay starting from 00:00 of the second day of agreed laydays up to the moment of commencement of loading of the Goods:

- 1.60 USD per metric ton from the 1<sup>st</sup> till the 3<sup>rd</sup> day of delay
- 2.50 USD per metric ton for each day of delay starting from the 4<sup>th</sup> day of delay.

Without prejudice to the foregoing, all damages incurred by the Seller due to or in connection with failure of the vessel to arrive within the first day of agreed laydays shall be for the Buyer's account. Such damages of the Seller shall be reimbursed by the Buyer in full in excess of penalties.

**Specific condition 2:** Quality parameters of the Goods delivered from onshore terminal shall be determined by the mutually agreed inspector except port of Nakhodka, Arkhangelsk and Tuapse where quality parameters shall be determined by the laboratory of the terminal. Quantity of the Goods delivered from onshore terminal shall be determined by the loading terminal in accordance with measurement procedure effective at the loading terminal at the moment of delivery. Quality and quantity of the Goods delivered ex floating storage to be determined by the independent inspector. For loading ex floating storages, the independent inspector shall be nominated by the Seller at its sole discretion.

**Specific condition 3:** The Buyer confirms its intension to arrange bunkering from the resources of the Seller of the vessels, which the Buyer shall provide for loading of the Goods within the terms of the transaction. For the avoidance of doubts, the bunkering will be performed within the terms of separate transactions with the subsidiaries of the Seller: RN Bunker, Rosneft Marine (UK) Ltd.

**Specific condition 4:** Hereby the Buyer confirms that aimed at due performance of its obligation to lift the Goods hereunder the Buyer intends to arrange freight of a relevant vessels with Prime International Limited based on an arm's length principle and acceptability of commercial conditions to the Buyer. For avoidance of doubt, freight of a vessel shall be performed under separate transactions with subsidiary of the Seller - Prime International Limited.

**Nomination:** Not later than last working day of the month preceding the month of delivery the Seller nominates the Buyer preliminary laydays, quantity and loadport, except for the cargo lots scheduled for loading during 1<sup>st</sup> decade of the month of delivery, which is to be nominated latest 10 calendar days prior to the first day of such laydays (Day of Nomination means Day One).

Not later than 10 (ten) calendar days prior to the first day of the preliminary laydays the Seller has the right to adjust the preliminary laydays (Day of Adjustment means Day One) but for not more than for 3 calendar days.

## **NOR**

The Buyer shall ensure that by

(i) no later than 23.59 hours (local time) on the last day of the laydays; or  
(ii) not later than 23.59 hours (local time) on the first day of laydays for ports deliveries on FOB Primorsk, Tuapse, Nakhodka, Arkhangels, Kavkaz without floating storage:

(a) the Vessel nominated by the Buyer hereunder shall arrive at the loading port in question complete all formalities and in all respects be ready to commence loading the Goods deliverable hereunder; and (afterwards)

(b) written NOR has been tendered by the master of the vessel or his representative to the Sellers' representative at the port of loading from the customary anchorage of the port of loading within the port limits.

**Payment:**

100% of payment to be effected within Base Term – 30 calendar days after B/L against Seller's invoice. Deadline period – 45 calendar days after B/L against Seller's invoice. The Buyer's payment obligations shall be considered duly fulfilled at the moment of crediting of funds to the Seller's transit currency account at the Seller's bank («Date of payment»).

The place of fulfillment of payment obligations is the Sellers' residence place.

Should the funds debited from the Buyer's account for any reason not credited to the Seller's transit account, Parties undertake to cooperate and make all reasonable efforts to determine the reasons of such failure and to ensure the immediate transfer of funds to the Seller's account.

If the Buyer does not pay any amount payable for a Shipment of the Goods by the Base Term, the Buyer shall pay to the Seller commission on such amount at the rate of LIBOR + 3 % per annum for the period from the Base Term until Date of payment, provided that such payment is made prior to the Payment Deadline.

If the Buyer does not pay any amount payable for a Shipment of Goods by the Payment Deadline, the Buyer shall pay to the Seller penalty on such amount at the rate of LIBOR + 5 % per annum calculated on the amount of overdue and/or outstanding funds for the period from the Base Term until the date the funds are credited to the Seller's transit currency account at the Seller's bank.

In order to calculate the abovementioned commissions 1 month LIBOR (USD) published by ICE Benchmark Administration Ltd. (IBA) on the date of crediting of the Seller's account shall be applied.

Furthermore, the Buyer shall reimburse the Seller with all and any damages, incurred by the Seller, in particular due to administrative penalty imposed by competent authority, including, but not limited to, the amount of penalty, paid or payable, imposed on the Seller for breach of currency regulations of Russian Federation.

The Buyer shall open irrevocable Stand-by Letter of Credit in favour of the Seller in a format confirmed by the Seller latest 3 banking/working days in the Russian Federation prior to the 1<sup>st</sup> day of nominated laydays subject to advising bank confirmation. Issuing, advising, confirming bank to be acceptable to Seller.

Upon the Seller's request the Buyer shall effect early payment separately for 90 % of provisional value of each Parcel, unless otherwise agreed between the Parties, against the Seller's provisional invoice stating the date of early payment and provisional value of the Goods calculated according to the price formula, using all quotations and/or the most recent issued quotation available on the date of the Invoice. Sending of the provisional invoice by the Seller to the Buyer shall be considered as the Seller's request to the Buyer to effect early payment.

For payment effected before Base Term, Seller shall pay the Buyer an interest at 1 month LIBOR+ **0,8%** per annum rate for each day of the period from the date of crediting of the Seller's account to the Base Term date.

In order to calculate the amount of interest for early payment, 1 month LIBOR (USD) published by ICE Benchmark Administration Ltd. (IBA) on the date of crediting of the Sellers' account shall be applied.

Director of Crude and  
Oil products trading Department



D. Nyrkov

**Currency clause**

**The default payment currency shall be Euro.**

Total invoice amount will be converted to Euro in accordance with calculation of price, as specified in an invoice, to be converted to Euro by using the Euro / US Dollar (EUR-USD) exchange reference rate published on Bloomberg terminal function «BFIX» at 2:00 pm Frankfurt time or Bloomberg «BFIX» as quoted under the heading «Frankfurt 2:00 pm» on the following link: <http://www.bloomberg.com/markets/currencies/fx-fixings>, 1 (one) EUR and USD banking day prior to the Payment due date (payment due date = day 0). In case of mismatch of exchange rate in the Bloomberg terminal and in the Bloomberg web-site the exchange rate in the Bloomberg terminal shall prevail.

In case the exchange rate has not been published at the abovementioned banking day the parties shall take the exchange rate published the day preceding the abovementioned banking day.

In the event that payment cannot be made in Euro by the reasons of trade restrictions applicable upon the Buyer or on the Buyer's banks (such event to be advised by the Seller or the Buyer at least 5 (five) European Central Bank business days prior to date of payment), payment shall be effected in US Dollars and/or Russian rubles, provided also such payment in US Dollars and/or Russian rubles does not contradict any applicable trade restrictions upon the Buyer or on the Buyer's banks:

A) where the payment will be made in US dollars, the payment amount shall be made in accordance with calculation in US dollars in respective invoice.

B) in case of payment in Russian rubles – total invoice amount will be converted to Russian rubles in accordance with calculation of price, as specified in an Seller's invoice, to be converted to Russian rubles by using US dollar/Russian ruble rate of the Central Bank of the Russian Federation, established on the working day preceding the day of payment (day of payment = day 0).

In case the above-mentioned rate was not established by the Central Bank of the Russian Federation for the working day preceding the day of payment, then the rate established on the nearest date preceding the above-mentioned date is used.

Notwithstanding the above, but subject always that payment in any other currency does not contravene any applicable sanction, embargo, law, regulation or decree binding upon the Buyer or the Buyer's banks, the impossibility for payments to be made in Euro and/or US Dollars and/or Russian rubles shall not detract from Buyer's obligation to effect payment. The Buyer and the Seller shall discuss and agree a mutually acceptable alternative currency and the conversion rate in the event that payment in Euro and/or US Dollars and/or Russian rubles is impractical or impossible. Seller further agrees that penalty or commission for delay in payment shall not apply during the period the Parties are negotiating such alternative settlement arrangements.

### **Payment obligation Clause**

The Buyer's payment obligations shall be considered duly fulfilled at the moment of crediting of funds to the Seller's transit currency account at the Seller's bank («Date of payment»).

The place of fulfillment of payment obligations is the Sellers' residence place.

Should the funds debited from the Buyer's account for any reason not credited to the Seller's transit account, Parties undertake to cooperate and make all reasonable efforts to determine the reasons of such failure and to ensure the immediate transfer of funds to the Seller's account.

If the Buyer does not pay any amount payable for a Shipment of the Goods by the Base Term, the Buyer shall pay to the Seller commission on such amount at the rate of LIBOR + 3 % per annum for the period from the Base Term until Date of payment, provided that such payment is made prior to the Payment Deadline.

If the Buyer does not pay any amount payable for a Shipment of Goods by the Payment Deadline, the Buyer shall pay to the Seller penalty on such amount at the rate of LIBOR + 5 % per annum calculated on the amount of overdue and/or outstanding funds for the period from the Base Term until the date the funds are credited to the Seller's transit currency account at the Seller's bank.

In order to calculate the abovementioned commissions 1 month LIBOR (USD) published by ICE Benchmark Administration Ltd. (IBA) on the date of crediting of the Seller's account shall be applied.

Furthermore, the Buyer shall reimburse the Seller with all and any damages, incurred by the Seller, in particular due to administrative penalty imposed by competent authority, including, but not limited to, the amount of penalty, paid or payable, imposed on the Seller for breach of currency regulations of Russian Federation.

Such commission and/or penalty and/or losses shall be paid within seven (7) calendar days after the Buyer receives the Seller's written demand for payment thereof.

The demand referred in this section above shall be deemed to be received:

- a) if delivered by post - by the date of postal stamp on delivery confirmation;
- b) if delivered via e-mail - by the date of delivery confirmation report;
- c) if by fax - by the date shown in the sender's fax successful transmission report.

A demand delivered as provided above but received on a non-business day or out of operating hours of the place of receipt shall be deemed to be received only on the next following business day of the place of receipt.

### **Anti-corruption clause**

1. When performing obligations hereunder the Parties, their affiliates, employees or mediators do not pay, do not offer to pay and do not allow for payment of any money or valuables, directly or indirectly, to any person to influence actions or decisions of these persons in order to obtain any improper advantage or for other improper purposes.

*The Buyer* hereby confirms that it has read and understood the content and undertakes to be committed to the principles of the Company Policy "In the field of counteraction of involvement in corrupt activities" posted in public access on the official website of *the Seller* in the Internet.

2. When performing obligations hereunder the Parties, their affiliates, employees or mediators do not perform acts defined by applicable law for the purposes of this contract as giving/taking bribe, commercial bribery, as well as actions violating requirements of the applicable law and international instruments on fighting legalization (laundering) of income obtained by criminal means.
3. Each of the parties hereto refuses to encourage in any way employees of the other party, including by provision of cash, gifts, free execution of works (services) and by other not specified in this paragraph means that make an employee conditional on and aimed at ensuring the execution by this employee of any actions in favor of the encouraging Party.

Employee's actions in favor of the encouraging Party refer to:

- granting undue advantages over other counterparties;
  - provision of any guarantees;
  - acceleration of existing procedures;
  - other actions performed by an employee as part of its official duties, but contrary to the principles of transparency and openness in relationship between the parties.
4. In case of suspicion of any Party that a violation of any anti-corruption terms has occurred or may occur, the concerned Party shall notify thereof the other party in



writing. After notifying the concerned Party has the right to suspend execution of obligations hereunder until receiving confirmation that violation has not occurred or will not occur. This confirmation shall be sent within 5 (five) business days from the date of written notification.

5. In the written notification the Party is obliged to refer to facts or provide materials reliably confirming or providing grounds to assume that breach of any provisions hereof by the party, its affiliates, employees or mediators such as actions qualified by the applicable law as giving/taking bribe, commercial bribery, as well as actions violating requirements of the applicable law and international instruments on fighting legalization of criminal proceeds has occurred or may occur.
6. The Parties hereto acknowledge conducting procedures for corruption prevention and control their observance. The Parties shall make reasonable efforts to minimize the risk of business relationships with counterparties that may be involved in corrupt activities, and provide mutual assistance to each other in order to prevent corruption. The Parties shall ensure implementation of the inspection procedures in order to prevent risks of involving Parties in corrupt activities.
7. In order to carry out anti-corruption audits *the Buyer* shall within 5 (five) business days from the date of present contract execution, as well as at any time during the effective term hereof upon written request of *the Seller* provide *the Seller* with information about the chain of ownership of *the Buyer* including beneficiaries (including ultimate) in accordance with the form set out in Appendix No. 1 hereto with supporting documents enclosed (hereinafter referred to as the Information).  
In case of any changes to the chain of ownership *the Buyer* including beneficiaries (including ultimate) and (or) in executive bodies *the Buyer* shall within 5 (five) business days from the date of such changes provide *the Seller* with relevant information.  
Information is provided in hard copy certified by the signature of the Director General (*or an officer who is the sole executive body of the counterparty*) or a person authorized on the basis of power of attorney and sent it to *the Seller* by mail with a list of enclosures thereto. The date of information provision is the date of mail receipt by *the Seller*. In addition Information shall be provided on electronic media.  
Provisions specified in this paragraph are an essential condition hereof in accordance with part 1 of article 432 of the Civil Code of the Russian Federation.
8. The Parties agree that their possible misconduct and violation of anti-corruption terms hereof may entail adverse consequences ranging from lowering the reliability rating of the counterparty to a contract to significant restrictions on interaction with the counterparty, up to termination of present Contract.
9. The Parties guarantee examination under facts submitted in the framework of present contract fulfillment in compliance with the privacy principles and application of

effective measures to eliminate practical difficulties and prevent possible conflict situations.

10. The Parties guarantee complete confidentiality on matters related to enforcement of anti-corruption provisions hereof, as well as absence of negative effects for the applying Party in general and for specific employees of the applying Party reporting the fact of violations.
11. Together with the submission of the Information about the chain of ownership of the counterparty, including beneficiaries (including ultimate ones), *the Buyer* shall provide *the Seller* with confirmation of the availability of the consent for the processing of personal data and dispatch of notices of the processing of personal data obtained together with the information about the chain of ownership of the counterparty, including beneficiaries (including ultimate ones), substantially in the form of Appendix No. 2 hereto.
12. *The Buyer* hereby confirms that the consent of the subjects of personal data for the processing of their personal data has been given in accordance with Federal Law of the Russian Federation "On Personal Data" dated July 27, 2006, No. 152-FZ.
13. If *the Seller* is held liable by paying penalties charged by governmental bodies for any breach of Federal Law of the Russian Federation "On Personal Data" dated July 27, 2006, No. 152-FZ in connection with the absence of the consent of the subject for the processing of his/her personal data, as set out in paragraph 11 hereof, or if *the Seller* incurs any expenses in the form of sums spent for the indemnification of moral and/or property damages to be indemnified to the subject of personal data for a breach of Federal Law of the Russian Federation "On Personal Data" dated July 27, 2006, No. 152-FZ, in connection with the absence of the consent of such subject for the processing of his/her personal data, as provided by paragraph 11 hereof, then *the Buyer* shall indemnify *the Seller* against amounts of such penalties and/or expenses on the grounds of an effective decision (resolution) passed by the authorized governmental body and/or court award on the indemnification of moral and/or property damages caused to the subject of personal data.
14. In case of refusal by *the Buyer* to provide Information in accordance with this Section \_\_ hereof, actual failure to provide such information, provision of information in violation of time limits set forth herein, or provision of false information *the Seller* shall have the right to unilaterally withdraw from the contract by giving written notice of Contract termination within 5 (five) working days from the notification.
15. In case Information is not provided in full (i.e. failure to submit any information specified in the form (Appendix No. 1 hereto) *the Seller* sends a repeated request for Information provision in accordance with the form specified in this Section \_ hereof, complemented with missing information with deadlines for provision specified. In case of failure to provide such information, violation of terms of its provision, and the provision of false information *the Seller* shall have the right to unilaterally withdraw

from the contract by giving written notice of Contract termination within 5 (five) working days from the notification.

Appendix No. 1. Information about the Chain of Ownership of the Legal Entity, Including Beneficiaries (Including Ultimate Ones).

Appendix No. 2. Sample Confirmation of Availability of the Consent for Processing of Personal Data and Dispatch of Notices of Processing of Personal Data.

Appendix No. 1 to Contract  
No. \_\_\_\_\_ dated \_\_\_\_\_ 20\_\_\_\_

**Information about the Chain of Ownership of the Legal Entity, Including Beneficiaries (Including Ultimate Ones)**

№	Name of Rosneft counteragent (INN and type of activity)	Contract / Agreement (addresses, bank information, subject-matter, price, effective period and other material conditions)	Information on a chain of owners of counteragent including beneficiaries (final ones also) (full name, passport details, INN)	Confirming documents (name, addresses, bank information)
1	2	3	4	5

I confirm reliability and completeness of this information.

" \_\_\_\_ " \_\_\_\_\_ 201\_\_

г. / \_\_\_\_\_, 201\_\_

\_\_\_\_\_  
signature of person - authorized representative of organization - counteragent)

**SAMPLE**

**confirmation to be given by the counterparty with regard to the availability of the consent for the processing of personal data and dispatch of notices of processing of personal data**

**beginning of the form**

(on the letterhead of the counterparty)

**Confirmation to be given by the counterparty with regard to the availability of the consent for the processing of personal data and dispatch of notices of processing of personal data**

---

(name of the counterparty)

Location (registered office address):

---

Postal address:

---

Registration Certificate / TIN (for the individual businessman):

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(document title, No., information about the date of the issue of the document and the issuing authority )

hereby confirms, in accordance with Federal Law dated July 27, 2006, No. 152-FZ "On Personal Data" ("Law 152-FZ"), that it has obtained, for the purposes of submission in accordance with the terms and conditions of contract dated [REDACTED] No. [REDACTED] entered into with *the Seller*, all consents, as required in accordance with the effective legislation of the Russian Federation (including with regard to personal data), for the transfer and processing of personal data of subjects of personal data mentioned in the Information about the chain of ownership, including beneficiaries (including ultimate ones) as at [REDACTED] 20 [REDACTED] as well as that it has sent, to such subjects of personal data, notices of processing of their personal data by *the Seller*, for the purposes of ensuring the transparency of financial and operating activities of Rosneft and Companies controlled, directly or indirectly, by Rosneft, in particular, to avoid any conflicts of interests and abuses connected with the fulfillment by the management of Rosneft of Companies controlled, directly or indirectly by Rosneft, of their official

duties, and to prevent their involvement in corrupt actions, i.e. for the performance of actions, as set out in paragraph 3 of article 3 of Law 152-FZ.

The list of the personal data for which the consent has been given by the subject of personal data and with regard to which the notice of personal data processing has been sent *the Seller* includes: surname, name, patronymic, date and place of birth; passport particulars; information about education (with the list of education establishments); information about working experience with the indicated name of the company and the occupied position (including sideline job); information about the participation (membership) in governing bodies of other legal entities; biographic information, photo, contact information, autograph signature, other mentioned personal data, as set out in the Information about the chain of ownership of the counterparty, including beneficiaries (including the ultimate ones).

The list of actions to be performed with regard to personal data for which the consents have been given by the subjects of personal data indicated in the Information about the chain of ownership of the counterparty, includes processing (including collection, systematization, accumulation, storage, elaboration (updating, modification), use, depersonalization, blocking, deletion of personal data), with the general description of the aforementioned methods of data processing being given in Law 152-FZ, as well as the transfer of such information to third persons in cases provided by the effective legislation.

The personal data processing shall be terminated upon the receipt by *the Seller* of a written notice of the revocation of the consent for personal data processing.

This confirmation shall remain in full force and effect within 5 years (or until its revocation by the subject of personal data in a way mentioned above).

\_\_\_\_\_ 20 \_\_\_\_\_  
( \_\_\_\_\_ )  
L.S. (signature) (full name)  
**end of the form**

Approved as the form

**FOR AND ON BEHALF OF \_\_\_\_\_ : FOR AND ON BEHALF OF \_\_\_\_\_ :**

\_\_\_\_\_

\_\_\_\_\_

(*position or details of the power of attorney*)

(*position or details of the power of attorney*)

\_\_\_\_\_ (Full name)

\_\_\_\_\_ (Full name)

L.S.

L.S.

## Confidentiality

Please note that below general terms of Confidentiality clause are subject to further clarification and can be actualized by the moment of the contract signing.

**“Disclosing Party”** means with respect to each case of exchange of Confidential Information pursuant to this Contract/Agreement the Party which discloses (affiliated persons, members of the management, employees, advisors, investors, representatives (hereinafter referred to as “Representatives of the Disclosing Party”) that disclose) Confidential Information to the other Party;

**“Receiving Party”** means with respect to each case of exchange of Confidential Information pursuant to this Contract/Agreement the Party which receives (affiliated persons, members of the management, employees, advisors, investors, representatives (hereinafter referred to as “Representatives of the Receiving Party”) that receive) Confidential Information from the other Party;

**“Virtual data room (VDR)”** means a specially dedicated storage of electronic documents in the Rosneft information base “System of virtual data rooms” designed for information exchange, including Confidential Information, between Rosneft Oil Company, its affiliated persons and the users of the system;

**“Removable data storage device”** means a compact technical and electronic device, designed or having the possibility of transferring information from one computer to another without the use of communications channels provided by the local area network, independent long-term information storage device;

**“Information confidentiality”** means a mandatory obligation of the person who has received access to certain information to not transfer such information to third persons without the authorization of its owner [Federal Law dated 27.07.2006 № 149-Ф3 “Regarding information, information technologies and information protection”];

**“Confidential Information”** means any information under this Contract/Agreement that is disclosed in any form (including, but not limited to, in writing, orally, through the use of telephone, fax, e-mail, removable data storage devices, virtual data room) by the Disclosing Party and the Representatives of the Disclosing Party to the Receiving Party and the Representatives of the Receiving Party, except information that is publicly available with the consent of the Disclosing Party or according to its applicable legislation;

**“Disclosure of Confidential Information” (or depending on the situation “to disclose Confidential Information”)** means an action or lack of such, resulting in Confidential Information in any form (oral, written, other form, including by technical means) becoming known to third parties in violation of this Contract/Agreement;

**“Confidentiality Regime”** means legal, organizational, technical and other means that are used for protecting information that is considered confidential.

2.1 The Receiving Party undertakes not to disclose the Confidential Information, to use the Confidential Information solely within the scope of this Contract/Agreement, to fulfill its obligations under this Contract/Agreement, not to use the Confidential Information for any other purposes and/or to the detriment of the

Disclosing Party and to ensure that the Representatives of the Receiving Party do not use the Confidential Information for such purposes.

2.2 The Receiving Party undertakes to ensure the confidentiality of all Confidential Information and without the written consent of the Disclosing Party not to disclose it to any other persons, except for cases when the obligation of such disclosure by the Receiving Party is established by applicable legislation, court decision that has entered into force, regulations of stock exchanges applicable to the Receiving Party or at the request of the authorized government bodies and also in the course of a court or arbitration proceedings with the Disclosing Party. Information requested by valid enquiries of the authorized government bodies acting within their powers may be disclosed to them only in those cases when such obligation of disclosure is expressly established by applicable legislation.

2.3 Before disclosing the Confidential Information that is ought to be disclosed the Receiving Party, to the extent not prohibited by applicable legislation, shall provide the Disclosing Party with a prior written notice of such obligation indicating the provisions of the applicable legislation under which the Receiving Party is obliged to disclose the Confidential Information along with the terms and conditions of such disclosure.

In any case the Receiving Party shall disclose only that portion of Confidential Information that should be disclosed in order to comply with the provisions of the applicable legislation, court decisions of the applicable jurisdiction that have entered into force or valid inquiries of authorized government bodies. The Receiving Party should also take reasonable measures to negotiate with the Disclosing Party the scope of the disclosure, to the extent not prohibited by applicable legislation.

2.4 The Receiving Party undertakes to treat the Confidential Information as strictly confidential. Regardless of any other provisions of this Contract/Agreement, if persons who are not authorized by this Contract/Agreement receive access to the Confidential Information through the Receiving Party, Representatives of the Receiving Party or their computers or other automatic data processing devices such fact shall be considered as a violation of the obligation to maintain the confidentiality of the Confidential Information under this Contract/Agreement and the Receiving Party shall bear the responsibility in accordance with clause 5 of this article. – RN optional clause

*Application of above option is at Seller's sole discretion for each specific contract*

2.5. The Receiving Party agrees that in order for the information to be considered as Confidential Information for purposes of this Contract/Agreement and for the commencement of the Receiving Party's obligations under this Contract/Agreement, the Disclosing Party is not obliged to prove the commercial value, lack of legally based access of third parties to such information and regardless of whether the Disclosing Party has established a "commercial secret" regime in respect of such information in accordance with Federal Law No. 98-FZ dated 29.07.2004 "On Commercial secret" or other similar laws.

*Application of above option is at Seller's sole discretion for each specific contract*

2.6. The Receiving Party agrees that if under Russian or other applicable legislation the information included by this Contract/Agreement into the scope of Confidential Information is not protected or shall be granted a lesser level of protection than established herein, such fact shall not dismiss or diminish the Receiving Party's obligations under this Contract/Agreement.

3. The Receiving Party may disclose Confidential Information to Representatives of the Receiving Party without the Disclosing Party's prior written consent in amount necessary for fulfilling obligations under this Contract/Agreement and provided that the Receiving Party ensures confidentiality of the Confidential Information. The Receiving Party is responsible for actions or lack of such of its employees as well as Representatives of the Receiving Party and all persons to whom the Confidential Information was disclosed by the Receiving Party and whose actions led to the Disclosure of Confidential Information.

4. The transfer of Confidential Information shall be conducted alongside with the signing of an Act of delivery/acceptance (Appendix № ) by the Parties' authorized representatives. When the Confidential Information is being transferred by means of information systems the fact of transfer should be recorded in the information system's register according to its project documentation. The lack of an Act of delivery/acceptance or a record in the information system's register shall not exempt the Receiving Party from liability for breach of obligations under this Agreement in respect of maintaining the confidentiality of the Confidential Information received under this Contract/Agreement.

5. *Application of all below options is at Seller's sole discretion for each specific contract*

#### Option 1

In case of Disclosure of Confidential Information, its use in violation of provisions of this Contract/Agreement or other violations of this Contract/Agreement by the Receiving Party, the Receiving Party should indemnify the Disclosing Party in full for any damages caused by such disclosure and pay the amount equal to [ ] rubles for each breach of this Agreement and [ ] rubles for unauthorized use. At the same time damages shall be recovered in full alongside with the compensation (liquidated damages).

#### Option 2.1

In case of Disclosure of Confidential Information by the Receiving Party, other violations of this Contract/Agreement, the Receiving Party should indemnify the Receiving Party in full for any damages caused by such Disclosure.

#### Option 2.2

In case of Disclosure of Confidential Information by the Receiving Party, other violations of this Contract/Agreement, the Receiving Party should indemnify the Receiving Party for actual damages resulting from such Disclosure and excluding loss of profit.

#### Option 3

In case of Disclosure of Confidential Information by the Receiving Party, other violations of this Contract/Agreement, the Receiving Party should indemnify the



Receiving Party for actual damages (реальный ущерб) resulting from such Disclosure and excluding loss of profit.

**Appendix № 4 to Contract № \_\_\_\_\_**  
**ACT of delivery-acceptance**

**for documents containing confidential information**

We, the undersigned, on the one hand \_\_\_\_\_, represented by \_\_\_\_\_, acting on the basis of \_\_\_\_\_, on the other hand \_\_\_\_\_, represented by \_\_\_\_\_, acting on the basis of \_\_\_\_\_, have drawn up this Act to certify that \_\_\_\_\_ has transferred Confidential Information to \_\_\_\_\_, in accordance with concluded Contract No. \_\_\_\_\_ dated \_\_\_\_\_.

List of the transferred Confidential Information:

1. \_\_\_\_\_,
2. \_\_\_\_\_.

This information was transferred on paper, as well as on magnetic carrier (if necessary). The carriers of information are identified with a classification mark.

This Act is made in two copies.

\_\_\_\_\_ 20 \_\_\_\_\_  
(\_\_\_\_\_)

L.S. \_\_\_\_\_ (signature) \_\_\_\_\_ (full name)

**end of the form**

Approved as the form

**FOR AND ON BEHALF OF \_\_\_\_\_: FOR AND ON BEHALF OF \_\_\_\_\_:**

\_\_\_\_\_  
*(position or details of the power of attorney)*      *(position or details of the power of attorney)*

\_\_\_\_\_ **(Full name)**      \_\_\_\_\_ **(Full name)**

## Sanctions

1. The Parties agree that no sanctions, trade restrictions or other similar measures of any state or supranational organization shall terminate or amend any obligations of the Parties provided by this *Contract*.
2. The Seller or its affiliated persons are entitled to suspend the execution of any pertaining obligations in respect to the Buyer or its affiliated persons both under this *Contract* and any other agreements if:
  - (1) the Buyer or its affiliated persons fail to perform their obligations in respect to the Seller or any of its affiliated persons under this *Contract* or any other agreements and contracts with the Seller or its affiliated persons; or
  - (2) the Seller or its affiliated persons have reasonable cause to believe that the obligations stipulated in sub-clause (1) of clause 2 will not be performed due to measures described in clause 1 above.
3. Should the Buyer or any of its affiliated persons fail to perform any obligations under this *Contract* or any other agreements or contracts signed with the Seller or its affiliated persons due to measures described in clause 1 above, the Buyer shall transfer a compensation evaluated as:
  - *a fixed amount or a mechanism for its determination for each of the contracts or agreements.*

The Parties agree that such compensation is an indemnity against proprietary losses caused by the occurrence of certain measures described in the Contract in accordance to article 406.1 of the Russian Civil Code.
4. The Parties agree that despite anything to the contrary in this *Contract* or other agreements or contracts between the Parties and/or their affiliated persons, in situations described in clause 2 above, the Seller and its affiliated persons are entitled to (i) retain any funds, property or interest in property of the Buyer and its affiliated persons; and (ii) set off the value of the abovementioned funds, property or interest in property against the obligations of the Buyer and its affiliated persons stipulated in clauses 2 and 3 above.
5. Clauses 1-5 of this Section of the present *Contract* are governed by Russian law and shall prevail over any terms and conditions of this *Contract* or other agreements signed between the Parties and/or their affiliated persons. All disputes arising out of these clauses and related provisions of the *Contract* shall be referred to and finally resolved by The International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation.

Director of Crude and  
Oil products trading Department



D. Nyrkov