



**To the tender participants**

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**Ref.:** 06-63266

**Date:** 12.11.2020

**Dear Sirs,**

Rosneft Oil Company would like to hereby express its gratitude and invite you to take part in the tender for oil products produced by our refineries.

I kindly invite you to send your offer for Petrochemical Products and Liquefied Petroleum Gas in frames of tender lot **№ 06/1-439** under the conditions stated below, which can be also found on our websites <http://tender.rosneft.ru> and <http://tender.tektorg.ru>. For automatic reference of your price proposal when submitting your electronic bid I would like to ask you to state the number of tender lot.

The whole list of products with full brand and grades assortment together with quantity of the goods enlisted by producing refinery is enclosed in Attachment №2 to this letter. For informational purposes you can also use copies of refinery specs for actual previously produced products attached hereto. For electronic copies of all specs you can visit our website <https://www.rosneft.ru> and follow through the chapters there: «BUSINESS» -> «Sales of petrochemical products and LPG» or through direct link: [rosneft.com/business/Downstream/Sales\\_of\\_Petrochemical\\_products\\_and\\_LPG](https://rosneft.com/business/Downstream/Sales_of_Petrochemical_products_and_LPG)

One of the essential conditions of your participation in this tender for Petrochemical Products and Liquefied Petroleum Gas is our compliance (prequalification) procedure. In order to be able to participate in this tender you company has to have acting conformity certificate with our compliance procedure together with acting digital signature to be able to work through TEK-Torg platform. For a list of documents and procedure description required for acquisition of prequalification please refer to the Potential Buyers Pre-qualification in the Area of Hydrocarbons and Petroleum/Gas/Petrochemical Products Sales section of the website <http://tender.rosneft.ru>). For a list of documents and procedure description required for acquisition of digital signature at TEK-Torg platform please visit <http://tender.tektorg.ru> web-site.

**All basic and specific tender conditions are stated in Attachment №1 to this letter.**

In case you agree with all tender conditions (stated in Attachments №1 and №5 to this letter) I would like to invite you to apply your offer in frames of this tender not later than 14:00 Moscow time on the **18<sup>th</sup> of November, 2020** duly signed with official representative of your company and duly presented on official letterhead through JSC TEK-Torg platform in relevant Rosneft's module (<http://tender.tektorg.ru>) in section headed «Tender sales UVS» pursuant to the rules and conditions of JSC TEK-Torg electronic platform. Your bid shall contain the following information:

- your commitment and approval of all tender conditions with the wording as follows: «Hereby we fully understand and approve all tender conditions stated in this particular invitation»;
  - product name according to Attachment №2;
  - producing refinery name according to Attachment №2;
  - delivery basis according to tender conditions;
  - end destination station with all intermediate stations essentially involved into action;
  - volume of the product you require;
  - contractual tolerance applied;
  - delivery period;
  - pricing option for respective delivery basis according to conditions stated in this letter and Attachment №1 to it.
- In case formula pricing is applied:
- clear and explicit formula with definitive quotations;
  - definition of all formula parameters;
  - quotations coding (if applied);
  - precise name of information agency whose quotations are used for formula with direct internet link to the Agency's web-site;
  - formula and quotation currency;
  - discount/premium to formula with currency indication;
  - notwithstanding the formula or quotations used, your offer should contain the clause with minimum acceptable level of price your formula applied can never go under albeit any circumstances. Therewith such minimum acceptable price cannot be lower than 1 euro per ton (for any delivery basis). In case you don't state such clause in your offer or your minimum acceptable price is stated below the abovementioned limit, such minimum price level would be considered estimated at 1 euro per tonne (for any delivery basis) and would be used further in the Contract signed in frames of this particular tender;

In case fix pricing is applied:

- clear and explicit pricing proposal;
- clear statement of currency of price;

Attached hereto (Attachment №3) you will find a tender bid template and a thorough example of filling which is recommended by Rosneft Oil Company as an example of how you can correctly constitute and submit your pricing proposal respecting all tender conditions. In case you chose to use this template and submit your offer according to presented format with all the tables fulfilled it can guarantee correct and precise evaluation of your bid excluding possible discrepancies.

All your bids submitted later than specified in this letter, sent and applied to any other address or by any other means not stated in this invitation would not be considered in frames of this tender. Kindly pay attention to the form according to which your price proposal should be presented and take into account that correspondence with this form is also an integral part of the bidding process which provides us with opportunity to stay just and give a quick response to your price proposal.

You will be notified on tender results according to the following procedure:

You will be sent final notice on the results of this tender before 18:00 Moscow time on **the 30<sup>th</sup> of November, 2020**. However, Rosneft reserves the right to send you another proposal to make a bid with revised price information or any special details that require your attention. In this case the revised price proposal or any other information in frames of the enquiry should be provided to Rosneft Oil Company within the strict timeframes stipulated in that enquiry. Rosneft Oil Company reserves the right to issue an additional invitation to this tender with inquire for improvement of bid or stipulation of particular details. The number of such additional invitations is limited by one.

According to the results of assessment and acceptance of your new bid or additional information you are to be notified before 18:00 Moscow time on **the 30<sup>th</sup> of November, 2020**.

Your price proposal should be valid until the date stated above as the date of final notice on the results of this tender. In case your price proposal does not have an expiration date Rosneft would consider such offer irrevocable and valid until final notice on tender results is sent.

Enclosed herewith you would also find the draft of frame Contract for supply of goods and Addendums to this Contract (Attachment №5). Applying for this tender you securely confirm all its terms and conditions and express your intention to be considered

a party to the deal concluded according to conditions of this tender and Contract with the party who accepts your offer (The Seller). In case your offer is accepted by means of respective confirmation, your company becomes fully responsible for fulfilling all obligations under this frame Contract and Addendums to The Seller. The Contract with the winner of this tender would be signed on behalf of Rosneft Oil Company.

Should the winner of this tender refuse to conclude the deal by means of signing the Contract and/or Addendum or refuse to further fulfill the obligations under such Contract and/or Addendum based on results of the tender the Seller in its sole discretion will be entitled to charge the winner with 10% penalties of the whole volume agreed thereunder and/or penalties for nonsupply of the goods stated in the Contract (Attachment №5), terminate the Contract and/or Addendum and sell the goods under such Contract and/or Addendum subject to confirmation in frames of this tender at its own discretion with further charges arising herein against the winner. Applying for this tender you securely confirm this condition and guarantee penalty payment to The Seller in the amount stated above and full recovery of losses arising hereunder.

We draw your attention to the fact that in frames of Rosneft's policy towards reinforcement of performance discipline by the parties under the Contract the Company started its campaign for charging maximum penalties for non-performance from the 1st of January 2020. According to the new internal regulatory act in case the winner of this tender refuse to sign the Contract and/or Addendum or fail to fulfill the obligations under the Contract the Company reserves the right to suspend or deprive your company of pre-qualification for participation in tender procedures without possibility of restoration of such rights.

In case you became aware of any cases of corporate fraud or corruption at Rosneft Oil Company in whole or during the process of bidding you can use our Security Hotline. Privacy guaranteed.

Telephone for contact - 8(800)500-25-45 (24/7 – call is free).

E-mail for contact - [sec\\_hotline@rosneft.ru](mailto:sec_hotline@rosneft.ru)

Address for correspondence - post box 13 (noted – for Security Hotline), 3/9, Bolshaya Polyanka street, Moscow 119180.

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This tender invitation is issued and should be interpreted in accordance with Russian legislation in all its conditions and wordings.

All claims, disputes or discrepancies resulting from or based on this tender invitation should be resolved by the parties involved through direct negotiations. In case the parties fail to resolve the issue by means of negotiations, then any dispute arising out of this invitation shall finally be settled by the International Commercial Arbitration

Court at the Chamber of Commerce and Industry of Russian Federation in accordance with its Rules and material law of Russia. The decisions of the Court will be binding and final for the both parties. The Court should consist of three referees and take place in Moscow in Russian language.

The decision of the Court will be considered final and binding for the both parties. The Parties undertake to keep strictly confidential the contents of the arbitrage proceedings or award (save as may be necessary for the enforcement thereof).

This letter is an invitation to apply your offer, it should not be considered as an offer or invitation for the auction and under no circumstances shall entail any obligation for Rosneft Oil Company, including acceptance of all or any bids.

Rosneft is entitled to wave all and any bids in frames of this tender.

Looking forward to a long and effective cooperation with you.

**Basic conditions of the tender:**

Delivery period:	<b>December 2020</b> with further possibility of loading of transitory leftovers in <b>January 2021</b> at Seller's option
Delivery basis:	CPT/ Belorussian and/or Russian and/or others borders or port stations, and EXW, and FCA ( <b>except for deliveries to Ukraine and transit through Ukraine</b> ) at Buyer's option.
Pricing options:	Formula and/or fix price
Pricing period:	Average quotations and all formula parameters during the month of delivery, i.e. month of transfer of ownership under the Incoterms
Payment conditions:	100% prepayment
Volume tolerance:	0-100% at Seller's option

***Conditions rationale (additional clarification in concern to basic tender rules):***

- ❖ Basic delivery period under this tender is **December 2020**. Nevertheless Rosneft preserves the right to fulfill its obligations in the month following the month of delivery in case the Contract cannot be performed due objective circumstances;
- ❖ Due to accounting policy of the Company delivery basis DAF/DAP cannot be accepted in frames of this tender. You can use CPT delivery basis under the Incoterms instead. All the details are presented in the Contract attached hereto;
- ❖ The Buyer is obliged to provide a confirmed railway plan for transportation of the goods through the territory of foreign Countries not later than within 5 (five) banking days from the date of all contractual documents confirming the deal under this tender are mutual countersigned.

In case such confirmation not provided and the loading of the goods cannot be effected due to rejection of the plan or absence of confirmation from the addressee of the goods or any infrastructural (technological) constraints of border-crossing points the Seller reserves the right to terminate the obligations under the Contract and carries no responsibility for non-supply of the Goods in question.

In case you don't provide addressee's confirmation of the railway plan all possible documentary confirmed damages incurred by the Seller resulting from Buyer's breach of the contract including extra storage costs, penalties from railways, and railway cars demurrage etc. to be compensated at Buyer's account.

- ❖ When applying your bid in frames of this tender be sure that you specify the required rolling stock. You must specify the means of transportation: railtank car, containers etc. In case you don't provide the information on specific rolling stock Rosneft Oil Company would consider your price proposal valid for loadings in current RN-Trans rolling stock as is.

- ❖ For the purpose of correct and fast processing of your price proposal in concern to delivery basis and logistics applied we recommend (nonbinding condition) to provide additional information according to our requisite applications template in Attachment №4 (electronic sample of this Attachment is also provided along with this invitation);
- ❖ When applying your bid in frames of this tender on EXW basis with automobile logistics you confirm to be fully aware of all current regulatory restrictions imposed, including but not be limited to seasonal (flood) restrictions imposed on road traffic by local authorities, and be held responsible for upholding of all such restrictions;
- ❖ Preferential currency exchange of this tender is «Euro». All export Contracts state «Euro» payments as preferential. You have the right to place your bid for tender with payments in other currencies, but Rosneft reserves the right to decline such bids in frames of this tender;
- ❖ The volume to be allocated under the Contract or Addendum to the current Contract for final confirmation in frames of this lot is subject to 0-100% Sellers option, i.e. the Seller reserves the right to decrease the supply of volumes under the Contract by 100% without prior approval.

*Participants of this tender have the right to provide an offer with alternative volume tolerance. However in case you submit such offer your price proposal should contain 2 pricing options: basic tender option and alternative option with adjusted tolerance. In case you don't provide basic tender option your alternative offer would not be submitted. Oil Company Rosneft is entitled to consider such offers with alternative volume tolerance, but is not obliged to do so.*

- ❖ In frames of this tender Rosneft has an option to offer you a reserve Contract, which would be considered stand-by subject to further mutual confirmation by the parties in case the opportunity arise. You will have the opportunity to mutually confirm the deal upon the matter. Such Contracts in frames of this lot are subject to flat Sellers option (up to).
- ❖ In case not stated otherwise, amended or in the absence of any reference to basic conditions of this tender from the participant Rosneft reserves the right to consider your proposal “by default” accepting all such conditions and evaluate your bid taking these conditions accepted.
- ❖ Participants of this tender have the right to provide an offer with alternative basic conditions in concern to Delivery basis, Volume tolerance and Payment conditions not stated among basic conditions of this tender. Rosneft is entitled to consider such offers, but is not obliged to do so.

### ***Specific conditions of the tender:***

- ❖ Under conditions of this tender you can use formula pricing option for Petrochemical Products and Liquefied Petroleum Gas. In frames of this particular tender Rosneft applies additional conditions to quotations that participants can use to apply pricing proposal.
  - ✓ Your bid should contain valid internet links to the official web-site of the Agency who issues quotations you use in your formula;
  - ✓ Quotations which would be used as a base for price calculations must be published by an authorized information agency publicly available and known (Argus, Platt's, ICIS etc.), which can be used as benchmarks domestically in Russian Federation or on a world scale basis;
  - ✓ Quotations should be relevant to products presented in frames of this tender. You can either use direct quotations for the products in question or/and quotations for feedstocks directly involved into production of the goods in question or/and quotations for derivative products directly resulting from processing of the products under this tender or products, that can serve as direct substitutes to the products listed in this tender.

*Disclaimer: in case you use quotations for feedstocks and/or derivatives, Rosneft considers such quotations relevant to tender conditions only in case such feedstocks and/or derivatives are involved into first processing stage both for input feedstocks directly involved into production of the goods under this tender and for output products directly resulting from processing of the goods under this tender.*

Participants of this tender can apply bids with alternative conditions. Rosneft is entitled to consider such offers, but is not obliged to do so.



**List of Goods:**

Producer	Goods	Quantity, mt +/-40%	Static loading rate (applicable for dispatches in rail-tank cars /cisterns), mt	Delivery Basis
<b>Mozyr Refinery</b>	<b>PBT</b>	<b>500</b>	-	<b>CPT Belorussian and/or Russian and/or others borders or port stations, and EXW and FCA</b>
<b>The Contract with the winner of the tender is subject to signing on behalf of Rosneft Oil Company</b>				

## Tender bid template:

Refinery name	Product name	Delivery basis	Delivery station (end station)	Minimum quantity required	Volume under the bid	Contractual tolerance	Delivery period	Formula/Quotations (in case formula pricing is used) with currency in respect	Pricing period (in case formula pricing is used)	Discount/premium (with precise currency used) per ton	Fix price on delivery basis (in case fix pricing is used), (with precise currency used) per ton	Payment method	Comments/Misc
*	*		**	***	****								

\* Refinery name and product name including all details on grades and other parameters should be stated in full compliance with Attachment №2.

\*\* You should state not only border stations and transit stations but the destination station for the purpose of correct evaluation of transportation costs and responsibilities of forwarding agents under your proposal. In case your price proposal implies readdressing of the goods, you must state it in the misc conditions. Otherwise in case such unauthorized readdressing takes place, the Company reserves the right to deny such price proposals and charge such cases to the address of the Buyer albeit the Buyer responsible for such issue is subject to imposing most serious sanctions.

\*\*\* Once you have a strict restriction for the minimum quantity due to a minimal tanker parcel or other reasons please reflect this restriction on purpose in this table.

\*\*\*\* When submitting an offer for supply of products in rail-tank cars /cisterns please take into account the average Static loading rate specified in the relevant column of Attachment №2. The distribution of volumes resulting of tender procedure will be effected considering these data.

## Example of tender bid with formula pricing:

Refinery name	Product name	Delivery basis	Delivery station (end station)	Minimum quantity required	Volume under the bid	Contractual tolerance	Delivery period	Formula/Quotations with currency in respect	Pricing period	Discount/premium per ton	Fix price on delivery basis (with precise currency used) per ton	Payment method	Comments/Misc
RNPK	Technical Sulphuric acid 1st grade	CPT	Posin (destination station - Olaine) with delivery by Seller's RTCs	62,00	186,00	+/-20% Seller's option	August 2020 with further possibility of loading of transitory leftovers in September 2020 at Seller's option	mean of the mean quotations "Propane-Butane" under headings "Ukraine (DAF, \$/mt)" as published by "Argus Liquefied Gas and Condensate" during the calendar month	average quotations and all formula parameters during the month of delivery, i.e. month of transfer of ownership under the Incoterms	-24 euro	-	100% prepayment	The Buyer can only accept sulphuric acid with parameters complying with GOST

## Example of tender bid with fix pricing:

Refinery name	Product name	Delivery basis	Delivery station (end station)	Minimum quantity required	Volume under the bid	Contractual tolerance	Delivery period	Formula/Quotations with currency in respect	Pricing period	Discount/premium per ton	Fix price on delivery basis (with precise currency used) per ton	Payment method	Comments/Misc
RNPK	Technical Sulphuric acid 1st grade	CPT	Posin (destination station - Olaine) with delivery by Seller's RTCs	62,00	186,00	+/-20% Seller's option	August 2020 with further possibility of loading of transitory leftovers in September 2020 at Seller's option	Not used. Fix pricing	-	-	150 euro per ton	100% prepayment	-

График отгрузки

Наименование нефтепродукта:

Наименование производителя:

Количество нефтепродукта, тонн:

РЕКВИЗИТЫ ПЕРЕВОЗОЧНОГО  
ДОКУМЕНТА СМГС:

Графа 3.  
(Заявление отправителя)

Графа 4.  
(Получатель, почтовый адрес. Код  
получателя по ж/д)

Графа 5.  
(Станция назначения)

наим. и код ж/д

наименование станции и дороги назначения (70)

Графа 6.  
(Пограничные станции переход)

























Графа 22.  
(Перевозчики)

















наим. ж/д.

наименование выходной станции (30)

Графа 23.  
(Уплата провозных платежей)

Графа 25.  
(Информация, непредназначенная для  
Прочие отметки