

Annex 4  
to the Board of Directors Resolution  
of May 20, 2009 No.BD/09-1-04

**SHTOKMAN DEVELOPMENT AG CONTRACTS AND  
PROCUREMENT POLICY**

## **Contracts and Procurement Strategy**

Shtokman Development AG acknowledges that a sound contracts and procurement process is an essential factor of success to develop the Company. This is why this critical activity will be controlled through strict compliance with contracts and procurement procedures from bidding stage to close out.

## **Contract and Procurement Objectives**

Shtokman Development AG will develop contracts and purchase orders in a manner that is expected to obtain the lowest total evaluated costs, consistent with timely delivery schedules, changeover costs, after sales services, with due consideration to health, safety and environment, quality and added value.

Shtokman Development AG contracts shall be in line with Shtokman Development AG Policies.

## **Contracts and Procurement Control and Business Ethics**

Shtokman Development AG understands that the contract and procurement process is strongly linked to the project control process.

A reliable process with tracking of all steps will be implemented from bidder pre-selection to completion of contracts and purchase orders, and will be auditable and in full transparency. A complete set of procedures will be established accordingly.

The principle of splitting technical and commercial information and responsibilities shall be implemented.

No commercial or other information of confidential nature provided by a supplier will be allowed to be disclosed to other suppliers or competitors either before or after award of contract or purchase order.

Direct or implied recommendations will not be provided for any works, goods and services, to avoid giving undue advantage over competitors.

## **Contribution to Local Development**

Within a sound competitive environment, Shtokman Development AG will give the preference to Russian contractors and suppliers, or to foreign contractors and suppliers that have maximized the Russian content, provided that all other comparison criteria are equally evaluated.

Conscious of our responsibility on the development of the local industry, and adhering to the principle of mutually beneficial relationship, Shtokman Development AG will support and cooperate with technically qualified Russian

contractors and suppliers to enable them to develop skills and technologies to the service of the Russian offshore and LNG industries.

### **Responsibility and Accountability**

Effective responsibility and control will be defined, documented and appropriately applied to ensure that procedures are fully consistent with this policy and comply with the Shtokman Development AG management systems.