**Requirements to guarantors**

1. Requirements for warrantors and guarantors are set forth in order to establish a uniform approach to handling warranties and independent guarantees (including bank guarantees) by Rosatom State Corporation and its entities when engaged in procurement activities and intended to reduce financial risks of Rosatom State Corporation and its entities, including the risks related to advance payments and to encourage the participants of competitive bidding procedures and the contractors to apply greater diligence and to perform their contractual obligations properly.

1.1 Requirements for bank-guarantors providing financial security for the obligations of participants of competitive bidding procedures (bid security) and contractual obligations of Rosatom State Corporation and its entities.

1.1.1. In order to reduce financial risks Rosatom State Corporation and its organizations accept from participants of competitive bidding and counterparties bank guarantees issued by the Vnesheconombank and the banks that meet the following requirements (as part of available limits established for the banks by Rosatom State Corporation and applicable as of the date of receipt of the security of contractual obligations; check for available limits shall not be performed if the security for the application for participation in the procurement is received):

the bank shall have the license of the Central Bank of the Russian Federation (hereinafter - Bank of Russia) (in case if the bank guarantee is provided by the Russian Federation resident bank) or other authorized body (in case a bank guarantee is provided by a bank established under the law of a foreign state), allowing the issue of bank guarantees;

membership in the deposit insurance system (in case a bank guarantee is provided by a Russian Federation resident bank) (this shall not apply to banks which meet the requirements stated in item 2.1.7.3);

the amount of own funds (capital) exceeds or is equal to 5 billion rubles or their equivalent in foreign currency as of the last reporting date on the published statements; and such statements shall be published at www.cbr.ru (Form 123 and/or other accounting forms stipulated by the Bank of Russia) (for Russian Federation resident banks) (not applicable if a bank complies with the requirements of Paragraph 2.1.7.3.).

1.1.2. In addition to the requirements, indicated in item 1.1.1, non-resident banks must meet the following criteria:

a valid long-term credit rating in foreign currency given by an international credit rating agency (Standard&Poor’s, Moody’s Investors Service, Fitch Ratings): at least “B-” for Standard&Poor’s and Fitch Ratings and at least “B3” for Moody’s Investors Service. The said ratings must be valid and must not be “revoked” or “suspended”;

or

a bank shall be included in the top three banks of a country (according to an asset's value) of its residence.

The grounds for non-acceptance of the bank guarantee, complying with criteria, specified in item 1.1, are:

- sharp deterioration (by 30% and more) in the digital parameters of the bank’s activity (except for the financial result) in comparison with the result for the last reporting period;

- information about the bank infringing the mandatory norms of the Bank of Russia (in case the bank guarantee is issued by a bank with residence in the Russian Federation) or other authorized agency (in case the bank guarantee is issued by a bank without residence in the Russian Federation),

- absence of the bank’s statement for public access (Forms 101, 102, 123, 135 and/or other accounting forms), stipulated by the Bank of Russia for disclosure at the website www.cbr.ru – for resident banks of the Russian Federation which do not comply with the requirements of Paragraph 2.1.7.3).

 The bank guarantees issued by non-profit credit institutions and insurance companies are not accepted as a security, as well as those issued by the banks not complying with the requirements specified in this item. The validity period of any bank guarantee issued to secure a bid shall be at least equal to the validity period of such bid.

 The validity period of any bank guarantee issued to secure the performance of contractual obligations shall be as follows:

 as regards securing the advance repayment: for the period set forth for the fulfilment of obligations in respect of the sum of such advance payment, paid plus sixty (60) days;

 as regards securing the contract performance: for the period set forth for the fulfilment of obligations under the contract plus sixty (60) days;

 1.2. Requirements for legal entities providing financial security of performance of obligations of procurement participants (security of applications for participation in procurement) and contractual obligations of Rosatom State Corporation and its entities in the form of warranty and independent guarantee (excluding bank guarantee – hereinafter in the text of this clause).

 Warranty and independent guarantees shall be accepted from persons (legal entities, the state represented by public authorities, regions of the Russian Federation, municipal entities, etc.) with a credit rating not lower than the level of "AA(RU)" according to the national rating scale for the Russian Federation assigned by credit rating agency Analytical Credit Rating Agency (Joint Stock Company) and (or) not lower than the "ruAA" level according to the national rating scale for the Russian Federation assigned by credit rating agency Joint-Stock Company "Rating Agency Expert RA", and (or) that have a valid long-term credit rating in foreign or national currency given by an international credit rating agency (Standard & Poor’s (www.standardandpoors.com), Moody’s Investors Service (www.moodys.com) and (or) Fitch Ratings (www.fitchratings.com)) that is not lower than the sovereign credit rating of the Russian Federation given on an international scale by the same credit rating agency (Standard & Poor’s, Fitch Ratings, Moody’s Investors Service). The said rating must be valid and must not be “revoked” or “suspended”.

If a legal entity has ratings given by two or more credit rating agencies, the higher of such ratings given by one of the said credit rating agencies, shall count for the purposes hereof.

If a legal entity has different credit ratings in national and in foreign currency, the higher of such ratings given by one of the said credit rating agencies shall count for the purposes hereof.

The validity period of the warranty and independent guarantee must exceed the period of the principal obligation which it secures, by at least sixty (60) days.

Warranties and independent guarantees shall be accepted within available limits, established for the guarantors by Rosatom State Corporation and valid as of the date of the security.

In case the customer is a resident of the Russian Federation, then the participants of the procurement and counterparties who are not residents of the Russian Federation, shall provide as a security for contractual obligations for the return of the advance payments only warranties and independent guarantees from legal entities who are not residents of the Russian Federation, complying with the requirements of this clause.