

## **1. Terms of selection of the Counterparty for the Supply Agreement with the Supplier**

1.1. When choosing the Counterparties, the legal status, solvency and financial stability of the Counterparty are evaluated, as well as the reliability of the Counterparty and other indicators, precisely:

a) In order to achieve the commercial goals of the Delivery Agreements, the Counterparty must comply with the following requirements:

- the Counterparty has a central office as a single place for managing retail facilities, negotiating and making decisions;
- the Counterparty has a unified settlement account for settlements with the Supplier;
- solvency and financial stability, providing the ability to fulfill its obligations to pay for goods, which means the absence of arrears in the payment of obligatory payments, the absence of signs of bankruptcy, the presence at the time of application for the conclusion of the Supply Agreement and the possibility of regular replenishment of working capital, allowing to pay on time volumes of goods projected for delivery, lack of other signs of financial instability;
- an impeccable reputation in compliance with the anti-corruption legislation of the Russian Federation and the absence of facts of a significant or repeated violation of the law;
- . consent to compliance with the provisions of the World Health Organization's International Code for the Marketing of Breast-milk Substitutes, available at <http://www.nestle.ru/asset-library/documents/policies-and-instructions-nestle.pdf>, which is confirmed by the Counterparty.

b) The counterparty must be trustworthy. Reliability of the Counterparty is as follows:

- the Counterparty is not in the liquidation phase, there is no decision of the arbitration court to start any bankruptcy procedure (supervision, financial recovery, external management, bankruptcy proceedings);
- the activities of the Counterparty are not suspended in the manner prescribed by the Code of the Russian Federation on Administrative Offenses;
- the Counterparty has the right to sell (sell) goods in the territory of the Supplier's presence;
- there are no facts of non-performance or systematic improper performance by the Counterparty of its obligations to the Supplier, the partners of the Supplier or other participants in the civil turnover;
- there is no information on the systematic non-compliance by the Counterparty of the requirements of tax, antitrust, customs and other legislation;
- The counterparty is not in the registers of unscrupulous suppliers, which are maintained in accordance with Federal Law No. 44-FZ and Federal Law No. 223-FZ. To verify the reliability, publicly available sources are used (the website of the Federal Tax Service (section "Business Risks: Check Yourself and the Counterparty"), Counter Focus, arbitration court websites, FSSP enforcement proceedings database, FAS Russia website and other sources). If necessary, additional documents may be required from the Counterparty, confirming its reliability, if there is not enough information to conduct an audit from publicly available sources.

1.2. In order to conclude a Delivery Agreement with the Supplier, the potential Counterparty must submit the following documents:

a) For approval by the Trading Network as a Counterparty:

- certificate of registration of a legal entity (PSRN) (notarized copy or a copy certified by the Counterparty);
- the current charter with all amendments;
- protocol / decision on the appointment of the Director General;
- certificate of registration with the tax authorities of the Russian Federation as a taxpayer;
- bank details for settlements with the Supplier (including the full name of the bank, its address, current account number, correspondent account number and BIC);
- current licenses for certain types of activities (if applicable);
- certificate of absence of debt to the budget (original from the tax office, received no earlier than the last reporting date).

b) To verify the powers of representatives of the Counterparty, having the right to sign financial or other documents:

- order of the General Director on the appointment of the Chief Accountant;
- powers of attorney for all representatives of the Counterparty who will sign the contracts, annexes and / or additions to the contracts, as well as other primary documents related to the contracts (for example, acts, waybills, invoices).

Each page of these documents must be certified by the seal of the Counterparty and the signature (with mandatory decoding of the signature) of the General Director / person authorized to act on behalf of the Counterparty on the basis of a power of attorney, with a copy of such a power of attorney. Also, documents can be notarized. Documents are provided to the Supplier on paper.

## **2. Essential terms of the supply contract**

The delivery contract is concluded subject to agreement between the Counterparty and the Supplier of the following essential conditions:

- 2.1. Name, nomenclature (assortment) and quantity of goods to be delivered.  
The full range of products sold by the Supplier is presented in Appendix No. 1 to this Procedure. The specific list of goods to be delivered, as well as their quantity, is agreed by the parties in the Supply Agreement or in the manner established by it.
- 2.2. Delivery time of goods.  
The delivery time of goods is agreed by the parties in the Delivery Agreement and / or orders submitted within it, depending on the specific conditions of delivery of the goods, the distance of the Counterparty, the remaining shelf life of the goods, and other similar factors.
- 2.3. The procedure and deadline for payment of goods.  
The Counterparty pays for goods by bank transfer to the Supplier's account specified in the Delivery Agreement. Terms of payment are determined taking into account the provisions of paragraphs 1-3 hours. 7 Article. 9 of the Trade Act.
- 2.4. Order of delivery and acceptance of goods.  
Delivery of goods is carried out by the Supplier based on the orders of the Counterparty. The method of sending orders is agreed by the parties to the Delivery Agreement. Acceptance of goods by quantity, assortment and quality is carried out by the Counterparty in accordance with the procedure agreed by the parties in the Delivery Agreement. The parties may determine other material terms of the Supply Agreement in accordance with paragraph 1 of Article 432 of the Civil Code of the Russian Federation.

## **3. Information on the quality and safety of food supplies**

3.1. The quality of the goods delivered under the Contract for Supply meets the requirements of state standards or technical specifications, ensures the safety of life, health of consumers, environmental protection and meets the requirements adopted for the supply of relevant goods in the Russian Federation.

3.2. The supplier guarantees that the goods are authorized for sale on the territory of the Russian Federation, are not encumbered with the rights of third parties and / or do not violate the rights or legitimate interests of third parties, are not pledged, under arrest and have no other restrictions and legal claims.

3.3. The product is accompanied by the documents necessary for its implementation on the territory of the Russian Federation, drawn up in accordance with the current legislation of the Russian Federation. All the necessary information on the documents is contained in Appendix No. 1 to this Procedure.

#### **4. For trading and retail companies:**

Pursuant to the requirements of the Federal Law of December 28, 2009 No. 381-ФЗ "On the Basics of State Regulation of Trade Activities in the Russian Federation" (as amended on July 3, 2016) (hereinafter referred to as the "Trade Law") Trading House Energo (hereinafter referred to as the "Supplier") places the procedure for concluding food supply agreements with it (hereinafter referred to as the "Delivery Agreement") with business entities engaged in trading activities through the organization of trading network (hereinafter referred to as "Counterparty", "Trading network ") in as buyers

In accordance with the Law on Trading the Trading Network, an aggregate of two or more trading objects is recognized as legally owned by an economic entity or several economic entities that are part of the same group of persons in accordance with Federal Law No. 135-FZ of July 26, 2006 "On protection of competition ", or a combination of two or more trading objects that are used under a single commercial designation or other means of individualization.

The information presented is for informational purposes only and under no circumstances will it constitute a public offer determined by the provisions of Part 2 of Art. 437 of the Civil Code of the Russian Federation. The Supplier, at its discretion and without restrictions, may make changes to this document, as well as to the published range of products sold by the Supplier.