

## BERYLLIUM RAW MATERIALS PROCUREMENT PROCEDURE

This Procedure for Be Raw Material supplier selection (hereinafter referred to as – “Procedure”) is intended for Be Raw Material supplier selection at procurement according to special procedure on the base of Paragraph 4) Clause 1 Article 73 of the Fund Procurement Procedure by the National Welfare Fund Samruk-Kazyna JSC and legal entities, fifty or more percent of voting shares (participatory interests) of which directly or indirectly belong to Samruk-Kazyna JSC on the right of ownership or trust management (Appendix No. 3 to the Protocol of the in-person meeting of the Board of Directors of Samruk-Kazyna JSC dated March 03, 2022, No. 193).

This Procedure describes and regulates the Procedure for procurement of Beryllium raw material under the special procurement procedure.

The Chairman of the Negotiation Team and the members of the Negotiation Team shall be personally responsible for the fulfilment of the tasks assigned to the Negotiation Team.

2. The following documents shall be used to apply this Procedure:

2.1 Procedure for procurement by the National Welfare Fund Samruk-Kazyna Joint Stock Company and legal entities, fifty or more percent of voting shares (participatory interests) of which directly or indirectly belong to Samruk-Kazyna JSC on the right of ownership or trust management (Appendix No. 3 to the Minutes of the in-person meeting of the Board of Directors of Samruk-Kazyna JSC dated March 3, 2022 No. 193) (hereinafter – the Procedure of the Fund).

2.2 The Regulation for PQ Conduction of Potential TO, BO Suppliers Raw materials of UMP JSC (hereinafter referred to as the PQ Regulation).

4. The special procurement procedure shall be conducted among potential suppliers who are in the pool of potential suppliers that have passed the PQ in accordance with the PQ Regulation.

5. The special procurement procedure shall involve the following sequential activities:

5.1 Issuance of Requests for Quotations for the supply of Beryllium raw material.

5.2 Review of the received price (commercial) offers for the supply of Beryllium raw material by the Negotiation Team.

5.3. Conducting negotiations.

5.4 Determination of marketing price for Beryllium raw material.

5.5. Summarising the results of negotiations.

3. The following terms with respective definitions shall be used herein:

3.1 **Negotiation Team:** a permanent Negotiation Team, which is determined by the order of the Chairman of the Executive Board of UMP JSC.

3.2 **Prequalification, PQ:** the process of evaluation of potential suppliers for compliance with the qualification requirements defined in accordance with the Regulation for PQ Conduction of Potential TO, BO Raw materials Suppliers of UMP JSC.

3.3 **Requests:** official letters in the form of Appendix 1 to this Procedure sent by an employee of the division responsible for raw material procurement to potential suppliers who have passed the PQ to submit bids for Beryllium raw material supply.

4. The special procurement procedure shall be conducted among potential suppliers who are in the pool of potential suppliers that have passed the PQ in accordance with the PQ Regulation.

5. The special procurement procedure shall involve the following sequential activities:

5.1 Issuance of requests for quotations for the supply of Beryllium raw material.

5.2 Review of the received price (commercial) offers for the supply of Beryllium raw material by the Negotiation Team.

5.3. Conducting negotiations.

5.4 Determination of marketing price for Beryllium raw material.

5.5. Summarizing the results of negotiations.

An employee of the department responsible for raw material procurement, if there is a need for raw material, at least once a month sends requests for quotations for Beryllium raw material supply to potential suppliers who have passed the PQ.

If there is at least one submitted price (commercial) offer, the Negotiation Team shall consider such price (commercial) offer.

When considering the submitted price (commercial) offers, the Negotiation Team shall have the right to request additional information in order to clarify the information. In order to optimize the negotiation procedure, correspondence between UMP JSC and potential suppliers by e-mail is allowed.

Potential suppliers have the right to submit additional price (commercial) offers for price reduction, which may be submitted an unlimited number of times.

The negotiation team accepts final price (commercial) offers for review.

7. Determination of the marketing price for Beryllium raw material is carried out by the Negotiation Team on the basis of the price (marketing) offers received, taking into account the result of the calculation of the production cost of finished products.

The decision to accept the cost of raw material as the marketing price for each price (commercial) offer received is made by the Negotiation Team from the economic point of view in terms of price/quality ratio, taking into account the criteria defined in the Tables 3, 4.

8. For review by the Negotiation Team of the price (commercial) offer for the supply of Beryllium raw material, the potential supplier shall submit the following documents (in Russian or English).

8.1 Potential Suppliers being residents of the Republic of Kazakhstan shall send the documents according to the Table 1:

*Table 1. Documents required to be submitted by the residents of the Republic of Kazakhstan.*

	<b>Beryllium concentrates</b>	<b>Beryllium-containing materials (Beryllium-containing scraps, Beryllium-containing chips, Beryllium oxide), ceramic products from Beryllium oxide in the form of scrap</b>
1	<p>Price (commercial) offer (on the official letterhead) stating and confirming as below:</p> <ul style="list-style-type: none"> <li>- price per 1 kg BeO in the Raw Material;</li> <li>- BeO contained in the Raw Material (%);</li> <li>- specific activity in the Raw Material;</li> <li>- fineness of the concentrate</li> <li>- amount of the suggested Raw Material in net tons;</li> <li>- payment terms;</li> <li>- delivery terms: delivery basis, delivery term;</li> <li>- possibility to provide for free sample.</li> </ul>	<p>Price (commercial) offer (on the official letterhead) stating and confirming as below:</p> <ul style="list-style-type: none"> <li>- price per 1 kg of the Raw Material;</li> <li>- BeO contained in the Raw Material;</li> <li>- amount of the suggested Raw Material in kg Ta<sub>2</sub>O<sub>5</sub>;</li> <li>- payment terms;</li> <li>- delivery terms: delivery basis, delivery term;</li> <li>- possibility to provide free sample.</li> </ul>
2	<p>Technical specification for raw material together with a warranty obligation to provide the following documents that guarantee the quality of the goods:</p> <ul style="list-style-type: none"> <li>- Certificate, certificate, or similar document confirming the compliance of the material with the requirements for the effective specific activity of natural radionuclides;</li> <li>- The act (certificate) of radiation inspection confirming the absence of surface contamination (Beryllium raw material should not have radioactive contamination; near the surface of Beryllium raw material (at a distance of no more than 0.1 m) the value of the dose rate of gamma radiation from the radionuclides contained in it (minus the contribution natural radiation background) should not exceed 0.2 μSv/h, or on the surface of Beryllium raw material, the flux density of beta particles should not exceed 0.4 Bq/cm<sup>2</sup> and (or) 0.04 Bq/cm<sup>2</sup> of alpha particles (SERRS-2019 );</li> <li>- Quality certificate issued by an independent laboratory.</li> </ul>	<p>Technical specification for raw material together with a warranty obligation to provide the following documents that guarantee the quality of the goods:</p> <ul style="list-style-type: none"> <li>- Quality Certificate;</li> <li>- The act (certificate) of radiation inspection confirming the absence of surface contamination (Beryllium raw material should not have radioactive contamination; near the surface of Beryllium raw material (at a distance of no more than 0.1 m) the value of the dose rate of gamma radiation from the radionuclides contained in it (minus the contribution natural radiation background) should not exceed 0.2 μSv/h, or on the surface of Beryllium raw material, the flux density of beta particles should not exceed 0.4 Bq/cm<sup>2</sup> and (or) 0.04 Bq/cm<sup>2</sup> of alpha particles (SERRS - 2019 ).</li> </ul>

8.2. Potential suppliers registered as legal person according to the law of any country other than the Republic of Kazakhstan shall provide the documents according to the Table 2:

*Table 2. Documents required to be submitted by non-residents of the Republic of Kazakhstan.*

	<b>Beryllium concentrates</b>	<b>Beryllium-containing materials (Beryllium-containing scraps, Beryllium-containing chips, Beryllium oxide), ceramic products from Beryllium oxide in the form of scrap</b>
1	<p>Price (commercial) offer (on the official letterhead) stating and confirming as below:</p> <ul style="list-style-type: none"> <li>- price per 1 kg BeO in Raw Material;</li> <li>- BeO contained in Raw Material (%);</li> <li>- specific activity in the Raw Material;</li> <li>- fineness of the concentrate</li> <li>- amount of the suggested Raw Material in net tons;</li> <li>- payment terms;</li> <li>- delivery terms: delivery basis, delivery term;</li> <li>- possibility to provide for free sample.</li> </ul>	<p>Price (commercial) offer (on the official letterhead) stating and confirming as below:</p> <ul style="list-style-type: none"> <li>- price per 1 kg of the Raw Material;</li> <li>- BeO contained in the Raw Material;</li> <li>- amount of the suggested Raw Material in kg Ta2O5;</li> <li>- payment terms;</li> <li>- delivery terms: delivery basis, delivery term;</li> <li>- possibility to provide free sample.</li> </ul>
2	<p>Technical specification for raw material together with a warranty obligation to provide the following documents that guarantee the quality of the goods:</p> <ul style="list-style-type: none"> <li>- Certificate, certificate, or similar document confirming the compliance of the material with the requirements for the effective specific activity of natural radionuclides;</li> <li>- The act (certificate) of radiation inspection confirming the absence of surface contamination (Beryllium raw material should not have radioactive contamination; near the surface of Beryllium raw material (at a distance of no more than 0.1 m) the value of the dose rate of gamma radiation from the radionuclides contained in it (minus the contribution natural radiation background) should not exceed 0.2 <math>\mu\text{Sv/h}</math>, or on the surface of Beryllium raw material, the flux density of beta particles should not exceed 0.4 Bq/cm<sup>2</sup> and (or) 0.04 Bq/cm<sup>2</sup> of alpha particles (SERRS-2019);</li> <li>- Quality certificate issued by an independent laboratory.</li> </ul>	<p>Technical specification for raw material together with a warranty obligation to provide the following documents that guarantee the quality of the goods:</p> <ul style="list-style-type: none"> <li>- Quality Certificate;</li> <li>- The act (certificate) of radiation inspection confirming the absence of surface contamination (Beryllium raw material should not have radioactive contamination; near the surface of Beryllium raw material (at a distance of no more than 0.1 m) the value of the dose rate of gamma radiation from the radionuclides contained in it (minus the contribution natural radiation background) should not exceed 0.2 <math>\mu\text{Sv/h}</math>, or on the surface of Beryllium raw material, the flux density of beta particles should not exceed 0.4 Bq/cm<sup>2</sup> and (or) 0.04 Bq/cm<sup>2</sup> of alpha particles (SERRS -2019 ).</li> </ul>
3	<p>A letter confirming the absence of changes and the relevance of the data in the submitted documents in accordance with the PQ Regulations.</p>	<p>A letter confirming the absence of changes and the relevance of the data in the submitted documents in accordance with the PQ Regulations.</p>

9. Potential Suppliers shall submit their price (commercial) offers with the relevant documents attached to the e-mail address [tender@ulba.kz](mailto:tender@ulba.kz) within a period not exceeding

five working days from the date of the Request. Price (commercial) offers shall be protected with a password.

If potential suppliers submit price (commercial) offers after the deadline, these price (commercial) offers shall be considered by the Negotiation Team during the next meeting, which shall be organized not later than 1-2 business days from the date of receipt of such price (commercial) offers.

10. The Negotiation Team shall study the received price (commercial) offers taking into account the marketing price determined in accordance with clause 7 hereof and make a decision on the purchase of Beryllium raw material.

11. The decision to select a supplier shall be made by the Negotiation Team through open voting and shall be deemed adopted, if a majority of votes of the total number of the members of the Negotiation Team present at the meeting are cast in favour of it. In case of a tie vote, the decision voted in favour by the Chairman of the Negotiation Team or, in case of his absence, by the Deputy Chairman shall be deemed adopted.

12. In case a subsidiary of NAC Kazatomprom JSC (TH Kazakatom AG) participates in the Beryllium raw material procurement procedure, the price (commercial) offer of this company will have priority in case of equality of prices specified in the submitted price (commercial) offers and in case of equality of raw material quality.

13. The potential supplier, whose price (commercial) offer is accepted by the Negotiation Team, shall be sent a notice confirming the acceptance of the price (commercial) offer in the form of Appendix 3 hereto.

14. In case a supplier is excluded from the pool of potential suppliers due to evasion from signing the contract, as well as failure to fulfil its obligations under the contract, the renewal of such supplier's participation in the procurement of Beryllium raw material is possible, but not earlier than 12 months after the repeated passing of the PQ.

15. Procurement from the State Reserve Material is an exception to the Procedure for procurement of Beryllium raw material and is conducted not according to the rules of the procedure for procurement by the National Welfare Fund "Samruk-Kazyna" Joint Stock Company, but in accordance with the rules for the release of material assets from the State Reserve Material in the order of refreshing and dispersal.

16. The results of procurement under a special order shall be provided in the Plan of Procurement of Goods, Works, Services under a special order without the use of the web portal of procurement before the conclusion of the contract.

17. A contract with a potential supplier whose price (commercial) offer is recognized as compliant with the requirements of UMP JSC shall be concluded in accordance with the regulations of the Fund's Procedure.

*Table 3. Criteria to select suppliers of Beryllium Raw Material.*

## *Beryllium concentrates*

No.	Indicator	Requirements	
1	Mineralogical composition (base)	Beryl	Phenakite, bertrandite
2	Technical requirements	According to Customer specification	
3	Price	Calculated, taking into account the mass fraction of BeO (Be) and their cost in raw material.	
4	Business reputation	Lack of information about adverse experiences with this supplier	
5	Stock of raw material	Availability of stocks and the possibility of deliveries according to the schedule agreed by the parties.	
6	Capacity	Satisfying the annual/monthly needs of BO in raw material	
7	Delivery terms	DDP Ust-Kamenogorsk (for RK residents); DAP Ust-Kamenogorsk (for non-residents of RK).	
8	Form of ownership of the deposit	The best option is private property. Acceptable options are concession and lease.	
9	Payment terms	100% payment after acceptance of the material, subject to the conformity of the results of the incoming inspection.	
10	Finished products production cost calculation	The results of the finished products production cost calculation	

### Appendices:

- 1) Form of request for quotation – 1 page, in English.
- 2) Letter on absence of changes in the submitted documents and relevance of data – 1 page, in English.
- 3) Form of the document on acceptance of the Supplier's price (commercial) offer – 1 page, in English.

## Form of request for quotation

\_\_\_\_\_ No. \_\_\_\_\_

**Re: request for quotation**

**Attn.: Organizations and  
companies leaders**

Dear Sirs,

Due to the demand for \_\_\_\_\_ (*name of goods*), we kindly ask you to submit your quotation on the following terms:

Name and short description of goods, works or services	
Additional features	
Quantity	
Unit	
Delivery terms	
Place of delivery	
Payment terms	

If you are interested to take part in the negotiations, we kindly ask you to send the below documents to the email \_\_\_\_\_ the following documents (recommended in English or Russian) no later than 00.00 hours 00.00.202\_\_:

*Documents according to the list*

Based on the results of review of your quotation, personal negotiations will be held with you, the date of which will be informed additionally.

Enclosure: 1) Appendices according to the list

**Title of the Company Head** \_\_\_\_\_

Prepared by: \_\_\_\_\_

Tel.: \_\_\_\_\_



[On your Company's official letterhead]

**LETTER ON THE ABSENCE OF CHANGES IN THE SUBMITTED  
DOCUMENTS AND RELEVANCE OF DATA**

The \_\_\_\_\_ counterparty (supplier/contractor)  
\_\_\_\_\_ hereby notifies about the relevance  
and completeness of the information in the submitted documents provided as part  
of the prequalification dated \_\_\_\_\_ (*month to be indicated*) 20\_\_ and at the  
time of issuing this letter, and also confirms the relevance of information about  
shareholders/ultimate beneficiaries (participants).

Head of organization

[Full name, title, signature]

**Form of the document on acceptance of the supplier's price (commercial offer)**

\_\_\_\_\_ No. \_\_\_\_\_

**Procurement results notification**  
(specify the name of the Goods)

Attn.: Head of Organization

Dear Sir (Madame) \_\_\_\_\_,

The Negotiation Team of JSC UMP has decided to purchase \_\_\_\_\_ (*name of Beryllium raw material*) from the company \_\_\_\_\_, in accordance with the price (commercial) offer you submitted, under the following conditions:

Supplier	Delivery quotation	
	Quantity	
	Quality of Goods	
	Delivery basis (INCOTERMS 2010)	
	Payment terms	
	Delivery terms	
	Initial price	
	Price with discount	

Due to the urgent production need in the shortest possible time of delivery of \_\_\_\_\_ (*name of Beryllium raw material*), you are kindly requested to proceed to the delivery of the Goods before signing the contract.

For its part, UMP JSC guarantees the conclusion of the contract according to the regulations of the Procedure of procurement by the National Welfare Fund 'Samruk-Kazyna' Joint Stock Company and legal bodies, fifty and more percent of voting shares (participatory interest) of which directly or indirectly belong to Samruk-Kazyna JSC on the right of ownership or trust management, approved by the decision of the Board of Directors \_\_\_\_\_ (appendix to the Minutes of the Board of Directors No. \_\_\_\_\_).

We hope for understanding and further fruitful cooperation. Please send your reply to e-mail: [tender@ulba.kz](mailto:tender@ulba.kz).

**Title of the Company Head** \_\_\_\_\_

Prepared by: \_\_\_\_\_

Tel.: \_\_\_\_\_