

Appendix # 2
to the Bidding documents for an open tender
to select an auditor for the mandatory annual
audit of Transneft for 2017 and reviewing the
interim consolidated financial statements by
IFRS for Quarter 1 of 2018

DRAFT CONTRACT For audit services

Moscow

" ____ " _____

Transneft hereinafter referred to as the "Client", represented by

_____,

acting on the basis of _____, on the one hand and

_____, hereinafter referred to as the "Auditor"

represented by _____, on the other hand, jointly referred to as the
"Parties" have signed the contract below.

1. Subject Matter

1.1. The Auditor assumes obligations to provide the following services for the Client:

1.1.1. Audit of the Client's financial statements for the year under report, ending 31 December 2017, prepared according to the Russian Financial Reporting Standards (RFRS), with an interim stage of auditing the Client's financial statements as of 30 September 2017. The statements prepared according to RFRS shall be construed as statements stipulated by Federal Law #402-FZ "On Financial Reporting", dated 06 December 2011, or regulatory acts published in accordance therewith, as well as the statements similar in their content, stipulated by other federal laws or regulatory legal acts (hereinafter, the financial statements);

1.1.2. Audit of the Client's consolidated financial statements for the reporting year ending 31 December 2017, drawn by the International Financial Statements (hereinafter, the consolidated financial statements by IFRS);

1.1.3. Review of the Client's interim consolidated financial statements as of and for the reporting periods ending 30 June 2017, 30 September 2017, 31 March 2018, prepared according to IFRS 34 "Interim Financial Statements".

1.2. The Client undertakes to pay the Auditor's services on the terms of and in accordance with the procedure specified hereby.

2. Auditor's Obligations

The Auditor undertakes:

2.1. To audit the financial statements for the reporting period ending 31 December 2017, in accordance with Federal Law #307-FZ, dated 30 December 2008, "On Auditing Activities" (hereinafter, Federal Law #307-FZ), International Audit Standards adopted by the International Federation of Accountants and recognized according to the procedure established by the Russian Government (hereinafter, the International Audit Standards).

Auditing consolidated financial statements by IFRS for the year ending 31 December 2017 according to the International Audit Standards.

2.2. For the purposes of drafting consolidated financial statements by IFRS, Transneft Group (hereinafter, the Group) will be defined in accordance with International Accounting Standard (IAS) 27 “Consolidated and Separate Financial Statements”

2.3. To plan and perform the audit in such a way as to be positively assured that the financial statements and consolidated financial standards by IFRS do not contain any material distortions and the mistakes and discrepancies that can substantially affect the financial statements and consolidated financial statements by IFRS are discovered by the Auditor.

For the purposes hereof the term “audit” implies:

- a) checking financial statements, payment and settlement documents, tax returns and other financial commitments and obligations of the Client to establish the credibility of financial statements and compliance of business and financial operations performed by the Client with the Russian law;
- b) checking confirmations of the numerical data and explanations found in the financial statements; for all that, the procedure and volume of the sampling as well as the sampling risks are figured in accordance with the International Auditing Standards;
- c) checking the calculation of parameters, disclosure of information containing in the consolidated financial statements by IFRS, in accordance with the International Audit Standards;
- d) assessing the accounting policy adopted by the Client and the main calculations executed by the Client (including but not limited to the provisions for doubtful debts, future cash flows and the service life of the fixed assets);
- e) general assessment of the form of financial statements and consolidated financial statements by IFRS submittal by a legal entity;

2.4. Express on the basis of the audit performed:

2.4.1. The opinion about the credibility of financial statements, i.e. whether they verily, accurately and impartially reflects the assets, liabilities and results of the Client's business and financial activities, proceeding from Federal Law #402-FZ “On Financial Reporting”, dated 06 December 2011; Provisions for Financial Reporting and Financial Statements in the Russian Federation, endorsed by Order #34n of the Russian Ministry of Finance, dated 29 July 1998 and other applicable regulatory acts of the Russian Federation. The Auditor’s opinion about the credibility of the Client’s financial statements must be expressed in the auditor’s report which the Auditor undertakes to submit to the Client not later than 28 February 2018.

2.4.2. The opinion about the credibility of reflecting in the consolidated financial statements by IFRS of the Group’s financial standing in all material aspects, as of 31 December 2017, about the profit and loss account and other aggregate income, changes in the capital and cash flows for 2017. The Auditor’s opinion about the credibility of consolidated financial statements by IFRS must be expressed in the audit conclusion which the Auditor undertakes to submit to the Client not later than 30 March 2018.

2.5. Prepare on the basis of the submitted quarterly reviews:

2.5.1. Report on reviewing consolidated interim condensed financial statements by IFRS as of 30 June 2017, which the Auditor undertakes to submit not later than 28 August 2017.

2.5.2. Report on reviewing consolidated interim condensed financial statements by IFRS as of 30 September 2017, which the Auditor undertakes to submit not later than 30 November 2017.

2.5.3. Report on reviewing consolidated interim condensed financial statements by IFRS as of 31 March 2018, which the Auditor undertakes to submit not later than 30 May 2018.

For the purposes hereof the term “review” implies the checking of interim consolidated financial statements prepared in accordance with IFRS in such a manner as to obtain a limited level of confidence that the statements do not contain any material distortions. The term “limited level of confidence” implies that the Auditor cannot be fully confident in or guarantee the credibility of financial statements in all material aspects, but can confirm that no data has been discovered, which may give grounds to assume that the financial statements do not truthfully reflect the financial standing of the audited entity (in all materials aspects) in

accordance with the stipulations of the applicable law and/or standards.

2.6. Submit:

2.6.1. written information enjoined by the International Audit Standards: based on the results of the interim stage of auditing the Client's financial statements as of 30 September 2017 – not later than 18 December 2017.

Based on the results of auditing the Client's financial statements as of 31 December 2017 – not later than 28 February 2018;

2.6.2. audit opinions formalized with due regard for the International Audit Standards about credibility of the:

2.6.2.1. generalized balance sheet report and generalized report on the Client's financial results (hereinafter, the generalized financial statements prepared according to RFRS for the reporting year ending 31 December 2017 – not later than 28 February 2018;

2.6.2.2. generalized consolidated report on the Client's financial standing and generalized report on the Client's profit and loss account and other aggregate income, drawn up on the basis of consolidated financial statements prepared according to IRFS (hereinafter, the generalized consolidated financial statements) for the reporting year ending 31 December 2017 – not later than 30 March 2018.

2.7. The results of the audit must be formalized according to the requirements of the current Russian law, including:

2.7.1. The results of auditing the legal entity's financial statements are presented to the Client's management in the form of an audit opinion formalized in accordance with the International Audit Standards as well as written information (as hard and electronic copies).

2.7.2 The results of reviewing the interim consolidated financial statements drawn by IFRS are submitted by the Auditor to Client's management in the form of a report on reviewing the interim consolidated financial statements by IFRS according to the International Standard for Review of Financial Statements 2410 "Review of Interim Financial Information by the Independent Auditor".

2.7.3. The results of auditing the consolidated financial statements drawn by IFSR are submitted by the auditor to Client's management in the form of an audit opinion formalized with regard to the International Audit Standards.

The audit opinion about consolidated financial statements drawn by IFRS, reports about the review of interim consolidated financial statements by IFRS must be drawn up in English and Russian. The audit opinion on financial statements by RFRS must be drawn up in English and Russian. The audit conclusion about the financial statements drawn by RFRS must be made up in Russian and, upon the Client's request, shall be also submitted to the Client in English.

2.8. Not later than 30 days before the date of commencement of the services information about the planned times of commencement of services shall be submitted to the Client in writing along with a written preliminary list of the information and analytic materials required for providing the services. In the cause of the audit the preliminary list specified can be supplemented and/or altered by the Parties.

2.9. Report to the Client on substantial corrections of financial statements and consolidated financial statements by IFRS not later than 5 days before the time of submitting the final versions of the documents indicated in the first paragraph of clause 3.1 hereof.

2.10. In planning and auditing the financial statements the Auditor shall examine the state of the Client's internal control, but solely for the purpose of expressing an opinion about credibility of the Client's financial statements. This examination does not allow the Auditor to express confidence in the effectiveness of internal control over the financial statements. In the meantime, the Auditor shall inform the Client in writing about any substantial shortcomings in the internal control of forming the financial statements, which the Auditor shall discover in the process of auditing the financial statements. None of these reports or other documents can be handed over by the Client to a third party, given clause 5.3 without the Auditor's preliminary written consent.

The Auditor's consent with the given request of the Client can be given solely proceeding from the understanding that the given report or other document is not meant to be used by anybody save for the Client.

2.11. The Parties agree that to the extent that the work of rendering the services implies construing the laws of the tax, foreign exchange, customs and corporate laws and/or other laws, the Auditor shall proceed from the interpretation of the applicable law developed with consideration for the law enforcement practice existing at the time of audit opinion submittal, including the decisions of higher judicial authorities, instructions, and recommendations of the respective government bodies.

2.12. When rendering the services hereunder, the Auditor undertakes to ensure the confidentiality and security of processed personnel data on the Client's employees and other staff as per the effective laws of the Russian Federation.

The Auditor indemnifies the Client for the possible losses incurred in case of the Auditor's default on the obligations specified in this clause.

2.13. The Auditor presented to the Client information using the form of Appendix #1 hereto (the filling sample is posted in the Internet at <http://www.transneft.ru/customers/237/>) about the chain of the Auditor's owners and beneficiaries (including beneficial end owners, private individuals) as well as people in the Auditor's executive bodies, with the attachment of documents confirming the given information. The Auditor undertakes to submit to the Client any changes in the earlier provided information about the owners, beneficiaries, and members of the Auditor's executive bodies, with confirming documents attached, using the form of Appendix #1 hereto not later than 3 days since the date, when the given changes took place, or from the time of signing the Contract.

If any margins in the form of Appendix #1 hereto (except the "Number and Date of Contract" field) are not filled with the respective data, information is thought to be unduly presented.

Unless the said information and documents are duly presented to the Client, the latter has the right to unilaterally refuse the contract execution without reimbursing the Auditor for loss in case a notification is forwarded ten (10) days before such refusal; upon their expiration, the contract is deemed to be cancelled. For all that, everything executed as per the contract is liable to return is the counter condition stipulated by the contract cannot be fulfilled in view of the contract termination, or at least the cost is to be reimbursed.

The Auditor agrees to disclosure by the Client of the information submitted by the Auditor using the form of Appendix #1 hereto, including the personal data contained therein by way of its submittal to government agencies (Federal Tax Service, ROSFINMONITORING, Energy Ministry) as well as to Transneft Finance keeping the Client's books and to Transneft Technologies, Svyaztransneft and CROC INCORPORATED CJSC ensuring the operation (administration) of the Client's information systems, and grant the right to the Client to transfer the given information and confirming documents to specified bodies and companies. The auditor, submitting information to the Client using the form of Appendix #1 hereto, undertakes to execute all the legislative requirements regarding personal data protection. The Auditor assures that the Auditor has received (or will receive) the essential consents from the subjects of personal data with their disclosure to persons and entities indicated in the present clause as well as with their storage, systematization, amassing, specification (renewal, change), extraction, use, depersonalization, transfer (distribution, submittal, access), blocking, deletion, elimination and processing in information systems and/or without their use by persons or entities specified. The terms laid out in this clause are material (substantial).

2.14.¹ The contract execution can be ensured by the Auditor by providing the bank guarantee issued by a bank and conforming to the requirements of Article 45 of Federal Law #44-FZ, dated 05 April 2013 "On Contractual System in the Procurement of Goods, Works and Services for State and Municipal Needs" or by entering the funds to the Client's account. The method of

¹ The clause shall be applied, whenever the Auditor must provide security of the contract execution in the amount of advance payments at all stages of the contract, as per the terms of the bidding documents

ensuring the contract execution is independently determined by the Auditor. The term of the bank guarantee must exceed the term of contract at least by one month.

3. Client's obligations

The Client undertakes:

3.1. Informing the Auditor about the time of reflecting in the financial statements of all the transactions of the reporting year and prepare financial statements for the audit not later than 30 January 2018. The final version of financial statements must be submitted to the Auditor not later than 20 February 2018 and consolidated financial statements by IFRS – not later than 13 March 2018.

Prepare the final version of consolidated financial statements by IFRS for the specified periods for review, within the dates given below:

The period ending on	The submittal date (not later)
30 June 2017	22 August 2017
30 September 2017	23 November 2017
31 March 2018	22 May 2018

3.2. Assisting the Auditor in getting oral or written information from the Group's subsidiaries that may substantially affect the Group's performance.

The influence of the Group's subsidiaries upon the Group's performance shall be deemed substantial or material if their assets, equity, liabilities, proceeds, operating margin or profit for the reporting period exceed 5% of respective parameters in the Client's consolidated financial statements by IFRS.

3.3. Submit to the Auditor the essential accounting data and other essential information in relation to the Client and the Group's companies at the Client's disposal within the period of time, in the form and volume agreed upon with the Auditor.

3.4. The Client has the right to publish and submit the audit opinion or report on the review with financial statements to third persons (including but not limited to shareholders, Board members, banks and business partners of the Client) without the Auditor's permission and/or without notifying the Auditor, provided the document integrity is preserved, i.e. without entering amendments or abbreviations (cuts) to the text of the audit opinion or report on the review and with attachment to the opinion or report on the review of the full set of the Client's financial statements, relative to which the audit or review were made. The Client does not have the right to include the audit opinion, report on the review and other information provided by the Auditor in the result of rendering services on the Contract in the document related to the placement of securities without getting the Auditor's written permit or consent. The Client signs a separate contract with the Auditor for obtaining the Auditor's conclusion specifically for the purpose of placing securities.

3.5. Other results in the form of written information, auditor's corrections which the Auditor shall submit or can submit in view of rendering the services – are meant solely for the use of the Client and the Client's Board of Directors. The Client undertakes to refrain from disclosure to third parties not named in this clause and clause 5.3 the contents of these documents, neither quote them nor refer to them without the Auditor's prior written consent. The said restriction does not apply to cases of presenting other results to the government bodies following their motivated requests as well as to judicial bodies.

3.6. The Client shall not take any measures to narrow the range of matters to be clarified in the course of the audit.

3.7. The Client shall submit to the Auditor information regarding the circumstances which in the nearest time shall lead to or may result in legal proceedings with the Client's involvement as well as the information about the assumed result of these proceedings.

3.8. The Client must forward on its behalf a presentation letter signed by people responsible for drafting the statements (the letter specimen provided by the Auditor), confirming the fullness of accounting records, explanations relative to different circumstances that took place during the year under report and after the end of the reporting year as well as all other important events that could influence the correctness and fullness of accounting records and statements.

3.9. The Client confirms taking all the essential actions to assure the rights of people whose personal data the Auditor may access in the process of rendering the services, including:

(a) notifying the said persons about the purposes and grounds for their data processing, surmised users of the data, their personal data processing by the Auditor and obtaining their consent with such processing;

(b) submitting to said persons of information about the Auditor as an operator processing their personal data. The Client guarantees having the right to pass personal data to the Auditor and the latter having the right to process the personal data obtained from the Client. The Client will reimburse the Auditor for all losses and outlay incurred in connection with the Client's non-fulfillment of its obligations specified in the present clause.

3.10.² The Client must ensure the return of the funds entered as a security of the Contract's execution if this form of the Contract execution was used by the Auditor, during twenty (20) business days since the date of signing by the Parties of the Act of services rendered for the last stage specified by Clause 6.2 hereof.

4. Auditor's Rights

The Auditor has the right:

4.1. To independently determine the forms and methods of rendering the services and at its own discretion select specialists for rendering the services. For all that, the forms and methods of rendering the services may not contradict the forms and methods of audits established by the International Audit Standards, the Contract and the current Russian laws.

4.2. Check the documents selected by the Auditor, in full volume, regarding the Client's financial and business activities, funds, securities, material values, property and non-property rights, obtain complete and detailed answers to all questions set in the course of the work, including written explanations of the Client's management on all matters and additional information required for the work.

4.3. Receive, on the written request through the Client, information from third parties, essential for executing the contractual works.

4.4. The Auditor may contact the Client and the Client may contact the Auditor by email if this mode of communication is preferred by a person authorized by the Client and if the Parties agreeing to this mode of communication realize that this way of transmitting information is fraught with respective risks that do not depend on the Parties (including the risk of information interception or unauthorized access to communication channels, possible interruptions, penetration of computer viruses or using other damaging software). In case the Parties choose the communication method by email they shall conduct requisite procedures to minimize the risks specified.

4.5. Subcontract third parties/persons for assisting the Auditor in providing services specified herein (if they are not the Auditor's representatives), obtaining a prior written consent of the Client. In case of subcontracting third persons, as part of this clause, their work shall be deemed

² This clause shall be applied, whenever the Auditor is obliged to provide security of the contract execution as per the terms of the bidding documents in the amount of advance payments for all stages of the Contract

part of the services in everything regarding the Contract, without increasing its cost. The Auditor bears responsibility for nonfulfillment or undue fulfillment of the obligation by third parties/persons involved by the Auditor as part hereof.

4.6. Copy and store the Client's documentation in the amount required for rendering the services specified herein and taking into account the requirements of Clause 2.6 of the Information Confidentiality Agreement (Appendix #3).

4.7. The Auditor retains copyright and all other intellectual property rights to the product obtained as a result of providing the Services in both the oral and material form as well as the right of ownership to the Auditor's working materials. The Client obtains the right of ownership to any product of the Services in a material form after paying the cost of the Services relative to such a product. For the purposes of providing the Services to the Client or other clients the Auditor and other representatives of the Auditor have the right to use and study any knowledge, experience and general professional skills gained in the process of rendering the services, and exchange them between themselves. For the purposes hereof, the Auditor's representative is a negotiating party involving the Auditor, its shareholders, directors, employees and agents, depending on the circumstances, both in their totality and each one of them in particular as well as any other body or person controlled by the Auditor or associated with the Auditor as well as all and each of its shareholders, directors, employees and agents, i.e. the Auditor's Representative means any of the persons specified.

5. Client's Rights

The Client has the right:

5.1. To obtain from the Auditor the information about legislative requirements and rules (standards) regarding the work conduct, rules and obligations of the Parties as well as statutory acts and rules (standards) that form the basis of the Auditor's requests, notes, and conclusions.

5.2. To check safe-keeping by the Auditor of the documents obtained and drawn in the course of providing the services and non-disclosure of their content without the Client's consent with the exception of cases stipulated by the Russian laws.

5.3. The Client has the right to transfer any of the Auditor's reports (opinions) to Transneft Finance without obtaining the Auditor's consent.

6. The Cost of Contractual Services and Payment Procedure.

6.1. The cost of Services as per the Contract shall be _____ Russian rubles. The cost of services does not include VAT that will be paid additionally in accordance with requirements of the relevant Russian laws. The payment of services shall be made in rubles. The Client shall pay to the Auditor fifty (50) per cent of each stage's cost upfront.

6.2. The Client shall pay the cost of services specified in Clause 6.1 hereof, on each stage of the Calendar plan given in Appendix #2 being an integral part hereof, based on the Auditor's bills that shall be invoiced within the following periods of time:

##	Periods of time for billing payment invoices	Price for the services, Russian rubles (less VAT)	Stages of paying remuneration for the services
1.			Upfront money for the 1st stage
2.	Date of the rendered services' act		Final settlement for the 1st stage
3.			Upfront money for the 2nd and 3d stages
4.	Date of the rendered services' act		Final settlement for the 2nd and 3d stages
5.			Upfront money for the 4th stage
6.	Date of the rendered		Final settlement for the 4th stage

	services' act		
7.			Upfront money for the 5th stage
8.	Date of the rendered services' act		Final settlement for the 5th stage
9.			Upfront money for the 6th stage
10.	Date of the rendered services' act		Final settlement for the 6th stage
	Total:		

Upfront money shall be transferred by the Client pursuant to the billed invoices during 10 banking days since the date of the Client's receipt of the invoice.

The bills of final settlement for the stage shall be paid by the Client as per the bills invoiced during 10 banking days since the date of the Client's receipt of the invoice. The bills of final settlement for a given stage shall be paid by both Parties after they sign the Act of rendered services and forward invoices on a respective stage of rendering the services.

6.3. The Client's obligation to pay the bills shall be deemed executed from the time the money is written off the Client's settlement account, which is confirmed by an excerpt from the Client's account, which shall be provided during 3 banking days to the Auditor on its written demand.

6.4. In accordance with the procedure established by the relevant Russian laws, after obtaining the upfront payment as per the Contract, the Auditor bills an invoice. The invoice must be transferred to the Client within the time stipulated by the tax law of Russia for billing invoices. Not later than five (5) days from the date of rendering services on each stage hereof, the Auditor must submit a respective invoice to the Client.

6.5. Prior to expiry of the term of the Contract the Auditor must formalize and forward to the Client reconciliation statements for the Contract as per 31 October 2017, 31 December 2017, 31 March 2018 – not later than the 15th of every month following the month of drawing a respective reconciliatory statement.

Upon the Contract expiration, the reconciliatory act is forwarded by the Auditor to the Client during 10 calendar days after the date of fulfilling all contractual obligations. During 10 calendar days after the date of obtaining reconciliatory statements the Client must sign reconciliatory acts, affix them with a corporate seal and forward them to the Auditor.

7. Liability

7.1. The Parties are accountable with their property for nonfulfillment or undue fulfillment of their contractual obligations, in accordance with the current Russian laws and contractual terms. Any civil-legal liability of the Parties as per the Contract (including all changes and addenda thereto) in no circumstances can exceed the double cost of services hereunder, or the sums of real damage, depending on which of these sums is smaller. The given restriction of civil liability is applicable as long as it does not contradict the Russian laws.

7.2. The Auditor shall not bear any responsibility for the fullness and credibility of the information provided by the Client for the purposes of rendering the services. It is the Client who bears responsibility for the fullness and credibility of the information provided by the Client for purposes of the work.

7.3. The Client bears responsibility for preparation of financial statements and for all information presented therein. The Client is also responsible for safekeeping of the Client's assets, embracing a justified accounting policy as well as the organization and maintaining the financial accounting and internal control system allowing to assure the credibility of financial statements and the lack of possible mistakes and violations which are material for the given financial statements.

7.4. The Client shall bear responsibility for entering corrections to financial statements with the purpose of removing material distortions as well as for confirmation in the presentation letter forwarded to the Auditor the fact that the failure to correct any distortions detected by the Auditor in the course of execution of the works as per the Contract and pertaining to the last reporting period does not have any material impact, either separately or in totality, on the financial statements viewed as a single whole, relative to which an audit opinion or report on the review is provided.

7.5. The Parties are exonerated from liability if their default on their obligations hereunder was caused by Acts of God or force majeure, including natural disasters (such as hurricanes, tornados, landslides, storms, fires, floods, earthquakes, and other calamities), revolutions, uprisings, military action, blockades, strikes, and lockouts.

7.6. The Party exposed to force majeure circumstances must immediately notify the other Party about the occurrence, type and possible duration of the given circumstances. The given notification must be confirmed by the Russian Chamber of Commerce and Industry.

7.7. Unless this notification is forwarded during 14 business days since the occurrence of the force majeure circumstances specified in Clause 7.5 hereof, the Party exposed to force majeure circumstances is deprived of the right to refer to the as its justification, except in case that very circumstance eliminated the very possibility of forwarding such notification.

7.8. Force majeure circumstances specified in clause 7.5 hereof, provided the requirements of clauses 7.6 and 7.7 hereof are respected, extends the time of fulfilling obligations as per the Contract by the period that generally coincides with the time of force majeure duration.

7.9. If force majeure circumstances exist more than four months, each of the Parties shall have the right to cancel the Contract fully and partly, in which case neither of the Parties shall have the right to claim possible losses from the other Party.

7.10. Provided the Auditor executes its contractual obligations, the Auditor has the right to claim a penalty from the Client in case of late payment in the amount of 0.1% of the amount for every day of delinquency, but not more than 10% of the sum of the respective account.

7.11. The Auditor does not bear any liability for violating the time of submitting the auditor's report within the times specified in Clause 2.4 hereof if they result from the Client's default on its obligations as per the Contract, indicated in Section 3.

7.12. If the Client executes the obligations specified in Section 3 hereof the Client has the right to claim a forfeit from the Auditor for violating the deadlines of providing the services as per the Contract, in the amount of 0.1% of the cost of overdue services for every day of delinquency, but not more than 10% of the cost of services.

8. Contract Termination

8.1. The Client, using a unilateral extra-judicial procedure, has the right to give up on the execution of the Contract, notifying the Auditor not later than 15 calendar days before the cancelation date.

8.2. The Client can unilaterally, using an extra-judicial procedure, to refuse the execution of the Contract, provided the Auditor is actually reimbursed for its expenditures.

8.3. In case of any changes applicable to legislative Services, regulatory statutory acts, whereby the Auditor is obliged to stop rendering the services hereunder, the Auditor has the right to unilaterally refuse the execution hereof, notifying the Client in writing not later than 30 calendar days prior to the date of the Contract termination, unless other term is stipulated by the law, regulatory and legal acts.

8.4. The Contract shall be thought to be executed and no longer operative after the Parties execute mutual obligations, agree and accomplish final settlements between the Parties as per the Contract.

8.5. Based on the results of the Auditor executing its obligations as per the Contract, the Act of rendered services is drawn up and signed by authorized representatives of the Parties; it contains information about the services rendered in conclusions and reports, about the final

cost of services as per the Contract as well as other information as agreed upon by the Parties.

For all that, each stage envisaged in the Calendar plan represents a self-contained range of services, whose rendering is confirmed by the act of rendered services on a respective stage, signed by authorized representatives of the Client and Auditor.

8.6. All originals of the Client's documents, including materials both as hard and electronic copies, submitted to the Auditor in accordance with the present Contract, are the Client's possession, liable to be returned by the Auditor upon the completion of works hereunder.

8.7. In case the execution is impossible through Client's fault, the Tenant's services are liable to payment in full volume. Whenever the impossibility of rendering the services as per the Contract was caused by circumstances for which neither of the Parties is responsible with the exception of force majeure circumstances stipulated by Clause 7.5 hereof the Client reimburses the Auditor for the actual expenditures.

9. Dispute Settlement

9.1. In case of any dispute arising between the Parties relative to the Contract interpretation, action or execution, the Parties shall take all reasonable measures for settling of this dispute by way of forwarding written demands (claims), with the response deadline coming to two (2) months after their receipt.

9.2. All the disputes which may arise between the Parties hereto, unless they are solved in a pretrial procedure, are liable to be heard by the Moscow Arbitrage in keeping with the Russian laws.

10. Confidentiality

10.1. The Parties must keep in confidence the information and documents received in the course of services rendering hereunder both during the entire term of the Contract and during the following five years after its termination.

10.2. The list of confidential information, the terms and procedure of its transfer, safeguarding and use is determined by the Information Confidentiality Agreement and is an integral part hereof (Appendix #3) signed between the Parties and being an integral part hereof.

10.3. The Parties shall take necessary measures to prevent divulging of the contents of the documents, information and/or acquaintance with them by third parties without the written consent therewith by each of the parties. Only authorized representatives of the Parties can be introduced to the documents transferred in the course of the Contract execution.

10.4. In case of breaching clauses 10.1-10.3 of the Contract the Party at fault bears responsibility in keeping with the terms of the Contract.

11. Concluding Provisions

11.1. The Contract implies full understanding by the Parties of the Contract subject. Any changes, supplements and addenda to the Contract are valid if they are executed in writing and signed by representatives of each Party.

11.2. Neither of the Parties has the right to assign their rights and obligations as per the Contract, or their part, to a third person without a prior written consent of the other Party with the exception of cases whereby the Auditor subcontracts third parties for assisting the Auditor in rendering the services as per the contract in accordance with the procedure specified in Clause 4.5 hereof.

11.3. All notices, requests, approvals, and other documents having legal significance for the relations of the Parties hereto must be written in Russian and delivered or forwarded to a respective Party to the address indicated below (or to another address which subsequently can be indicated for the other Party in writing). All the notifications and correspondence are delivered personally by courier or fax and come into force since the moment of their receipt by the Party.

Client's address:

Auditor's address:

11.4. Invalidity of one or several terms (parts) of the Contract, with the exception of material ones, does not entail invalidity of its other terms (parts)

11.5. The law of the Russian Federation shall be deemed the applicable law for the Contract.

11.6. The Contract is drawn in two copies in Russia, one for each of the Parties. If the text of the Contract is translated into any other language the Russian text and the Contract shall have the undisputed priority.

Client _____
L.S.

Auditor _____
L.S.

Appendix #1
To Contract for Services
__ dated _____, 2017

The form for submitting information about the chain of
counterparty's owners, including beneficiaries (including
beneficial owners – individuals)
as well as the Auditor's executives³

Auditor's name, INN, type of activity						Contract (details, subject, price, period of validity and other material terms)				##	Information about the Auditor's chains of owners, including beneficiaries (beneficial owners – individuals)						Data about the composition of executive bodies		
INN	OGRN	Comp. name	OKVD Code	CEO name	CEO ID card	# and date	Subject	Price (RUB mln) less VAT	Term	Other mat. terms	INN	OGRN	Name	Legal address	ID Card (for	CEO/shareholder/owner	Confirming documents		

Hereby confirmed is the consent of personal data subjects contained in the present document with their disclosure by way of submittal to the Client as well as by the latter – to public authorities.

_____ (position of the Auditor's chief executive)

_____ «__» _____ 2017
(Name) (L.S.) (signature)

_____ «__» _____ 2017
(Name) (L.S.) (signature)

_____ «__» _____ 2017
(Name) (L.S.) (signature)

³ Highlighting changes in the earlier submitted information: added text – with a bold font, deleted text – with crossing. If some fields in the table are not filled with respective information this information is thought to be unduly presented.

CALENDAR PLAN OF RENDERING THE SERVICES

Stage #	Name	Services rendering end time	Cost of services exclusive of VAT, rub.
1.	Reviewing interim consolidated financial statements by IFRS as of 30 June 2017	26 August 2017	
2.	Conducting the interim stage of auditing the Client's financial statements as of 30 September 2017	19 December 2017	
3.	Reviewing the interim consolidated financial statements by IFRS as of 30 September 2017	30 November 2017	
4.	Conducting the audit of the Client's financial statements as of 31 December 2017	28 February 2018	
5.	Auditing the Client's consolidated financial statements by IFRS as of 31 December 2017	20 March 2018	
6.	Reviewing the interim consolidated financial statements by IFRS as of 31 March 2018	30 May 2018	

Client _____	Auditor _____
L.S.	L.S.

INFORMATION CONFIDENTIALITY AGREEMENT

Moscow

“ ” _____ 2017

Transneft represented by _____, acting on the basis of _____, on the one hand, hereinafter referred to as the “Disclosing Party”, and _____, represented by _____, acting on the basis of _____, on the other hand, hereinafter referred to as the “Receiving Party”, jointly referred to as the “Parties” and separately as the “Party” have signed the Agreement below:

Article 1

“Confidential information” in the Agreement shall mean any information submitted to the Receiving Party in a written, oral, electronic or any other form and pertaining to the subject of Contract # _____ from ____ . ____ 2017 (hereinafter, the “Contract”), to business-commercial and financial activities or technical possibilities of the Disclosing party and/or its counterparties as well as to articles, services, actual and analytic data, conclusions and materials, elements of newest technical decisions (know-how), including but not limited to notes, documentation and correspondence, save for information which, in accordance with the relevant legislation or other statutory acts of the Russian Federation, cannot be ascribed to confidential information.

Article 2

2.1. The Parties undertake to ensure the storage of all Confidential information in secret and not to disclose it to other persons except for cases, when the obligation of this disclosure is not stipulated by law or a full-fledged court ruling.

The information requested by authorized government bodies within their competence can be provided only when the disclosure obligation is enjoined by the law and provided that the Receiving Party will notify the Disclosing party about the incoming request formalized in accordance with the relevant law of Russia and that notification is permitted by the law.

Notifying of the request must be submitted to the Disclosing party in a written form and contain indication to legal provisions, by virtue of which the Receiving party must submit information as well as essential characteristics of the requested information.

2.2. Confidential information liable to disclosure to the Receiving party on the terms specified in the present Agreement and in accordance therewith can be disclosed by authorized employees of the Receiving party on the basis of the lists signed by chief executive of the Receiving party.

2.3. To protect Confidential information, the Receiving party must take some measures of precaution defined in the present Agreement and normally used to protect this kind of information in the existing business turnover. However, if the company of the Receiving party uses measures of information protection ensuring a higher level of its protection than the usual one for the established workflow environment, then accordingly, the Receiving party is obliged to use protection measures for safeguarding the Confidential information.

2.4. Provided the requirements of Clause 2.3 of this article of the Agreement are met, the Receiving party must not bear responsibility for disclosure of the Confidential information in the following cases:

a) if disclosure of the Confidential information took place after getting a preliminary consent of the Disclosing party, formalized in writing;

b) if disclosure of the Confidential information is demanded by a public authority (including local government) or court with consideration for the provisions of clause 2.1 of the present agreement.

2.4.1. The Receiving party must immediately inform the Disclosing party about the fact of disclosure or the threat of disclosure, unlawful receipt or unlawful use of confidential information by third parties that became known to the Receiving party or the letter allowed it by neglect.

2.5. Each Party to the present agreement unconditionally and finally guarantees that, acting as the Receiving party, it will, in keeping with the terms of this Agreement:

a) disclose Confidential information to any individuals and legal entities only on the terms defined in clauses 2.1 and 2.2. hereof;

b) make only that many copies from any material media used to store Confidential information submitted, which is conditioned on the need to duly execute one's contractual obligations to the other Party.

2.6. All material media used to store Confidential information and handed over to the Receiving party in accordance with the present Agreement as well as any copies of these made are the sole possession of the Disclosing party and are liable to return and/or destruction by the Receiving party in accordance with specifications of the Disclosing party. If Confidential information is copied onto the material media owned by the Receiving party, the Disclosing party has the right to instruct the Receiving party to delete information from these material media or destroy the given material media if deletion of Confidential information from them is impossible. For all that, the Receiving party has the right to request copies of Confidential information and retain them in those cases, when it is necessary for purposes of providing the Services or confirming the fact of execution of works and/or justification of the drawn conclusions or in cases envisaged by respective professional standards and instructions.

Article 3

3.1. The Parties bear responsibility for the actions of all employees they contract for providing services as per the present Contract, causing the disclosure of Confidential information to any third party.

3.2. If Confidential information is disclosed by third persons of the Receiving side without obtaining a written consent with such disclosure from the Disclosing party, the Receiving party is obliged to reimburse the Disclosing party for real damage (loss). The given provision applies insofar as it does not contradict the Russian law.

Article 4

4.1. The Disclosing party has the right to exercise control over the safekeeping of Confidential information which the Receiving party shall keep intact in accordance with the Agreement, by using methods that do not contradict the Russian laws.

Article 5

5.1. The Parties undertake to conscientiously and amicably settle all disputes, contradictions or differences that may arise between them in relation to or in connection with default on the given Agreement or breaching it; however, if the Parties are unable to reach consent during two (2) months after one of the Parties receives a proposal from the other Party about amicable settlement of their dispute, all claims, disputes, contradictions and differences are due to be settled in accordance with the procedure specified in the Contract for the settlement of disputes.

Article 6

6.1. Any transfer of confidential correspondence on paper or hard discs (diskettes, compact discs and other media) shall be made using one of the following ways:

- 6.1.1. By ordered mail in accordance with the procedure set by the Disclosing and Receiving parties, respectively.
- 6.1.2. Via couriers of the Parties.
- 6.2. E-mailing of correspondence (information) between the Parties (save for information containing commercial secrets and other confidential information), stipulated by the Contract signed between the Parties, can be done using electronic mail upon mutual agreement of the Parties.
- 6.3. E-mailing of information or correspondence regarding the subject of the Contract between the Receiving party and third parties can be done only after getting a written approval from the Disclosing party.
- 6.4. E-mailing or faxing of correspondence containing Confidential information shall be done only over communication channels protected with cryptographic means, or within the protected corporate computer network of the Receiving party.
- 6.5. Each Party shall take all possible measures to prevent infecting with computer worms or viruses of the information transferred on hard discs (diskettes, CDs and other media), in electronically transmitted documents and working materials and in email messages (i.e. in attached files).
- 6.6. Whenever documents due to be transmitted on paper media or hard discs contain any commercial secret putting a restrictive (secrecy) label thereupon with indication of the information owner and his or her whereabouts (addresses) is a must.

Article 7

- 7.1. This document represents an Agreement concluded between the Parties in relation to information exchange and protection of the Confidential information.
- 7.2. Any amendments and changes can be entered to the present Agreement only on the basis of a written agreement duly signed by appointed representatives of the Parties.
- 7.3. This Agreement shall enter into force at the time of its signing and shall constitute an inseparable part of the Contract.

Receiving party:

Disclosing party:
Transneft

Full name

Full name