

**APPROVED BY:**  
Resolution of the General  
Meeting of Shareholders, Transneft, PJSC  
(Order No. 392-r of the Federal Agency  
on State Property as of June 30, 2017)

**REGULATIONS**  
**On the Sole Executive Body (the President)**  
**of Transneft**  
**Public Joint-Stock Company**

**Moscow**

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Article 1. General Provisions

1.1 Regulations on the President

1.1.1 These Regulations (hereinafter the Regulations) have been developed in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint-Stock Companies*, other normative legal acts of the Russian Federation and the Charter of Transneft Public Joint-Stock Company (hereinafter referred to as the Company) and regulates the activities of the President of the Company (hereinafter, the “President”).

1.1.2 These Regulations establish the procedure for appointing and terminating the powers of the President, the principles of his activities, determine the list of rights and duties, and regulate other issues related to the activities of the President.

1.1.3 Terms and definitions used in these Regulations are applied in the sense in which they are used in the Company's Charter

1.2 Status of the President.

1.2.1 The President shall be the sole executive body of the Company, he shall manage its current activities within the competence of the President as defined by the Charter of the Company.

1.2.2 The President carries out his activities in the interests of the Company on the basis of the legislation of the Russian Federation, the Company's Charter, these Regulations and other internal documents of the Company.

1.2.3 Rights, duties and responsibilities of the President shall be determined by the Federal Law *On Joint-Stock Companies*, other legal acts of the Russian Federation, the Charter and the Labor Contract concluded between the President and the Company.

1.2.4 The President is obliged to execute the resolutions of the General Meeting of Shareholders of the Company (hereinafter the General Meeting of Shareholders) and the Board of Directors of the Company (hereinafter, the “Board of Directors”), passed within their competence. The President is accountable to the Board of Directors and the General Meeting of Shareholders.

Article 2. Appointment and Operational Principles of the President

2.1 Appointment of the President

2.1.1 The President is appointed by the General Meeting of Shareholders for a period of five (5) years.

2.1.2 A person who has a higher education and who is not deprived of the right to hold office in the executive bodies of management of legal entities or to manage legal entities in accordance with the procedure established by the legislation of the Russian Federation may be appointed President.

2.1.3 The authority of the newly appointed President starts from the date determined by the resolution of the General Meeting of Shareholders, and if not determined, then from the date following the date of the resolution of the General Meeting of Shareholders on the appointment of the President.

2.1.4 Information on the President shall be entered in the Unified State Register of Legal Entities within the time limits established by the Federal Law "On State Registration of Legal Entities and Individual Entrepreneurs".

2.2 Contract of employment with the President

2.2.1 The main terms of the employment contract with the President must be approved by the Board of Directors.

2.2.2 The employment contract on behalf of the Company shall be signed by the Chairman of the Board of Directors or other person authorized by the Board of Directors.

2.3 Combining the powers of the President with other positions

2.3.1 The President may not concurrently hold the position of Chairman of the Board of Directors, nor may he be a member of the Company's Audit Commission.

2.3.2 The President's concurrence of posts in the management bodies of other organizations, as well as having by the President a part-time job with another employer, is allowed only with the consent of the Board of Directors.

2.3.3 If the newly appointed President at the time of appointment holds positions in the management bodies of other organizations / works concurrently with another employer or plans to combine the post of the President with positions in the management bodies in other organizations / work part-time with another employer, then the next item on the agenda of the meeting of the Board of Directors after the appointment of the President shall be the item of giving the consent of the Board of Directors to combining the office of the President with positions in the management bodies of other organizations and / or exercising of part-time work with another employer.

Article 3. Powers and Responsibilities of the President

3.1 Functions of the President

3.1.1 The President organizes implementation of resolutions passed by the General Meeting of Shareholders and the Board of Directors.

3.1.2 The President acts on behalf of the Company without a power of attorney, represents its interests, commits transactions on behalf of the Company within the limits established by the Federal Law *On Joint-Stock Companies* and the Company's Charter, exercises the powers of a shareholder / member of the companies where the Company has an interest in, issues orders and gives instructions binding on all employees of the Company, issues powers of attorney to represent the interests of the Company.

3.1.3 The President appoints his deputies in accordance with the staffing table, and distributes responsibilities between them.

3.1.4 The President, when on vacations, business trip or during other short-term absence, has the right to appoint by his order the person acting as President for the period of his absence.

3.1.5 The President acts as Chairman of the Management Board of the Company.

3.1.6 The President exercises other powers stipulated by the Charter and internal documents of the Company, as well as powers not attributed by the current legislation of the Russian Federation and the Company's Charter to the

competence of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.

- 3.1.7 The President has the right to establish, by his administrative documents or local regulatory documents approved by him, the procedure for exercising his powers, including by delegating the collegial bodies (committees, commissions, etc.) and employees of the Company with the rights and obligations to take decisions within the competence of the President.

### 3.2 The Rights of the President

The President has the right to:

- 3.2.1 request from any employee of the Company and receive any information about the Company's activities necessary for the performance of its duties;
- 3.2.2 require the convening of a meeting of the Board of Directors;
- 3.2.3 convene meetings of the Company's Management Board;
- 3.2.4 issue orders, decrees and give instructions in written and oral form, all binding on the employees of the Company;
- 3.2.5 apply disciplinary sanctions to Company's employees on behalf of the Company, as well as encourage them;
- 3.2.6 receive remuneration, compensation for expenses and other types of payments, social guarantees or other material benefits for the performance of his duties in the manner and in the amounts provided for by the Employment Contract between the President and the Company, as well as internal documents of the Company;
- 3.2.7 exercise other rights provided for by the laws of the Russian Federation, the Charter and internal documents of the Company.

### 3.3 The Duties of the President

The President shall:

- 3.3.1 comply with the requirements of the current legislation of the Russian Federation, the Company's Charter and its internal documents, implement the resolutions of the General Meeting of Shareholders and the Board of Directors;
- 3.3.2 in exercising his rights and duties, act in the interests of the Company, exercise his rights and perform his duties with respect to the Company in good faith and reasonably, act in the interests of the Company as a whole, and not in the interests of individual shareholders, officials and other persons;
- 3.3.3 timely and fully provide, at the request of the Board of Directors or a member of the Board of Directors, all information necessary for the Board of Directors and its members to perform their duties within the limits permitted by the legislation of the Russian Federation;
- 3.3.4 not disclose or use in the personal interests and / or in the interests of third parties confidential, including the Company's insider information, received in the manner provided for by the contract concluded with the Company, and the Regulations on the procedure for access to the Company's insider information, its confidentiality and control over observance of the legislation on insider information;

- 3.3.5 in accordance with the Charter and internal documents of the Company, initiate meetings of the Board of Directors;
- 3.3.6 attend meetings of the Board of Directors;
- 3.3.7 ensure actions to convene the General Meeting of Shareholders in cases provided for by the Charter and internal documents of the Company;
- 3.3.8 attend the General Meeting of Shareholders held in the form of joint presence;
- 3.3.9 timely notify the Board of Directors about:
  - (i) legal entities over which he, his spouse, parents, children, brothers, sisters and half-blood brothers and sisters, adopters and adopted and (or) controlled by them organizations have control or have the right to give mandatory instructions and about any changes therein;
  - (ii) legal entities in whose governing bodies his spouse, parents, children, brothers and sisters and half-blood brothers and sisters, adoptive parents and adopted persons and (or) their subordinated persons hold positions and about any changes in such information;
  - (iii) legal entities in whose management bodies he holds positions, as well as about part-time work in other organizations;
  - (iv) transactions that he / she knows or are suspected of, in which he / she may be recognized as an interested party;
  - (v) the intention to make transactions with securities of the Company or organizations of the Transneft system in accordance with the Company's internal documents;
- 3.3.10 refrain from committing actions that could lead to a conflict between his interests and the interests of the Company, and in the event of such a conflict, immediately notify the Board of Directors.

3.4 Responsibility of the President

- 3.4.1 The President of the Company is liable to the Company for damages caused to the Company by his guilty actions (inaction), unless other grounds for liability are established by federal laws.
- 3.4.2 The prosecution of the President depends on whether he acted in a reasonable and conscientious manner when performing his duties, whether he showed due diligence and circumspection, and whether he took all the necessary measures for the proper discharge of his duties.
- 3.4.3 The Company, by decision of the Board of Directors, has the right to apply to the court with a claim against the President (a person who previously held the position of the President) for compensation of losses caused to the Company in cases provided for by the Federal Law *On Joint-Stock Companies*.
- 3.4.4 The Company has the right, at its own expense, to insure the liability of the President

Article 4. Decisions of the President

- 4.1 The President makes decisions on matters within the competence of the President in accordance with the Company's Charter.

- 4.2 Decisions of the President are made in the form of orders, instructions, directions and resolutions.
- 4.3 Orders of the President are issued only in writing.
- 4.4 Orders and instructions of the President may be given orally, except for orders and / or instructions regarding the property of the Company, as well as with respect to issues, directives and / or instructions on which can be given only in writing in accordance with the Company's internal documents.
- 4.5 Decisions of the President are binding for all employees of the Company

Article 5. Termination of the President's Powers

- 5.1.1 The powers of the President may be terminated at any time by a resolution of the General Meeting of Shareholders.  
The powers of the President shall be considered to be terminated as of the date determined by the resolution of the General Meeting of Shareholders of the Company, and if the date is not determined, then as of the date of passing the resolution by the General Meeting of Shareholders on early termination of the powers of the President.
- 5.1.2 In the event of the expiration of the term of office of the President for which he was elected, the President shall continue to perform his duties until the appointment of a new President by the General Meeting of Shareholders or the formation of an interim sole executive body by the Board of Directors.
- 5.1.3 The President has the right to send to the Chairman of the Board of Directors a request in writing on early termination of his powers one (1) month before the proposed date. After the expiration of a month from the date of the request, the powers of the President shall be considered terminated.
- 5.1.4 The powers of the President shall terminate in the event of his physical inability to perform his duties and for other circumstances independent of the will of the parties (Article 83 of the Labor Code of the Russian Federation).
- 5.1.5 The date of termination of the powers of the President is the last day of the President's work.

5.2 Interim Sole Executive Body

- 5.2.1 If the powers of the President are terminated in the cases specified in clauses 5.1.3, 5.1.4 of these Regulations or by the General Meeting of Shareholders, and the new President is not appointed, then the Board of Directors has the right to decide on the formation of the Company's interim executive body and to convene an extraordinary General Meeting Shareholders for the appointment of a new President. Until the formation of the interim sole executive body by the Board of Directors, except for the case specified in clause 5.1.2 of these Regulations, the performance of the duties of the President is vested in one of the members of the Management Board upon the decision of the Management Board.
- 5.2.2 The interim sole executive body shall have all the rights and carry all the duties of the President.
- 5.2.3 Information on the temporary sole executive body shall be entered in the Unified State Register of Legal Entities as of a person entitled to act on behalf of the Company without a power of attorney.

Article 6. Final Provisions

- 6.1 Decisions on amendments/supplements to these Regulations or approval of the new version of the Regulations shall be passed by the General Meeting of Shareholders on the proposal of the Board of Directors.
- 6.2 If, as a result of changes in the legislation of the Russian Federation or the Company's Charter, certain provisions of this document conflict with the applicable laws of the Russian Federation or the Company's Charter, these provisions become invalid and shall not be applicable. Until the relevant changes are made to the Regulations, the current legislation of the Russian Federation and the Charter of the Company should be the guidance.