

PUBLIC JOINT-STOCK COMPANY

TRANSNEFT

(TRANSNEFT)

APPROVED

by the Decision of the Board of Directors  
of Transneft

Minutes of the Meeting of the Board of  
Directors

dated 16 May 2018 No. 8

**REGULATION**

**on the procedure of access to insider information of Transneft, rules for protection of its  
confidentiality and control for observation of the laws on insider information**

**(redrafted)**

Moscow

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## Content

1. General Provisions .....	3
2. Terms and definitions, designations and abbreviations, used in the Regulation.....	3
3. Insider Information of the Company .....	4
4. Persons having access to the Company's insider information .....	4
5. The procedure of the Company's notification of insiders on including into the list and excluding from the insiders list .....	5
6. Operations with the Company's financial instruments and procedure of insiders' notification on operations performed by them.....	6
7. The procedure of access to insider information of the Company, rules for protection of its confidentiality.....	7
8. Control for observation of the requirements of the laws on insider information and liability for its unlawful use.....	7

## 1. General Provisions

1.1 This Regulation on the procedure of access to insider information of Transneft, rules for protection of its confidentiality and control for observation of the laws on insider information (hereinafter referred to as the Regulation) has been developed in accordance with the requirements of the Federal Law dated 27 July 2010 No. 224-FZ On Counteraction to Unlawful Use of Insider Information and Market Manipulation and on Making Alterations to Certain Laws of the Russian Federation, other Federal Laws, regulations of the Central Bank of the Russian Federation (hereinafter referred to as the Bank of Russia) and internal documents of Transneft.

1.2 The Regulation governs the following issues:

- drawing up and approval of the list of insider information of Transneft;
- the procedure of drawing up, maintenance and transfer of the list of persons having access to insider information of Transneft;
- the procedure of notification on including into the list and excluding from the list of insiders of Transneft;
- limitations for performance by the persons included into the list of insiders of Transneft, operations with financial instruments of Transneft and the procedure for the insiders' notification on operations performed by them.
- the procedure of access to insider information of Transneft and rules for protection of its confidentiality;
- rules of control for observation of the laws on insider information and liability for its unlawful use.

1.3 The procedure and period of disclosing the insider information shall be established by the laws of the Russian Federation on securities and internal documents of Transneft.

## 2. Terms and definitions, designations and abbreviations, used in the Regulation

<b>Name of the term (abbreviation)</b>	<b>Definition of the term (meaning of abbreviation)</b>
Law on Insider Information	Federal Law dated 27 July 2010 No. 224-FZ On Counteraction to Unlawful Use of Insider Information and Market Manipulation and on Making Alterations to Certain Laws of the Russian Federation
Insider Information of the Company	Has the meaning specified in Clause 3.1 hereof
Insiders of the Company	Persons included into the list of persons having access or potential opportunity of access to the Company's insider information
The Company	Transneft
IFRS	International Financial Reporting Standards
Operations with financial instruments	Performance of transactions and other actions oriented to purchase, alienation, other alteration of rights for financial instruments, as well as actions related to assumption of obligations to perform the specified actions, including filing applications (giving orders)
List of the Company's insider information	List of information formed in accordance with the regulations of the Bank of Russia, approved by the Company's order and placed on the official website of the Company
Reporting of information	Actions oriented to obtaining of information by a certain scope of persons in accordance with the laws of the Russian Federation on securities

Information distribution	<p>Actions:</p> <p>a) oriented to obtaining of information by an indefinite range of persons or to transfer of information to an indefinite range of persons, including by means of its disclosure in accordance with the laws of the Russian Federation on securities;</p> <p>б) related to publishing information in mass media, including in electronic ones, information and telecommunication networks, access to which is not limited by a certain range of persons (including the Internet);</p> <p>в) related to distribution of information through electronic, information and telecommunication networks, access to which is not limited by a certain range of persons (including the Internet);</p>
Information disclosure	Securing information accessibility to all interested persons independently of purposes of obtaining this information in accordance with the procedure ensuring its finding and obtaining
List of the Company's insiders	Document containing information on individuals and legal entities having or able to have access to the Company's insider information
Financial instrument of the Company	Shares, bonds of the Company and (or) derivative financial instruments, price of which depends on price of the Company's shares, bonds (basic assets of which are the Company's shares, bonds), admitted to trade at organized trading in the Russian Federation and (or) in relation to which an application for admission to trade at the specified trading has been filed.

### **3. Insider Information of the Company**

3.1 Insider Information is any information related to the activities and/or financial status and/or plans of the Company and/or the entities of Transneft system (hereinafter referred to as the Transneft Subsidiaries) and provided for by the Law on Insider Information, distribution or presentation of which may significantly influence prices (financial quotes) of the Company's financial instruments and possession of which provides its owner with advantages in comparison with other members of the securities market. The list of the Company's insider information shall be approved by the Company's order and disclosed at the official website of the Company.

3.2 The Company's insider information does not include:

- 1) information made available to an unlimited range of persons as the result of their distribution;
- 2) researches, forecasts and assessments performed on the basis of the open access information, related to the Company's financial instruments, as well as recommendations and (or) suggestions on performing operations with the Company's financial instruments;
- 3) information on the person providing security for the Company's bonds, if this person is the Russian Federation providing government guarantee of the Russian Federation, subject of the Russian Federation providing government guarantee of the subject of the Russian Federation, or municipal unit providing municipal guarantee for the Company's bonds.

### **4. Persons having access to the Company's insider information**

4.1 The company maintains the list of persons having access or potential opportunity of access to the Company's insider information (hereafter referred to as the Insiders List).

4.2 The Insiders List is the Company's confidential document, contains information on the Company's insiders, including personal data of individuals.

4.3 The Company's insiders list is maintained electronically on a permanent basis.

If necessary, the Company's insiders list may be presented in hard copy on the basis of written demand of authorized persons in cases established by the Russian Federation laws.

4.4 For inspection of non-standard transactions (applications) with respect to unlawful use of insider information and (or) market manipulation, the trade organizer, through which the operations with the Company's financial instruments are performed, shall be entitled to send a written demand (request) on transfer of the Company's insiders list. In case of receiving the corresponding written demand (request) the Company shall be obliged to transfer the Company's insiders list to the trade organizer according to the procedure and within the period specified in the demand (request).

4.5 The Company shall be obliged to transfer the Company's insiders list to the Bank of Russia on its written demand (order).

4.6 Structural subdivision, responsible for maintenance of the Company's insiders list, for transfer of the Company's insiders list to trade organizers and the Bank of Russia, shall be specified by the Company's order.

4.7 The Company's insiders list obligatorily includes the members of the Board of Directors, the members of the Management Board, the Company's President, the members of the Revision Commission of the Company from the moment of election (appointment) to the position and until termination of corresponding powers.

4.8 The Company's insiders list includes the Company's auditor (audit organizations), the Company's registrar (register keeper) and depository, as well as trade organizers through which the operations with the Company's financial instruments are performed, from the moment of entering into contract for corresponding services rendering and until termination of the specified contract.

4.9 The Company's insiders list also includes information agencies disclosing or providing the Company's information on the basis of contract, as well as rating agencies, assigning the Companies ratings on the basis of contract to its shares and bonds, from the moment of entering into contract for corresponding services rendering and until termination of the specified contract.

4.10 The Company's insiders list may also include other legal entities and individuals including Transneft Subsidiaries, the Company's and Transneft Subsidiaries' employees, which on the basis of contracts concluded with them or in accordance with their official duties have access or may have potential access to the Company's insider information.

4.11 Persons included into the Company's insiders list shall be obliged to comply with the prohibitions, limitations and requirements established by the Russian Federation laws, regulations of the Bank of Russia, this Regulation and the Company's internal documents.

## **5. The procedure of the Company's notification of insiders on including into the list and excluding from the insiders list**

5.1 The Company shall be obliged to send a notification on including of a person into the Company's insiders list or on excluding of a person from such list (hereinafter referred to as the Notification) to a person included into the Company's insiders list or excluded from such list not later than in seven (7) working days from the date of including of this person into the list of the insiders or the date of excluding of this person from the specified list correspondingly. Form of notification shall be placed on the Company's website.

5.2 The Notification shall be issued directly to the person against signature or sent to the address of the specified person known to the Company by some means (by post, telegraph, teletype or e-mail), which allow reliably ascertaining the fact of sending this Notification.

5.3 The Notification may be drawn up in hard copy and (or) in electronic form, signed with the electronic signature in accordance with the requirements of the Russian Federation laws.

5.4 If the Notification is drawn up in hard copy, the corresponding person may be notified by sending the electronic copy of the document (electronic form, to which the paper document is transformed by means of scanning) via e-mail, including via the Internet.

5.5 The Company shall register all the Notifications sent in accordance herewith. Full information on sent Notifications shall be kept by the Company within five (5) years from the date of excluding the person from the list of the Company's insiders.

## **6. Operations with the Company's financial instruments and procedure of insiders' notification on operations performed by them**

6.1 Operations with the Company's financial instruments, performed using insider information, are prohibited. Such prohibition for performing operations with the Company's financial instruments shall be valid until the corresponding insider information is disclosed by the Company in accordance with the Russian Federation laws on securities.

6.2 Rules and prohibitions regarding operations with the Company's financial instruments, contained herein, shall remain in effect as regards persons included into the insiders list after excluding them from the list until such persons keep owning insider information, but not more than within one (1) year.

6.3 The Company shall establish a moratorium (prohibition) for performing operations with the Company's financial instruments within the period from the fifteenth (15th) calendar day of the first month of the quarter following the reporting period to the date of disclosure of reports on IFRS for the previous reporting period included.

6.4 The Company shall place the information on the moratorium on its website.

6.5 Persons included into the Company's insiders list shall not perform operations with the Company's financial instruments within the moratorium validity period.

6.6 The Company's President with approval of the Chairman of the Audit Committee under the Board of Directors shall be entitled to allow a person included into the Company's insiders list performing operations with the Company's financial instruments during the moratorium in the following exceptional cases:

6.6.1 acquiring the Company's financial instruments as part of the programme for long-range motivation of the Company's and Transneft Subsidiaries' employees, as well as the members of the Company's governing bodies;

6.6.2 if a person included into the Company's insiders list has obligations which cannot be satisfied otherwise than by means of sale of the Company's financial instruments (only for sale of financial instruments);

6.6.3 if acquiring/alienation of the Company's financial instruments is obligatory by virtue of the requirement of the Russian Federation laws or court decision.

6.7 Written application for permission to perform operations with the Company's financial instruments during the moratorium shall be sent to the Company's President according to the form placed on the Company's website.

6.8 Permission or refusal for performance of operations with the Company's financial instruments shall be presented within five (5) working days. In case of obtaining the permission

the insider should perform the Operation within five (5) working days from the date of permission.

6.9 The members of the Board of Directors, the members of the Management Board, the members of the Revision Commission and the Company's employees, as well as other individuals included into the Company's insiders list, shall be obliged to send to the Company a notification on operations performed by them with the Company's financial instruments (hereinafter referred to as the Notification on Operations) within ten (10) working days from the date of their performance of the corresponding operation. Form of Notification on Operations shall be placed on the Company's website.

6.10 Other persons included into the Company's insiders list, not specified in Clause 6.9 hereof, shall send Notification on Operations to the Company upon its request within ten (10) working days from the date of receiving the corresponding request.

6.11 Notifications on operations should be sent to the Company by some means securing confirmation of its receiving, by means of presenting to the Company's department of control and records management or sending by registered mail with notification of delivery.

6.12 The Company shall register all Notifications on Operations received in accordance herewith within five (5) days from the moment of receiving.

## **7. The procedure of access to insider information of the Company, rules for protection of its confidentiality**

7.1 In accordance with the Regulation on the Company's commercial secret all the insider information of the Company is included into the list of information constituting the Company's commercial secret and other confidential information. The procedure of access to insider information of the Company and rules for protection of its confidentiality are provided for by the Regulation on the Company's commercial secret.

7.2 Any person not having access to the Company's insider information, but by virtue of any circumstances obtaining the specified information, shall be obliged:

- to stop familiarizing with such information immediately;
- to take measures depending on it regarding securing confidentiality of insider information, including distribution or presentation of such information;
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to comply with the limitations and prohibitions provided for hereby and by the Law on Insider Information.

7.3 The Company's insiders shall be obliged to comply with the limitations and requirements regarding using the information related to the Company's insider information, established by the Russian Federation laws, this Regulation and other internal documents of the Company, as well as to take all necessary measures for securing its confidentiality, including after excluding from the list of insiders, in accordance with the Regulation on the Company's commercial secret or Agreement on information exchange and information confidentiality compliance.

## **8. Control for observation of the requirements of the laws on insider information and liability for its unlawful use.**

8.1 Control for observation of the requirements of the Law on Insider Information and regulations related thereto in the sphere of counteraction to unlawful use of insider information, as well as the requirements hereof shall be performed by the structural subdivision or official, reporting to the Company's Board of Directors, and specified by the Company's order.

8.2 The Company's Insiders shall be responsible for unlawful use of insider information and may be subject to civil, disciplinary, administrative, criminal responsibility in accordance with the Russian Federation laws.

8.3 Other persons, not included into the Company's insiders list, but distributing insider information on performing operations with the Company's financial instruments using insider information, shall be also held responsible, except for cases provided for by the Russian Federation laws.

8.4 The Company and (or) persons, bearing losses as the result of unlawful use of insider information, shall be entitled to demand recovery of losses from persons guilty of unlawful use and/or distribution of insider information.