

APPROVED

by the Resolution of the General Meeting of
Shareholders of Transneft, JSC
(Order of the Federal Agency for State Property
Management No. 734-r of October 06, 2015)

REGULATION

on the Revision Commission of Transneft, JSC
(new edition)

Table of contents

1. General Provisions	3
2. Procedure for Election of the Revision Commission.....	3
3. Chairman of the Revision Commission	4
4. Procedure for Holding of Meetings and Adoption of Decisions by the Revision Commission	4
5. Documents of the Revision Commission.....	5
6. Procedure for Conducting of Audits by the Revision Commission.....	6
7. Authorities, Rights and Responsibilities of the Revision Commission	8
8. Final Provisions	9

1. General Provisions

1.1. Revision Commission of Transneft, JSC (hereinafter — the “Revision Commission”) is elected by the General Meeting of Shareholders and exercises functions of monitoring of the financial and operational activities of Transneft, JSC (hereinafter — the “Company”).

1.2. In its operations the Revision Commission is governed by the legislation of the Russian Federation, Articles of Association of the Company, this Regulation and other in-house documents of the Company, as well as by the resolutions of the General Meeting of Shareholders of the Company.

1.3. Competence of the Revision Commission is determined by the legislation of the Russian Federation and Articles of Association of the Company. Operating procedures of the Revision Commission are determined by this Regulation.

1.4. Revision Commission is independent of officials/official bodies of the Company and reports to the General Meeting of Shareholders of the Company.

1.5. By the decision of the General Meeting of Shareholders of the Company members of the Revision Commission during the period of performance by them of their obligations may receive remuneration and/or be compensated for losses connected with performance by them of their obligations. Amounts of such remunerations and compensations are determined by the decision of the General Meeting of Shareholders of the Company.

Remuneration and compensations are not paid to the members of the Revision Commission, who are public officers (clause 3 of part 3 of article 12.1 of Federal Law of December 25, 2008 No. 273-FZ On Counteracting Corruption).

Procedure for calculation of remunerations and compensations of the members of the Revision Commission is determined in accordance with the Provision on Remuneration and Compensations of Members of the Revision Commission of Transneft, JSC.

2. Procedure for Election of the Revision Commission

2.1. Revision Commission consisting of three persons is elected by the General Meeting of Shareholders for a term up to the next annual General Meeting of Shareholders in accordance with the procedure established by the legislation of the Russian Federation and Articles of Association of the Company.

2.2. Shares held by the members of the Board of Directors or persons holding positions in the management bodies of the Company may not take part in the voting for members of the Revision Commission.

2.3. Members of the Revision Commission may be re-elected for an unlimited number of terms.

2.4. Members of the Revision Commission may not be members of the Board of Directors and hold other positions in the management bodies of the Company at the same time.

2.5. Authorities of individual members or of the whole composition of the Revision Commission may be early terminated by the decision of the General Meeting of Shareholders.

2.6. In case of the early termination of authorities of a member of the Revision Commission or his/her retirement from the Revision Commission, authorities of other members of the Revision Commission persist.

Retired members of the Revision Commission are persons who voluntarily resigned their commission, deceased or are otherwise unable to exercise their authorities.

Member of the Revision Commission is recognized as retired from the next day after receipt by the Revision Commission of his/her application or from the death day or from the day of receipt by the Company of documents confirming impossibility of exercising by the member of the Revision Commission of his/her authorities.

2.7. Where the number of members of the Revision Commission becomes less than two, the Board of Directors shall convene an extraordinary General Meeting of Shareholders for election of the Revision Commission. Remaining member of the Revision Commission shall perform his/her functions up to election of a new composition of the Revision Commission.

3. Chairman of the Revision Commission

3.1. The Revision Commission is headed by the Chairman, who is elected by the members of the Revision Commission with his/her consent from among them by open voting, by the majority of votes of the total number of members, at the first meeting of the Revision Commission.

3.2. Chairman of the Revision Commission:

- organizes routine operations of the Revision Commission;
- allocates responsibilities among the members of the Revision Commission;
- performs preparation of the plan of operation of the Revision Commission;
- forms the agenda of meetings of the Revision Commission;
- ensures convocation and holding of meetings of the Revision Commission;
- represents the Revision Commission at the General Meeting of Shareholders, meetings of the Board of Directors, management bodies of the Company;
- signs minutes of meetings, findings and other documents of the Revision Commission;
- deals with other matters prescribed herein.

3.3. Revision Commission may relieve the Chairman of the Revision Commission of his/her responsibilities and elect a new Chairman. Respective decision shall be adopted by the majority of votes of members of the Revision Commission participating in the meeting.

3.4. Chairman of the Revision Commission may voluntarily resign his/her commission at the same time remaining the member of the Revision Commission from the day of receipt by the Revision Commission of his/her application for resignation.

3.5. For a period of absence of the Chairman of the Revision Commission the temporarily acting chairman shall be elected by the majority of votes of members of the Revision Commission participating in the meeting.

4. Procedure for Holding of Meetings and Adoption of Decisions by the Revision Commission

4.1. Meetings of the Revision Commission are held prior to commencement of the inspection (audit), on the results thereof, as well as in other cases that require joint resolution of the Revision Commission.

4.2. Meetings of the Revision Commission may be held both by meeting (in the form of joint personal attendance of members of the Revision Commission) and by correspondence (by virtue of absentee voting).

Meetings where organizational issues, such as election of the Chairman of the Revision Commission, approval of the plan of operation of the Revision Commission, etc., are considered may be held in absentia.

4.3. Notice on the meeting of the Revision Commission is sent to each member of the Revision Commission in writing at least 7 days before the date of holding of the meeting. The notice shall specify:

- time and place of the meeting;
- issues brought up for discussion.

The notice shall be accompanied with all necessary materials connected with the issues of the agenda of the meeting. In case of holding of the meeting of the Revision Commission in absentia the notice shall be accompanied with the ballot papers.

4.4. Quorum for holding of meetings of the Revision Commission consists of at least half of the elected members of the Revision Commission (except for the retired ones).

4.5. Decisions of the Revision Commission are adopted by the majority of votes of members of the Revision Commission participating in the meeting.

When resolving issues at the meeting each member of the Revision Commission shall have one vote.

Transfer of the voting right of the member of the Revision Commission to other person, including to other member of the Revision Commission, is not allowed. In the event of a tie, the casting vote will be given to the Chairman of the Revision Commission.

4.6. For the purposes of quorum and voting results the written opinion on the issues of the agenda of the member of the Revision Commission who is absent at the meeting of the Revision Commission for a valid reason (business trip, vacation, health problems) shall be taken into account, if such option was received by the Revision Commission prior to the beginning of its meeting. The specified information shall be recorded in the minutes of the meeting.

4.7. After holding of the General Meeting of Shareholders the Company:

- informs members of the Revision Commission on their election to the Revision Commission;

- sends a questionnaire to the members of the Revision Commission for provision of information on their participation in the authorized (joint stock) capital of legal entities, on the positions held in the management bodies of such legal entities, etc.;

- sends a notice to the members of the Revision Commission with suggestions about the place and time of the first meeting of the Revision Commission.

4.8. Members of the Revision Commission shall have the right to express a dissenting opinion on the issues of agenda of the meeting of the Revision Commission and demand indication thereof in the minutes of the meeting of the Revision Commission.

4.9. The following non-members of the Revision Commission may be invited to the meeting of the Revision Commission: members of the Board of Directors, president, members of the Management Board, representatives of the auditor of the Company, head of a subdivision that performs functions of the internal control/audit, experts and consultants, other persons invited by the Chairman of the Revision Commission.

4.10. Ballot papers filled in and personally signed by the members of the Revision Commission are submitted to the Chairman of the Revision Commission.

Members of the Revision Commission, whose ballot papers were submitted before the date specified in the ballot paper, shall be deemed to have participated in the absentee voting.

Ballot paper may be declared invalid either totally or partially on certain issues in case of several variants of voting on the issue in one field or in case of absence in the ballot paper of a signature of a voting member of the Revision Commission, as well as, if the ballot paper contains amendments and/or remarks on the suggested draft resolution.

5. Documents of the Revision Commission

5.1. Minutes of the meeting of the Revision Commission shall be prepared within 3 days after the day of holding thereof. Minutes of the meeting shall be signed by the Chairman of the Revision Commission.

5.2. Minutes of the meeting of the Revision Commission shall specify:

- date, time and place of the meeting, as well as the list of persons present at the meeting, in case of holding of the meeting in presentia;

- agenda of the meeting;

- issues put to vote;

- voting results (with specification of the number of votes “for”, “against” and “abstained”);

- adopted resolutions.

Minutes of the meeting shall be accompanied with the materials (findings, inspection reports, dissenting opinions of members of the Revision Commission and other documents) that became the basis for adoption of resolutions.

In case of holding of the meeting in absentia the minutes shall be accompanied with the ballot papers.

5.3. Inspection report and findings of the Revision Commission are prepared on the results of the inspection (audit) within 7 days after conducting thereof. Inspection report and

findings of the Revision Commission are signed by all members of the Revision Commission, who conducted inspection (audit), and by the Chairman of the Revision Commission.

5.3.1. The inspection report of the Revision Commission shall specify:

- place and time of conducting of the inspection (audit);
- members of the Revision Commission, who participated in conducting of the inspection (audit);
- ground for conducting of the inspection (audit).

Inspection report shall contain description of the main detected risks, violations and deficiencies of operation of the Company with analysis of causes thereof, assessment of risk of future occurrences of such violations and recommendations for reduction of these risks and elimination of detected violations.

5.3.2. Findings of the Revision Commission shall contain:

- composition and date of election of the Revision Commission, regulatory grounds for its operation;
- period under audit;
- place and date of preparation of the findings of the Revision Commission;
- conclusions on the results of the conducted inspection (audit).

5.4. Other documents of the Revision Commission may be prepared in any form and signed by the Chairman of the Revision Commission.

5.5. Original documents of the Revision Commission are handed over to the Company for storage by a supporting letter (under handover act) to the attention of the president within 7 days after signing thereof by the Chairman of the Revision Commission.

The documents of the Revision Commission containing the information constituting a commercial secret in accordance with the List of Information Constituting Commercial Secret of the Company shall be marked with the access restriction label “Commercial Secret” (with specification of a full name of the owner of such information and place of location thereof), containing other confidential information — access restriction label “Confidential” (except for the information that may not constitute a commercial secret in accordance with the requirements of the legislation of the Russian Federation).

5.6. The Company shall provide shareholders with access to the findings of the Revision Commission in the manner and to the extent prescribed by the legislation of the Russian Federation.

5.7. At the written request of a shareholder the Company shall provide him/her with the copies of findings of the Revision Commission. Fee charged by the Company for provision of such copies may not exceed the costs for preparation thereof and expenditures connected with sending thereof by mail.

6. Procedure for Conducting of Audits by the Revision Commission

6.1. In the course of the inspection the Revision Commission may verify observance by the Company of legislative and regulatory acts in the performance of the financial and operational activities, legality of financial and economic operations performed by the Company.

6.2. At the written request of the Revision Commission the persons that hold positions in the executive management bodies of the Company shall be obliged to provide the documents on the financial and operational activities of the Company.

At the written requests of the Revision Commission it shall be provided with the certified copies of minutes of meetings of the Board of Directors, Management Board of the Company.

6.3. Revision Commission of the Company carries out its activities in accordance with the Plan of Operation, which determines the procedure, issues and terms for conducting if inspections (audits) of activities of the Company.

6.4. Request for conducting of an inspection (audit) is signed by the Chairman of the Revision Commission and sent to the officers of the Company.

6.5. Revision Commission prepares the findings/inspection report on the results of each inspection (audit), which is signed by the Chairman and members of the Revision Commission, who conducted the inspection (audit). Findings/inspection report shall be considered at the meeting of the Revision Commission and sent to the Company and Board of Directors within 7 days after completion of the inspection (audit).

6.6. If one of the members of the Revision Commission does not agree with the prepared findings/report of the Revision Commission, he/she shall have the right to prepare a dissenting opinion and demand inclusion thereof in the findings/report of the Revision Commission.

6.7. For the purposes of creating of conditions for operation of the Revision Commission the Company shall provide it with the necessary premises, access thereto, as well as the technical equipment and materials.

6.8. Plan of operation of the Revision Commission shall mandatorily include inspection of financial and operational activities of the Company on the results of its activities for the year then ended.

Revision Commission shall present to the Board of Directors of the Company the findings on the results of the scheduled inspection (audit) of the financial and operational activities of the Company for the year, specifically regarding accuracy of data included in the annual report of the Company and contained in the annual accounting statements of the Company, at least 15 days before the date of holding of the meeting of the Board of Directors of the Company, where the issue on the findings of the Revision Commission of Transneft, JSC on the results of inspection of the financial and operational activities of Transneft, JSC over the reporting period will be considered.

6.9. Unscheduled inspection (audit) of the financial and operational activities of the Company may be conducted at any time at the initiative of the Revision Commission, by the decision of the General Meeting of Shareholders, by the decision of the Board of Directors, at the request of a shareholder(s) of the Company holding (jointly holding) at least 10 percent of the voting shares of the Company, within 30 days after the receipt by the Chairman of the Revision Commission of the respective request:

- General Meeting of Shareholders or of the Board of Directors that initiate inspection (audit) of the financial and operational activities shall send to the Revision Commission to the attention of the Chairman thereof a resolution on conducting (initiating) of the inspection in the form of a minutes (certified copies of the minutes or extracts therefrom) of the respective management body.

- Shareholder(s) — initiator(s) of the inspection (audit) of the financial and operational activities shall send to the Revision Commission a written request for conducting of the inspection that shall contain:

- (1) name of the shareholder(s) sending the request;
- (2) information on the shares held by the shareholder(s) (number, category, type);
- (3) grounds for the necessity to conduct the inspection.

The request shall be signed by the shareholder or his/her representative. If the request is signed by the representative, it shall be accompanied with the power of attorney.

If the initiative comes from the shareholders legal entities, the signature of the representative of the legal entity acting in accordance with its articles of association without the power of attorney shall be certified with the seal of this legal entity (if any).

If the request is signed by the representative of the legal entity acting on its behalf under the power of attorney, the request shall be accompanied with the power of attorney.

Revision Commission may on its own initiative adopt a resolution on conducting of the unscheduled inspection (audit) of the financial and operational activities.

6.10. Initiators of the unscheduled inspection (audit) of the financial and operational activities of the Company may at any time before adoption by the Revision Commission of a resolution on conducting of the inspection (audit) withdraw their request by giving a written notice thereof to the Revision Commission.

6.11. Refusal to conduct the inspection (audit) of the financial and operational activities may be given by the Revision Commission in the following cases:

- persons that submitted the request for conducting of the inspection (audit) of the financial and operational activities are not entitled to initiate the said inspection (audit):
- inspection (audit) for causes constituting the ground for conducting of the inspection (audit) of the financial and operational activities has already been conducted and the findings have been approved by the Revision Commission;
- the request does not comply with the legislation of the Russian Federation.

6.12. The fact of refusal to conduct the inspection (audit) of the financial and operational activities shall be communicated by the Revision Commission to the initiator of the inspection (audit) within 7 days after adoption of the respective resolution by letter signed by the Chairman of the Revision Commission or a person performing his/her functions.

7. Authorities, Rights and Responsibilities of the Revision Commission

7.1. The subject of inspection by the Revision Commission is the financial and operational activities of the Company, including identification and assessment of risks resulting from and in the course of its financial and operational activities.

Revision Commission:

7.1.1. Conducts inspection (audit) of the financial and operational activities of the Company and prepares on the results thereof the findings/inspection report, which shall contain:

- confirmation of accuracy of data contained in the reports and other financial documents of the Company;
- information on the facts of violation of the procedures established by the legislative and regulatory acts of the Russian Federation for maintenance of accounting records and presentation of financial statements, as well as regulatory and legal acts of the Russian Federation in the performance of the financial and operational activities.

7.1.2. Confirms accuracy of data included in the annual report and annual accounting (financial) statements of the Company.

7.1.3. Prepares suggestions/recommendations on enhancement of efficiency of performance of the financial and operational activities of the Company, and within the conducted inspections may give suggestions/recommendations on improvement of efficiency of asset management, on enhancement of the risk management and internal control system of the Company.

7.1.4. Exercises control over elimination of defects and implementation of recommendations indicated in the acts on the results of previous inspections (audits).

7.2. Revision Commission in accordance with its competence may:

- in the course of inspection (audit) require the persons holding positions in the management bodies of the Company to provide the information (documents) necessary for conducting of the inspection;
- receive from the persons holding positions in the management bodies of the Company explanations on the issues arising in the course of inspections;
- inform the Board of Directors and/or executive management bodies of the Company on all cases of failure of employees of the Company, including persons performing management functions, to comply with the requirements of the Revision Commission concerning provision of the necessary documents, on refusal to provide explanations on the questions of the Revision Commission;
- in accordance with the procedure established by the applicable legislation of the Russian Federation, Articles of Association and in-house documents of the Company require convocation of meetings of the Board of Directors, convocation of the extraordinary General Meeting of Shareholders;

- raise to the Board of Directors and executive management bodies of the Company the issue on adoption of measures and time limits for elimination of violations detected by the Revision Commission.

7.3. Members of the Revision Commission shall be obliged:

- to participate in inspections (audits) in strict compliance with the resolutions of the Revision Commission on conducting of the inspection (audits);

- to comply with the requirements on preservation of the commercial secret, not to disclose the confidential information, as well as the insider information, to which the members of the Revision Commission have access in the performance of their functions;

- to submit to the Company the completed questionnaire with specification of information on participation in the authorized (joint stock) capital of legal entities, on the positions held in the management bodies of such legal entities, etc., within 14 days after the receipt thereof;

- to inform the Company in a timely manner on changing of the information contained in the questionnaire;

- to document and fairly record in the documents of the Revision Commission violations of regulatory legal acts, Articles of Association and in-house documents of the Company by employees and officers of the Company detected in the course of the inspection (audit);

- in the exercise of its rights and performance of obligations to act in good faith and in a reasonable manner in the best interests of the Company;

- to bring to the attention of the Board of Directors and executive management bodies of the Company in a timely manner the results of conducted inspections (audits).

8. Final Provisions

8.1. This Regulation becomes effective from the day of approval thereof by the General Meeting of Shareholders.

8.2. In case of introduction of any modification in the legislation of the Russian Federation, provisions of this Regulation that came into conflict with the legislation become null and void and operation of the Revision Commission shall be governed by the respective provisions of the legislation of the Russian Federation and Articles of Association of the Company.

8.3. In case of any discrepancy between this Regulation and Articles of Association of the Company provisions of the Articles of Association of the Company prevail.

8.4. From the moment of approval hereof the Regulation on the Revision Commission of Transneft, JSC approved by the General Meeting of Shareholders Transneft, JSC on June 28, 2002 ceases to be in force.