

ADOPTED BY:
Resolution of the General Meeting of
Shareholders of Transneft
(Decree of the Federal Agency for State
Property Management No.1262-r dated
June 27, 2025)

ARTICLES OF ASSOCIATION
of Public Joint Stock Company Transneft
(new version)

Moscow

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Public Joint Stock Company Transneft (hereinafter, the Company) was established in accordance with Resolution of the Council of Ministers – Government of the Russian Federation No. 810 dated 14 August 1993 “On Establishing Oil Transporting Joint Stock Company Transneft”.

By resolution of the General Meeting of Shareholders of JSC “Transneft” (Decree of the Federal Agency for State Property Management No. 520-r dated 30.06.2016) the Company’s name was brought into compliance with the Federal Law 99-FZ dated 5 May 2014 “On Amending Chapter 4 of Part 1 of the Civil Code of the Russian Federation and Invalidation of Certain Provisions of Legislative Acts of the Russian Federation” and changed to Public Joint Stock Company Transneft.

Article 1. The Company’s Corporate Name and Location:

- 1.1 The Company’s full corporate name in Russian:
Публичное акционерное общество «Транснефть».
The Company’s abbreviated corporate name in Russian:
ПАО «Транснефть».
The Company’s full corporate name in English:
Public Joint Stock Company Transneft.
The Company’s abbreviated corporate name in English:
Transneft.
- 1.2 Location of the Company: Moscow, Russian Federation.

Article 2. Legal Status of the Company

- 2.1 The Company is a legal entity and owns separate assets to secure its liability for its obligations; it may in its own name acquire and exercise civil rights and assume civil obligations, sue and be sued in a court of law.
- 2.2 The Company may open bank accounts in the Russian Federation and abroad in the established manner and procedure.
- 2.3 The Company has a round seal bearing its full corporate name in Russian and specifying its location.
- 2.4 The Company is a strategic joint stock company in charge of management and protection of the system of oil and petroleum products trunk pipelines. Protection of fuel and energy industry facilities owned by the Company and/or business entities in which the Company and/or business entities whose decisions may be determined by the Company hold(s) more than 50 per cent of voting shares (participation interest in the authorized capital), as well as of products supplied under a government contract, is provided by the in-house security service established by the Company.

Article 3. The Company’s Branches and Representative Offices

- 3.1 The Company may open its branches and representative offices in the Russian Federation and abroad.
- 3.2 Such branches and representative offices are not legal entities and act on the basis of the regulations approved by the Company. The Company provides to its

branches and representative offices assets that are accounted for on the Company's balance sheet and may also be accounted for on independent balance sheets of such branches or representative offices.

- 3.3 Operations of branches and representative offices are managed by persons appointed by the President of the Company. Heads of branches and representative offices act on the basis of powers of attorney issued to them by the Company.
- 3.4 Branches and representative offices carry out their operations on the Company's behalf and the Company is liable for their operations.
- 3.5 Data on the Company's branches and representative offices is kept in the Unified State Register of Legal Entities.

Article 4. Goals, Objectives, and Core Areas of the Company's Business

- 4.1 The main goal of the Company's business is to generate profit.
- 4.2 The Company's objectives are:
 - 4.2.1 to arrange for and carry out the transportation of oil and petroleum products via the system of oil and petroleum products trunk pipelines;
 - 4.2.2 to operate the integrated system of oil and petroleum products trunk pipelines and the process of transportation of oil and petroleum products to consumers, including transportation outside the customs territory of the Russian Federation.
 - 4.2.3 to ensure a non-discriminatory access to the oil and petroleum products transportation services when connecting oil production facilities, refineries, and depots to oil and petroleum products trunk pipelines in the manner and procedure established by the Government of the Russian Federation;
 - 4.2.4 to comprehensively develop the system of oil and petroleum products trunk pipelines;
 - 4.2.5 to ensure the observance of industrial and environmental safety requirements for reliable operation of the system of oil and petroleum products trunk pipelines;
 - 4.2.6 to protect fuel and energy industry facilities owned by the Company and/or business entities in which the Company and/or business entities, whose decisions may be determined by the Company, hold(s) more than 50 per cent of voting shares (participation interest in the authorized capital), as well as products supplied under a government contract.
- 4.3 The core areas of the Company's activities are related to the accomplishment of the Company's objectives listed in paragraph 4.2 above, including:
 - 4.3.1 provision of services of oil and petroleum products transportation via oil and petroleum trunk pipelines in the Russian Federation and abroad, including services provided under international and intergovernmental agreements;

- 4.3.2 raising and making investments into the development of the system of oil and petroleum products pipeline transport, including production of goods, works and services for oil and petroleum products trunk pipelines so as to maintain their nominal operating condition, as well as efficiency and safety enhancement;
 - 4.3.3 carrying out of scientific, technical, production, business, financial and international business operations, including intermediary services, in the Russian Federation and abroad;
 - 4.3.4 carrying out works involving the use of information constituting the state secret (protection of the state secret), providing services relating to the state secret protection;
 - 4.3.5 operation of oil and petroleum products trunk pipeline transport, selling and storing oil and petroleum products;
 - 4.3.6 taking measures so as to ensure in-house protection of fuel and energy industry facilities owned by the Company and/or business entities in which the Company and/or business entities whose decisions may be determined by the Company hold(s) more than 50 per cent of voting shares (participation interest in the authorized capital), as well as of products supplied under a government contract.
- 4.4 The Company may also engage in other types of business not prohibited by the applicable laws of the Russian Federation.

Article 5. The Company's Authorized Capital and Shares

- 5.1 The Company's Authorized Capital amounts to RUB 7,249,343 (seven million two hundred forty-nine thousand three hundred forty-three rubles).
- 5.2 The Company's Authorized Capital is divided into 724,934,300 (seven hundred twenty-four million nine hundred thirty-four thousand three hundred) shares with par value RUB 0.01 (zero point one hundredth rubles) (1 kopeck) each, in particular:
 - 569,446,800 (five hundred sixty-nine million four hundred forty-six thousand eight hundred) ordinary shares.
 - 155,487,500 (one hundred fifty-five million four hundred eighty-seven thousand five hundred) preferred shares.
- 5.3 The Company may issue additional ordinary and preferred shares.
- 5.4 The Company may issue 85,237,900 (eighty-five million two hundred thirty-seven thousand nine hundred) ordinary shares (declared shares) with par value RUB 0.01 (zero point one hundredth rubles) (1 kopeck) each in addition to those already issued.
- 5.5 The Authorized Capital may be increased by increasing the par value of shares or by issuing additional shares.
- 5.6 The Authorized Capital may be reduced by reducing the par value of shares or by reducing their total number.

Article 6. Acquisition by the Company of its Outstanding Shares

- 6.1 Acquisition by the Company of its outstanding shares is subject to:
- 6.1.1 the resolution of the General Meeting of Shareholders to reduce the Authorized Capital. The shares acquired in accordance with such a resolution are redeemed upon their acquisition;
 - 6.1.2 the request of Shareholders in cases provided for by the Federal Law "On Joint Stock Companies";
 - 6.1.3 the resolution by the Board of Directors of the Company in the amount not exceeding 10 per cent of the total number of the Company's issued shares;
 - 6.1.4 the resolution by the Board of Directors of the Company at organized trading in order to achieve the goal(s) determined by such resolution in accordance with the share acquisition program approved by the said resolution (hereinafter, the Share Acquisition Program).
- 6.2 Shares owned by the Company neither provide voting rights, nor are counted among the votes cast, nor recognized as outstanding for the purposes of the Federal Law "On Joint Stock Companies", and dividends are not accrued on them. Such shares shall be disposed of not later than one year from the moment of their acquisition. Otherwise, the General Meeting of Shareholders shall adopt a resolution to reduce the Authorized Capital of the Company by redemption of the said shares.
- If the shares acquired under the Share Acquisition Program are not used to achieve the goal(s) of the said Program during the period of its validity, the Company shall ensure the sale (disposition) of such shares in organized trading, and if they are not sold (disposed of) within three months from the date of the end of the validity period of the said Program, the Company shall, within a reasonable time, adopt a resolution to reduce the authorized capital of the Company by redemption of such shares.
- 6.3 The payment for outstanding shares acquired by the Company is made in cash, securities, or other property, proprietary or other rights having monetary value.

Article 7. Rights of Shareholders Holding Ordinary Shares

- 7.1 Each ordinary share of the Company has the same par value and confers the same scope of rights to its holders.
- 7.2 Holders of ordinary shares of the Company are entitled to:
- 7.2.1 vote when the General Meeting of Shareholders makes resolutions on all items within its authority, either personally, or by proxy;
 - 7.2.2 alienate shares held by them without the consent of other Shareholders;
 - 7.2.3 receive dividends;

- 7.2.4 require the Company to repurchase all or part of shares held by them in cases stipulated by the Federal Law “On Joint Stock Companies”;
 - 7.2.5 exercise other rights stipulated by the applicable laws of the Russian Federation, these Articles of Association, and resolutions of the General Meeting of Shareholders passed within its authority.
- 7.3 No conversion of ordinary shares into preferred shares, bonds, or other securities is permitted.

Article 8. Rights of Shareholders Holding Preferred Shares

- 8.1 The Company’s preferred shares are not voting and confer to their holders the only right to receive a fixed dividend according to the Company’s annual results.
- 8.2 Based on the results of the financial year, the General Meeting of Shareholders of the Company adopts a resolution to distribute 10 per cent of the Company’s net profit for the specified year as dividends accrued on all its preferred shares. In this case, the amount of dividend paid out per one preferred share cannot be less than the amount of dividend paid per one ordinary share.
- 8.3 The Company’s preferred shares confer to their holders the right to vote when the General Meeting of Shareholders makes resolutions on items of business relating to the Company’s reorganization and liquidation, making such amendments and supplements to the Articles of Association so as to limit the rights of Shareholders holding preferred shares, as well as applying for delisting of the preferred shares.
- 8.4 If the annual General Meeting of Shareholders adopts no resolution on payment of dividends on preferred shares, or adopts a resolution to pay such dividends partly, holders of preferred shares obtain the right to vote on the General Meeting of Shareholders’ resolutions within the entire scope of its authority. The right of Shareholders holding preferred shares to vote on the General Meeting of Shareholders’ resolutions terminates at the time of the first payment of dividends on the said shares in full.

Article 9. Duties of Shareholders

The Company's Shareholders shall:

- (1) keep confidential any information constituting commercial secret and any other confidential information about the Company’s business;
- (2) refrain from actions harmful to the Company, its commercial interests and business reputation, as well as actions which may howsoever negatively affect the Company’s business, financial status, and competitive advantages;
- (3) refrain from actions (inaction) which materially complicate or render impossible the achievement of goals the Company has been established for;
- (4) refrain from unscrupulous exercise of their rights;
- (5) inform the registrar of the Company’s Shareholders about any change in their address and personal identification documents to ensure prompt registration of such changes with the register of the Company’s Shareholders;

- (6) perform other duties stipulated by the laws of the Russian Federation and these Articles of Association

Article 10. The Funds of the Company

10.1 The Company creates a reserve fund in the amount of 15 percent of the Authorized Capital of the Company. The Reserve Fund is formed by mandatory annual deductions until it reaches the specified amount. The annual deduction shall be no less than 5 per cent of the net profit. The Reserve Fund is established with the purpose to cover the Company's losses, to redeem its bonds and to repurchase its shares in case no other funds are available.

The Reserve Fund may not be used for any other purposes.

10.2 Other funds may be established by resolution of the Board of Directors of the Company.

Article 11. The Dividend Payment Procedure

11.1 The Company has the right, based on the results of the first quarter, half-year, nine months of the reporting year and/or based on the results of the reporting year, to adopt a resolution (declare) on the payment of dividends on issued shares.

11.2 The dividends are paid from the Company's profit after tax (net profit of the Company), determined on the basis of the Company's accounting (financial) statements executed in accordance with the Federal Law No. 402-FZ dated 6 December 2011 "On Accounting".

11.3 The resolution to pay (declare) dividends is made by the General Meeting of Shareholders.

11.4 The list of persons entitled to receive dividends in accordance with the resolution on dividend payment (declaration) shall be determined for a date which is neither earlier than 10 days, nor later than 20 days from the date of such resolution.

11.5 The dividends are to be paid within the time limits and in the manner stipulated by laws of the Russian Federation.

If the Company's registrar does not have information about the bank account details of the Company's Shareholders, dividends are paid by postal money transfer. The Company's obligation to pay dividends by postal money transfer is considered fulfilled as of the date of acceptance of the transferred funds by the federal postal service.

11.6 When adopting a resolution to pay (declare) dividends and paying the declared dividends, the Company shall observe the restrictions set forth by federal laws.

11.7 Payment of declared dividends in cash to the Company's Shareholders may be suspended by resolution of the Company's Board of Directors in the manner and under the conditions stipulated by the Federal Law "On Joint Stock Companies".

Article 12. Structure of the Bodies of the Company

- the General Meeting of Shareholders
- the Board of Directors
- the Management Board
- the President

Article 13. The General Meeting of Shareholders

- 13.1 The General Meeting of Shareholders is the supreme body of the Company.
- The General Meeting of Shareholders acts in accordance with the laws of the Russian Federation and on the basis of these Articles of Association and the Regulations on the General Meeting of Shareholders adopted by the General Meeting of Shareholders.
- 13.2 The General Meeting of Shareholders is held in Moscow which is the place of the Company's location.
- 13.3 The Company shall hold the annual General Meeting of Shareholders not earlier than 2 months and not later than 6 months from the end of the reporting year.
- 13.4 The annual General Meeting of Shareholders shall resolve issues relating to the election of the Board of Directors and Revision Commission of the Company, the appointment of the Company's audit firm, approval of the Company's annual report, annual accounting (financial) statements and allocation of the Company's profits (including dividends payment (declaration) based on the reporting year's results) and losses based on the reporting year's results, as well as other items of business within the authority of the General Meeting of Shareholders.
- 13.5 Any General Meeting of Shareholders other than the annual one is extraordinary.
- 13.6 Resolutions of the General Meeting of Shareholders are adopted at a meeting, where voting is combined with absentee voting (hereinafter, the meeting), or without holding a meeting (absentee voting).
- 13.6.1 It is possible to take part in the General Meeting of Shareholders remotely using electronic or other technical means, making it possible to reliably identify the person taking remote participation in the meeting and provide such a person with the opportunity to participate in the discussion of agenda items and vote on agenda items put to vote.
- The General Meeting of Shareholders with remote participation may be held without determining its venue and without providing the possibility to attend its venue. The procedure allowing to reliably identify the person taking remote participation shall be determined by the Regulations on the General Meeting of Shareholders of the Company.
- 13.6.2 Voting on the meeting or absentee voting agenda items is carried out by voting ballots. Ballots may be circulated using electronic or other technical means.

Persons entitled to vote when the General Meeting of Shareholders makes resolutions, may fill out electronic ballots. When holding a General Meeting of Shareholders with remote participation, voting ballots may be filled out and submitted in electronic form using electronic or other technical means.

- 13.7 If all of the Company's voting shares are held by one and the same Shareholder, then resolutions on items of business within the authority of the General Meeting of Shareholders shall be adopted by this Shareholder solely and executed in writing. In this case, the provisions of the Federal Law "On Joint Stock Companies" and these Articles of Association, determining the timeframes and procedure for preparing for holding a meeting or absentee voting for the adoption of resolutions by the General Meeting of Shareholders, the timeframes and procedure for holding the said meeting or absentee voting, the timeframes and procedure for adoption of resolutions by the General Meeting of Shareholders shall not apply, with the exception of provisions concerning the timeframes for holding the annual General Meeting of Shareholders.

Article 14. The Authority of the General Meeting of Shareholders

- 14.1 The authority of the General Meeting of Shareholders includes the following:
- 14.1.1 making amendments and supplements to the Articles of Association or approving a new version of the Articles of Association, except for the cases stipulated by the Federal Law "On Joint Stock Companies";
 - 14.1.2 reorganizing the Company;
 - 14.1.3 liquidating of the Company, appointing a liquidation commission and approval of intermediate and final liquidation balance sheets;
 - 14.1.4 electing members of the Board of Directors of the Company and early termination of their powers, adopting resolutions to pay them remuneration and/or to compensate expenses incurred while in official capacity;
 - 14.1.5 determining the number, par value, class (type) of declared shares and rights which these shares confer;
 - 14.1.6 increasing the Company's Authorized Capital by increasing the par value of shares or by issuing additional shares;
 - 14.1.7 reducing the Authorized Capital by reducing the par value of shares, by acquisition of a portion of shares, as well as by redemption of shares acquired or repurchased by the Company;
 - 14.1.8 issuing the Company of bonds and other issued securities convertible into shares;
 - 14.1.9 appointing the President of the Company and early termination of his/her powers;
 - 14.1.10 assigning the powers of the Company's sole executive body to a managing company or person under a contract and early termination of powers of a managing company (person);

- 14.1.11 electing the Company's Revision Commission members and early termination of their powers, as well as making resolutions to pay them remuneration and/or compensations while in their official capacity;
 - 14.1.12 appointing the Company's audit firm;
 - 14.1.13 approving the Company's annual report;
 - 14.1.14 approving the Company's annual accounting (financial) statements;
 - 14.1.15 allocating the Company's profits and losses based on the reporting year's results;
 - 14.1.16 paying (declaring) dividends, including setting a date as of which a list of persons entitled to receive dividends shall be determined;
 - 14.1.17 determining the procedure for holding the General Meeting of Shareholders;
 - 14.1.18 splitting and consolidating shares;
 - 14.1.19 adopting resolutions on consenting to or subsequent approval of related-party transactions in cases stipulated by the Federal Law "On Joint Stock Companies";
 - 14.1.20 adopting resolutions on consenting to or subsequent approval of major transactions in cases stipulated by the Federal Law "On Joint Stock Companies";
 - 14.1.21 adopting resolutions as regards the participation in financial and industrial groups, associations and other partnerships of for-profit organizations;
 - 14.1.22 approving internal documents regulating the activities of the General Meeting of Shareholders, the Board of Directors, the Management Board, the President, the Revision Commission of the Company;
 - 14.1.23 adopting resolutions as regards the application for the delisting of the Company's shares and/or issued securities convertible into its shares;
 - 14.1.24 adopting resolutions as regards the submission of an application to the Bank of Russia to relieve the Company of its duty to disclose or submit information stipulated by the laws of the Russian Federation on securities;
 - 14.1.25 resolving other matters stipulated by the Federal Law "On Joint Stock Companies".
- 14.2 No items of business within the authority of the General Meeting of Shareholders may be transferred to the Board of Directors and executive bodies of the Company for resolution unless the Federal Law "On Joint Stock Companies" provides otherwise.
- 14.3 The General Meeting of Shareholders may neither review nor resolve on items of business beyond its authority as is set out in the Federal Law "On Joint Stock Companies".

Article 15. Preparation for holding of the General Meeting of Shareholders

- 15.1 The annual General Meeting of Shareholders is held by resolution of the Board of Directors of the Company.
- 15.2 An extraordinary General Meeting of Shareholders or absentee voting is to be convened by resolution of the Board of Directors on its own initiative, by request of the Revision Commission, the Company's audit firm or a Shareholder(s) jointly holding not less than 10 per cent of the Company's voting shares as of the date of such request, or by judgment of court to convene an extraordinary General Meeting of Shareholders or absentee voting.
- 15.3 The procedure and time for holding an extraordinary General Meeting of Shareholders or absentee voting are determined by the Federal Law "On Joint Stock Companies" and the Regulations on the General Meeting of Shareholders of the Company.
- 15.4 The Board of Directors shall resolve to hold the extraordinary General Meeting of Shareholders or absentee voting or to refuse to hold it by request of the Revision Commission, the Company's audit firm or a Shareholder(s) jointly holding not less than 10 per cent of the Company's voting shares. Such resolution shall be adopted within five days from the date of a relevant request.
- 15.5 The resolution of the Board of Directors of the Company to hold the extraordinary General Meeting of Shareholders or absentee voting, or a motivated resolution to refuse holding it is to be sent to persons who requested holding it within three days from the date of such resolution as is set forth in the laws of the Russian Federation.
- 15.6 The list of persons entitled to vote while making a resolution during the General Meeting of Shareholders is to be compiled in the manner established by the laws of the Russian Federation on securities in relation to the determination of persons eligible to exercise rights on securities.
 - 15.6.1 The date as of which persons entitled to vote on resolutions of the General Meeting of Shareholders are determined (fixed), may not be set earlier than 10 days from the date of the resolution to convene a meeting or an absentee voting or more than 25 days before the date of the meeting or before the submission deadline for the voting ballots in case of absentee voting; should the proposed agenda of the extraordinary General Meeting of Shareholders or absentee voting contain an issue of the election of members of the Board of Directors of the Company, on the formation of the sole executive body of the Company and/or on the early termination of his/her duties, such date may not be set more than 55 days before the date of the meeting or before the submission deadline for voting ballots in the case of absentee voting.
 - 15.6.2 In case the agenda of the General Meeting of Shareholders includes an issue of the Company's reorganization, the date as of which persons entitled to vote on resolutions of the General Meeting of Shareholders is determined (fixed) may not be earlier than 35 days before General

Meeting of Shareholders or before the submission deadline for voting ballots in the case of absentee voting.

- 15.6.3 The Board of Directors of the Company sets the date as of which persons entitled to vote on resolutions of the General Meeting of Shareholders are determined (fixed).
- 15.6.4 The information about the date of compilation of the list of persons entitled to vote on resolutions of the General Meeting of Shareholders is to be disclosed by the Company not later than 7 days prior to the relevant date.
- 15.7 A notice on holding the meeting or absentee voting for adoption of resolutions by the General Meeting of Shareholders (hereinafter, the Notice on Holding a Meeting or Absentee Voting) shall be made not later than 30 days prior to the meeting's date or to the end of the ballot acceptance date for absentee voting, unless a longer period is established by the Federal Law "On Joint Stock Companies".
- 15.8 A notice on holding the meeting or absentee voting is to be communicated to persons entitled to vote when the General Meeting of Shareholders makes resolutions and registered in the register of the Company's Shareholders via registered or regular mail, or by sending an electronic (text) message on holding the meeting or absentee voting to the e-mail address or phone number of the relevant person specified in the register of the Company's Shareholder.
 - 15.8.1 An additional notice on holding the meeting or absentee voting may be published in the "Rossiyskaya Gazeta" newspaper and/or on the Company's website: <https://www.transneft.ru>.
 - 15.8.2 The requirements to the contents of such notice are set out in the Federal Law "On Joint Stock Companies" and the Regulations on the General Meeting of Shareholders of the Company.
- 15.9 A Shareholder(s) of the Company jointly holding not less than 2 per cent of its voting shares may propose (submit) items of business to the agenda of the General Meeting of Shareholders and propose (put forward) candidates for the Board of Directors and the Revision Commission of the Company, provided that the number of such candidates does not exceed the statutory number of members of the relevant body, as well as propose (put forward) a candidate to the position of the President of the Company. Such proposals shall be submitted to the Company not later than 60 days after the reporting year's end.
- 15.10 The procedure for inclusion by the Shareholders of the Company of items on the agenda of the General Meeting of Shareholders and proposals for nomination of candidates to the Company's bodies elected by the General Meeting of Shareholders, as well as the procedure for consideration by the Board of Directors of proposals received is determined by the Federal Law "On Joint Stock Companies" and the Regulations on the General Meeting of Shareholders of the Company.
- 15.11 The Board of Directors of the Company may neither amend the wording of items proposed to the agenda of the General Meeting of Shareholders nor of resolutions on such items.

- 15.12 In addition to the candidates proposed by the Shareholders to form the relevant body of the Company, the Board of Directors of the Company may add candidates to the list of candidates at its own discretion. The number of candidates proposed by the Company's Board of Directors may not exceed the number of members of the relevant body.
- 15.13 Additional requirements to the procedure of preparing and holding a meeting or absentee voting, including the scope of materials and information to be provided by Shareholders on the items of the agenda of the General Meeting of Shareholders and procedure for the provision of the same, are determined by the requirements of laws and by-laws of the Russian Federation and the Regulations on the General Meeting of Shareholders.

Article 16. Procedure for Holding the General Meeting of Shareholders

- 16.1 The General Meeting of Shareholders is quorate to adopt resolutions (quorum of the meeting or absentee voting for adoption of resolutions by the General Meeting of Shareholders is present) if Shareholders holding collectively more than half of the votes of the Company's outstanding voting shares participated in the meeting or absentee voting.
- 16.2 The quorum for a certain item of the agenda of the General Meeting of Shareholders is defined as a simple majority of votes of the Shareholders holding voting shares, unless otherwise provided by the Federal Law "On Joint Stock Companies".
- 16.3 If the agenda includes items to be voted on by different groups of voters, then the quorum for the adoption of resolutions on such items is determined separately. At the same time, the absence of quorum for adopting resolutions on items voted by one group of voters does not prevent the adoption of resolutions on issues voted by another group of voters, where the quorum is present.
- 16.4 Shareholders registered for the participation in the General Meeting of Shareholders including via electronic or other technical means are deemed to have taken part in the same.
- 16.5 Shareholders whose completed voting ballots are received by the Company no later than the deadline for accepting completed voting ballots during absentee voting shall be deemed to have taken part in absentee voting.
- 16.6 If the quorum for holding the annual General Meeting of Shareholders is not present, the repeated meeting shall be held with the same agenda.
- 16.7 If the quorum for holding the extraordinary General Meeting of Shareholders or for adoption of resolutions by absentee voting is not present, the repeated meeting or repeated absentee voting shall be held with the same agenda.
- 16.8 If shareholders who collectively hold at least 30 percent of the votes of the Company's outstanding voting shares participate in the repeated meeting or repeated absentee voting, the General Meeting of Shareholders is entitled to adopt resolutions.
- 16.9 The persons entitled to vote on resolutions of the General Meeting of Shareholders at the repeated meeting or at the repeated absentee voting are to

be determined (fixed) as of the date the persons entitled to vote on resolutions of the General Meeting of Shareholders at the failed meeting or failed absentee voting were determined (fixed), if the repeated meeting or absentee voting is held less than 40 days after the failed meeting or after the deadline for accepting voting ballots in case of the failed absentee voting.

- 16.10 Votes at the General Meeting of Shareholders are cast through ballots delivered against signature or sent to persons named in the list of persons entitled to vote when the General Meeting of Shareholders makes resolutions, by registered or non-registered mail or by e-mail to the e-mail address specified in the register of Shareholders, not later than 20 days before the General Meeting of Shareholders.

The meeting participants may, during the meeting, fill out and submit the voting ballots electronically using electronic or other technical means, as well as send electronic images of filled voting ballots to the address indicated in the notice on holding the meeting.

In case of absentee voting, the completed voting ballots shall be sent to the postal address indicated in the notice on absentee voting.

The resolution to conduct absentee voting may provide the possibility to fill out and submit the voting ballots electronically or send an electronic image of the filled ballot to the e-mail address indicated in the notice on absentee voting.

The address of the website where a Shareholder can fill out an electronic ballot, is to be indicated in the notice on holding the General Meeting of Shareholders of the Company.

- 16.11 Resolutions adopted by the General Meeting of Shareholders and voting results may be announced at the General Meeting of Shareholders at which the voting was held, and shall be brought to the attention of the persons named in the list of persons entitled to vote when the General Meeting of Shareholders makes resolutions, in the form of a report on the results of voting in accordance with the procedure envisaged for notice on holding the meeting or absentee voting, not later than four business days after the General Meeting of Shareholders closure date or after the deadline for voting ballots submission in case of absentee voting.

- 16.12 The minutes confirming the holding of the General Meeting of Shareholders and the results of voting conducted at the meeting, as well as the results of absentee voting, shall be drawn up in two copies no later than three business days after the closing of the General Meeting of Shareholders or the deadline for voting ballots submission in case of absentee voting. Both copies shall be signed by the Chairperson of the General Meeting of Shareholders and the Secretary.

The minutes can be drawn up using electronic or other technical means, in which case the minutes are to be signed by enhanced qualified electronic signatures of the relevant persons.

- 16.13 The Company shall post resolutions of the General Meeting of Shareholders at its web site in the form of the notification of material fact.

16.14 Additional requirements to the procedure of preparation for and holding of the General Meeting of Shareholders and absentee voting are stipulated by the laws and by-laws of the Russian Federation and the Regulations on the General Meeting of Shareholders of the Company.

Article 17. Procedure for the Resolutions Adoption by the General Meeting of Shareholders

17.1 Voting at the General Meeting of Shareholders is based on the principle “one vote for one voting share”, unless a cumulative voting is held.

17.2 The General Meeting of Shareholders adopts a resolution on an item put to the vote by a majority of votes of the Shareholders holding voting shares who are attending the Meeting or participating in the absentee voting, unless the Federal Law “On Joint Stock Companies” and these Articles of Association provide otherwise on the matter of resolution adoption.

17.2.1 The General Meeting of Shareholders adopts resolutions on matters referred to in paragraphs 14.1.1-14.1.3, 14.1.5, 14.1.7 hereof (as regards the reduction of the authorized capital by reducing the par value of shares and acquisition of a portion of shares by the Company to reduce their total number) by a three-fourths majority of votes of the Shareholders holding voting shares who are attending the Meeting or participating in the absentee voting.

17.2.2 The General Meeting of Shareholders adopts resolutions on matters referred to in paragraphs 14.1.23, 14.1.24 hereof, and on such amendment of these Articles of Association as to exclude the reference to the Company being public, by a 95 per cent majority of votes of all the Shareholders holding the Company’s shares of all classes (types).

17.2.3 The resolutions to amend and supplement these Articles of Association in such way as to limit the rights of the Shareholders holding preferred shares and to apply for the preferred shares delisting are deemed adopted if voted in favor by not less than three fourths of votes of the Shareholders holding ordinary shares and three fourths of votes of all of the Shareholders holding preferred shares.

17.3 Whenever both the Shareholders holding ordinary shares and Shareholders holding preferred shares of the Company are entitled to vote on an item put to the vote, the votes so cast are counted jointly among all of the voting shares, unless the Federal Law “On Joint Stock Companies” and these Articles of Association provide otherwise.

17.4 For each issue that is put to the vote, only a separate (independent) resolution can be adopted.

17.5 Resolutions on the following items of business may only be adopted by proposal of the Board of Directors:

17.5.1 reorganization of the Company;

17.5.2 liquidation of the Company, appointing a liquidation commission;

- 17.5.3 increasing the Company's authorized capital by increasing the par value of shares;
 - 17.5.4 increasing the Company's authorized capital by issuing additional shares;
 - 17.5.5 reduction of the Company's authorized capital by reducing the par value of shares;
 - 17.5.6 split and consolidation of shares;
 - 17.5.7 consenting to or subsequent approval of related-party transactions in cases stipulated by the Federal Law "On Joint Stock Companies";
 - 17.5.8 consenting to or subsequent approval of major transactions in cases stipulated by the Federal Law "On Joint Stock Companies";
 - 17.5.9 the Company's participation in financial and industrial groups, associations and other formations of for-profit organizations;
 - 17.5.10 approval of internal documents regulating the activities of the General Meeting of Shareholders, the Board of Directors, the Management Board, the President, the Revision Commission of the Company;
 - 17.5.11 setting of a date as of which a list of persons entitled to receive dividends shall be determined;
 - 17.5.12 assigning the powers of the Company's sole executive body to a managing company or person;
 - 17.5.13 other cases stipulated by the laws of the Russian Federation and these Articles of Association.
- 17.6 The General Meeting of Shareholders may neither adopt resolutions on items beyond its agenda, nor change its agenda.
- 17.7 The General Meeting of Shareholders is to adopt the procedure for holding of the General Meeting of Shareholders in the manner established by the Regulations on the General Meeting of Shareholders.

Article 18. The Board of Directors of the Company

- 18.1 The Board of Directors of the Company is in charge of the overall management of the Company's business and acts on the basis of these Articles of Association and Regulations on the Board of Directors approved by the General Meeting of Shareholders.
- 18.2 Subject to a resolution of the General Meeting of Shareholders, the members of the Board of Directors may receive remunerations and compensation of expenses relating to the execution of their duties in their official capacity as members of the Board of Directors. The amounts of such remunerations and compensations are to be determined by resolution of the General Meeting of Shareholders.

Article 19. The Authority of the Board of Directors of the Company

- 19.1 The authority of the Board of Directors of the Company includes the following:

- 19.1.1 determining the Company's business priorities;
- 19.1.2 approval of the Company's strategy, prospective plans, key business programs, amendments and supplements thereto, and reviewing the relevant follow-up reports;
- 19.1.3 approval of the Company's budget and amendments thereto, reviewing the budget performance report;
- 19.1.4 preliminary approval of the annual report, annual accounting (financial) statements;
- 19.1.5 reviewing the results of the Company's financial and business performance in the reporting period (quarter, year);
- 19.1.6 holding annual and extraordinary General Meetings of Shareholders of the Company or absentee voting;
- 19.1.7 approval of agenda of a meeting or absentee voting for the purpose of resolution adoption by the General Meeting of Shareholders;
- 19.1.8 setting the date for determining (fixing) the persons entitled to vote when the General Meeting of Shareholders makes resolutions, and other items of business assigned to the authority of the Board of Directors by the applicable laws of the Russian Federation, these Articles of Association and internal corporate documents, as regards the preparation for the meeting or absentee voting and resolutions adoption by the General Meeting of Shareholders;
- 19.1.9 issuance by the Company of bonds and other issued securities, except for issuance of shares and bonds convertible into the Company's shares and other issued securities convertible into the Company's shares;
- 19.1.10 determination of the price (monetary value) of property, issuance price or the procedure for its determination, and repurchase price of issued securities in cases stipulated by the Federal Law "On Joint Stock Companies" and these Articles of Association;
- 19.1.11 acquisition of shares issued by the Company in the amount not exceeding 10 percent of the total number of the Company's issued shares, as well as acquisition of shares issued by the Company in organized trading and approval of the Share Acquisition Program (amendments thereto);
- 19.1.12 acquisition of bonds issued by the Company and other issued securities except the Company's shares specified in paragraph 19.1.11 above, in cases stipulated by the applicable laws of the Russian Federation;
- 19.1.13 disposition of shares issued and then acquired by the Company;
- 19.1.14 approval of the report on the results of the acquisition of shares with the purpose of their redemption and the report on the results of such redemption, as well as the report on the results of the implementation of the Share Acquisition Program;

- 19.1.15 approval of the report on the results of Shareholders' request to repurchase the shares held by them;
- 19.1.16 appointing the Management Board of the Company and its members, adopting resolutions on early termination of the duties of some or all of the Management Board's members;
- 19.1.17 determination of mandatory (material) terms and conditions of contracts concluded with the President of the Company and the members of the Management Board, as well as appointing the person authorized to sign such contracts on the Company's behalf;
- 19.1.18 approval of any concurrent office holding by the President of the Company and the members of the Management Board in management bodies of other organizations;
- 19.1.19 recommendations on the amounts of remunerations and compensations to be paid to the members of the Revision Commission of the Company;
- 19.1.20 determining the amount of the audit firm's remuneration;
- 19.1.21 recommendations on the amount and procedure of payment of dividends on shares, as well as adopting resolutions to suspend the payment of dividends;
- 19.1.22 recommendations on setting of a date as of which persons entitled to receive dividends shall be determined;
- 19.1.23 use of the Reserve Fund and other funds of the Company;
- 19.1.24 consenting to or subsequent approval of major transactions in cases stipulated by the Federal Law "On Joint Stock Companies";
- 19.1.25 consenting to or subsequent approval of related-party transactions in cases stipulated by the Federal Law "On Joint Stock Companies";
- 19.1.26 approval of the Company's registrar and terms and conditions of a contract to be concluded with the latter for the keeping of the security holders register, or amending/termination of such contract with the registrar for the keeping of the security holders register;
- 19.1.27 adopting resolutions as regards the application for the listing of the Company's shares and/or issued securities convertible into the Company's shares;
- 19.1.28 approval of resolutions on the issuance (additional issuance) of securities, bond programs, prospectuses of securities and amendment thereof;
- 19.1.29 preparing proposals and putting forward items of business to the General Meeting of Shareholders which, according to laws of the Russian Federation and these Articles of Association, are to be resolved by the General Meeting of Shareholders by proposal of the Board of Directors;

- 19.1.30 accepting recommendations on a voluntary or mandatory offer received by the Company in accordance with the Federal Law “On Joint Stock Companies”;
- 19.1.31 election of the Chairperson and the Deputy Chairperson of the Board of Directors;
- 19.1.32 establishing committees of the Company's Board of Directors, determination of the number of their members, appointment of the chairman and members of the committee and termination of their powers;
 - 19.1.32.1 approval (final approval) of the appointment and dismissal of the head of a special structural unit performing the functions of the corporate secretary;
- 19.1.33 determining the principles of organization of the Company's internal control, risk management and internal audit;
- 19.1.34 determination of key performance indicators of the Company, functional key performance indicators of the President, Vice Presidents, members of the Management Board and review of the results of their achievement;
- 19.1.35 initiating the audit of the Company's financial and business operations by the Revision Commission;
- 19.1.36 establishing criteria for the designation of a Transneft subsidiary¹ as an essential Transneft subsidiary;
- 19.1.37 approval of the Company's organizational structure (Vice Presidents, structural units reporting directly to the President and/or Vice President) prior to its final approval by the Management Board of the Company;
- 19.1.38 adopting resolutions on the Company's participation in essential Transneft subsidiaries and termination of such participation;
- 19.1.39 approval of transactions worth over RUB 100 billion effected by the Company, unless these Articles of Association specify a different approval procedure for such transactions;
- 19.1.40 donations by the Company, including charitable donations and sponsorship worth over RUB 1 billion;
- 19.1.41 determination of the Company's position on the following matters:
 - (i) reorganization and liquidation of essential TS;
 - (ii) increase of the authorized capital of an essential TS if such increase results in reduction of the Company's direct and indirect participation interest;

¹ For the purposes of these Articles of Association the definition “Transneft subsidiaries” (abbreviated “TS”) shall mean entities with a more than 20 per cent participation interest in their authorized capitals held, directly and/or indirectly, by the Company.

- (iii) approval of TS transactions worth over RUB 100 billion, unless a different approval procedure for TS transactions is established by these Articles of Association;
 - (iv) alienation of the Company's shares held by TS;
 - (v) acquisition or alienation by essential TS of shares (participation interest) in third parties' authorized capitals if the value of such transaction is 15 per cent or more of the book value of assets of such essential TS as determined by its accounting statements for the last reporting date;
 - (vi) donations by TS, including a charitable donation or sponsorship worth over RUB 1 billion;
- 19.1.42 approval of the appointment of sole executive bodies of essential TS;
- 19.1.43 approval of the Company's internal documents:
- (i) Regulations on the Committees of the Company's Board of Directors;
 - (ii) regulatory documents determining basic principles of organization of the Company's business in the following fields:
 - (1) dividend policy;
 - (2) internal control and risk management system;
 - (3) internal audit;
 - (4) information policy;
 - (5) counteracting illegal use of inside information;
 - (6) purchasing;
 - (7) investments;
 - (8) innovations;
 - (9) quality management;
 - (10) corporate governance (including formation of TS management bodies);
 - (11) social policy and pensions;
 - (12) sponsorship and charity;
 - (13) economic activity efficiency improvement;
 - (14) performance efficiency assessment (including performance assessment of the Company's management bodies);
 - (15) industrial safety management system and its audit in cases stipulated by the Federal Law No. 116-FZ dated 21 July 1997 "On Industrial Safety of Hazardous Production Facilities";

(iii) other internal documents of the Company stipulated by these Articles of Association and applicable laws of the Russian Federation;

19.1.44 other issues stipulated by the Federal Law "On Joint Stock Companies" and these Articles of Association.

19.2 The issues within the authority of the Company's Board of Directors may not be transferred to the Company's executive bodies for resolution.

Article 20. Procedure for the Election of Members of the Board of Directors of the Company

20.1 The Board of Directors of the Company comprises 10 members.

20.2 The General Meeting of Shareholders elects members of the Board of Directors by cumulative voting for a term until the next annual General Meeting of Shareholders.

20.3 If an annual General Meeting of Shareholders was not held within the time limits specified in these Articles of Association, the powers of the Board of Directors terminate, except the powers to prepare for and hold the annual General Meeting of Shareholders.

If the Company's annual General Meeting of Shareholders fails to adopt a resolution on the election of members of the Company's Board of Directors, the powers of the Company's Board of Directors terminate, except the powers to prepare for and hold an extraordinary General Meeting of Shareholders to adopt the resolution on the election of members of the Company's Board of Directors.

20.4 By resolution of the General Meeting of Shareholders, the powers of all of the members of the Company's Board of Directors may be terminated early.

20.5 Persons elected to the Board of Directors may be re-elected for a new term infinitely.

20.6 Only an individual can be a member of the Board of Directors of the Company. A member of the Board of Directors of the Company may not be a Shareholder of the Company.

20.7 The President of the Company or the Members of the Management Board of the Company may not represent more than one fourth of the Board of Directors of the Company and may not act as Chairperson of the Board of Directors of the Company.

Article 21. Chairperson of the Board of Directors of the Company

21.1 The Chairperson and the Deputy Chairperson of the Board of Directors of the Company are elected by the members of the Board of Directors of the Company from among themselves by a majority of the total number of their votes. The Board of Directors of the Company may at any time re-elect its Chairperson and/or Deputy Chairperson by a majority of the total number of the votes of the Board of Directors of the Company.

- 21.2 The Chairperson of the Board of Directors of the Company organizes its work, makes the decision on holding a meeting or absentee voting for adoption of resolutions by the Board of Directors of the Company, chairs meetings of the Board of Directors, arranges for drawing up of minutes of the meeting or absentee voting for adoption of resolution by the Board of Directors, chairs the General Meetings of Shareholders and exercises other powers as granted by the Company's internal documents.
- 21.3 In the absence of the Chairperson of the Board of Directors, the Deputy Chairperson shall perform his/her duties; in the absence of the latter, the abovementioned duties shall be performed by a member of the Board of Directors subject to the Board's resolution.

Article 22. Procedure for the Resolution Adoption by the Board of Directors of the Company

- 22.1 The decision to hold a meeting or absentee voting is made by the Chairperson of the Board of Directors acting on his/her own initiative or at the request of a member of the Board of Directors, the President, the Management Board, the Revision Commission, the head of the department responsible for internal audit, or the Company's audit firm.
- 22.2 When the Board of Directors of the Company makes resolutions, voting at the meeting may be combined with absentee voting.
- The procedure for the preparation for and holding of the meetings or absentee voting for the purpose of resolutions adoption by the Board of Directors of the Company is set out in these Articles of Association and in the Regulations on the Board of Directors of the Company.
- 22.3 The quorum for resolutions adoption by the Board of Directors of the Company is the attendance of a meeting or absentee voting by at least a half of the elected members of the Board of Directors of the Company.
- 22.4 When resolving matters at a meeting of the Board of Directors, each member of the Board of Directors is entitled to one vote. In the event of a tie, the Chairperson of the Board of Directors has the casting vote. The casting vote of the Chairperson of the Board of Directors may not be used by the Deputy Chairperson of the Board of Directors or any other member exercising the Chairperson's functions in case the Chairperson is not present.
- 22.5 A member of the Board of Directors is not allowed to delegate his/her voting right to another person, including another member of the Board of Directors.
- 22.6 Resolutions of the Board of Directors of the Company shall be adopted by a majority of votes of the members of the Board of Directors attending the meeting or participating in absentee vote, unless the Federal Law "On Joint Stock Companies" and these Articles of Association provide otherwise.
- 22.7 Resolutions on the matters specified in Paragraphs 19.1.1-19.1.8, 19.1.10, 19.1.16, 19.1.21, 19.1.26, 19.1.27, 19.1.29-19.1.32, 19.1.34, 19.1.38-19.1.41, 19.1.43 of these Articles of Association shall be adopted by a majority of all of the votes of the elected members of the Board of Directors.

- 22.8 In determining the quorum and voting results on the agenda items, a written opinion of a member of the Board of Directors of the Company not present at the meeting of the Board of Directors of the Company shall be taken into account.
- 22.8.1 The procedure for the submission and consideration of written opinions of the members of the Board of Directors is set out in the Regulations on the Board of Directors of the Company.
- 22.9 Participation in the meeting of the Board of Directors of the Company may be remote using electronic or other technical means, if methods are in place to reliably identify the person taking remote participation in the meeting and to provide such a person with the opportunity to participate in the discussion of agenda items and vote on the agenda items put to the vote. A meeting of the Board of Directors with remote participation may either be held with the possibility to attend its venue or without determining a venue.
- 22.10 Resolutions on the following matters are adopted by the Board of Directors of the Company, predominantly at meetings held in person:
- 22.10.1 determining the Company's business priorities;
- 22.10.2 approval of the Company's strategy, prospective development plans, and key business programs;
- 22.10.3 approval of the Company's budget;
- 22.10.4 preliminary approval of the annual report, annual accounting (financial) statements;
- 22.10.5 adopting resolutions on holding the annual and extraordinary General Meetings of Shareholders of the Company;
- 22.10.6 approval of agenda of a meeting or absentee voting for the purpose of resolution adoption by the General Meeting of Shareholders;
- 22.10.7 adopting resolutions as regards the application for the listing of the Company's shares and/or issued securities convertible into the Company's shares;
- 22.10.8 drafting of proposals and submission of matters for approval by the General Meeting of Shareholders as regards the Company's reorganization, liquidation and appointment of a liquidation commission.
- 22.11 The minutes of the Board of Directors meeting shall be drafted within three days from the meeting in the manner established by the Regulations on the Board of Directors of the Company.

Article 23. The Management Board of the Company

- 23.1 The Management Board of the Company is a collective executive body acting in accordance with laws of the Russian Federation, these Articles of Association and the Regulations on the Management Board of the Company, approved by the General Meeting of Shareholders.

- 23.2 The composition of the Management Board is to be approved by the Board of Directors on motion of the Company's President. The powers of individual members or of the entire Management Board may be terminated by resolution of the Board of Directors of the Company.
- 23.3 The rights and duties of the members of the Management Board of the Company are set out in laws of the Russian Federation, these Articles of Association, the Regulations on the Management Board of the Company, as well as in a contract concluded by each of them with the Company.
- 23.4 The authority of the Management Board includes the following issues:
- 23.4.1 drafting of proposals on determining the Company's business priorities for the Board of Directors;
 - 23.4.2 drafting of proposals on altering or expanding the Company's business for the Board of Directors;
 - 23.4.3 drafting of proposals on preliminary approval of the Company's annual report, budget and review of the budget performance report for the Board of Directors of the Company;
 - 23.4.4 approval of the Company's transactions worth between RUB 50 billion (exclusive) and RUB 100 billion (inclusive), unless a different transaction approval procedure is established by these Articles of Association;
 - 23.4.5 adopting resolutions on the Company's participation and termination of the participation in other entities, except when such resolution is reserved to the General Meeting of Shareholders or the Board of Directors with regard to specific entities;
 - 23.4.6 adopting resolutions on the establishment/liquidation of branches and opening/closing of representative offices of the Company;
 - 23.4.7 adopting resolutions on donating including charitable donations worth between RUB 100 thousand (exclusive) and RUB 1 billion (inclusive);
 - 23.4.8 adopting resolutions on sponsorship worth up to RUB 1 billion (inclusive);
 - 23.4.9 approval of the key performance indicators for the Transneft subsidiaries and the relevant follow-up analysis;
 - 23.4.10 approval of transactions with shares (participation interest) of essential TS;
 - 23.4.11 approval of the Company's real estate transactions worth between RUB 10 billion (exclusive) and RUB 100 billion (inclusive);
 - 23.4.12 approval of the Company's organizational structure;
 - 23.4.13 determination of the Company's position on the following matters:
 - (i) reorganization and liquidation of a TS (other than essential TS);
 - (ii) increase of the authorized capital of a TS (other than essential TS) if such increase results in reduction of the Company's direct or indirect participation interest;

- (iii) approval of TS transactions worth between RUB 50 billion (exclusive) to RUB 100 billion (inclusive), unless these Articles of Association provide for a different TS transaction approval procedure;
 - (iv) acquisition or alienation of shares (participation interest) in authorized capital of third parties by TS (other than essential TS), including at the moment of their establishment, if such transaction is worth 15 per cent or more of the book value of the TS assets as determined according to its financial statements for the last reporting date;
 - (v) donations, including charitable donations, or sponsorship by TS worth between RUB 1 million (exclusive) to RUB 1 billion (inclusive);
 - (vi) approval of TS real estate transactions worth between RUB 10 billion (exclusive) to RUB 100 billion (inclusive);
 - (vii) approval of TS transactions with shares (participation interest) of essential TS.
- 23.4.14 approval of the Company's internal policy documents and review of the relevant follow-up reports submitted to the Management Board by resolution of the President of the Company, except documents approvable by the Board of Directors;
- 23.4.15 approval of the Company's internal documents relating to:
- (i) social benefits, guarantees and compensations for employees;
 - (ii) human resources policy, remunerations and bonuses for employees;
 - (iii) security and anti-corruption policy;
 - (iv) TS business efficiency improvement.
- 23.5 The Management Board is entitled to resolve on other issues of the Company's day-to-day management on behalf of the Board of Directors, its committees or the President of the Company, except matters within the authority of the General Meeting of Shareholders and the Board of Directors
- 23.6 The President of the Company is in charge of the arrangement of meetings of the Management Board. The procedure for convening and holding of meetings of the Management Board, as well as the resolution adoption by the Management Board is set out in the Regulations on the Company's Management Board.
- 23.7 The minutes of the Management Board's meetings are kept during the meeting and signed by the President of the Company. The minutes of the Management Board meeting shall be presented to the members of the Board of Directors of the Company, the Revision Commission, the head of the department responsible for internal audit, or the Company's audit firm at their request.
- 23.8 The quorum for a meeting of the Management Board is at least a half of the total elected members of the Management Board.

- 23.9 Transfer of voting rights by a member of the Management Board to another person, including another member of the Management Board, is not allowed.

Article 24. The President of the Company

- 24.1 The President of the Company acts as a sole executive body. The President of the Company is appointed by the General Meeting of Shareholders for a period of 5 years and acts as the Chairperson of the Management Board.
- 24.2 The President of the Company is in charge of the day-to-day management of the Company's business and reports to the Board of Directors and the General Meeting of Shareholders.
- 24.3 The President acts without the power of attorney on behalf of the Company, represents its interests, issues orders and instructions binding upon all of the Company's employees, issues powers of attorney to represent the Company interests, signs all and any documents on behalf of the Company, applies on the Company's behalf to any organizations on any matters relating to the protection of the Company's interests.
- 24.4 The authority of the President of the Company encompasses all issues relating to the management of the Company and TS, except those assigned by these Articles of Association to the authority of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company. In particular, the President's authority encompasses:
- 24.4.1 day-to-day management of the Company's business in accordance with the resolutions of the General Meeting of Shareholders and the Board of Directors;
 - 24.4.2 representation of the Company's interests in the Russian Federation and abroad;
 - 24.4.3 appointment of heads of the Company's branches and representative offices and termination of their authorities;
 - 24.4.4 approval of the Regulations on the Company's branches and representative offices;
 - 24.4.5 approval of the payroll, allocation of responsibilities between the Company's officers, determination of remunerations and provision of compensations, social benefits and guarantees to employees;
 - 24.4.6 making of all and any transactions on behalf of the Company including those subject to approval by the General Meeting of Shareholders, the Board of Directors, the Management Board in accordance with laws and/or these Articles of Association;
 - 24.4.7 submission of proposals to the Board of Directors on the appointment or dismissal of members of the Management Board;
 - 24.4.8 arrangement for and convention of meetings of the Management Board;

- 24.4.9 determination of the contents and scope of information classified as commercial secret and other confidential information, as well as setting of the procedure for its protection;
 - 24.4.10 arranging the work and conditions necessary for state secrets' protection within the Company, ensuring compliance with legislative restrictions as regards familiarization with the information that constitutes state secret;
 - 24.4.11 adopting resolutions on:
 - (i) transactions worth up to RUB 50 billion (inclusive) unless these Articles of Association stipulate a different procedure for transactions;
 - (ii) real estate transactions worth up to RUB 10 billion (inclusive);
 - (iii) donations including charitable donations worth up to RUB 100 thousand (inclusive);
 - 24.4.12 approval of the list of the Company's essential TS based on the criteria established by the Board of Directors of the Company;
 - 24.4.13 determination of the Company's position on the following matters:
 - (i) approval of transactions worth between RUB 1 billion (exclusive) and RUB 50 billion (inclusive) made by TS, unless these Articles of Association stipulate a different procedure for TS transactions approval;
 - (ii) approval of TS real estate transactions worth between RUB 100 million (exclusive) and RUB 10 billion (inclusive);
 - (iii) approval of transactions with shares (participation interest) of TS other than essential TS;
 - (iv) approval of TS budgets;
 - (v) election of General Directors and members of the Boards of Directors of TS;
 - (vi) approval of TS organizational structure;
 - 24.4.14 approval of internal documents of the Company, except those subject to approval by the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company in accordance with these Articles of Association;
 - 24.4.15 taking measures to ensure the safety and protection of information classified as a state secret and data media containing it in case of reorganization or liquidation of the Company or termination of work involving such information;
 - 24.4.16 adopting resolutions on any issues other than those assigned to the authority of the General Meeting of Shareholders, the Board of Directors and the Management Board of the Company.
- 24.5 The President of the Company is entitled to submit to the Management Board any issues within his/her authority as defined by these Articles of Association.

- 24.6 Rights and duties, conditions, and amount of remuneration payable to the President of the Company are stipulated by the contract between the President and the Company. The contract is signed on behalf of the Company by the Chairperson of the Board of Directors or other person authorized by the Board of Directors.
- 24.7 In case the President of the Company becomes unable to exercise his/her functions, the Board of Directors of the Company becomes entitled to adopt a resolution on the establishment of a temporary sole executive body of the Company and on holding an extraordinary meeting or absentee voting for the General Meeting of Shareholders to adopt resolutions on early termination of powers and the establishment of a new sole executive body of the Company. Such resolution is to be adopted by a three-fourths majority of the votes of the Board of Directors, and the votes of former Board members shall not count.
- 24.8 The Company's temporary sole executive body manages the Company's current operations having the same scope of authority as is vested in the President of the Company.

Article 25. The Revision Commission of the Company

- 25.1 The Revision Commission of the Company supervises the Company's financial and business operations.
- 25.2 The operating procedures of the Revision Commission of the Company are set out in the Regulations on the Revision Commission approved by the General Meeting of Shareholders.
- 25.3 The Revision Commission of the Company is elected at the General Meeting of Shareholders for the period until the next annual General Meeting of Shareholders in accordance with the Regulations on the Revision Commission and the Federal Law "On Joint Stock Companies".
- 25.4 The authority of the Revision Commission of the Company includes the following:
- 25.4.1 performing audits/inspections of the Company's financial and business operations;
 - 25.4.2 confirming reliability of the data provided in reports and other financial documents of the Company;
 - 25.4.3 drafting proposals/recommendations to improve the Company's financial and business operations, assets management, risk management system and internal control system;
 - 25.4.4 supervising corrective actions on deficiencies and fulfillment of recommendations reflected in previous audit/inspection reports.
- 25.5 Audits/inspections of the Company's financial and business operations are performed based on the Company's year-end results, or at any time on the initiative of the Revision Commission of the Company, by resolution of the General Meeting of Shareholders or the Board of Directors of the Company, or by request of a Shareholder(s) jointly holding at least 10 per cent of the Company's voting shares.

- 25.6 Whenever required by the Revision Commission of the Company to do so, all officers of the Company's management bodies shall submit documents relating to the Company's financial and business operations to the Revision Commission.
- 25.7 The Revision Commission of the Company is entitled to require the holding of a meeting or absentee voting of the General Meeting of Shareholders of the Company.
- 25.8 By resolution of the General Meeting of Shareholders, members of the Revision Commission of the Company, while in official capacity, may receive remunerations and/or compensation of expenses incurred by them in relation to their official duties. The amounts of such remunerations and compensations are determined by resolution of the General Meeting of Shareholders.

Article 26. The Company's Audit Firm

- 26.1 The audit firm audits the annual accounting (financial) statements of the Company according to laws of the Russian Federation and based on a contract concluded with it.
- 26.2 The Company's audit firm is appointed by the General Meeting of Shareholders. The audit firm's remuneration is determined by the Board of Directors of the Company.

Article 27. Material Corporate Actions

- 27.1 Material corporate actions of the Company include:
- (i) reorganization of the Company;
 - (ii) acquisition of 30 or more percent of the voting shares of another public joint stock company (takeover);
 - (iii) execution by the Company of:
 - (1) major transactions;
 - (2) related-party transactions;
 - (3) material transactions exceeding RUB 100 billion in value (except for transactions executed in the ordinary course of business of the Company; transactions mandatory for the Company in accordance with federal laws and/or other legal acts of the Russian Federation; and intra-group transactions (between the Company and TS));
 - (iv) increase of the Company's authorized capital;
 - (v) split, consolidation, and conversion of the Company's shares;
 - (vi) listing and delisting of the Company's shares.

Article 28. Performance of the Mobilization Assignments by the Company

The Company shall:

- (1) arrange for and ensure the mobilization training and mobilization in accordance with laws of the Russian Federation, decrees of the President of the Russian Federation, regulations of federal executive authorities and approved mobilization plans;
- (2) conclude agreements (contracts, deals) with the appropriate governmental authorities and organizations in the manner established by laws of the Russian Federation on performance of the approved mobilization assignments and the utilization of the mobilization facilities or mobilization reserves (stocks) not subject to privatization.