

## 7.7. § Executive Governing Bodies

The President (the sole executive body) and the Management Board (the collective executive body) of Transneft bear the responsibility for managing the Company's day-to-day operations and ensuring that the Company's objectives and development strategy are effectively implemented. The area of competence of the executive bodies does not include issues falling within the competence of the General Meeting of Shareholders and the Board of Directors.

### President

The President of Transneft is responsible for day-to-day management of the Company and is the Chairman of the Management Board.

#### Nikolay Tokarev is the President of Transneft.

He was first elected as the President of Transneft in 2007<sup>1</sup>. In 2015, the powers of Nikolay Tokarev were extended for a period of five years<sup>2</sup>. In 2020, the powers have been extended for another five years<sup>3</sup>.

#### It is the competence of the President:

- ➔ to carry out day-to-day management of the Company's operations in accordance with the resolutions of the General Meeting of Shareholders and the Board of Directors;
- ➔ to make all and any transactions on behalf of the Company, including those subject to approval by the General Meeting of Shareholders, the Board of

- Directors and/or the Management Board in accordance with laws and/or the Company's Articles of Association;
- ➔ to submit proposals to the Board of Directors regarding the appointment or dismissal of members of the Management Board;
- ➔ to arrange for and convene meetings of the Management Board;
- ➔ to approve the list of essential Transneft subsidiaries based on the criteria established by the Board of Directors;
- ➔ to determine the Company's position with regard to issues concerning specific Transneft subsidiaries;
- ➔ to make decisions on any issues other than those within the competence of the General Meeting of Shareholders, the Board of Directors and the Management Board.

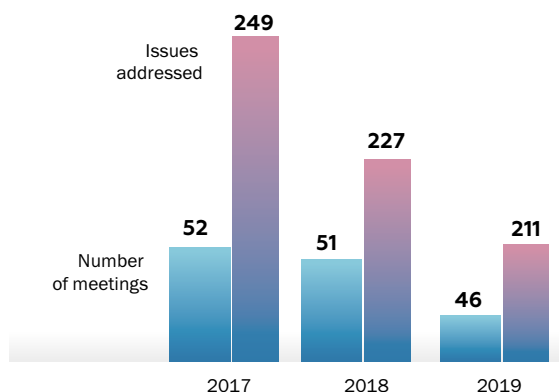
### Management Board

As of 31 December 2019, the Management Board of Transneft consisted of 10 members. In 2019, the Management Board of the Company held 46 meetings and considered 211 issues.

#### It is the competence of the Management Board:

- ➔ to draft proposals on the Company's priority business areas for the Board of Directors;
- ➔ to draft proposals on change and expansion of the Company's operations for the Board of Directors;
- ➔ to approve the Company's transactions worth between RUB 50 billion (exclusive) and RUB 100 billion (inclusive), unless a different transaction approval procedure is established by the Articles of Association;

**NUMBER OF THE MANAGEMENT BOARD'S MEETINGS AND ISSUES ADDRESSED BY THE MANAGEMENT BOARD IN 2017–2019**



<sup>1</sup> By resolution of the Extraordinary General Meeting of Shareholders (formalised by Order of the Federal Agency for State Property Management No. 3264-r dated 12 October 2007).

<sup>2</sup> By resolution of the Extraordinary General Meeting of Shareholders of Transneft (formalised by Order of the Federal Agency for State Property Management No. 264-r dated 24 April 2015).

<sup>3</sup> By resolution of the Extraordinary General Meeting of Shareholders of Transneft (formalised by Order of the Federal Agency for State Property Management No. 146-r dated 17 April 2020).