

APPROVED  
by Resolution of  
the Board of Directors of  
“Surgutneftegas” PJSC,  
Minutes No. 2 dated 05.10.2018.

Regulations  
on Internal Audit Service of  
“Surgutneftegas” PJSC  
(revised)

## Article 1. General Provisions

1.1. Internal audit in “Surgutneftegas” PJSC (hereinafter – the Company) is performed by the internal audit service (hereinafter – the Internal Audit Service or the Service).

These Regulations on the Internal Audit Service of “Surgutneftegas” PJSC (hereinafter – the Regulations) define the Service’s objectives, tasks and powers, its subordination, formation procedure, activities and cooperation with other subdivisions, management and other bodies of the Company.

The activity of the Service shall be governed by the current legislation of the Russian Federation, including regulations, directives and guidelines relating to its activity and specific nature of work as well as the Company’s Charter, resolutions of the Company’s Board of Directors (hereinafter – the Board of Directors) and the Audit Committee of the Board of Directors, orders, ordinances and directions of the Company’s management, internal labor regulations, Regulations on Corporate Ethics and other current internal documents of the Company, activity plans of the Company, the Service, and these Regulations.

The Service’s activity is based on the principles of independence, objectivity, competence and expertise as well as standards of internal auditing activity determined in the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors.

1.2. The objective of the Internal Audit Service shall be provision of necessary assistance to the Company’s management in performing their duty to manage the Company which ensures achieving the Company’s goals specified in the Company’s Charter.

The Service’s main tasks are:

to assist Director General of the Company and the Company’s employees to develop and monitor implementation of procedures and measures on improvement of the Company’s risk management system, internal control system and corporate governance;

to prepare and submit to the Board of Directors and Director General of the Company reports on the results of the Service’s activities, including, but not limited to, information on significant risks, deficiencies, results and efficiency of measures implemented to eliminate identified deficiencies, results of the Service’s activity plan execution, results of assessment of the factual state, reliability and effectiveness of the risk management system, internal control system and corporate governance;

to check the observance by the Company’s employees of the legislation, the Regulations on the Procedure of Access to the Insider Information of “Surgutneftegas” PJSC, Rules for Protecting Confidentiality of Such Information and Monitoring Compliance with Regulatory Legal Acts; and Regulations on Corporate Ethics of “Surgutneftegas” PJSC.

1.3. The Internal Audit Service shall perform the following functions:

to assess effectiveness of the internal control system regarding efficiency and performance of the Company’s business units, completeness and reliability of financial and management information, compliance of the Company, including all its subdivisions, with the current legislation of the Russian Federation, the Company’s Charter and internal documents of the Company when carrying out business and financial transactions;

- to assess effectiveness of the risk management system;
- to assess corporate governance;
- to make an activity plan of the Service, which complies with the Service's objectives and is based on the performed risk analysis, for preliminary consideration by the Audit Committee of the Board of Directors and approval by the Board of Directors in coordination with Director General of the Company;
- to determine the objects and frequency of internal audits in the Company's business units;
- to carry out internal audits based on the approved activity plan of the Service;
- to timely submit reports on the results of the Service's performance to the Board of Directors and Director General of the Company;
- to analyze the results of the internal audits in the Company, monitor development and implementation of measures aimed at correction of infringements found in the course of previous audits, coordinate interaction of the Company and an external auditor in order to eliminate duplication of actions and mitigate audit expenses of the Company;
- to assist in investigating infringements found in the course of internal audits and submit information on such infringements and taken corrective measures to the Board of Directors and Director General of the Company;
- to cooperate with other divisions, departments and services of the administrative office of the Company on the issues relating to the Service's activity;
- to perform other tasks and participate in other projects relating to the Service's activity and on the instruction of the Company's Board of Directors or the Audit Committee of the Board of Directors and at the request of Director General of the Company;
- to prepare all necessary information related to performance of the Service's functions and submit it to the Board of Directors;
- other functions necessary for accomplishing the tasks entrusted to the Service.

In performance of its functions, the Service ensures protection of information classified as official or commercial secret, personal data, confidentiality of information relating to the Company's activity that the Service's employees became aware of while performing their duties.

Assessment of effectiveness of the internal control system, risk management system and corporate governance shall be carried out by the Internal Audit Service in compliance with the principles and approaches set forth in the Corporate Governance Code recommended by the letter of the Bank of Russia No.06-52/2463 dated 10.04.2014 as well as generally accepted internal auditing standards.

## Article 2. Requirements for Employees, Composition, Structure and Procedure for Forming the Internal Audit Service

2.1. The employees of the Service shall not hold any other positions in the Company that are not related to performance of internal audit functions, or allow a conflict of interest to arise in relation to the internal audit, including the one caused by participation in other legal entities, membership in management bodies or holding a position in other legal entities competing with the Company.

2.2. The employees of the Internal Audit Service, excluding the technical staff, shall have higher economic (financial) or legal education and at least 3 (three)

years of professional experience in the sphere of finances, law, economy and management.

2.3. The employees of the Internal Audit Service shall have an excellent reputation.

2.4. The head of the Internal Audit Service shall have at least 5 (five) years of professional experience in accordance with his/her education and at least 3 (three) years of management experience.

2.5. The Internal Audit Service shall be functionally subordinate to the Board of Directors and shall report to Director General of the Company.

The head of the Service shall be appointed and removed from office by Director General of the Company based on the resolution of the Board of Directors.

The head of the Service shall not manage the functional areas of the Company's activities that require to make management decisions in relation to the objects of audit.

2.6. The Service shall be comprised of at least 3 (three) persons; the structure and the personnel list of the Service shall be approved by Director General of the Company. The employees of the Internal Audit Service shall be appointed and removed from office by order of Director General of the Company.

2.7. In case of termination of powers of the head of the Internal Audit Service, the Board of Directors and Director General of the Company shall, within 1 (one) month from the date on which powers of the Head of the Service terminate, carry out necessary actions to appoint a new head of the Service.

### Article 3. Powers of the Internal Audit Service

3.1. In order to achieve higher efficiency of the Internal Audit Service when performing its functions, the head of the Service shall be vested with the following powers:

in accordance with the established procedure, to represent the Service in the divisions, departments and services of the administrative office of the Company, in the Company's business units, and to represent the Company in other organizations and institutions on the issues within the terms of reference of the Service, and within the powers granted in compliance with the current legislation of the Russian Federation and in the manner established in the Company;

to request and obtain information, materials, necessary documents (including accounting documents) from the divisions, departments, services of the administrative office of the Company, the Company's business units, copy documents in the established manner, gain access to the property of the Company to perform functions assigned to the Service;

to report to the Board of Directors and Director General of the Company about all deficiencies identified when performing the functions assigned to the Service;

in the established manner and with the consent of the management, to engage the Company's employees in activities specified in the Regulations;

to participate as an invited expert in discussions and meetings of the working bodies of the Company (committees, working groups) in order to clarify the position of the Service on the issues under consideration;

to carry out other actions necessary to perform functions of the Service specified in the Regulations.

3.2. In order to prevent a conflict of interest, the head of the Internal Audit Service shall not have the right:

to participate in inspections and perform other tasks in case of competing professional or personal interest (availability of financial, property, kinship or any other interest in the activity of the inspected objects);

to engage in any activity that could affect his/her impartiality or be perceived as affecting his/her impartiality;

to supervise employees of other business units of the Company, except in cases when these employees are assigned to participate in inspection organized by the Service.

3.3. The head of the Service shall bear full responsibility for poor and late performance by the Internal Audit Service of its functions assigned by the Regulations.

The extent of responsibility and powers of other employees of the Service shall be determined by their job descriptions.

#### Article 4. Final Provisions

These Regulations as well as amendments and addenda hereto shall be approved by the Board of Directors as prescribed by the Federal Law "On Joint Stock Companies" and the Company's Charter.