

Notification of a Material Fact
Certain Decisions Adopted by the Board of Directors (Supervisory Board) of the Issuer

1. General Information	
1.1. The issuer's full corporate name	Public Joint Stock Company «Transneft»
1.2. The issuer's abbreviated corporate name	Transneft
1.3. The issuer's principal place of business	Moscow, Russian Federation
1.4. The issuer's OGRN (Primary State Registration Number)	1027700049486
1.5. The issuer's INN (Taxpayer's Identification Number)	7706061801
1.6. The issuer's unique code assigned by the registering body	00206-A
1.7. The address of the web page used by the issuer for the purposes of disclosing information	http://www.e-disclosure.ru/portal/company.aspx?id=636 http://www.transneft.ru
2. Notification Content	
<p>2.1. The quorum of the meeting of the Board of Directors of the issuer and voting results:</p> <p>8 of 8 members of the Board of Directors took part in voting. The quorum is recorded as present.</p> <p>2.1.1. Voting results on issue No. 3 “On recognition that I.I. Klebanov, a member of the Board of Directors of Transneft, is an independent director: «aye» – 7 (M. Warnig, D.V. Vasilevskaya, K.A. Dmitriev, A.L. Korsik, A.V. Novak, N.P. Tokarev, G.I. Shmal); «nay» — none, blank votes – 1 (I.I. Klebanov). The decision was adopted.</p> <p>2.1.2. Voting results on issue No. 4 “On recognition that A.L. Korsik, a member of the Board of Directors of Transneft, is an independent director: «aye» – 7 (M. Warnig, D.V. Vasilevskaya, K.A. Dmitriev, I.I. Klebanov, A.V. Novak, N.P. Tokarev, G.I. Shmal); «nay» — none, blank votes – 1 (A.L. Korsik). The decision was adopted.</p> <p>2.1.3. Voting results on issue No. 5 “On recognition that G.I. Shmal, a member of the Board of Directors of Transneft, is an independent director: «aye» – 7 (M. Warnig, D.V. Vasilevskaya, K.A. Dmitriev, A.L. Korsik, I.I. Klebanov, A.V. Novak, N.P. Tokarev); «nay» — none, blank votes – 1 (G.I. Shmal). The decision was adopted.</p> <p>2.2. The content of the decisions adopted by the Board of Directors of the issuer:</p> <p>2.2.1. Decision on issue No. 3, put for voting: “According to the results of analysis of compliance of the members of the Board of Directors of Transneft with the “Criteria for independence of members of the Board of Directors (Supervisory Board))” provided for by Appendix 4.1 to the Listing Rules of JSC Moscow Exchange (hereinafter referred to as the Listing Rules):</p> <ol style="list-style-type: none"> 1. To agree with the opinion of the Human Resources and Remuneration Committee of the Board of Directors of Transneft on recognition that Ilya Iosifovich Klebanov is an independent member of the Board of Directors of Transneft. 2. To recognize that Ilya Iosifovich Klebanov, a member of the Board of Directors of Transneft, is an independent director irrespective of existence of formal criteria for being related to a major shareholder of Transneft. 	

This decision of the Board of Directors of Transneft is based on the fact that Ilya Iosifovich Klebanov complies with all criteria for independence of members of the Board of Directors provided for by the Listing Rules (Appendix 4.1.) and the Corporate Governance Code recommended by the Bank of Russia, except for the criterion for being related to a major shareholder of the Company as he is a member of the Board of Directors of three companies that are controlled by a major shareholder — the Russian Federation (Transneft, PAO “SCF”, JSC «Shvabe» (through RosTec State Corporation)). The Board of Directors believes that the fact of being related in such a way is of formal nature and does not affect the ability of I.I. Klebanov to make independent, objective and faithful judgements taking into account the following:

1. According to Order of the Government of the Russian Federation No. 1388-r (1388-p) dated 30 June 2017, I.I. Klebanov is included on the list of candidates for election to the Board of Directors of Transneft as an independent director, does not represent the interests of the state and does not vote according to instructions of the Russian Federation.
2. Analysis of the activities of I.I. Klebanov as a member of the Board of Directors of Transneft shows that he has always been responsible while fulfilling his duties of a member of the Board of Directors. From 2015 I.I. Klebanov actively participated in 93% of all meetings of the Board of Directors of Transneft, in 2016 corporate year he was the Chairman of the Audit Committee and the Human Resources and Remuneration Committee, being highly involved in the work and striving for comprehensive discussion of the items being considered by the Board of Directors and Committees of the Board of Directors. I.I. Klebanov makes decisions only after complete examination of the item, having requested and received the exhaustive explanations and materials on all questions he has. I.I. Klebanov takes his independent position on agenda items of meetings of the Board of Directors aimed at protection of the interests of the Company and its shareholders.
3. I.I. Klebanov has the qualification, knowledge and skills that entirely meet the requirements for the qualification, knowledge and skills of independent directors provided for by the Corporate Governance Code and the Listing Rules and enable him, among other things, to participate in operation of the Audit Committee and the Human Resources and Remuneration Committee. Due to his wide professional experience I.I. Klebanov makes independent, objective and faithful judgements on the issues considered at meetings of the Board of Directors of the Company and Committees of the Board of Directors and votes according to long-term interests of the Company”.

2.2.2. Decision on issue No. 4, put for voting

“According to the results of analysis of compliance of the members of the Board of Directors of Transneft with the “Criteria for independence of members of the Board of Directors (Supervisory Board))” provided for by Appendix 4.1 to the Listing Rules of JSC Moscow Exchange (hereinafter referred to as the Listing Rules):

1. To agree with the opinion of the Human Resources and Remuneration Committee of the Board of Directors of Transneft on recognition that Aleksandr Leonidovich Korsik is an independent member of the Board of Directors of Transneft.
2. To recognize that Aleksandr Leonidovich Korsik, a member of the Board of Directors of Transneft, is an independent director irrespective of existence of formal criteria for being related to the state.

This decision of the Board of Directors of Transneft is based on the fact that Aleksandr Leonidovich Korsik complies with all criteria for independence of members of the Board of Directors provided for by the Listing Rules (Appendix 4.1.) and the Corporate Governance Code recommended by the Bank of Russia, except for the criterion for being related to the state as he was an employee of a company controlled by the Russian Federation (Bashneft, PJSOC) during 1 year before his election to the Board of Directors of the Company. The Board of Directors believes that the fact of being related in such a way is of formal nature and does not affect the ability of A.L. Korsik to make independent, objective and faithful judgements taking

into account the following:

1. According to Order of the Government of the Russian Federation No. 1388-r A.L. Korsik is included on the list of candidates for election to the Board of Directors of Transneft as an independent director, does not represent the interests of the state and does not vote according to instructions of the Russian Federation.
2. A.L. Korsik became related to the state due to change of a shareholder of Bashneft, PJSOC in December 2014. Before his appointment to the position of the sole executive body of Bashneft, PJSOC, A.L. Korsik hold various positions in private companies, such as Sistema PJSFC, LLC «Oil and Gas Company «INTERA», RussNeft Oil Company, PJSC, so, the fact that he became related to the state is clearly of formal nature.
3. A.L. Korsik has the qualification, knowledge and skills that entirely meet the requirements for the qualification, knowledge and skills of independent directors provided for by the Corporate Governance Code and the Listing Rules and enable him, among other things, to participate in operation of the Audit Committee and the Human Resources and Remuneration Committee. Due to his wide professional experience A.L. Korsik makes independent, objective and faithful judgements on the issues considered at meetings of the Board of Directors of the Company and Committees of the Board of Directors and votes according to long-term interests of the Company”.

2.2.3. Decision on issue No. 5, put for voting:

“According to the results of analysis of compliance of the members of the Board of Directors of Transneft with the “Criteria for independence of members of the Board of Directors (Supervisory Board))” provided for by Appendix 4.1 to the Listing Rules of JSC Moscow Exchange (hereinafter referred to as the Listing Rules):

1. To agree with the opinion of the Human Resources and Remuneration Committee of the Board of Directors of Transneft on recognition that Gennady Iosifovich Shmal is an independent member of the Board of Directors of Transneft.
2. To recognize that Gennady Iosifovich Shmal, a member of the Board of Directors of Transneft, is an independent director irrespective of existence of formal criteria for being related to a major contractor of Transneft.

This decision of the Board of Directors of Transneft is based on the fact that Gennady Iosifovich Shmal complies with all criteria for independence of members of the Board of Directors provided for by the Listing Rules (Appendix 4.1) and the Corporate Governance Code recommended by the Bank of Russia, except for the criterion for being related to a major contractor as since 1992 he has been a member of the Board of Directors of JSC “RITEK” (a company controlled by Lukoil, PJSC). Lukoil, PJSC is a major contractor fo Transneft. The Board of Directors believes that the fact of being related in such a way is of formal nature and does not affect the ability of G.I. Shmal to make independent, objective and faithful judgements taking into account the following:

1. According to Order of the Government of the Russian Federation No. 1388-r dated 30 June 2017, G.I. Shmal is included on the list of candidates for election to the Board of Directors of Transneft as an independent director, does not represent the interests of the state and does not vote according to instructions of the Russian Federation.
2. Aanalysis of the previous work experience of G.I. Shmal as a member of the Committee on Strategy, Investment and Innovations of the Board of Directors of Transneft shows that when voting at meetings of the Committee G.I. Shmal did not represent the interests of Lukoil, PJSC and JSC “RITEK”, his position on all agenda items of the meetings was based only on his professional experience and knowledge, was unprejudiced, independent, objective and free from influence of any third parties.
3. G.I. Shmal has the qualification, knowledge and skills that entirely meet the requirements for the qualification, knowledge and skills of independent directors provided for by the Corporate Governance Code and the Listing Rules and enable him, among other things, to participate in operation of the Audit Committee and the Human Resources and Remuneration Committee. Due to his wide professional experience G.I. Shmal makes

independent, objective and faithful judgements on the issues considered at meetings of the Board of Directors of the Company and Committees of the Board of Directors and votes according to long-term interests of the Company”.

2.3. The date of holding of the meeting of the Board of Directors of the issuer, at which the corresponding decision was adopted: 04 October 2017.

2.4. The date and number of the minutes of the meeting of the Board of Directors of the issuer, at which the corresponding decision was adopted: 04 October 2017, Minutes No. 13.

3. Signature

3.1. First Vice President of Transneft acting under
Power of Attorney No. 300 dated 10 November
2015

_____ (signature)

M.S. Grishanin

3.2. Date: 04 October 2017

L.S.