

**Notification of a material fact  
On individual decisions taken by the Board of Directors (Supervisory Board) of the Issuer**

1. General information	
1.1. The issuer's full corporate name	Transneft Public Joint-Stock Company
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 webpage used by the issuer for the purposes of disclosing information	<a href="http://www.e-disclosure.ru/portal/company.aspx?id=636">http://www.e-disclosure.ru/portal/company.aspx?id=636</a> <a href="http://www.transneft.ru/">http://www.transneft.ru/</a>

2. Notification content

**2.1. The quorum of the Board of Directors meeting of the issuer and the voting results:**

9 of 9 members of the Board of Directors participated in the voting.

The quorum is recorded as present.

Voting results on Issue No. 1 "On election of Chairman of the Board of Directors of Transneft PJSC," Issue No. 4 "On the compositions of committees under the Board of Directors of Transneft PJSC (the Strategy, Investments and Innovations Committee; the Audit Committee; the Human Resources and Remuneration Committee)," Issue No. 7 'On the proposal to the General Meeting of Shareholders of Transneft PJSC in relation to: "Participation of Transneft PJSC in the National Technology Transfer Association non-profit organisation".'

"aye" – 9

"nay" – none

Blank votes – none

The decisions were adopted.

Voting results on Issue No.2 "On recognition of the fact that Ilya Iosifovich Klebanov, a member of the Board of Directors of Transneft PJSC, is an independent director.":

"aye" – 8

"nay" – none

Blank votes – 1 (I. I. Klebanov)

The decision was adopted.

Voting results on Issue No.2 "On recognition of the fact that Genady Iosifovich Shmal, a member of the Board of Directors of Transneft PJSC, is an independent director.":

"aye" – 8

"nay" – none

Blank votes – 1 (G. I. Shmal)

The decision was adopted.

**2.2. The content of the decisions made by the Board of Directors of the issuer:**

**2.2.1. Decision on issue No. 1, put for voting:**

To elect Alexander Valentinovich Novak as the Chairman of the Board of Directors of Transneft PJSC.

**2.2.2. Decision on issue No. 2, put for voting:**

Based on analysing the conformity of the Transneft Board members to 'The criteria of independence of the Board members (Supervisory Board members),' specified in Annex 4.1 to the Listing Rules of the Moscow Exchange (hereinafter referred to as the Listing Rules):

Recognise the Transneft Board member Ilya Iosifovich Klebanov as independent director, despite the formal criteria of his connection to a substantial shareholder of Transneft PJSC.

In making this decision, the Transneft Board of Directors should proceed from the fact that Mr. Klebanov complies with all independence criteria for members of the Board of Directors, specified in the Listing Rules (Annex 4.1) and in the Corporate Governance Code recommended by the Bank of Russia, with the exception of his connection to the Company's substantial shareholder, because he is a member



of the Board of Directors of three companies controlled by the substantial shareholder – the Russian Federation (Transneft PJSC, Sovcomflot PJSC, Schwabe JSC (through the Rostec state corporation)). The Board of Directors believes that this connection is formal and does not affect the ability of Mr. Klebanov to make independent, unbiased and conscientious judgements, in light of the following considerations:

1. In accordance with Russian Government Resolution No. 1331-p, dated 30 June 2018, Mr. Ilya Klebanov was included in the list of candidates for election to the Transneft Board of Directors as an independent director; he does not represent the government's interests and does not vote in accordance with the directives of the Russian Federation.

2. Analysing the activities of Mr. Klebanov in the Transneft Board of Directors shows his commitment to performing his duties as a member of the Board. Since 2015, Mr. Klebanov has taken an active part in 94% of all meetings of the Transneft Board of Directors; in corporate year 2016-2017 he headed the Audit Committee as well as the Human Resources and Remuneration Committee, and in corporate year 2017-2018 he headed the Audit Committee and demonstrated a high degree of involvement, seeking a comprehensive discussion of the issues considered by the Board of Directors and Committees under the Board of Directors. Mr. Klebanov makes decisions only after a comprehensive study of the issue on the basis of all requested and obtained detailed explanations and materials on any question he may have. Mr. Klebanov forms his own opinion about all issues on the agenda of the Company's Board of Directors, pursuing the best interests of the Company and its shareholders.

3. Mr. Klebanov's qualification, knowledge and skills fully meet the requirements set in the Corporate Governance Code and Listing Rules for independent directors, allowing him, among other things, to participate in the work of the Audit Committee as well as the Human Resources and Remuneration Committee. His rich professional experience enables Mr. Klebanov to make independent, unbiased and conscientious judgements on all matters discussed at the meetings of the Company's Board of Directors and its Committees, voting so as to promote the Company's long-term interests.

#### 2.2.3. Decision on issue No. 3, put for voting:

Based on analysing the conformity of the Transneft Board members to "The criteria of independence of the Board members (Supervisory Board members)," specified in Annex 4.1 to the Listing Rules of the Moscow Exchange (hereinafter referred to as the Listing Rules):

Recognise the Transneft Board member Genady Iosifovich Shmal as independent director, despite the formal criteria of his connection to a substantial shareholder of Transneft PJSC.

In making this decision, the Transneft Board of Directors should proceed from the fact that Mr. Shmal complies with all independence criteria for members of the Board of Directors, specified in the Listing Rules (Annex 4.1) and in the Corporate Governance Code recommended by the Bank of Russia, with the exception of his connection to the Company's substantial counterparty, because since 1992, he has been a member of the Board of Directors RITEK JSC (a company under control of LUKOIL PJCS). LUKOIL is a substantial counterparty of Transneft. The Board of Directors believes that this connection is formal and does not affect the ability of Mr. Shmal to make independent, unbiased and conscientious judgements, in light of the following considerations:

1. In accordance with Russian Government Resolution No. 1331-p, dated 30 June 2018, Mr. Genady Shmal was included in the list of candidates for election to the Transneft Board of Directors as an independent director; he does not represent the government's interests and does not vote in accordance with the directives of the Russian Federation.

2. Analysing the activities of Mr. Shmal in the Transneft Board of Directors shows his commitment to performing his duties as a member of the Board. Mr. Shmal has taken an active part in 97% of all meetings of the Transneft Board of Directors; in corporate year 2017-2018 he was a member of the Audit Committee, the Human Resources and Remuneration Committee, as well as the Strategy, Investments and Innovations Committee under the Board of Directors of Transneft PJSC.

His experience in the Company's Board of Directors shows that while voting at the meetings of the Board of Directors and Committees, Mr. Shmal never promoted the interests of LUKOIL or RITEK. His stance on various issues included in the agenda of the Board meetings is based solely on his professional experience and knowledge, being unbiased and independent from the influence of any particular person. Mr. Shmal forms his own opinion about all issues on the agenda of the Company's Board of Directors, pursuing the best interests of the Company and its shareholders.

3. Mr. Shmal's qualification, knowledge and skills fully meet the requirements set in the Corporate Governance Code and Listing Rules for independent directors, allowing him, among other things, to participate in the work of the Audit Committee as well as the Human Resources and Remuneration

Committee. His rich professional experience enables Mr. Shmal to make independent, unbiased and conscientious judgements on all matters discussed at the meetings of the Company's Board of Directors and its Committees, voting so as to promote the Company's long-term interests.

2.2.4. Decision on issue No. 4, put for voting:

1. To elect the Strategy, Investments and Innovations Committee under the Board of Directors of Transneft PJSC with the following composition:

- Chairman of the Committee - Kirill Aleksandrovich Dmitriev
- member of the Committee - Matthias Warnig
- member of the Committee - Maxim Yuryevich Sokolov
- member of the Committee - Nikolay Petrovich Tokarev
- member of the Committee - Valery Pavlinovich Shantsev
- member of the Committee - Genady Iosifovich Shmal

To approve the following persons as experts of the Committee: Maksim Sergeyevich Grishanin, Pavel Aleksandrovich Revel-Muroz, Aleksey Nikolaevich Sapsay, Pavel Yuryevich Sorokin, Andrey Dmitrievich Berkov (issues of innovative development), Alexander Yevgenyevich Bogashov.

2. To elect the Audit Committee under the Board of Directors of Transneft PJSC with the following composition:

- Chairman of the Committee - Ilya Iosifovich Klebanov
- member of the Committee - Alexander Leonidovich Korsik
- member of the Committee - Genady Iosifovich Shmal

To approve the following persons as experts of the Committee: Maksim Sergeyevich Grishanin, Margarita Vladimirovna Russkikh.

3. To elect the Human Resources and Remuneration Committee under the Board of Directors of Transneft PJSC with the following composition:

- Chairman of the Committee - Alexander Leonidovich Korsik
- member of the Committee - Ilya Iosifovich Klebanov
- member of the Committee - Genady Iosifovich Shmal

To approve Boris Mikhailovich Korol as an expert of the Committee.

2.2.5. Decision on issue No. 7, put for voting:

1. To preliminarily approve participation of Transneft PJSC in the National Technology Transfer Association non-profit organisation.

2. To suggest the General Meeting of Shareholders of Transneft PJSC to approve the following decision in relation to the issue "On participation of Transneft PJSC in the National Technology Transfer Association non-profit organisation":

To approve participation of Transneft PJSC in the National Technology Transfer Association non-profit organisation.

**2.3. The date of holding the meeting of the Board of Directors of the issuer at which the corresponding decisions were adopted: 1 August 2018**

**2.4. The date and number of the minutes of the Board of Directors of the issuer at which the corresponding decisions were adopted: 1 August 2018, Minutes No. 13.**

**2.5. Type, category (kind), state registration number of securities issue and date of its state registration, and international securities identification code (number) (ISIN):**

Ordinary registered book-entry shares (1-01-00206-A dated 20 December 2007), ISIN: RU0009088884.

Ordinary registered book-entry shares (1-01-00206-A-002D dated 17 November 2016), ISIN: RU000A0JWZP4.

Ordinary registered book-entry shares (1-01-00206-A-003D dated 11 January 2018), ISIN: RU000A0ZYNE6.

### 3. Signature

3.1. Vice President of Transneft PJSC acting under  
Power of Attorney No. 94 dated 01 March 2016

R.R. Sharipov

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(signature)

3.2. Date 1 August 2018

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