

Registered on 11 January 2018
State registration number
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Central Bank of the Russian Federation

(Signature of the authorized official)
(Seal of the registering authority)

RESOLUTION ON ADDITIONAL ISSUE OF SECURITIES

Public Joint Stock Company “Transneft”

Ordinary registered uncertificated shares in the amount of 125,720 (one hundred twenty-five thousand seven hundred twenty) shares, each with a par value of 1 (one) ruble; placement method – private placement.

Approved by the resolution of the Board of Directors of **Public Joint Stock Company “Transneft”** adopted on 14 December 2017 (Minutes No. 17 dated 14 December 2017), based on the resolution to increase the authorized capital of **Public Joint Stock Company “Transneft”** through the private placement of additional ordinary registered uncertificated shares, adopted in accordance with Decree No. 71 of the President of the Russian Federation dated 18 February 2017 *“On the Development of Public Joint-Stock Company “Transneft”*” and Order No. 450-r of the Government of the Russian Federation dated 14 March 2017, by the Extraordinary General Meeting of Shareholders of Transneft PJSC held on 30 November 2017 (Order No. 923-r of the Federal Agency for State Property Management dated 30 November 2017).

Location of the issuer: Russian Federation, Moscow.
Contact telephone numbers including area code: +7 495 950-81-78 (ext. 2006 or 1168).

President _____ Nikolay Tokarev
(stamp)

25 December 2017

1. Class and Category (type) of Securities

Class of securities: **registered shares**.
Category (type) of shares: **ordinary**.
The securities are non-convertible.

2. Form of Securities: **Uncertificated**.

3. Indication of Mandatory Centralized Custody:

Mandatory centralized custody is not applicable.
Applicable only to certificated securities.

4. Par Value of Each Security in the Issue (Additional Issue) (RUB):

1 (one).

5. Number of Securities in the Issue (Additional Issue) (shares):

125,720 (one hundred twenty-five thousand seven hundred twenty).

6. Total Number of Securities of This Issue Previously Placed (shares):

5,568,748 (five million five hundred sixty-eight thousand seven hundred forty-eight).

7. Rights of Each Security Holder of the Issue (Additional Issue):

7.1. For ordinary shares, the exact provisions of the charter of the joint-stock company regarding the rights granted to shareholders by ordinary shares are specified, including the right to receive declared dividends, the right to participate in the General Meeting of Shareholders and vote on all matters within its authority, and the right to receive a portion of the company's assets in the event of its liquidation.

Pursuant to Clause 7.2 of the Issuer's Charter:

"7.2. Shareholders who own ordinary shares of the Company are entitled to:

7.2.1. participate in the General Meeting of Shareholders of the Company, either personally or through a representative, with the right to vote on all matters within the competence of the General Meeting of Shareholders;

7.2.3. receive dividends;

7.2.5. exercise other rights provided for by the laws of the Russian Federation, the Articles of Association, and resolutions of the General Meeting of Shareholders adopted within its authority."

The Articles of Association do not provide for any limitation on the maximum number of votes held by a single shareholder.

7.2. Not applicable to this category of securities.

7.3. Not applicable to this class of securities.

7.4. Not applicable to this class of securities.

7.5. The securities being placed are not convertible securities.

7.6. The securities being placed are not securities intended for qualified investors.

8. Terms and Procedure for Placement of Securities in the Issue (Additional Issue)

8. Terms and Procedure for Placement of Securities in the Issue (Additional Issue)

8.1. Method of Placement of Securities: **private placement.**

Potential acquirers of the securities (the number of securities placed with each of the persons specified may also be indicated):

The Russian Federation represented by the Federal Agency for State Property Management (OGRN: 1087746829994) (hereinafter also referred to as Rosimushchestvo).

8.2. Period for Placement of Securities

The procedure for determining the placement commencement date: **the first business day following the date of state registration of the additional issue of securities.**

The procedure for determining the placement completion date: **the 360th (three hundred sixtieth) day from the date of state registration of the additional issue of securities, or the date on which all securities are placed, whichever occurs earlier.**

The placement period is not determined by reference to the dates of disclosure of any information related to the issue of securities.

8.3. Procedure for Placement of Securities

Procedure and Terms for Entering into Agreements for the Transfer of Securities to First Holders During Their Placement:

The securities are placed through the execution of an agreement between the Issuer and Rosimushchestvo for the transfer of securities to the first owner (the acquisition of the shares being placed by Rosimushchestvo (hereinafter referred to as the “Agreement”)) and the entry in the Issuer’s register of securities holders recording the transfer of ownership rights to the securities being placed.

The Agreement shall be executed during the securities placement period in simple written form by preparing a single document signed by the parties. The date of execution of the Agreement shall be determined by mutual consent of the parties; the Agreement shall be deemed concluded on the date of its signing by the parties. The place of execution of the Agreement shall be the Russian Federation, Moscow.

No pre-emptive right to acquire the securities is provided upon placement of the securities.

The securities are registered securities, and the register of holders thereof is maintained by a registrar.

The entity to whom the Issuer issues (submits) the transfer order serving as the basis for making a credit entry in the personal account of the first owner, and the term and other conditions for issuing the transfer order:

Information on the Issuer’s Registrar:

Joint-Stock Company “Registrar R.O.S.T.” (JSC “Registrar R.O.S.T.”), OGRN: 1027739216757, license for maintaining the register of securities holders No. 045-13976-000001, issued for an unlimited term, issuance date: 3 December 2002, licensing authority: Federal Securities Market Commission of Russia (FSFM of Russia).

Registered office: Russian Federation, Moscow.

Address: Russian Federation, 107996, Moscow, 18 Stromynka Street, Building 13.

The securities shall be credited to Rosimushchestvo's personal account in the register of securities holders after the securities have been fully paid for (upon transfer to the Issuer of ownership rights to the property contributed as payment for the securities) and no later than the last day of the securities placement period specified in the Resolution on the Additional Issue of Securities.

No later than 5 (five) business days after the transfer of ownership of the property used as payment for the securities to the Issuer, the Issuer shall submit a transfer order to the holder of the securities holders' register for crediting the securities to Rosimushchestvo's personal account.

The credit entry in Rosimushchestvo's personal account within the register maintenance system shall be made after the securities have been fully paid for, but no later than the securities placement completion date.

Shares, securities convertible into shares, and issuer options are not placed through a private placement exclusively among all shareholders with the provision of an opportunity for such shareholders to acquire a whole number of securities being placed in proportion to the number of shares of the relevant category (type) held by them.

The securities are not placed through a private placement carried out in multiple stages.

The securities are not placed through a subscription conducted by way of an auction or other trading procedure.

The Issuer and/or its authorized person do not intend to enter into preliminary agreements containing an obligation to enter into a future principal agreement for the transfer of the securities being placed to the first owner, or to collect preliminary applications for the acquisition of the securities being placed.

The transaction for the placement of securities is carried out through a broker:

Full corporate name: "Gazprombank" (Joint-Stock Company);

Abbreviated corporate name: Bank GPB (JSC);

Location: Moscow;

Brokerage license number: 177-04229-100000;

License issuance date: 27 December 2000;

License term: unlimited;

Licensing authority: Federal Securities Market Commission of Russia (FSFM of Russia).

The placement of securities is not intended to be carried out outside the Russian Federation, including through the placement of corresponding foreign securities.

Simultaneously with the placement of the securities, the Issuer does not intend to offer for acquisition, including outside the Russian Federation through the placement of corresponding foreign securities, previously placed (outstanding) securities of the Issuer of the same type and category (type).

Pursuant to the Federal Law *"On the Procedure for Making Foreign Investments in Business Entities of Strategic Importance for Ensuring the Defense of the Country and the*

Security of the State”, the Issuer is a business entity of strategic importance for ensuring the defense of the country and the security of the state.

The execution of agreements for the transfer of the Issuer’s securities to first holders during their placement does not require prior approval of such agreements in accordance with the Federal Law ***“On the Procedure for Making Foreign Investments in Business Entities of Strategic Importance for Ensuring the Defense of the Country and the Security of the State”***.

8.4. Price(s) or Procedure for Determining the Placement Price of Securities

Placement Price	Unit of Measurement
278,780	RUB

Since the Issuer’s shareholder holding 100% (one hundred percent) of the ordinary registered shares is Rosimushchestvo, and the decision to increase the Issuer’s authorized capital through the placement of additional shares by private placement was adopted by Rosimushchestvo, the pre-emptive right to acquire additional shares provided for by Articles 40 and 41 of Federal Law No. 208-FZ dated 26 December 1995 ***“On Joint-Stock Companies”*** does not arise.

8.5. Procedure for Exercising the Pre-Emptive Right to Acquire the Securities Being Placed

Since the Issuer’s shareholder holding 100% (one hundred percent) of the ordinary registered shares is Rosimushchestvo, and the decision to increase the Issuer’s authorized capital through the placement of additional shares by private placement was adopted by Rosimushchestvo, the pre-emptive right to acquire additional shares provided for by Articles 40 and 41 of Federal Law No. 208-FZ dated 26 December 1995 ***“On Joint-Stock Companies”*** does not arise.

8.6. Terms and Procedure for Payment for Securities:

Monetary payment is not provided for.

Cash payment is not provided for.

Non-cash payment is provided for.

Non-cash assets: 10,000 ordinary shares of CPC Company (registered with the Cayman Islands Registrar of Companies under registration number 72319), representing 100 percent of its authorized capital, and 10,000 ordinary shares of CPC Investments Company (registered with the Cayman Islands Registrar of Companies under registration number 72320), representing 100 percent of its authorized capital.

Payment Terms and Documents Executed for Such Payment:

The monetary valuation of the property shall be determined by the Issuer’s Board of Directors based on its market value determined by an independent appraiser. The monetary valuation of the property determined by the Board of Directors may not exceed the valuation performed by an independent appraiser engaged to determine the market value of the federal property contributed as payment for the additional shares being placed.

Ownership of the property contributed as payment for the shares being acquired shall transfer to the Issuer from the date of the credit entry being made in the shareholder registers of CPC Company and CPC Investments Company, as confirmed by the respective extracts from the shareholder registers of these companies.

The obligation to pay for the shares being placed shall be deemed fulfilled from the moment ownership rights to the shares of CPC Company and CPC Investments Company are transferred to the Issuer, as evidenced by extracts from the shareholder registers of the respective companies.

Payment for the additional shares shall be made no later than the securities placement completion date.

Information on the Appraiser(s) Engaged to Determine the Market Value of the Property Contributed as Payment for the Securities Being Placed:

- Last name, first name, patronymic of the appraiser: Maslenkina Tatyana Evgenyevna;
- full name of the self-regulatory organization of appraisers of which the appraiser is a member: Association “Interregional Union of Appraisers”;
- location of the self-regulatory organization of appraisers of which the appraiser is a member: Rostov Region, Rostov-on-Don;
- registration number and date of the appraiser’s registration in the register of the self-regulatory organization of appraisers: No. 1060 dated 20 March 2013;
- name of the legal entity that entered into an employment contract with the appraiser: Limited Liability Company “Property Valuation Center” (abbreviated name – LLC “PVC”);
- location of the legal entity that entered into an employment contract with the appraiser: 27 Krasina Street, Building 2, Moscow, 123056;
- Primary State Registration Number (OGRN): 1027700560656.

Information on the Appraiser(s) Engaged to Determine the Market Value of the Property Contributed as Payment for the Securities Being Placed:

- Last name, first name, patronymic of the appraiser: Popov Dmitry Olegovich;
- full name of the self-regulatory organization of appraisers of which the appraiser is a member: Self-Regulatory Organization “Union ‘Federation of Valuation Specialists’”;
- location of the self-regulatory organization of appraisers of which the appraiser is a member: Moscow, Russian Federation;
- registration number and date of the appraiser’s registration in the register of the self-regulatory organization of appraisers: No. 413 dated 17 February 2017;
- name of the legal entity that entered into an employment contract with the appraiser: Limited Liability Company “Property Valuation Center” (abbreviated name – LLC “PVC”);
- location of the legal entity that entered into an employment contract with the appraiser: 27 Krasina Street, Building 2, Moscow, 123056;
- Primary State Registration Number (OGRN): 1027700560656.

8.7. Information on the document containing the actual results of the securities placement, which is submitted after the completion of the securities placement:

Report on the Results of the Additional Securities Issue.

9. Procedure and Terms for the Redemption and Payment of Income on Bonds

This clause is applicable only to bonds.

10. Information on the Acquisition of Bonds

This clause is applicable only to bonds.

11. Procedure for the Issuer's Disclosure of Information Regarding the Issue (Additional Issue) of Securities

The securities of the additional issue are not placed via a public offering.

The state registration of the additional securities issue is not accompanied by the registration of a securities prospectus.

Information is not disclosed by publication in a periodical printed media.

Information is disclosed by publication on the following Internet pages: <http://www.e-disclosure.ru/portal/company.aspx?id=636>, <http://www.transneft.ru/>.

Disclosure of information regarding the content of the decision on the issue (additional issue) of securities.

The Issuer shall publish the text of the registered decision on the additional securities issuance on the Issuer's Internet page within no more than two days from the date of publication of the information on the state registration of the additional securities issue of the joint-stock company on the Internet page of the registering authority, or the receipt by the issuer of a written notification from the registering authority regarding the state registration of the additional securities issue via mail, facsimile, electronic communication, or delivery against signature, depending on which of the specified dates occurs earlier.

If amendments to the registered Resolution on the Additional Issue of Securities are registered, the Issuer shall publish the text of the registered amendments on its Internet page within no more than two days from the earlier of: the date information on the registration of such amendments is published on the registering authority's website; or the date the Issuer receives written notification from the registering authority of the registration of such amendments by mail, facsimile, electronic communication, or personal delivery against acknowledgement of receipt. When publishing the text of the registered amendments to the registered Resolution on the Issue (Additional Issue) of Securities on its Internet page, the Issuer shall specify the registration date of the amendments and the name of the registering authority that registered them.

12. Information on the Performance of Obligations Under the Bond Issue (Additional Bond Issue)

This clause is applicable only to bonds.

13. Information on the Bondholders' Representative

This clause is applicable only to bonds.

14. Undertaking of the Issuer and/or the Registrar Maintaining the Register of the Issuer's Registered Securities Holders to Provide, Upon Request of an Interested Party, a Copy of this Resolution on the Issue (Additional Issue) of Securities for a Fee Not Exceeding the Cost of Its Reproduction

The Issuer and/or the Registrar maintaining the register of the Issuer's registered securities holders shall, upon request of an interested person, provide a copy of this Resolution on the Issue (Additional Issue) of Securities for a fee not exceeding the cost of its reproduction.

15. Undertaking of the Issuer to Ensure the Rights of Securities Holders, Provided They Exercise Such Rights in Accordance with the Laws of the Russian Federation

The Issuer undertakes to ensure the rights of securities holders, provided that such rights are exercised in accordance with the procedures established by the laws of the Russian Federation.

16. Undertaking of Persons Providing Security for the Bonds to Ensure the Performance of the Issuer's Obligations to Bondholders in the Event of the Issuer's Refusal or Failure to Timely Perform Its Obligations Under the Bonds, in Accordance with the Terms of the Security Provided

This clause is applicable only to bonds.

17. Other Information Required by the Regulation on Securities Issuance Standards, the Procedure for State Registration of Securities Issues (Additional Issues), State Registration of Reports on the Results of Securities Issues (Additional Issues), and Registration of Securities Prospectuses, Approved by the Bank of Russia under Regulation No. 428-P dated 11 August 2014

No other information is provided.