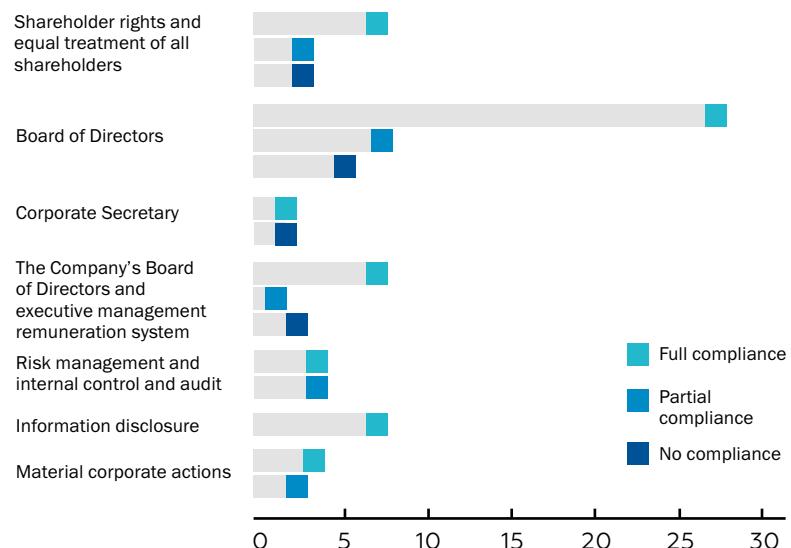


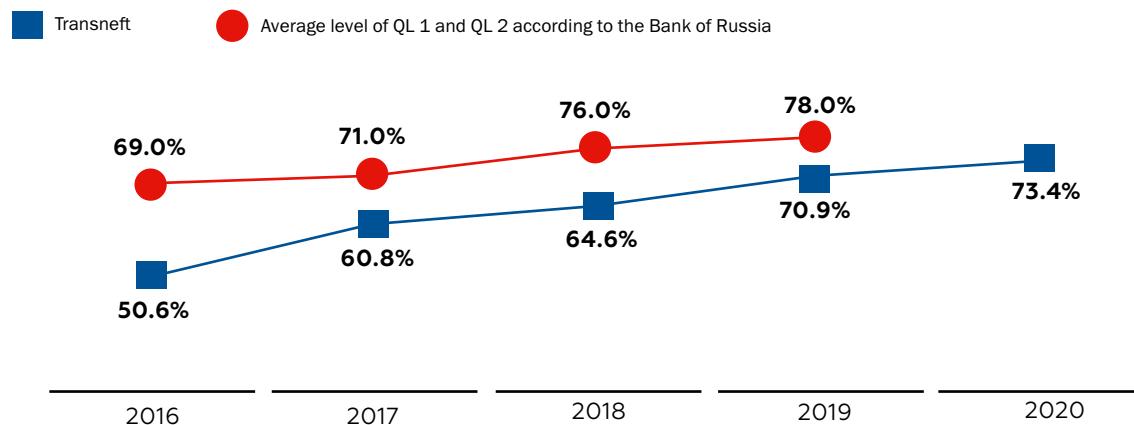
## 7.2. INFORMATION ON FOLLOWING THE RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

The Company fully complies with 73.4% of the principles of the Bank of Russia Code, and taking into account the non-applicability of four principles (5%) to the Company due to legal requirements, this figure is 78.5%, which corresponds to the overall level (78%) of implementation of the principles by major public joint stock companies whose shares are included in the top quotation lists of the Moscow Exchange.

### Compliance with the Corporate Governance Code Principles in 2020



### Implementation of the Corporate Governance Code principles by major public joint stock companies whose shares are included in the top quotation lists of the Moscow Exchange (QL1 and QL2).



### The Methodology of Estimating Compliance with Corporate Governance Principles Stipulated in the Corporate Governance Code

The Company's compliance with the principles stipulated in the Corporate Governance Code (CGC) was estimated in accordance with the Bank of Russia Recommendations on Drawing a Report on Adherence to the CGC Principles and Recommendations.

The Corporate Governance Code Principles and Recommendations Adherence Report (Appendix No. 6) explains the key reasons, factors and (or) circumstances that barred the Company from full compliance with the principles of the CGC.

## Results of estimating compliance with the CGC principles

Corporate Governance Principles	Principles Recommended in the CGC	2018			2019			2020		
		Full compliance	Partial compliance	No compliance	Full compliance	Partial compliance	No compliance	Full compliance	Partial compliance	No compliance
Shareholder rights and equal treatment of all shareholders	13	9	2*	2*	9	2*	2*	9	2*	2*
Board of Directors	36	25	9	2	28	7	1	28	7	1
Corporate Secretary	2	1	–	1	1	–	1	1	–	1
The Company's Board of Directors and executive management remuneration system	10	7	1	2	7	1	2	7	1	2
Risk management and internal control and audit	6	2	4	–	2	4	–	3	3	–
Information disclosure	7	6	1	–	7	–	–	7	–	–
Material corporate actions	5	1	3	1	2	3	–	3	2	–
Total score	79	51	20	8	56	17	6	58	15	6
	100%	64.6%	25.3%	10.1%	70.9%	21.5%	7.6%	73.4%	19.0%	7.6%

\* 4 CGC principles (5%) are not applicable to the Company and cannot be fully observed due to the fact that all voting shares (100%) belong to the sole shareholder represented by the Russian Federation.

## 7.3. KEY EVENTS OF THE YEAR AND THE PERIOD AFTER THE REPORTING DATE IN CORPORATE GOVERNANCE

### Improving the Process of Disclosing Information and Interacting with Shareholders and Investors:

- dialogue is being developed, and the process of increasing the volume of communications with investors, analysts and shareholders is underway: presentations on the results of the Company's IFRS reporting have been developed and published on the Company's website, a conference call was held by the management of Transneft on the results of IFRS reporting for 2019, 9 months of 2020 and 2020;
- a regular dialogue with investors and specialised analytical agencies on sustainable development was organised, a specialised section of the For ESG Investors website was created, a guide of key indicators for ESG investors was prepared and posted – <https://www.transneft.ru/investors/for-esg-investors/>;
- two independent directors were re-elected to the Board of Directors: A. Korsik and I. Klebanov, who fully comply with the independence criteria established by the Listing Rules of the Moscow Exchange. The Board of Directors recognised G. Shmal as an independent director;

- to increase the investment attractiveness, the Company and the Moscow Exchange agreed to split the futures on Transneft shares (0.1 of the cost of one preferred share). By order of Moscow Exchange dated 25 February 2020 No. MB-P-2020, the Futures Contract Specification for the Estimated Value was approved. Since April 2021, the futures contract has been put into circulation;
- a significant increase in the volume of investment in preferred shares of Transneft was recorded by Russian retail investors – individuals (the number of individual accounts increased by 7,095 compared to 2019 and amounted to 11,994\*). Thus, the Company managed to avoid serious volatility of quotations as a result of the exit of preferred shares of Transneft from the MSCI indices.

\*The information is provided taking into account the disclosure of nominee clients.

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For more detail, see the Shareholder and Investor Relations section