

Statement of Board of Directors

The most significant aspects of the Company's corporate governance model and practices have not changed compared to 2017. The Company continues to implement the Corporate Governance Code in its business.

In 2018, the Board of Directors and Management Board continued improving the corporate governance model and practices.

The Board of Directors confirmed new members of the Management Board.

The Corporate Governance Code, Regulation on Dividend Policy and Regulation on Information Policy have already been developed and are at the stage of approval and confirmation.

Two new sections have been created on the Company's website:

- › Materials for the General Shareholder Meeting
- › Information for shareholders

We are studying and implementing best practices in corporate governance, information disclosure, and document and information support for preparing and holding general shareholder meetings of the controlling organization, Public Joint-Stock Company Transneft.

PJSC NCSP's shareholder structure underwent substantial changes.

Shareholder structure as of September 27, 2018:

- › Russian Federation is represented by the Federal State Property Management Agency (Rosimuschestvo) which owns 20.0001% of shares
- › Entities controlled by Public Joint-Stock Company Transneft own 62.0% of shares

According to the list of persons entitled to participate in general shareholder meetings held in 2018, the number of PJSC NCSP shareholders averages 5,000. From 7.0% to 12% of minority shareholders took part in general meetings. As a rule, they voted early. From 1.2% to 2.15% of minority shareholders were present at meetings.