

Compensation amounts paid on top of the basic compensation are paid regardless of the number of PAO Sovcomflot Board of Directors Committees on which the member of the Board of Directors works.

Compensation is not paid to Board of Directors members who are employees of PAO Sovcomflot or state officials and to other individuals who are not entitled under Russian law to compensation.

In accordance with the above Regulations on the Payment of Compensation and the Reimbursement of Expenses to Members of the PAO Sovcomflot Board of Directors as well as Instructions No. 592-r of the Federal Agency for State Property Management dated 23 September 2019 and Instructions No. 297-r of the Federal Agency for State Property Management dated 4 August 2020,

PAO Sovcomflot Board of Directors members were paid compensation and reimbursement of expenses in the amount set forth in internal documents of PAO Sovcomflot.

#### Compensation of the Board of Directors members in 2020, ('000 RUB)

Indicator	Amount
Salary	50,359
Bonuses	-
Commissions	-
Benefits	-
Reimbursement of expenses	-
Other types of compensation	512
<b>Total</b>	<b>50,871</b>

## Compensation of Executive Board members and the Chief Executive Officer in 2020

The Personnel Compensation Policy, as an integral part of the Company's HR management system, is aimed at preserving, enhancing, developing and unlocking the Company's staff potential, increasing labour productivity and loyalty of employees, and ultimately achieving the objectives defined by the Company's documents of strategic and operational planning.

The compensation of the PAO Sovcomflot Executive Board members consists of a fixed component (monthly salary) and a variable component (compensation based on the Company's annual performance).

The size of a monthly salary is established by the employment contracts concluded at the time of employment.

The size of a variable portion of remuneration payable to members of the Company's Executive Board depends on the attainment of targets set for the period by key performance indicators (KPI). A long-term motivation programme for members of the Company's Executive Board based on deferred compensation approved by the Company's Board of Directors in December 2019 took effect on 1 January 2020.

The target values of KPIs for the 2020 fiscal year (annual compensation<sup>1</sup>) and for 2020-2022 (deferred compensation<sup>2</sup>) were approved by the Board of Directors decision dated 10 December 2019 (Minutes No. 187 dated 13 December 2019).

#### Compensation of Executive Board members and the Chief Executive Officer in 2020, ('000 RUB)<sup>3</sup>

Indicator	Amount
Salary	232,585
Bonuses	301,776
Commissions	-
Benefits	-
Reimbursement of expenses	-
Other types of compensation	-
<b>Total</b>	<b>534,361</b>

<sup>1</sup> Approved annually and assessed by the Company's Board of Directors based on fiscal year end results

<sup>2</sup> Approved for three years and assessed by the Company's Board of Directors upon the expiry of three years.

<sup>3</sup> According to the accounting (financial) statements of PAO Sovcomflot prepared under RAS.