

4. Major and interested-party transactions

In 2020 PAO Sovcomflot concluded the following major interested-party transaction consisting of a series of related transactions:

1. The underwriting agreement dated 7 October 2020 entered into in connection with the sale of ordinary shares of PAO Sovcomflot in a public offering (hereinafter referred to as the «New Shares» and the «Offering», respectively) between PAO Sovcomflot (the «Company») and the underwriting banks: Citigroup Global Markets Limited, J.P. Morgan Securities plc, Merrill Lynch International, JSC Sberbank CIB, Sberbank CIB (UK) Limited, VTB Capital plc and ING Bank N.V. (hereinafter collectively referred to as the «Underwriters») (the «Underwriting Agreement»).

Subject matter of the Underwriting Agreement:

- the Company agrees to transfer New Shares to the Underwriters and/or their designated person(s) and the Underwriters agree to purchase and pay for New Shares, subject to certain conditions precedent being met and fulfilled;
- the Company is making certain representations and warranties to the Underwriters pursuant to the terms of the Underwriting Agreement;
- the Company undertakes to pay a fee to the Underwriters in connection with the Offering of New Shares and to reimburse or compensate expenses, costs and damages that may be incurred by the Underwriters and other persons which/who, under the terms of the Underwriting Agreement, will be covered by indemnity against expenses, costs and damages that may be incurred by them in cases provided for by the Underwriting Agreement, including a breach of representations and warranties;
- transactions in the Company's ordinary shares by the Company and/or its affiliates (as defined in the Underwriting Agreement) are restricted during the agreed period after the completion of the Offering;
- the Company assumes obligations under the put option contract between OOO SCF Arctic, VTB Capital plc, and AO VTB Capital for improper performance by OOO SCF Arctic of its obligations to pay amounts due under the terms of the mentioned contract;
- other basic terms and conditions of the Underwriting Agreement.

2. The underwriting support agreement dated 7 October 2020 entered into in connection with the Offering of New Shares in a public offering between the Company and the Underwriters (the «Underwriting Support Agreement»).

Subject matter of the Underwriting Support Agreement:

- the Underwriters agree to provide services to the Company in connection with the Offering which are usually provided by global joint coordinators and joint bookrunners for transactions of this kind;
- the Company undertakes to pay a fee to the Underwriters and reimburse them for expenses incurred in the Offering under the terms of the Engagement Letter and the Underwriting Agreement;
- the Company undertakes to reimburse or compensate expenses, costs and damages that may be incurred by the Underwriters and other persons which/who will be covered by the indemnity provisions of the Engagement Letter;
- other basic terms and conditions of the Engagement Letter.

3. The engagement letter dated 14 September 2020 (the «Engagement Letter») in connection with the Offering between the Company and the Underwriters.

Subject matter of the Engagement Letter:

- the Underwriters agree to provide services to the Company in connection with the Offering which are usually provided by global joint coordinators and joint bookrunners for transactions of this kind;
- the Company undertakes to pay a fee to the Underwriters and reimburse them for expenses incurred in the Offering under the terms of the Engagement Letter and the Underwriting Agreement;
- the Company undertakes to reimburse or compensate expenses, costs and damages that may be incurred by the Underwriters and other persons which/who will be covered by the indemnity provisions of the Engagement Letter;
- other basic terms and conditions of the Engagement Letter.

4. The indemnity agreement dated 4 March 2020 indemnifying the Underwriters and other persons against expenses, costs and damages that may be incurred by them in the provision of marketing services, including preparation of marketing materials in connection with the Offering, between the Company and the Underwriters (the «Indemnity Agreement»).

Subject matter of the Indemnity Agreement:

- the Company undertakes to reimburse or compensate expenses, costs and damages that may be incurred by the Underwriters and other persons which/who will be covered by the indemnity provisions of the Indemnity Agreement;
- other basic terms and conditions of the Indemnity Agreement.

5. The loan agreement dated 7 October 2020 entered into between the Company and OOO SCF Arctic in connection with the provision of funds by the Company to OOO SCF Arctic for the performance of its obligations under the put option contract (the «Loan Agreement»).

Subject matter of the Loan Agreement:

- the Company assumes an obligation to provide funds to OOO SCF Arctic in order to enable OOO SCF Arctic to perform its obligations to purchase Company shares at the purchase price of the Shares specified in the Option Exercise Notice, but not to exceed five (5) billion roubles;
- OOO SCF Arctic assumes an obligation to repay the funds provided by the Company to enable OOO SCF Arctic to perform its obligations under the put option contract upon the first written demand of the Company within sixty (60) calendar days of receiving such demand, provided that such demand shall be made no earlier than 31 December 2025;
- other basic terms and conditions of the Loan Agreement.

6. Other transactions, contracts, agreements and documents contemplated by and/or related to the Underwriting Agreement, the Underwriting Support Agreement or otherwise related to the Offering (including, in particular, in connection with actions taken by one or more Underwriters to maintain (stabilize) prices, demand for, supply and/or trade volume of the Company's ordinary shares).

The person(s) being a party (parties) to and beneficiary (beneficiaries) of the transaction:

- Parties to the Underwriting Agreement: the Company and the Underwriters.
- Parties to the Underwriting Support Agreement: the Company and the Underwriters.

- Parties to the Engagement Letter: the Company and the Underwriters.
- Parties to the Indemnity Agreement: the Company and the Underwriters.
- Parties to the Loan Agreement: the Company and OOO SCF Arctic.
- Beneficiaries of the Underwriting Agreement: OOO SCF Arctic as well as persons other than the Underwriters for whose benefit the obligation to reimburse or compensate expenses, costs and damages that may be incurred by them under the terms of the Underwriting Agreement was assumed by the Company;
- Beneficiaries of the Underwriting Support Agreement: persons other than the Underwriters for whose benefit the obligation to reimburse or compensate expenses, costs and damages that may be incurred by them under the terms of the Underwriting Support Agreement was assumed by the Company;
- Beneficiaries of the Engagement Letter: persons other than the Underwriters for whose benefit the obligation to reimburse or compensate expenses, costs and damages that may be incurred by them under the terms of the Engagement Letter was assumed by the Company;
- Beneficiaries of the Indemnity Agreement: persons other than the Underwriters for whose benefit the obligation to reimburse or compensate expenses, costs and damages that may be incurred by them under the terms of the Indemnity Agreement was assumed by the Company;
- Beneficiary of the Loan Agreement: OOO SCF Arctic.

Full and abbreviated corporate names (name for a non-profit organisation) of a legal entity or name, surname and patronymic (if any) of an individual recognized in accordance with the laws of the Russian Federation to be a person interested in the transaction, as well as the ground(s) on which that person is recognized to be a person interested in the transaction:

Evgeny Ambrosov was the Chairman of the Board of Directors of OOO SCF Arctic and a member of the Issuer's Executive Board at the time of the transaction.

Nikolay Kolesnikov was a member of the OOO SCF Arctic Board of Directors at the time of the transaction; is a member of the Issuer's Executive Board.

Aleksey Ostapenko was a member of the OOO SCF Arctic Board of Directors at the time of the transaction; is a member of the Issuer's Executive Board.

Sergey Popravko was a member of the OOO SCF Arctic Board of Directors at the time of the transaction; is a member of the Issuer's Executive Board

The price (monetary valuation) of the property which is the subject of the transaction and which can be directly or indirectly disposed of (acquired) (including the amount of the Company's liabilities) as a result of the conclusion or execution of the transaction represents fifty (50) or more percent of the book value of the Company's assets according to its accounting statements prepared in accordance with Russian Accounting Standards as of the last reporting date and is determined based on its market value.

Time for the performance of obligations under the transaction and information on the performance of these obligations:

Until the Parties have fully performed their obligations. As at 31 December 2020, the obligations have been performed, except for the Underwriting Agreement, under which the lock-up period for transactions in the Issuer's securities did not expire as at 31 December 2020 (the Underwriting Agreement provides for restrictions for 180 days after the completion of the offering), and the Loan Agreement, under which the funds must be repaid by the set deadline, which did not occur at the end date of the reporting year.

The issuer's management body which made a decision to grant consent to the transaction or subsequently approve it, the date of the decision (date and minutes of the minutes) or information that such decision was not made:

The decision to approve related transactions was adopted by the Company's Extraordinary General Meeting of Shareholders on 10 September 2020 (Instructions No. 367-r of the Federal Agency for State Property Management dated 10 September 2020). Furthermore, the related transactions made during the placement of shares of an additional issue by the Company also stemmed from the resolution to increase the Company's authorised capital by placing the additional issue of shares adopted by the Company's Extraordinary General Meeting of Shareholders on 1 March 2018 (Instructions No. 95-r of the Federal Agency for State Property Management dated 1 March 2018) taking into account the resolution adopted by the Company' Extraordinary General Meeting of Shareholders on 6 May 2020 (Instructions No. 167-r of the Federal Agency for State Property Management dated 6 May 2020).

During the reporting period the Company also made one interested-party transaction which does not require the approval of the Company's management bodies according to the requirements of the Federal Law «On Joint Stock Companies» which took effect on 1 January 2017

Supplementary Agreement No. 5 dated 21 February 2020 to the Sublease Agreement dated 10 December 2015 between PAO Sovcomflot (the «Lessor») and OOO SCF GEO (the «Lessee»), whereby the parties agreed to extend the lease of the premises and consider the Sublease Agreement extended for the period from 1 March 2020 to 31 January 2021 on the previous terms.

In all matters not covered by the said Supplementary Agreement No. 5 the parties shall be governed by the terms of the sublease agreement and current legislation of the Russian Federation.

Supplementary Agreement No. 5 to the Sublease Agreement dated 10 December 2015 entered into force upon signature and applies to the legal relations between the parties as from 1 March 2020.