

Auditing Commission

The Auditing Commission exercises control over the financial and business activities of PAO Sovcomflot, as well as its divisions and services.

The competence and operating procedures of the Auditing Commission are determined by the Regulations on the Auditing Commission¹ approved by the PAO Sovcomflot General Meeting of Shareholders (Instructions No. 519-r of the Federal Agency for State Property Management dated 30 June 2016).

During the reporting period the Auditing Commission operated in the following compositions, which were elected by the Annual

General Meeting of Shareholders on 26 June 2019 (Instructions No. 373-r of the Federal Agency for State Property Management dated 26 June 2019) and the Annual General Meeting of Shareholders on 4 August 2020 (Instructions No. 2197-r of the Federal Agency for State Property Management dated 4 August 2020), respectively.

Composition of the Auditing Commission of PAO Sovcomflot as at 31 December 2020

CHAIRMAN OF THE AUDITING COMMISSION

Mikhail Kuznetsov

Born in 1979
Education: higher

General Director of Topcompetence LLC, General Director of Corporate Development Centre LLC, Director of the Centre for Systemic Transformations of the Economics Department of Lomonosov Moscow State University.

MEMBERS OF THE AUDITING COMMISSION:

Ivan Bezmenov

Born in 1980
Education: higher

Director of the Department for North Caucasian Federal District Territorial Planning, Russian Ministry of Economic Development

Nikita Kozhemyakin

Born in 1989
Education: higher

Head of Department, Federal Agency for State Property Management

Zakhary Dzhioev

Born in 1977
Education: higher

Deputy Head of the Federal Agency for Maritime and River Transport

Members of the Auditing Commission did not own shares in PAO Sovcomflot during the reporting period, nor made any transactions in Company shares.

In 2020, compensation was paid to members of the Auditing Commission other than state officials in accordance with the Regulations

on the Payment of Compensation and the Reimbursement of Expenses to Members of the PAO Sovcomflot Auditing Commission approved by Instructions No. 519-r of the Federal Agency for State Property Management dated 30 June 2016 and on the basis of Instructions No. 297-r of the Federal Agency for State Property Management dated 4 August 2020.

¹ More detailed information about these regulations can be found on the Company's website in the Corporate governance section.

Compensation paid to the Auditing Commission members in 2020, ('000 RUB)

Indicator	Amount
Compensation for participation in the body exercising control over the issuer's financial and economic activity	374
Salary	-
Bonuses	-
Commissions	-
Benefits	-
Reimbursement of expenses	-
Other types of compensation	-
Total	374

All recommendations of the PAO Sovcomflot Internal Audit Commission based on the audit of financial and economic activities were implemented during the reporting period.

Compensation system for members of management bodies

Compensation of the Board of Directors members in 2020

PAO Sovcomflot pays compensation to members of the PAO Sovcomflot Board of Directors and reimburses expenses actually incurred by them in the performance of their functions as Board of Directors members in accordance with the Regulations on the Payment of Compensation and the Reimbursement of Expenses to Members of the PAO Sovcomflot Board of Directors (approved by Instructions No. 478-r of the Federal Agency for State Property Management dated 29 June 2015, as amended by Instructions No. 519-r of the Federal Agency for State Property Management dated 30 June 2016).

In accordance with recommendations of the Russian Ministry of Economic Development and the Regulations on the Payment of Compensation and the Reimbursement of Expenses to Members of the PAO Sovcomflot Board of Directors, the directors of PAO Sovcomflot are paid compensation during their term of office for exercising their duties as Board of Directors members, with basic

compensation set at RUB 3,200,000 a year. Compensation in the following amounts is paid each year in addition to basic compensation for the directors serving as Chairman of the Board of Directors, Chairman of a Committee of the Board of Directors, and Member of a Committee of the PAO Sovcomflot Board of Directors:

- For exercising the duties of the Chairman of the Board of Directors, in the amount of the basic compensation multiplied by a coefficient of 2.3;
- For exercising the duties of the Chairman of a Committee of the Board of Directors, in the amount of the basic compensation multiplied by a coefficient of 0.8;
- For exercising the duties of a Member of a Committee of the Board of Directors, in the amount of the basic compensation multiplied by a coefficient of 0.6.