

4.5. 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).

- by the Annual General Meeting of Shareholders dated 29 June 2018 (Instructions No. 449-r of the Federal Agency for State Property Management dated 29 June 2018) as follows: Ivan Bezmenov, Dmitry Vladimirov, Zakhary Dzhioev, and Mikhail Kuznetsov;

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

- by the Annual General Meeting of Shareholders dated 16 June 2017 (Instructions No. 310-r of the Federal Agency for State Property Management dated 16 June 2017) as follows: Ivan Bezmenov, Zakhary Dzhioev, and Mikhail Kuznetsov;

Composition of the Auditing Commission of PAO Sovcomflot as at 31 December 2018

Chairman of the Auditing Commission

Mikhail Kuznetsov

Born in 1979

Education: higher

OOO Topcompetence, Chief Executive Officer; OOO Corporate Development Centre, Chief Executive Officer

Members of the Auditing Commission

Ivan Bezmenov

Born in 1980

Education: higher

Russian Ministry of Economic Development, Director of the Corporate Governance Department

Dmitry Vladimirov

Born in 1989

Education: higher

Federal Agency for State Property Management, Deputy Head of the Department of Property Relations and Privatisation of Major Organisations

Zakhary Dzhioev

Born in 1977

Education: higher

Federal Agency for Marine and River Transport, Head of the Department of Economics and Finance

Compensation paid to the Auditing Commission members in 2018

Indicator	Amount, RUB thousand
Compensation for participation in the body exercising control over the issuer's financial and economic activity	366
Salary	-
Bonuses	-
Commissions	-
Benefits	-
Reimbursement for expenses	-
Other types of compensation	-
TOTAL	366

During the reporting period members of the Auditing Commission did not own shares in PAO Sovcomflot.

In 2018, compensation was paid to the 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. 449-r of the Federal Agency for State Property Management dated 29 June 2018.

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

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