

## 4.6. COMPENSATION SYSTEM FOR MEMBERS OF MANAGEMENT BODIES

### 4.6.1 Compensation of the Board of Directors members in 2018

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. 1158-r of the Federal Agency for State Property Management dated 30 June 2012, as amended by Instructions No. 478-r of the Federal Agency for State Property Management dated 29 June 2015 and Instructions No. 519-r of the Federal Agency for State Property Management dated 30 June 2016) and Instructions No. 449-r of the Federal Agency for State Property Management dated 29 June 2018, PAO Sovcomflot reimburses Board of Directors members for actual documented expenses incurred whilst exercising their duties as Board of Directors members.

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.

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 and Instructions No. 449-r of the Federal Agency for State Property Management dated 29 June 2018, PAO Sovcomflot Board of Directors members were paid compensation and reimbursement for expenses in the amount set forth in internal documents of PAO Sovcomflot.

### Compensation of the Board of Directors members in 2018

Indicator	Amount, RUB thousand
Compensation for participation in a management body	50,031
Salary	-
Bonuses	-
Commissions	-
Benefits	-
Reimbursement for expenses	3,290
Other types of compensation	-
TOTAL	53,321