

4. MAJOR AND INTERESTED-PARTY TRANSACTIONS

a) information on the interested-party transactions concluded by the Company during the reporting year, including a list of the transactions concluded by the Company during the reporting year which are considered related-party transactions in accordance with the Federal Law "On Joint-Stock Companies", indicating an interested party (parties) on each transaction, essential terms and the company's management body which passed the decision on approval of the transaction;

b) information on the major transactions concluded by the Company during the reporting year, including a list of the transactions concluded by the Company during the reporting year which are considered major transactions in accordance with the Federal Law "On Joint-Stock Companies", and other transactions to conclusion of which the approval procedure of major transactions applies in accordance with the charter of the company, indicating essential terms on each transaction and the company's management body which passed the decision on approval of the transaction.

PAO Sovcomflot did not conclude major transactions in 2018. During the reporting period the Company made five interested-party transactions. One of them was approved in advance by the Company's Board of Directors in accordance with statutory requirements.

In accordance with Article 83 of the Federal Law "On Joint-Stock Companies", the Board of Director adopted the decision dated 21 September 2018 (Minutes No. 175) to approve an interested party-transaction - conclusion of supplementary agreement No. 6 to Contract No. SCF-5/2 dated 29 June 2012 (the "Contract") between PAO Sovcomflot (the customer) and OOO SCF Arctic (the contractor) that amends the Contract as follows:

- Contract price: the cost of works under the Contract is 5,236,840 (five million two hundred thirty six thousand eight hundred and forty) rubles 00 kopecks, including 18% VAT of 798,840 (seven hundred ninety eight thousand eight hundred and forty) rubles 00 kopecks;
- The supplementary agreement to the Contract shall apply to the relations between the Parties from 1 April 2018;
- The rights and obligations of the parties not modified by the supplementary agreement shall remain unchanged and the parties shall be governed by the provisions of the Contract, subject to the terms of the supplementary agreement.

The supplementary agreement to Contract No. SKF-5/2 dated 29 June 2012 between PAO Sovcomflot and OOO SCF Arctic is an interested party-transaction for the following reasons: Members of PAO Sovcomflot Executive Board (E.N. Ambrosov, N.L. Kolesnikov, A.V. Ostapenko, I.V. Tonkovidov) concurrently act as Members of OOO SCF Arctic Board of Directors. Supplementary agreement No. 6 is concluded on 24 September 2018.

Interested-party transactions made by the company during the reporting period that do not require consent or approval of the company's management bodies according to the amendments to Federal Law "On Joint-Stock Companies" which entered into force on 1 January 2017:

1. Supplementary Agreement No. 5 dated 26 March 2018 to the Sublease Agreement dated 1 April 2013 between PAO Sovcomflot (the "Lessor") and OOO SCF Arctic (the "Lessee"), under which the rented area as specified in Clause 1.1 of the Agreement was changed and the Lessor shall, for a consideration, provide to the Lessee for temporary use (sublease) a part of the non-residential building with a total area of 1,616.92 sqm (hereinafter jointly referred to as the "Premises") located at 3a Moyka River Embankment, Saint Petersburg, for use as an office, and the Lessee shall use the Premises according to the terms of the Agreement and pay the Lessor a rent for this.

In respect of all other obligations not covered by the said supplementary agreement the parties shall continue to be governed by the provisions of the Sublease Agreement.

The supplementary agreement to the Sublease Agreement enters into force on 01 April 2018.

2. Sublease Agreement for Premises dated 30 March 2018 between SCF Management Services (St. Petersburg) Ltd. (the "Lessee") and PAO Sovcomflot (the "Sublessee"), under which the Lessee shall provide to the Sublessee for temporary use a part of the property, rented under the lease agreement dated 12 March 2018, of the non-residential building with a total area of 12 (twelve) sqm located at 8 Prospekt Ostryakova, 3rd floor, Vladivostok, Primorsky Krai, for use as an office. The Agreement is concluded for a period of 11 (eleven) months and enters into force on 01 April 2018. The size of a monthly rent for the subleased premises is 17,400.00 (seventeen thousand four hundred) rubles, VAT amount (18%) of 3,132.00 rubles, total amount of 20,532.00 (twenty thousand five hundred thirty two) rubles.

3. Supplementary Agreement No. 3 dated 15 May 2018 to the Sublease Agreement dated 10 December 2015 between PAO Sovcomflot (the "Lessor") and OOO SCF GEO (the "Lessee"), under which the parties agreed to extend the lease of the Premises for the period from 01 May 2018 to 31 March 2019 on the previous terms. In all matters not covered by Supplementary Agreement No. 3 parties shall be governed by the terms of the Sublease Agreement and current legislation.

Supplementary agreement No. 3 to the Sublease Agreement dated 10 December 2015 enters into force on 1 May 2018.

4. Supplementary Agreement No. 6 dated 1 October 2018 to the Sublease Agreement dated 1 April 2013 between PAO Sovcomflot (the "Lessor") and OOO SCF Arctic (the "Lessee"), under which the rented area as specified in Clause 1.1 of the Agreement was changed and the Lessor shall, for a consideration, provide to the Lessee for temporary use (sublease) a part of the non-residential building with a total area of 1,601.57 sqm (hereinafter jointly referred to as the "Premises") located at 3a Moyka River Embankment, Saint Petersburg, for use as an office, and the Lessee shall use the Premises according to the terms of the Agreement and pay the Lessor a rent for this.

In respect of all other obligations not covered by the said supplementary agreement the parties shall continue to be governed by the provisions of the Sublease Agreement.

The supplementary agreement to the Sublease Agreement entered into force on 1 October 2018.