

An important role in the organisation of an effective corporate governance system is played by the PAO Sovcomflot Board of Directors, which is responsible for the strategic leadership of the Group's activities and determines the vision, mission, and strategic development of the Group



4.3. Board of Directors of PAO Sovcomflot

4.3.1. COMPOSITION OF THE BOARD OF DIRECTORS

There were three different compositions of the PAO Sovcomflot Board of Directors during the reporting period:

1. The Board of Directors elected 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 Glumov (independent director)
 - . Ilya Klebanov (government appointee)
 - . Alexey Klyavin (independent director)
 - . David Moorhouse (government appointee)
 - . Viktor Olersky (government appointee)
 - . Oksana Tarasenko (government appointee)
 - . Sergey Frank (government appointee)
 - . Walid Chammah (independent director)
 - . Andrey Sharonov (independent director)

2. The Board of Directors elected by the Annual General Meeting of Shareholders dated 26 June 2019 (Instructions No. 474-r of the Federal Agency for State Property Management dated 26 June 2019) as follows:
 - . Alexander Abramov (government appointee)
 - . Ilya Klebanov (government appointee)
 - . David Moorhouse (government appointee)
 - . Lyubov Nisenboym (government appointee)
 - . Pavel Sorokin (government appointee)
 - . Sergey Frank (government appointee)
 - . Yury Tsvetkov (government appointee)
 - . Alexey Klyavin (independent director)
 - . Walid Chammah (independent director)
 - . Andrey Sharonov (independent director)

3. The Board of Directors elected by the Extraordinary General Meeting of Shareholders dated 23 September 2019 (Instructions No. 592-r of the Federal Agency for State Property Management dated 23 September 2019) as follows:
 - . Alexander Abramov (government appointee)
 - . Ilya Klebanov (government appointee)
 - . David Moorhouse (government appointee)
 - . Lyubov Nisenboym (government appointee)
 - . Pavel Sorokin (government appointee)
 - . Oksana Tarasenko (government appointee)
 - . Igor Tonkovidov (government appointee)
 - . Sergey Frank (government appointee)
 - . Yury Tsvetkov (government appointee)
 - . Alexey Klyavin (independent director)
 - . Walid Chammah (independent director)
 - . Andrey Sharonov (independent director)

According to the Company's Charter, at least 9 persons are elected to the Board of Directors, which meets the statutory requirements as well as the Company's needs. The personal composition of the Board is determined by the General Meeting of Shareholders (a decision of the sole shareholder). Independent members of the Company's Board of Directors are elected following a review of the candidates by the commission for selecting candidates to the governing bodies of companies with state participation, formed annually by the shareholder's representative (Federal Agency for State Property Management) with the participation of the Russian Ministry of Transport, which enables the shareholder to receive information about the candidates necessary to get an idea of their personal and professional qualities.

Ilya Klebanov was elected Chairman of the Board of Directors in accordance with the PAO Sovcomflot Board of Directors decision (Minutes No. 173). At the Board of Directors meeting on 24 September 2019, the Board elected Sergey Frank as its Chairman.

Independent directors have been elected to the Board of Directors of PAO Sovcomflot annually since 2008, in accordance with the criteria established in the current Corporate Governance Code and in Russian Government Resolution No. 738. Three independent directors were elected to the Board of Directors (as at 31 December 2019): Alexey Klyavin, Walid Chammah, and Andrey Sharonov.

Information on members of the PAO Sovcomflot Board of Directors (as at 31 December 2019)

During 1984-1989 he was Deputy Principal of Admiral Nevelskoy Far Eastern Higher Marine Engineering College and was engaged in teaching. From 1989, he was Head of Foreign Economic Relations and then Deputy General Director for Economics at the Far Eastern Shipping Company. In 1995 he was appointed Deputy Director of the Department of Maritime Transport at the Russian Ministry of Transport. Between 1998 and 2004 he served as Minister of Transport of the Russian Federation. During these years he headed the Aeroflot - RIA Board of Directors.

In October 2004 Sergey Frank was elected Chief Executive Officer of OAO Sovcomflot and joined its Board of Directors. He held this position until September 2019, when he was elected Chairman of the Company's Board of Directors. At present he is a member of the Boards of Directors of OAO RZD and PAO Novoship, Vice President and Board Member of the Russian Union of Industrialists and Entrepreneurs, President of the Russian Chamber of Shipping, and Chairman of the Supervisory Council and Honorary President of Admiral Nevelskoy Maritime State University.



Sergey Frank
Chairman of the Board of Directors of PAO Sovcomflot
Born in 1960.
Education: Admiral Nevelskoy Far Eastern Higher Marine Engineering College, specialising in Maritime Navigation; Far Eastern State University, specialising in Jurisprudence.
Academic degree: Candidate of Technical Sciences.



Alexander Abramov

Member of the PAO Sovcomflot Board of Directors
Born in 1957.

Education: Moscow Institute of Railway Engineers; Institute of Retraining and Advanced Training under the Government of the Russian Federation.

He began his career path in 1979, worked as a foreman and master at the wagon depot of Moscow Railways. Beginning in 1981, he was engaged in Komsomol work. In 1991 he became the Chairman of the Moscow Coordinating Council of the regional chapter of the Russian Union of Youth. From 1997, he was engaged in banking business. In 1997 he was appointed as Head of Government Relations - First Vice President of Alfa-Bank CIB and Deputy Chairman of the Executive Board of OAO Alfa-Bank. In 1999 he became Deputy Head of the Russian Presidential Administration and a year later Secretary of the State Council of the Russian Federation. He was Assistant to the President of the Russian Federation from 2004 to 2012 and Adviser to the President of the Russian Federation in 2012-2013. Since 2016, he has been Chief Adviser to the Chairman of the Council of the Central Union of Consumer Societies of the Russian Federation (Centrosoyuz of Russia)

Alexander Abramov was elected to the Board of Directors of PAO Sovcomflot in 2019.



Ilya Klebanov

Member of the PAO Sovcomflot Board of Directors
Born in 1951.

Education: M.I. Kalinin Leningrad Polytechnic Institute, specialising as Engineer-Electrophysicist; Matsushita School of Business, Japan.

During 1974-1977 he was employed at the Electron Production Association as Engineer. From 1977 to 1997 he worked in the Leningrad Optics and Mechanics Association, where he went all the way from a design engineer to Chief Executive Officer. In December 1997 he was appointed First Vice-Governor of Saint Petersburg - Chairman of the Committee for Economics and Industrial Policy. From 1998 he was Deputy Chairman of the Government of the Russian Federation, from 2001 Deputy Chairman of the Government of the Russian Federation - Minister of Industry, Science and Technologies of the Russian Federation and from 2002 Minister of Industry, Science and Technologies of the Russian Federation. During 2003-2011 he served as Plenipotentiary Representative of the Russian President for the North-West Federal District.

Between 2011 and 2019 Ilya Klebanov was Chairman of the PAO Sovcomflot Board of Directors; at present he is a member of the Company's Board of Directors. He also serves on the Board of Directors of PAO Transneft and heads the Boards of Directors of OOO Neftegazindustria-Invest and AO SHVABE (GK Rostekh).

After graduating from the Maritime School, he served as third, second, then first officer on ships operated by the Transport and Reefer Fleet Directorate (Mortransflot) in Kaliningrad. In 1990 he was appointed as Senior Economist at VVO Sovfracht of the USSR Ministry of Merchant Marine. In 1992 he headed the Maritime Agency Sovfracht. Afterwards he was the representative of Sovfracht and Rosmorflot in Portugal. In 1997 he became Deputy Head of the Shipping Policy Department of the Ministry of Transport of the Russian Federation. During 1998-2002 he was representative of the Russian Ministry of Transport in Denmark. Between 2003 and 2011 he held various positions in the Russian Ministry of Transport: Assistant to the Minister, Head of the Shipping Policy Department, Deputy Director, Acting Director and then Director of the Department of State Policy for Maritime and River Transport. From 2013 he is President of the Russian Chamber of Shipping.

Alexey Klyavin has been a member of the PAO Sovcomflot Board of Directors since 2012. At present he is also a member of the Supervisory Board of FAU «Russian River Register» and a member of the Board of Directors of the Maritime Joint-Stock Bank.



Alexey Klyavin

Member of the PAO Sovcomflot Board of Directors (independent director)

Born in 1954.

Education: Kaliningrad Higher Engineering Maritime School, specialising as Engineer-Navigator.

Between 1995 and 1999 Mr Moorhouse was Executive V.P. of the Kvaerner Group and from 1999 to 2007 he was Executive Chairman of Lloyd's Register Group, the world's largest classification society: he was Chairman of the Lloyd's General Committee and Chairman of Lloyds Register, from 2006-2019 he served as Chairman of the Board of Directors and Chairman of the Nominations Committee at Braemar Shipping Services plc. From 2013 to 2019 he was Senior Non-Executive of the Board of Directors at James Fisher and Sons Shipping Services plc. At present he serves as a Trustee Director of Trafalgar House Trustees Limited and Vice Chairman of the Mission to Seafarers.

David Moorhouse has been a member of the PAO Sovcomflot Board of Directors since 2010.



David Moorhouse

Member of the PAO Sovcomflot Board of Directors

Born in 1947.

Education: University of London, London City University, Southampton University.

Academic degree: Doctor of Science. Life member of the UK Foundation for Science and Technology. Fellow of the UK Nautical Institute.



Lyubov Nisenboym

Member of the PAO Sovcomflot Board of Directors

Born in 1975.

Education: Russian State Humanitarian University; Kellogg School of Business at Northwestern University (U.S.), Master of Business Administration.

From 1998 to 2010 she worked as Senior Manager and then Director of the Audit and Risk Management Department at Deloitte and Touche CIS. In 2010 she was appointed as Director of Governance, Risk Management and Compliance at PricewaterhouseCoopers Russia. Between 2016 and 2018 she served as Director of Business Consulting at PricewaterhouseCoopers Tax and Advisory (Kazakhstan). Since 2018 she has been heading the Business Consulting Department of ANO «Analytical Center under the Government of the Russian Federation».

Lyubov Nisenboym was elected to the PAO Sovcomflot Board of Directors in 2019. At present she also serves of the Boards of Directors of AO MASH, AO FGK, PAO GTLK and AO TransTeleCom Company.



Pavel Sorokin

Member of the PAO Sovcomflot Board of Directors

Born in 1985.

Education: Plekhanov Russian Academy of Economics, specialising in World Economy; University of London, degree in Finance and Financial Law.

In 2005 he held the position of Senior Auditor in Oil and Gas Sector at Ernst & Young. From 2007 to 2012 he worked in management positions in analytical departments within corporate investment units of Alfa-Bank and Unicredit. During 2012-2015 he headed the Russian and East European oil and gas sector analysis division at OOO Morgan Stanley Bank as its Vice President, Company and Market Research. From September 2015 to March 2018 he headed the Fuel and Energy Analytical Centre at the Russian Energy Agency of the Russian Ministry of Energy, which conducts analysis, prepares materials and provides information support for the key areas of the Ministry's activities. In March 2018 he was appointed Deputy Minister of Energy of the Russian Federation.

Pavel Sorokin has been a member of the PAO Sovcomflot Board of Directors since 2019.

Between 2004 and 2011 she worked in commercial sector organisations and from 2009 to 2011 was engaged in teaching at the Lomonosov Moscow State University. In 2011 she started work as Assistant to the Head of the Federal Agency for State Property Management, later becoming the Head of its Department of Social and Cultural Sphere Organizations and Foreign Property and later the Head of Sectoral Organizations and Foreign Property. In January 2015 she was appointed Adviser to the Minister of Economic Development of the Russian Federation. In April 2015 she was appointed Director of the Corporate Governance Department of the Ministry of Economic Development. In July 2018 she became Assistant to, and in December 2018, Deputy of the Minister of Economic Development.

Oksana Tarasenko was first elected to the PAO Sovcomflot Board of Directors in 2018¹. At present she also serves on the Supervisory Councils of Russian Agricultural Bank, VTB Bank, National Technology Initiative (NTI). She is a Member of the Boards of Directors of RUSNANO and the Management Company RUSNANO, the Management Company of Innovative scientific and technological centre of Lomonosov Moscow State University 'Vorobyovy Hills', AO RVK, AO Russian Hippodromes, Council Member of the Skolkovo Foundation, and of the Charity Foundation for the Reconstruction of the New Jerusalem Monastery.



Oksana Tarasenko

Member of the PAO Sovcomflot Board of Directors
Born in 1983.
Education: Lomonosov Moscow State University, specialising in Jurisprudence; Lomonosov Moscow State University, field of studies: Management.
Academic degree: Candidate of Juridical Sciences.

At the beginning of his career he worked as Engineering Officer on vessels of the Amur River Shipping Company and then Sakhalin Shipping Company. From 1994 to 2003 he was responsible for technical operation of the fleet in Sovcomflot Group divisions. In 2003 he became Technical Director of OAO Volga Shipping Company. In 2006 he headed OAO Volga-Baltic Company. In 2008 he was appointed Vice President of Fleet Operations at the Novorossiysk Shipping Company (OAO Novoship, SCF Group), and in a year he became President of the Company and a member of its Board of Directors. In 2012, he took the position of Executive Vice President and Chief Technical Officer of PAO Sovcomflot.

In 2019 Igor Tonkovidov joined the PAO Sovcomflot Board of Directors, becoming Chief Executive Officer and President of the Company. He is also a member of the Board of Directors of AO United Shipbuilding Company and a member of the Supervisory Board of the Russian Register of Shipping.



Igor Tonkovidov

Member of the PAO Sovcomflot Board of Directors
Born in 1964.
Education: Odessa Institute of Marine Engineers, specialising as Mechanical Engineer; University of London (U.K.), Master's degree in Financial Management; INSEAD Business School (France), AVIRA programme for top managers.

¹ On 26 June 2019, Oksana Tarasenko left the Board of Directors and was elected Member of the Board of Directors again at the Extraordinary General Meeting of Shareholders on 23 September 2019.



Yury Tsvetkov

Member of the PAO Sovcomflot Board of Directors
Born in 1965.

Education: Admiral Makarov Leningrad Higher Maritime Engineering School, specialising in Maritime Navigation; Academy of National Economy under the Government of the Russian Federation, professional retraining programmes «Enterprise Economics and Management» leading to Master of Management and “Economics and Public Finance”; Maastricht School of Management (the Netherlands); Columbia Business School (USA).

After receiving higher maritime education he served as fourth, third, then second officer on ships operated by the Baltic Shipping Company. In 1993 he moved to onshore work, becoming Lead Consulting Engineer and then Head of the Commercial Center at Kvant Production Association. Between 1996 and 2006 he held various positions in the Department of Expenditure Control in the National Economy at the Accounts Chamber of the Russian Federation. During 2008-2009 he was Senior Vice-President of OAO United Shipbuilding Corporation. In 2009 he was appointed as Vice-President – Head of Internal Audit Department at OAO Sovcomflot. From 2012 to 2018 he was a member of the Company’s Executive Board. In 2012 he headed the Novorossiysk Shipping Company (OAO Novoship, SCF Group) and was elected to its Board of Directors.

In August 2018 Yury Tsvetkov was appointed Deputy Minister of Transport of the Russian Federation - Head of the Federal Agency for Maritime and River Transport. Since 2019 he has been Deputy Minister of Transport of the Russian Federation. He joined the Board of Directors of PAO Sovcomflot in 2019. At present he is also a member of the Boards of Directors of the International Chamber of Shipping and PAO Novorossiysk Commercial Sea Port.



Walid Chammah

Member of the PAO Sovcomflot Board of Directors (independent director)

Born in 1954.

Education: American University in Beirut, Bachelor of Business Administration; American Graduate School of International Management, Master of International Management.

Mr Chammah held various management positions with Morgan Stanley Investment Bank from 1993. In 2010 he was appointed as Chairman and Chief Executive Officer of Morgan Stanley International. He retired as Company Chairman in 2012. At present he is Partner at Chammah & Partners.

Walid Chammah has been an independent member of the PAO Sovcomflot Board of Directors since 2015. At present he is also a board member of the American University in Beirut, a member of the British-American Business Council, an advisory board member at HEC Montreal, Advisor to Signa Holding GmbH, and Director of Augmenta Capital.

During 1989-1991 he was a People's Deputy of the USSR and headed the Russian Federation Committee for Youth Affairs until 1996. Between 1996 and 2007 he worked in the Ministry of Economic Development and Trade of the Russian Federation as Department Head, Deputy Minister, State Secretary. From 2007 to 2010 he was Managing Director and Chairman of the Board of Directors of ZAO Troika-Dialogue Investment Company, where he headed the investment banking operations. In December 2010 he was appointed Deputy Mayor of Moscow in the Moscow Government for Economic Policy, responsible for overseeing budget preparation, government procurement, industrial policy and support for entrepreneurship, was involved in trade and service market regulation. In 2013 he became Rector of SKOLKOVO Business School; since 2016 he has been President of Moscow Management school SKOLKOVO.

Andrey Sharonov joined the Board of Directors of PAO Sovcomflot in 2014 as an independent director. At present he is also Chairman of the Board of Directors of OOO Managing Company NefteTransService and serves on the Boards of Directors of PAO PhosAgro, AO Medicine and EN+ GROUP PLC.



Andrey Sharonov

Member of the PAO Sovcomflot Board of Directors (independent director)

Born in 1964.

Education: Ufa Aviation Institute, specialising in Aviation Instrument Making; Russian Academy of Civil Service under the President of the Russian Federation, specialising in Jurisprudence. Academic degree: Candidate of Sociological Sciences.

The Chairman and members of the Board of Directors did not own shares in PAO Sovcom-flot during the reporting period. No transactions for the acquisition or disposal of Company shares were made by the Board of Directors members listed above.

Since 2006 PAO Sovcomflot has taken out liability insurance for members of the Board of Directors.

4.3.2 ACTIVITIES OF THE BOARD OF DIRECTORS IN 2019

Given the strategic nature of the Board of Directors' activities, meetings of the Board of Directors are held on a scheduled basis. An annual schedule of meetings is adopted at the first meeting following the election of the Board of Directors. The schedule includes matters that require regular consideration according to statutory and shareholder's requirements. The Board of Directors also considers other matters at its meetings according to the requirements of the Company's Charter and/or the law.

In 2019 the PAO Sovcomflot Board of Directors convened 11 times (including five meetings through joint attendance and six through absentee voting)¹.



The procedure for convening and holding meetings of the Board of Directors is determined by the Regulations on the Board of Directors. The work of the Board of Directors is performed in accordance with its competence, as determined under the Federal Law on Joint-Stock Companies and the PAO Sovcomflot Charter.

¹ Date of the meeting and number of the minutes: 29 January 2019, No. 178 (absentee voting); 26 February 2019, No. 179; 11 April 2019, No. 180; 29 April 2019, No. 181 (absentee voting); 23 May 2019, No. 182; 23 July 2019, No. 183 (absentee voting); 24 September 2019, No. 184; 31 October 2019, No. 185 (absentee voting); 12 November 2019, No. 186 (absentee voting); 10 December 2019, No. 187; 30 December 2019, No. 188 (absentee voting).