

3.6.2. Management of NCSP Group companies

Management of NCSP Group subsidiaries and affiliates as of December 31, 2018:

- > Dmitry Korchnev, General Director, JSC Novoroslesexport (NLE)
- > Igor Zelenin, General Director, JSC Novorossiysk Ship Repair Yard (NSRZ)
- > Yury Petrishev, General Director, JSC NCSP Fleet
- > Gennady Shevelev, General Director, LLC Novorossiysk Grain Terminal (NGT)
- > Alexander Lesnyak, General Director, LLC IPP
- > Sergey Volynets, General Director, LLC Primorsk Trade Port (PTP)
- > Vladimir Kazakov, General Director, JSC SoyuzFlot Port (SFP)
- > Alexey Pavlov, General Director, LLC Baltic Stevedoring Company (BSC)

KPI System

The Company has a Regulation on the Establishment and Control of the System of Key Performance Indicators for NCSP Group executives, which was approved by the Company's CEO on October 31, 2017 (Approved by the Nomination and Remuneration Committee of the PJSC NCSP Board of Directors, Minutes of BoD NRC No. 17-10-KV NCSP, dated October 11, 2017).

The Company's KPI system is built on the following principles:

- > Principle of consistency with the goals and objectives of the strategy, and portfolio of programs and projects
- > Principle of cascading when setting and assessing achievement of goals
- > Principle of horizontal cross-functional consistency of goals
- > Principle of individuality and controllability
- > Principle of objectivity and transparency
- > Principle of regularity and cyclicity

Company's managers are divided into two categories. The first includes the CEO of PJSC NCSP, members of the Management Board and other executives responsible for functional management by area at NCSP Group; and the second one includes the general directors of subsidiaries and affiliates and PJSC NCSP managers who are included in the process of forming the KPI system at the discretion of the CEO.

The Board of Directors approves targets for executives in the first category and a summary scorecard that includes the results of target achievement by executives. The target amount of remuneration for the Company's CEO is set according to the terms of the employment contract approved by the Board of Directors.

Planning and setting of goals is done once a year with a quarterly breakdown into interim results (if appropriate).

An assessment of fulfillment of goals and feedback on its results is done quarterly and based on performance for the year. Goals are adjusted, if necessary, according to the results of assessment, as well as the results of adjustments in the strategy and approval (revision) of the portfolio of programs and projects.

3.6.3. Remuneration and incentives

Remuneration paid to members of the Management Board totaled 87.043 million RUB. Companies that are part of the NCSP Group did not provide credit (loans) to members of PJSC NCSP's Management Board in the reporting year. The total amount of remuneration paid to members of the Management Board, including the amount paid to the CEO, is disclosed in the quarterly securities issuer report for the fourth quarter of 2018, the text of which is posted on the websites of PJSC NCSP and Interfax at: <http://nmtp.info/ncsp/> and <http://e-disclosure.ru/portal/company.aspx?id=3900>.