

The Company regularly monitors and analyses the integral key performance indicator of innovative development.

**105.57 %**

*the value of the integral performance indicator of innovative development of PAO Sovcomflot in 2019*

### 3.3.2. ASSESSMENT OF THE INNOVATIVE DEVELOPMENT PERFORMANCE

The integral key performance indicator of innovative development includes four elements:

- The level of R&D financing expenditure at PAO Sovcomflot. The target is no less than 0.4 % of the annual net revenue;
- The level of navigation safety and the Company's compliance with customer requirements - the average number of observations from inspections by OCIMF member companies for all SCF vessels during the reporting period. The target is no higher than the industry average, which is calculated annually based on ship inspection results according to OCIMF and IN-TERTANKO data;
- The level of operating expenses per vessel, determined as a percentage of industry average (based on data from independent analytical sources). The target is less than 100 %;
- The level of vessel crew costs, determined as a percentage of industry average (based on data from independent analytical sources). The target is less than 100 %.