



6.2.3. PERSONNEL MOTIVATION

Incentive and motivation programmes broken down by personnel categories

Incentive and motivation programmes

For fleet personnel	For onshore personnel
<ol style="list-style-type: none"> 1. Long-term contracts for officers on gas carrier crews 2. Corporate pension programme 3. Bonus for successful results of inspections and other control measures 4. Incentives in the form of state, institutional, regional, and corporate awards 5. The Long-Term Motivation Programme for best masters and chief engineers of the SCF Group's vessels 	<ol style="list-style-type: none"> 1. Non-material and material incentives for the performance of particularly important assignments 2. Corporate pension programme 3. Incentives in the form of state, institutional, regional, and corporate awards 4. System of annual bonuses based on KPI performance 5. The Long-Term Motivation Programme for top and middle management

Social support for personnel

The social policy of the Group is implemented in accordance with the approved local regulations. The main goal of SCF Group's social programmes is to attract and retain personnel, and enhance the reputation of Sovcomflot as a socially responsible employer.

The management companies belonging to Sovcomflot Group regularly conclude collective bargaining agreements with the Seafarers' Union of Russia (SUR). A collective bargaining agreement is one of the basic tools of the personnel management system guaranteeing employees a decent wage and safe working conditions meeting state and international standards

Sovcomflot Group cooperates with the trade union in the following areas:

- Increasing wage levels;
- Preserving jobs;
- Ensuring safe working conditions;
- Insuring the fleet personnel of Sovcomflot Group against accidents during periods between voyages;
- Support programme for pensioners (one-time financial assistance, vouchers for health resort treatment, certificates of merit, and memorable gifts).

Non-government pension programme

The Pension Programme designed for Sovcomflot seafarers has been functioning since 2007, and is being implemented jointly with Ingosstrakh Life. Sovcomflot Group companies make monthly contributions from their own funds for seafarers in proportion to the length of service on a ship.

Upon reaching retirement age, the programme participants may receive the accumulated funds at any time, either in full or in monthly payments.

At present, rank and file staff are covered by another pension programme implemented by the Company in cooperation with the Seafarers' Union of Russia.



About

97%

of the Group's employees are covered by collective bargaining agreements (including 100 % of seafarers).



5,199

SHIPBOARD

employees of SCF Group were Pension Programme participants at the end of 2019



Since the beginning of the Programme,

517

SEAFARERS

have received pension payments totalling more than

127

RUB MILLION