

## 6.2.3. Personnel motivation

### Incentive and motivation programmes broken down by personnel categories

Incentive and motivation programmes	
For fleet personnel	For onshore personnel
1. Long-term contracts for command staff of gas carriers	1. Non-material and material incentives for the performance of particularly important assignments
2. Corporate pension programme	2. Corporate pension programme
3. Bonus for successful results of inspections and other control measures	3. Incentives in the form of state, institutional, regional, and corporate awards
4. 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 best masters and chief engineers of the SCF Group's vessels	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 the 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.

**About 97 % of the Group's employees are covered by collective bargaining agreements (including 100 % of fleet personnel).**

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.

**5,016**  
SHIPBOARD EMPLOYEES

of SCF Group were Pension Programme participants at the end of 2018

**Since the beginning of the Programme, 409 seafarers have received pension payments totalling more than 104 million roubles.**

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