

2.2.2. Motivation programs

The Group is refining its system of financial and nonfinancial incentives. The criteria for financial incentives are employee performance and professionalism. The social package and bonus system, as well as our tradition of showing consideration for and taking care of employees, are effective methods for reducing staff turnover at PJSC NCSP.

In order to promote healthy lifestyles and strengthen the corporate spirit, NCSP Group organizes in-house sport events, competitions between employees and other organizations of the city of Novorossiysk, and participation in regional and national games.

In 2018, the Company organized:

- > Participation in four city minifootball tournaments
- > Participation in the city Spartakiade
- > Participation in the national winter and summer Spartakiades of Russian ports in Murmansk
- > Participation in city and national volleyball tournaments
- > Participation in national armlifting competitions
- > Participation in meeting the standards of the GTO national fitness program
- > The 2nd Spartakiade among NCSP Group employees

Company employees won 11 first places, three second places and two third places in competitions held in the reporting period.

2.2.3. Social security

The Group's social policy is formulated and implemented in accordance with the Collective Agreement of PJSC NCSP, which was approved on May 1, 2016, and approved local regulations. Social programs are aimed at attracting and retaining highly qualified employees.

In addition to providing benefits for current employees, the Company provides support to former port workers. As of December 31, 2018, 1,180 people were registered with the primary organization of nonworking war and labor veterans (retired, disabled), the PJSC NCSP Veterans Council. Particular support is provided for PJSC NCSP employees who have worked for the Company for at least 20 years. They are awarded the title of Labor Veteran of Novorossiysk Commercial Sea Port, along with a one-time cash bonus, and granted certain benefits.

In 2018, the Company paid:

- > Basic quarterly financial aid in the amount of 9,380,606 RUB
- > Families of Company retirees 820,000 RUB to cover veterans' funeral expenses.

In addition to basic financial aid, NCSP Group veterans are given additional and targeted assistance:

- > 101 veterans – participants and veterans of the Second World War, homefront workers and former child prisoners – received financial aid for Victory Day totaling 505,000 RUB
- > 129 veterans with institutional and government honors received additional financial aid totaling 77,175 RUB in connection with the professional holiday Marine and River Fleet Workers Day
- > 194 pensioners received nonrecurring financial aid totaling 570,000 RUB to pay for medicine
- > 112 employees received financial aid in honor of anniversaries totaling 128,800 RUB

Regular moral and financial support is provided to members of the Veterans Council, particularly those who are disabled and living alone. In 2018, food baskets were delivered to 208 people at home and 118 people at healthcare institutions.