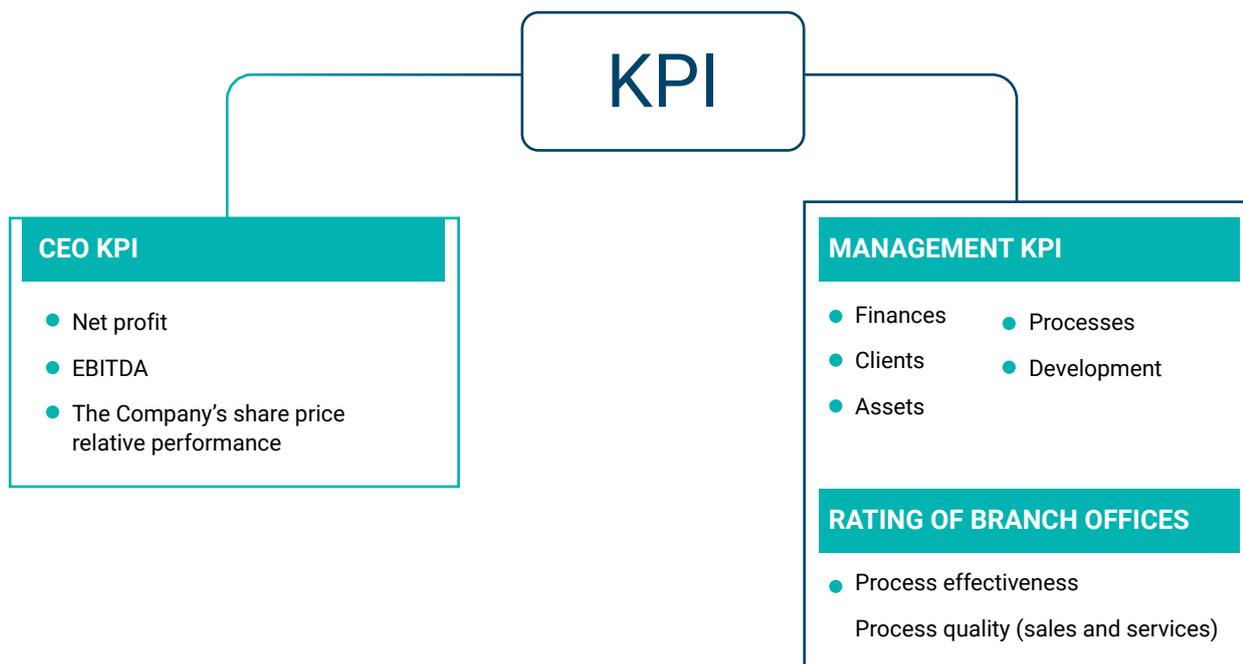


System of Key Performance Indicators



The system of key performance indicators (KPI) was introduced in 2011 and best reflects the extent to which the Company's management is meeting both short- and medium-term objectives (as set out in the budget) and achieving the long-term strategic objectives established by the Board of Directors. KPIs are mainly used to assess the performance of top managers, including heads of branches.

The KPI framework comprises a set of corporate indicators that are also individual KPIs for the CEO, and a set of individual indicators that correspond to the managers' key functions.

The list of corporate and individual KPIs, the weights of corporate and individual KPIs, and the specific weights of each KPI are set as follows:

- for the CEO, these are set by resolution of the Board of Directors;
- for other managers, these are set by the CEO's order based on the Company's strategy and budget targets.

To determine whether the management meets KPIs when their target values are tied to budget parameters, the Company uses parameters of the budget which is effective as at the relevant reporting date.

The CEO's KPI report is reviewed by the Nominations and Remuneration Committee and the Board of Directors as part of the CEO bonus award process for the full reporting year. Managers' KPI reports are reviewed by the Company's CEO.

The respective KPI coefficients are calculated based on accounting and statistical data, as well as operational and management accounting.

Full-year bonuses are determined using the following corporate KPI, which are also the CEO's KPIs:

Chief Executive Officer Performance

According to the resolution of the TransContainer's Board of Directors, the CEO's performance is assessed based on two indicators:

- net profit;
- EBITDA.

Market capitalisation is directly tied to overall performance excellence, which is why the net profit and EBITDA were chosen as the CEO's KPIs, with their target values based on the Company's Board-approved budget effective as at the reporting date.

Management Performance

Management target KPIs are set out by the CEO on the basis of parameters that have been enshrined in the Company's Development Strategy and budget.

By breaking the key strategic objectives down on the basis of anticipated results in the areas of Finances, Clients, Assets, Processes, and Development and by establishing indicators to assess their achievement, we ensure the involvement of the management in the implementation of the Company's strategy and reinforce their determination to meet budget parameters.

Along with the general corporate KPIs (as established for the CEO), there are individual KPIs that correspond to managers' functions. Thus, each manager is also responsible for the general corporate KPIs, but these indicators are assigned a weighting of less than one.

The specific weighting of the general corporate KPIs for all manager groups is applied in accordance with the relative weights of those indicators for the CEO. The specific weighting of individual KPIs for managers is established in accordance with their influence on the Company's operations. The KPI description determines the methodologies used to assign and calculate the KPI target value, as well as the method for calculating the value achieved. These issues are reviewed by a working group established by the order of TransContainer's CEO.

The KPI system proved its effectiveness in enhancing the core processes related to production, management, and development.

Rating of Branch Offices

In addition to individual KPIs for the management, the KPI system includes branch office ratings introduced in 2013 for the following purposes :

- motivating all employees at Company branch offices to make effective use of human resources and production assets, particularly terminals and rolling stock;
- generating objective assessments to motivate the Company management and branch office staff;
- improving the performance of the Company's branch offices in order to achieve budget indicators and fulfil operational objectives;
- spreading the best practices of agencies, terminals and branch offices across all of the Company's divisions;
- improving the Company's processes.

These ratings complement the existing KPI system without duplicating it. The majority of KPIs are measured by comparing the actual results against the targets.

The branch office ratings are generally assigned by comparing the results achieved by the branch offices against the Company's overall performance.

The KPI system comprises two major components:

Strategic indicators

Based on the balanced scorecard (introduced by David Norton and Robert Kaplan) as a strategic management tool

Operational (process) indicators

Generated on the basis of TransContainer's process landscape

