

<b>Distance courses on professional development</b>	Marketing research as a tool providing for competitiveness in the transport market
	Laws and regulations in the sphere of transportation
	Services provided by TransContainer
<b>Distance courses on managerial and personal performance</b>	Basis of time management
	Management skills. Task assignment
	Management skills. Delegation
	Management skills. Control
	Management skills. Feedback
	Efficient conflict management
	Stress management
	Team building and development
	Principles of efficient presentation
	Employee motivation as per the motivation type
<b>Distance courses on software operation</b>	Order fulfilment. Planner
	Order fulfilment. Dispatcher
	Training course on Siebel CRM of the Sales and Business Development block

Distance courses developed using the resources of the HR Management Department involving in-house experts solved a range of tasks:

- maximum adjustment of training programmes to business demands and peculiarities;
- higher engagement of the employees through the participation of experts in cross-functional projects for course development;
- economic benefits from the reduction of budget costs for training;
- mobility of training programme changes with regard to business demands;

The most popular training course of 2018 was Siebel CRM course designed upon the request from the Sales and Business Development block. The course was completed by 595 people.

The employees left positive feedback. The average score for utility, comprehensible wording, quality of training material and practical effect was 4.7 out of 5 points. Training efficiency was highly appreciated by the management.

Based on the experience gained, the design of new courses on basic Google services is planned for 2019.

## Staff Assessment

In 2018, along with the Company's approved system for assessment of candidates and employees under the principle of compliance with the position held, the Company implemented a project on assessment of the Executive Office and Branch Office staff responsible for TransContainer's client service. The specialists completed a test in conflict management, client-oriented approach and stress tolerance. The survey covered more than 400 employees.

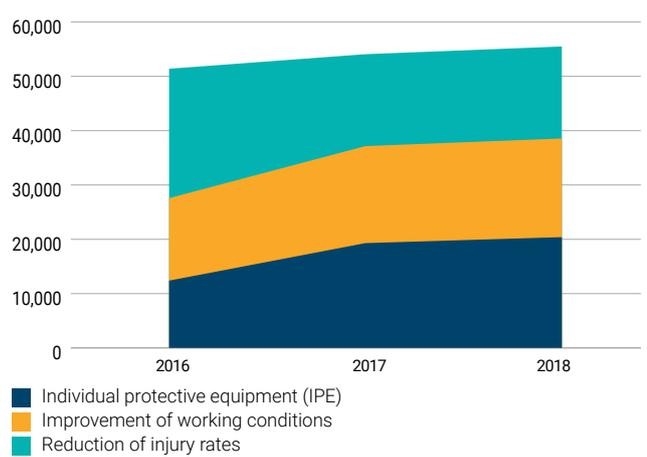
The test results revealed the underperformance areas so a programme of training events for 2019 was developed for the staff responsible for the TransContainer's client service.

## Health and Safety

In 2018, TransContainer had zero severe workplace injuries – for the third year running. The Company's health and safety initiatives aim to support the positive trend going forward.

Over the year, the Company allocated RUB 55.5 mln to health and safety improvement (up 2.6% year-on-year). In accordance with the Collective Agreement, TransContainer's annual health and safety expenses account for at least 0.3% of costs attributable to the cost of revenue. This serves as a basis for the Company's branches to plan their occupational safety measures.

### Health and Safety Expenses, '000 RUB



In 2018, health and safety expenses, net of IPE expenses, amounted to RUB 35.099 mln against the annual target of RUB 31.567 mln (around 0.38% of costs attributable to the cost of revenue). The funds were used to purchase hand-held radio units, sets of tools with insulated handles for electric works, fire extinguishers, prohibitory, information and mandatory safety signs and fire doors, to measure the insulation resistance of electric equipment, and carry out a number of process control initiatives.

The Company spent RUB 18.164 mln to improve working conditions and prevent occupational diseases (up 1.8% year-on-year). For better microclimatic conditions, the Company installed heaters, air conditioning systems, ionisers, and window blinds. TransContainer also purchased labour-saving devices to reduce workload and physical effort.

### Incentives

Programmes of financial incentives by employee categories (including assessment of the average and minimum level of remuneration, overtime premium, etc.)

The program of financial incentives involves bonus payment according to performances as per TransContainer's Regulations on Bonuses, and the indexation of wages pursuant to Collective Agreement

Programmes of non-financial incentives by employee categories

- Non-financial incentives in the Company:
- employees training;
  - fostering professional development;
  - creating a favourable atmosphere;
  - holding Best Employee contest;
  - granting honorary titles;
  - nurturing team spirit (conducting sports events, corporate parties, holiday trips)

Composition and principle of benefits package formation by employees categories

Pursuant to Collective Agreement, the Company's employees of all categories are provided with:

- 1) reimbursement for the cost of travel to the place of work and back;
- 2) once a year - reimbursement for the cost of travel to a vacation spot;
- 3) compensation for childcare at the pre-school institutions.

The one-off incentive is paid to coincide with the anniversary dates and with the retirement from for the first time. Monthly allowance and financial assistance are provided for those on leave to care for children from 1.5 to 3 years.

As part of its efforts to enhance employee welfare, the Company furnished individual lockers, electrical appliances, and bottled water.

At TransContainer, we pay special attention to providing employees of business units with cutting-edge and high-quality personal protective equipment. There are special acceptance boards in place responsible for the quality and timely delivery of protective clothing.

To prevent workplace injuries, TransContainer organises annual training for managers and skilled employees. In the reporting year, 258, 56 and 84 people were trained in occupational, industrial and electrical safety, respectively, with RUB 2 mln allocated for the purpose.

In 2018, the Company conducted a special assessment of working conditions at 468 workplaces across the Company's branch offices. Following the assessment, we improved working conditions at 18% of the workplaces. The related costs amounted to RUB 0.75 mln, including the purchase of state-of-the-art tools, machines, and other production equipment. Also, we installed new air filters and air conditioning systems to improve the microclimate in our premises.

Pursuant to the Collective Agreement and the special assessment results, personnel exposed to harmful and/or hazardous environment factors receive compensations. The employees get bonuses in addition to standard wages and extra leave days.