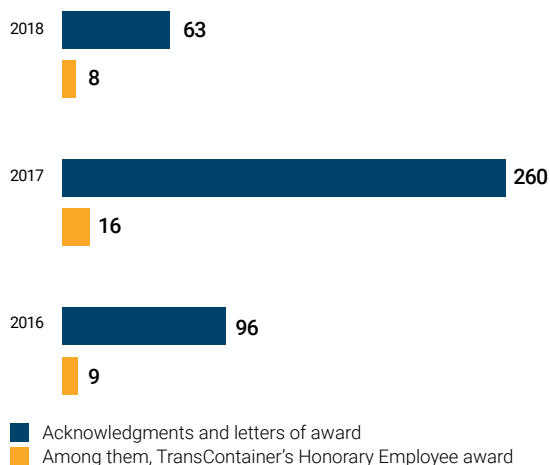


Non-financial Incentives – Awards (persons):



Number of Complaints Regarding Violations of the Labour Code of the Russian Federation (Code of Ethics), pcs

Complaints	2016	2017	2018
Filed	–	2	–
Processed (including those filed before the beginning of the reporting period)	–	2	–
Settled	–	2	–

HR development plans for 2019:

- the project focused on identifying and promoting the high-potential employees within the talent pool;
- approbation of annual assessment procedure;
- Internal Coaches School;
- engagement snapshots throughout the year.

Trade Union Organisations

Almost all (98%) of the Company's employees are members of the primary trade union organisation under the Russian Trade Union of Railway Workers and Transport Builders (ROSPROFZHEL). The trade union organisation is considered by TransContainer as a social partner and element of the corporate culture.

It initiates signing of the Collective Agreement, which governs social and labour relations of the Company and its employees, liaises with the employer on matters related to workplace discipline, work and rest regime, health, safety, and working conditions, increase in real wages, social guarantees provided to employees, their families, and unemployed pensioners.

In case of a violation of rights or discrimination, each employee can file a free-form complaint to the trade union organisation or write a letter to the CEO. All complaints are handled by dedicated commissions as part of the trade union's day-to-day activities. The employer makes decisions on social and work-related matters put forward by employees, based on the motivated opinion of the trade union bodies. In 2018, no labour conflicts regarding the commitments under Collective Agreement were registered. The wages were paid on time.

Social Programmes

In 2018, TransContainer implemented the following social programmes under the Collective Agreement with a view of attracting and retaining employees.

Housing Programme

To date, 145 employees have taken advantage of the programme to improve their housing conditions.

The housing programme includes:

- subsidies to employees to cover a part of their mortgage interest;
- corporate support for home purchase/construction.

Health Programme

In 2018, 422 employees, including 100 with children, received treatment at various health resorts and recreation facilities. As many as 275 children spent their summer holidays in recreational camps.

The health programme includes:

- discounted recreation for employees and their families at a number of resorts and partial reimbursement of travel packages bought;
- summer vacations for employees' children;
- creating conditions for physical activity and sports, promotion of a healthy lifestyle and sports. The Company has a sports committee chaired by the Deputy to CEO V. Drachyov to coordinate sports-related activities. There is a football club that regularly stages competitions on the Day of Railway Worker, CEO Cup, and commemoration tournaments. There are also volleyball, chess, and tennis clubs.

Health Programme's Budget

Item	2016	2017	2018
Sports and sports-related activities, '000 RUB	12,783.9	14,337	15,004.5
Per employee, '000 RUB	3.6	4.0	4.3
Employees that received treatment at health resorts and recreation facilities, people	342	423	422
Percentage of total headcount, %	9.4	12.0	12.0
Employees and their children that received treatment at health resorts and recreation facilities, people	111	122	92
Total employees' children covered by health recreation programmes, people	306	334	375
Employees' children that visited recreation camps, people	195	212	275

Corporate Pension Plan

In 2018, 742 retired employees of the Company received a corporate pension. Its average amount was RUB 7,699.

The arrangement is based on our agreement with BLAGOSOSTOYANIE Non-State Pension Fund and implemented in compliance with the Regulation on TransContainer's Private Pension Plan. A total of 849 TransContainer's employees have become party to the agreement providing for monthly contributions to the BLAGOSOSTOYANIE Non-State Pension Fund on par with the Company. The accrued contributions are used to pay private pensions in line with the Regulation on TransContainer's Private Pension Plan.

Work with Pensioners

1,545 unemployed pensioners were registered as at 31 December 2018. Social guarantees to unemployed pensioners are stated in the Collective Agreement and granted pursuant to the procedure established in the Company, within the limits of funds approved by the Company's budget. RUB 8.8 mln were allocated for the program in 2018.

The Collective Agreement signed by the Company provides for the following benefits and social guarantees to unemployed pensioners:

- one-off financial aid on the International Day for the Elderly (on the Victory Day for veterans and participants of the Great Patriotic War);
- reimbursement of domestic fuel expenses;
- reimbursement of travel costs;
- making and mending dental prosthesis;
- health resort treatment and rest;
- medical treatment at the health care institutions.

Corporate Pension Payments by BLAGOSOSTOYANIE Non-State Pension Fund

Item	2016	2017	2018
The average amount of pension, RUB	5,893	7,615	7,699
Unemployed pensioners receiving a corporate pension, people	633	707	742