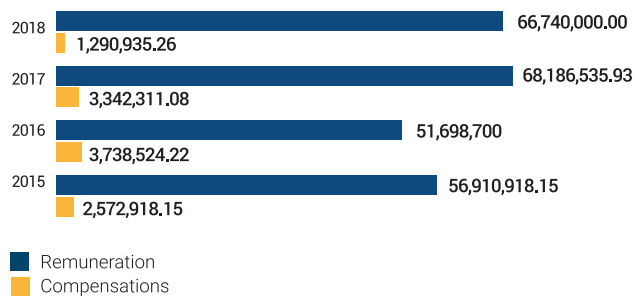


Remuneration Paid to Members of the Board of Directors in 2015-2018



In 2018, remuneration to members of the Board of Directors and committees was paid in accordance with the Regulation on Payment of Remuneration and Compensation to the Members of TransContainer's Board of Directors approved by the Annual General Meeting of Shareholders of the Company on 22 June 2017 (Minutes No. 6 dated 23 June 2017)¹, according to which remuneration is paid for the participation in meetings of the Board of Directors and annual remuneration is paid to members of the Board of Directors, depending on the participation of a member of the Board of Directors in meetings of the Board of Directors and the meetings of Board Committees during the corporate year.

The Annual General Meeting of Shareholders of the Company held on 15 May 2018 (Minutes No. 37 dated 16 May 2018) approved a revised version of the Regulation on Payment of Remuneration and Compensation to the Members of TransContainer's Board of Directors² that states that the Company shall not pay a fee for participation in individual meetings of the Board or of Board Committees. The remuneration is calculated according to the basic (maximum) amount and depends on the number of meetings attended by the member of the Board of Directors during the reporting period. In 2018, there were no payments of remuneration and compensations in line with the revised Regulation.

Annual remuneration to members of the Board of Directors is paid pursuant to the resolution of the general meeting of shareholders.

Members of TransContainer's Board of Directors do not participate in pension, insurance (except for D&O insurance), option and investment programmes or receive any other benefits and privileges.

In the reporting period, there were no loans extended by the Company to members of the Board of Directors.

Remuneration of Members of the Executive Bodies and the Management in 2018

Remuneration of the Company's management is paid in accordance with the Regulation on Labour Incentives for the Management.

The Regulation sets forth the amount and procedure of remuneration payable to the CEO, First Deputy CEOs, Deputy CEOs, First Deputy CFO, executive officers in business lines, the Chief Accountant and the Chief Engineer (21 key executive officers).

Incentives for the management are aimed at increasing management efficiency, achieving the Company's strategic goals, and retaining qualified personnel based on the following key principles:

- transparency in determining the amount and the structure of total remuneration;
- simplicity of calculating the amount of total remuneration;
- competitiveness in terms of the level and the structure of remuneration;
- striking a balance between the interests of shareholders and the management.

Total remuneration (the incentives package) of the management consists of a fixed part of the remuneration (basic salary or fixed wages) established by the employment contract and a variable part of the remuneration including bonuses and long-term incentives (employee stock plan), as well as other payments stipulated by labour legislation of the Russian Federation, the Collective Bargaining Agreement or local regulations.

The level of remuneration of the management is determined depending on the levels of remuneration observed in the labour market for positions that are comparable to those of the management.

1. Reference to document: https://trcont.com/documents/20143/69792/170727-Amendments_to_Regul_on_Payments_to_BoD_rus+%281%29.pdf/74945fa2-fc3b-c4b0-93dd-11bceae01ec

2. Reference to document: https://trcont.com/documents/20143/474466/180517_Regulation_on_payment.pdf/333cc1a7-9c8e-cdb8-43d2-7976f1b53819

Remuneration of Members of the Executive Bodies and the Management

Item	Fixed part of the remuneration (salary/wages and other types of remuneration)		Variable part of the remuneration (bonuses)		
			quarterly	annual	one-off
Total amount ¹ paid as remuneration to members of the Executive Board (including the CEO) in 2018, RUB Total, RUB	Salaries & wages 76,972,990.00	Other types of remuneration 68,362,430.00	57,181,179.00	97,466,951.00	(45,000,000.00)
Total, RUB	199,648,130.00				
Total amount ² paid as remuneration to the management (including the Executive Board and the CEO) in 2018, RUB	Salaries & wages 176,420,339.60	Other types of remuneration 95,968,604.61	117,460,645.86	186,226,427.74	(45,000,000.00)
Total, RUB	348,687,073.60				
Purpose	Competitive basic incentives package to attract and retain highly qualified managers	Incentives for the management to steer the Company towards short-term financial and production targets	Incentives for the management to meet corporate and individual key performance indicators (KPIs)	Incentives for achieving strategic objectives established by the Board of Directors, certain projects and/or key works of a nonsystematic nature	
Description	The fixed part of remuneration is determined based on the manager's knowledge, experience, role in the Company and the level of remuneration in the labour market	Bonuses are paid subject to the Company's and each manager's performance in the reporting quarter	Full-year bonuses are paid subject to meeting KPIs. The amount of each manager's full-year bonus is determined as the product of the fixed part of remuneration and the sum of coefficients that assess the manager in terms of meeting corporate and individual KPIs	The amount of a one-off bonus is determined by the Board of Directors depending on the significance, complexity, and achievement of the strategic objective	
Terms of payments	Monthly	Quarterly	Annually	After the Board of Directors has decided to pay a one-off bonus	
Maximum possible payments	Determined in the manager's employment agreement	CEO – 3.5x of the fixed part of quarterly remuneration; managers – 1.5x of the fixed part of quarterly remuneration	Full-year bonus at 100% of the fixed part of annual remuneration. For calculating an additional full-year bonus, the maximum percent of meeting the net income target is 150%.	–	

In 2017, total remuneration of key executive officers stood at RUB 485,647,300.16, including the remuneration of the CEO and members of the Executive Board in the amount of RUB 257,827,507.56.

In 2018, total remuneration of key executive officers stood at RUB 621,076,017.87³, including the remuneration of the CEO and members of the Executive Board in the amount of RUB 344,983,550.00.

In the reporting period, there were no loans extended by the Company to members of the Executive Board.

1. Total amount means the amount of wages payable excluding in-kind income before withholding taxes and other deductions in accordance with the Regulation on Labour Incentives for the Management. (Total amount paid to members of the Executive Board.)

2. Total amount means the amount of wages payable excluding in-kind income before withholding taxes and other deductions in accordance with the Regulation on Labour Incentives for the Management. (Total amount paid to the management, including members of the Executive Board.)

3. Total remuneration of 31 key executive officers of the Company during the reporting period (including staff changes in the Company).