

CORPORATE RISK MAP

Risk area (process)	Risk area (subprocess)	Risk No.	Risk	Risk drivers	Risk impact	Mitigators	Criticality	Risk management method	High-level TransContainer's process
S.01. Corporate Governance	01.1. Corporate Governance Model	01.1.1	Breach of corporate law	<p>Corporate governance noncompliant with market operator requirements as needed to maintain the current listing of the Company's securities.</p> <p>Decision-making processes in the Company's governance bodies non-compliant with the Russian laws, Charter, and the Company's internal documents</p> <p>Delays in providing the Company's shareholders with materials required to prepare for the general meeting of shareholders</p> <p>Delays in providing the Company's shareholders with documents and information when such provision is mandatory under the Russian laws</p> <p>Failure to follow the procedure and time limits for issuing official resolutions by the Company's governance bodies</p> <p>Failure to fulfil the Company's obligation to pay dividends to shareholders in full and on time</p> <p>Failure to disclose information, fully or timely, about the Company's operations under the laws of the Russian Federation and the United Kingdom</p> <p>Disclosure process insufficiently formalised</p>	<p>A decline in market valuation of the Company's securities (lower liquidity, higher financing costs)</p> <p>De-listing of the Company's securities, suspension of trading</p> <p>Invalidation of resolutions adopted by the governance bodies (Board of Directors, general meeting of shareholders) and/or completed transactions</p> <p>Regulatory fines</p> <p>Lower investor appeal</p> <p>Shareholder's claims against the Company and its Directors</p>	<p>Monitoring of the corporate laws and the market operator requirements, the Company's Regulation on Information Disclosure and best practices of information disclosure, alignment of the Company's corporate governance practices with said requirements (on an ongoing basis)</p> <p>Control over compliance with the corporate laws and market operator requirements in order to keep the Company's securities listed under the relevant category (on an ongoing basis)</p> <p>Monitoring of compliance with disclosure procedures and timelines as per the Federal Law of the Russian Federation No. 39-FZ on Securities Market dated 22 April 1996 and Regulation On Information Disclosure by the Issuers of Issue-Grade Securities approved by the Bank of Russia's order No. 454-P dated 30 December 2014 (on an ongoing basis)</p> <p>Staff development/training in disclosure matters as required by the laws of the Russian Federation (on an ongoing basis)</p>	Acceptable risk	Control and prevention	G.6. Corporate governance
01.2. Shareholder relations	01.2.1		Decline in the Company's capitalisation	<p>Market environment</p> <p>Decline in the corporate governance quality</p> <p>Low free float</p> <p>Lower financial performance of the Company</p>	<p>Lower financial result for the shareholders</p> <p>Damage to reputation</p>	<p>Compliance with listing requirements of the Moscow Exchange (on an ongoing basis)</p> <p>Maintaining the information disclosure standards (on an ongoing basis)</p> <p>Carrying out the activities on liquidity enhancement on the Moscow Exchange (on an ongoing basis)</p>	Minor risk	Control and prevention	G.2. Interaction with the securities market and investor relations
	01.2.2		Shareholder conflict	<p>Disagreements or disputes between the Company and its shareholders, as well as disputes between shareholders when such disputes affect interests of the Company</p> <p>Inadequate mechanisms for identification, prevention, and settlement of corporate conflicts</p>	<p>Obstruction of decision-making</p> <p>Loss recovery claims lodged by shareholders</p> <p>Lower investor appeal</p> <p>Declining stock value</p>	<p>Timely identification and prevention of corporate conflicts (on an ongoing basis)</p> <p>Control over compliance with the Company's corporate procedures (on an ongoing basis)</p>	Acceptable risk	Control and prevention	G.6. Corporate governance

Risk area (process)	Risk area (subprocess)	Risk No.	Risk	Risk drivers	Risk impact	Mitigators	Criticality	Risk management method	High-level TransContainer's process
		01.2.3	Lawsuits from shareholders	Disagreements or disputes between the Company's body and shareholders, as well as disputes between shareholders when such disputes affect the Company's interests Inadequate mechanisms for identification, prevention, and settlement of corporate conflicts	Obstruction of decision-making Court rulings obliging the Company and/or its Directors to repay losses to shareholders Lower investor appeal Declining stock value	Timely identification and prevention of corporate conflicts (on an ongoing basis) Control over compliance with the Company's corporate procedures (on an ongoing basis)	Acceptable risk	Control and prevention	G.6. Corporate governance
			Departure of management (at least two key managers)	Change of control Non-competitive remuneration terms for the top managers	Delays in management decision-making Decline in market valuation of the Company's securities Weaker competitiveness Lower efficiency of the Company's operations and business management Lower operating performance Lower financial performance	Monitoring and development of the remuneration system for TransContainer's President and management (according to the Nominations and Remuneration Committee's work plan) (when needed) The Board of Directors' approval of the President's proposal to pay one-off bonuses to employees of the executive office whose appointment requires the approval of the Board of Directors (when needed)	Critical risk	Control and prevention	G.9. KPI management
01.3. Subsidiary and branch management	01.3.1	Prolongation of investments payback periods / Depreciation of investments into subsidiaries and associates / failure to achieve the Project's goals	Inefficient expenditure of investments Decline in ROE and ROIC indices Additional load to the Company's liquidity due to the surety commitment on the projects. Deterioration of the Company's financial position	Alteration of market conditions Forecasting errors in subsidiaries' and affiliates' business plans Incomplete due diligence Subsidiary and branch management Conflict of interests with other subsidiaries' and affiliates' members	Monitoring of the Company's business-plan implementation and analysis of deviation reasons (quarterly) Control over compliance with the corporate procedures in subsidiaries and associations (on an on-going basis) Involvement of Company's expert managers in subsidiaries and associates business (when applicable)	Critical risk	Control and prevention	G.7. Management of TransContainer Group Companies	
01.4. Corporate structure and allocation of powers	01.4.1	Mismatch between the organisational and functional model and the Company's goals	A decline in performance and inefficiency of business units and cost rising (overlapping functions). Deteriorating working environment across the Company and internal conflicts.	Violation of power/ responsibility allocation principles Organisational structure of the Company not adapted to changes in the external/internal environment (business process landscape)	Annual audit of processes in line with the approved audit schedule (on an ongoing basis) Regular review of the Order on the allocation of powers among TransContainer's CEO, Deputy CEOs, Directors, Chief Engineer, Chief Accountant, and First Deputy CFO (updates where needed)	Minor risk	Control and prevention	D.5. Organisational development management	
S.02. Strategy	02.1. Strategic planning	02.1.1	Failure to achieve the strategic goals	Insufficient or inadequate marketing researches Unpredictable changes in the external environment Insufficient assessment of the influence of counterparties Insufficient or inadequate analysis of existing or potential markets for services Insufficient assessment of the influence of government and regulators Insufficient or inadequate assessment of the Company's status or needs Lack of or underdeveloped human resource management strategy	Lower revenues Lower business efficiency (marketing and tariff policies, asset management, service quality, etc.) Failure to achieve the strategic goals Insufficient assessment of the influence of counterparties Insufficient or inadequate analysis of existing or potential markets for services Making the wrong strategic decisions Failure to meet budget targets	Compliance with the Strategic Management Procedure for developing, updating, and controlling the implementation of TransContainer's Strategy (on an ongoing basis) Initiation and implementation of strategic development projects as approved by the Company's shareholders (on an ongoing basis)	Acceptable risk	Control and prevention	G.1. Strategic management

Risk area (process)	Risk area (subprocess)	Risk No.	Risk	Risk drivers	Risk impact	Mitigators	Criticality	Risk management method	High-level TransContainer's process
S.03. Investment project management	O3.1. Project management	O3.1.1	Failure to deliver on the investment programme in terms of quality of work	Errors in project cost estimation Inadequate sequencing and scheduling of project tasks Tougher regulatory requirements for investment projects (HSE, etc.) The discrepancy between the work scope and the design and cost estimates Breach of obligations by contractors Late funding Project suspension for economic reasons	Additional unforeseen costs for project financing Failure to execute the investment programme Fines, penalties, sanctions, and counterparties' claims regarding supply and service agreements made under the construction projects Wrong priorities	Diversification of suppliers (tenders for service/goods/works purchases in excess of RUB 1,000,000 including VAT pursuant to the Regulation on the procurement for TransContainer's needs approved by TransContainer's Board of Directors on 30 April 2020. For any purchases in excess of RUB 1,000,000 including VAT, the initiator shall conduct market research (when needed) Resource price projections (to be provided by the initiator) (when needed) Procurement of additional information to select investment project contractors (when needed) Compliance with the procedures to prepare budget estimates (on an ongoing basis) Compliance with the tender procedures and timelines set out in TransContainer's internal documents (on an ongoing basis) Inclusion of investment project costs in the budget (on an ongoing basis) Contractor evaluation at the stage of contract execution (on an ongoing basis) Construction oversight and field supervision of investment projects (when needed) Bank guarantee for the contractor's obligations to eliminate the defects during the warranty period (when needed)	Acceptable risk	Control and prevention	D.2. R&D management
C.04. Pooling, acquisition, and divestment of assets	O4.1. Divestment of assets	O4.1.1	Hostile takeover of a subsidiary, including by asset-grabbing	Inefficient corporate control of subsidiaries from both TransContainer as the shareholder and subsidiary management Uncontrolled divestment of assets by the subsidiary's management	Loss of the subsidiary's control Changes in the shareholding structure Damage to the Company's reputation Lower business efficiency	Successful advocacy of the Company's interests in relations with government agencies and courts (on an ongoing basis) Training in opposing hostile takeovers (when needed)	Minor risk	Control and prevention	G.7. Management of TransContainer Group Companies

Risk area (process)	Risk area (subprocess)	Risk No.	Risk	Risk drivers	Risk impact	Mitigators	Criticality	Risk management method	High-level TransContainer's process
C.05. Macroeconomic environment	05.1. Political factors	05.1.1	Deteriorating or negative changes in the political environment	1. The political situation in the Russian Federation or foreign jurisdictions that affects the Company's operations, including changes in legislation	Loss of the Company's assets Problems with investment projects Breach of obligations Fines Claims from anti-monopoly agencies Failure to achieve the strategic goals Higher investment project costs	Monitoring of political environment in the Russian Federation and legislative changes in other footprint countries, including customs and tax laws (on an ongoing basis) Membership in industry associations, including the international ones (on an ongoing basis) Notification of TransContainer's management of negative political changes and associated factors (to the extent such information becomes available)	Acceptable risk	Control and Prevention/Acceptance	G.1. Strategic management
	05.2. Industry-specific factors	05.2.1	Deteriorating market conditions	Lower consumer demand Inflation Slower GDP growth Economic downturn Switch to alternative means of transport, alternative routes, alternative types of rolling stock	Drop in transportation volumes Drop in prices Lower financial results	Monitoring and analysis of the market environment (on an ongoing basis) Daily control over the execution of orders in terms of providing the rolling stock and container fleet (on an ongoing basis)	Critical risk	Acceptance	O.2. Marketing
		05.2.2	Growth in prices for other materials and fixed assets (except for rolling stock repair)	Strong dependence on monopolistic suppliers Higher energy prices Rising prices for components	Higher procurement costs Lower margins Lost profits	Energy prices monitoring across Russian regions (on an ongoing basis) Industry prices projections (on an ongoing basis) Active targeted marketing (on an ongoing basis)	Minor risk	Control and prevention	B.7. Equipment procurement, maintenance, and repair B.15. Managing construction and operation of buildings and structures
		05.2.3	Dependence on the price and conditions of co-contractors	Changes in the cost of co-contractors' services Changes in the market environment Changes in transportation geography Indexation of rates of Russian Railways Underdeveloped infrastructure and related services (transportation: ports, terminals, etc.)	Weaker competitiveness Drop in transportation volumes Drop in transportation profitability	Constant monitoring and forecasting of the container transportation market (on an ongoing basis) Expansion of presence in key markets through the development of an agent network (on an ongoing basis) Providing a possibility of rates indexation with notification period of two months minimum when concluding contracts by branches (on an ongoing basis) Procurement of services on the basis of a tender and competition Long-term fixed-price agreements with subcontractors (on an ongoing basis) Buildup of specific risk	Acceptable risk	Control and prevention	O.6. Development, support and pricing of transportation solutions
		05.2.4	Infrastructure limitations	Single service provider at any route (railway, terminal/ port/ depot, sea, road) Improper performance of duties by co-contractors. Railway infrastructure not meeting market demand Excessive idle time of rail flatcars Failure to consider all transportation factors and conditions Delays in issuing transportation documents.	Drop in volumes Delivery delays Lower rolling stock turnover Lower customer satisfaction Damage to reputation Fines and penalties payable to customers that cannot be recovered from the carrier Higher transportation costs and fixed payments received from customers Damage to cargo at terminals or during transportation Excessive idle time of rail flatcars	Use of new logistics arrangements (on an ongoing basis) Careful route coordination with co-contractors and service providers (on an ongoing basis) Proposals on engaging new co-contractors for the route in case of force majeure or unacceptable limitations (when needed) Development of the response plan (when needed) Assets (rail flatcars and containers) management in line with resource requests from the Logistics centre / sales team (when needed) Processing of requests with a focus on rolling stock availability, individual shipment requirements, technical capabilities of the loading and offloading yards, regulatory restrictions, seasonal changes in shipment patterns, throughput capacities of the border crossing and ports (on an ongoing basis) Timely provision of information required for request approval, control over the approval process (on an ongoing basis) Timely distribution of orders and instructions related to shipment management (on an ongoing basis)	Acceptable risk	Control and prevention	O.4. Rail flatcar and container fleet management O.5. Order fulfilment O.7. Road vehicles management O.8. Terminal resource management