

APPROVED BY

Resolution of the Board of Directors of
PJSC TransContainer
January 28, 2022 (Minutes No. 19)

(Annex No. 1 to the Minutes)

Chairman of the Board of Directors
PJSC TransContainer

/Signature/ S.N. Shishkarev

Corporate Risk Management Policy

PJSC TransContainer

1. General Provisions

1.1 PJSC TransContainer (hereinafter referred to as the “Company”) is aware of the importance of risk management as a key component of the corporate management system aimed at availing of opportunities and improving justification of decisions related to uncertainty.

The Company considers unacceptable the risks associated with a threat to human life and health, environmental pollution, corruption and corporate fraud, and takes whatever action is appropriate to comply with the applicable statutory requirements, ensure safe working conditions, preserve the life and health of each employee of the Company and minimize the level of environmental impact and rational use of available resources.

1.2. The Company considers risk management and internal control in the context of a unified corporate risk management and internal control system integrated into the Company's management processes. The internal control policy of the Company shall be determined in a separate local regulation of the Company.

1.3. This Policy of the corporate risk management system of PJSC TransContainer (hereinafter referred to as the “Policy”) has been developed in accordance with the generally accepted concepts and standards in risk management of The Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management Integrated Framework, 2017 (COSO ERM, 2017), International Organization for Standardization 31000:2018 Risk management. Principles and guidelines (ISO 31000:2018 Risk management - Guidelines), the laws of the Russian Federation, the Articles of Association of PJSC TransContainer, the Corporate Governance Code recommended by the Bank of Russia.

1.4. This Policy determines:
goals, objectives and principles of risk management in the Company;
the structure of the Company's risk management process;
requirements for the Company's risk management process;
participants in the Company's corporate risk management system;
priorities in risk management of the Company.

1.5. This Policy is aimed at providing a reasonable, but not absolute guarantee of achieving the goals of the Company.

1.6. For the proper functioning of the risk management process, the Risk Management Process Owner develops and keep updated this Risk Management Policy and Regulations. Other documents required for the functioning of the Company's risk management are accepted on the basis of the principles set out in this Policy.

1.7. This Policy is binding on all employees of the Company.

1.8. Subsidiaries and affiliates (hereinafter referred to as the “SACs”), upon request of the

Company, shall develop, approve and implement their own risk management policies considering special aspects of their activities and without derogation from the provisions of this Policy.

1.9. This Policy, as well as amendments and supplements thereto, are approved by the Board of Directors of the Company. The Policy shall be updated as necessary.

2. Basic Terms and Definitions

The following terms and definitions are used in the corporate risk management system of the Company:

Risk Analysis means the process of determining the nature and level of risk.

Risk Probability means the possibility of risk occurrence.

Risk Owner means the Company's employee authorized and responsible for risk management.

Risk Management Process Owner means the Company's structural subdivision responsible for the organization, operation and improvement of the risk management process in the Company.

External and Internal Context means the environment in which the Company determines its goals and strives to achieve them.

Parties Concerned mean a person or a group of persons who can influence the risk, be affected by the risk, or perceive themselves to be affected by the risk.

Risk Identification means the process of finding, identifying, and describing a risk.

Risk Source means an element that, individually or in combination with others, can give rise to a risk.

Iterative Process means a process that goes through a repeated cycle.

Key Risk Indicators (KRIs) mean indicators that signal trends in the risk sources that can affect the Company's activities.

Corporate Risk Matrix (CRM) means a document that contains information on the inherent and residual risks of the Company with an analysis horizon of One (1) year.

Corporate Risk Management System (CRMS) means a set of tools that define the roles of key participants in the risk management process, the approach to identifying, assessing, reporting and managing risks, as well as the rules for sharing information and monitoring the level of risks in the Company.

Risk Criterion means the characteristic on the basis of which the risk is assessed and identified.

Critical Risks means the risks of the Company, characterized by high values of probability and / or scope of consequences upon realization.

Insignificant Risks means the risks of the Company, characterized by low values of probability and / or scope of consequences upon realization.

Residual Risk means an identified risk that remains inherent in the Company's activities, subject to the implementation of response measures to treat the risk.

Risk Assessment means the process of analyzing and assessing identified risks.

Risk Effects means events that occur when a risk is realized.

Risk Effects are manifested in the impact on the efficiency and completion deadlines, financial result, reputation, reliability and / or quality of services, human resources and other factors in achieving the strategic and operational goals of the Company.

Acceptable Risks means the risks of the Company, characterized by acceptable values of probability and / or scope of consequences upon realization.

Inherent Risk means an identified risk inherent in the activities of the Company, in the absence of actions to change the probability or scope of consequences upon risk realization.

Extent of Damage means the projected amount of the maximum possible damage to the Company as a result of the materialization of the risk.

Risk means the effect of uncertainty on the achievement of goals, which is expressed in deviation from the expected result or target event.

Risk Management means a continuous process that is a part of corporate governance and is aimed

at improving the Company's management systems.

Risk Level means the magnitude of a risk or combination of risks in terms of combination of consequences and their probability.

International Organization for Standardization 31000:2018 Risk management. Principles and guidelines (ISO 31000:2018 Risk management - Guidelines) means the standard of the International Organization for Standardization "Risk Management. Guidelines".

The Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management Integrated Framework, 2017 (COSO ERM, 2017) means the enterprise risk management standard of the Committee of Sponsoring Organizations of the Treadway Commission.

3. Goals, Objectives and Principles

3.1 The goals of the corporate risk management system of the Company are as follows:
ensuring sustainable development of the Company and achievement of the strategic goals of the Company;

creation and protection of added value;

implementation of risk management principles and tools in all the areas of activity and business processes of the Company;

ensuring efficient operation of the Company in conditions of uncertainty;

ensuring and protecting the interests of shareholders, investors, creditors, the Company;

timely adaptation of the Company to changes in the external and internal environment.

3.2. Objectives of the corporate risk management system of the Company are as follows:

development and implementation of a set of measures aimed at reducing the negative impact of uncertainty on the Company's activities to a permissible (acceptable) level, as well as information and analytical support for executive decision-making processes and planning the Company's activities considering risks;

ensuring that the corporate risk management system of the Company complies with the condition of internal and external context and the organizational structure of the Company considering required adaptation;

development of a risk-oriented corporate culture in the Company: spreading knowledge and skills in risk management, engagement of the Company's employees with the risk management process, as well as the possibility of effective information exchange as part of the CRMS.

3.3. The corporate risk management system of the Company is based on the following principles:

3.3.1 Integration.

Risk management makes an integral part of the Company's activities and all the Company's processes.

3.3.2 Structuredness and integrated approach.

The approach to risk management in the Company is structured and comprehensive.

3.3.3. Adaptability.

The structure and process of risk management are aligned and adjusted considering external and internal context of the Company related to its goals.

3.3.4. Engagement.

Timely engagement of the parties concerned at all stages of risk management allows for giving consideration to their knowledge, experience, views and opinions.

3.3.5. Dynamicity.

Risk management anticipates, detects, acknowledges and responds to external and internal changes and events in an appropriate and timely manner.

3.3.6. Using the best information available.

Risk management explicitly takes into account any limitations and uncertainties associated with available data and expectations. The information used should be updated, clear and accessible to the parties concerned.

3.3.7. Due regard for human and cultural factors.

Human behavior and culture significantly influence all aspects of risk management at every level and stage.

3.3.8. Continuous improvement.

Risk management is being constantly improved through owing to training and experience.

4. CRMS Participants, Roles and Functions

4.1. CRMS members are:

Company's Board of Directors;
 Audit Committee of the Company's Board of Directors;
 Executive Board of the Company;
 Company's Sole Executive Body;
 Internal Audit Service of the Company;
 Employees of the Company;
 risk owners;
 Risk Management Process Owner.

4.2. The roles and functions of CRMS participants are assigned as follows:

the **sole executive body of the Company** shall be responsible for effective risk management in the Company;

the **Risk Management Process Owner** shall be responsible for solving cross-functional (inter-process or simultaneously performed by several functional units) risk management tasks, methodological support and coordination (timely collection of information) at all stages of the risk management process, as well as for the timely and complete provision of information on risks to all parties concerned;

the **Risk Owner shall be** responsible for the timely identification, assessment, management and monitoring of such risk;

risk-oriented planning of the audit, assessment of the effectiveness of risk management processes shall be performed by the **internal audit service of the Company** within its competence;

supervision over the effectiveness of risk management shall be performed by the **Management Board and the Board of Directors of the Company** within their competence.

Control over the timely submission of a draft Corporate Risk Map for consideration by the Audit Committee of the Board of Directors of the Company, as well as for consideration and approval by the Board of Directors of the Company shall be performed by the Risk Management Process Owner.

Other CRMS participants shall perform their functions as part of risk management in accordance with the Policy and their official duties.

4.3. With a view to preparing recommendations and proposals with regard to identification and assessment of risks of the Company and developing the CRMS, by decision of the sole executive body of the Company, the Risk Committee of the Company may be created, which is an advisory collegial body of the Company composed of managers and employees concerned. Duties and functions of the Risk Committee shall be determined in the relevant regulation. The need to create the Risk Committee shall be determined based on the needs of the CRMS on the proposal of the **Risk Management Process Owner**.

5. Risk Management Process

5.1. The Company systematically applies policies, procedures and practices to ensure informational exchange and consulting, determination of external and internal context, as well as assessment of risks, treatment of risks, monitoring, analysis and documenting of risks and preparation of reporting on risks.

Risk management makes an integral part of management processes and decision-making system in the Company and is integrated into the structure, activities and processes of the Company.

5.2 The Company provides exchange of information and consulting to assist the parties concerned in understanding the risk, the prerequisites that the decisions are made on, and the reasons why certain actions are required.

5.3. The Company determines the scope of application, external and internal context and risk criteria (signs) in order to adjust the risk management process to ensure a reliable assessment of the risk and appropriate treatment thereof.

In the process of risk management, the Company takes into account the following:
 goals and decisions to be made;
 results expected from the steps taken as part of a particular process;
 certain assumptions and exclusions;
 appropriate tools and methods for risk assessment;
 required resources, areas of responsibility and documentation (reporting);
 cross-effect with other projects, processes and activities.

The Company sets the amount and type of risk that it may or may not accept, considering the stated goals.

The Company determines criteria for assessing the significance of a risk and justifies the decision-making process.

Risk criteria shall be adapted to the Company's goals and shall be determined considering the Company's obligations and opinions of the parties concerned. Risk criteria shall comply with this Policy. Risk criteria are dynamic and are being constantly reviewed. The approach to describing risk criteria shall be provided for in the risk management regulation.

5.4. Risk assessment and identification shall be a systematic, iterative and joint process that is carried out based on the knowledge, experience and opinions of the parties concerned.

The Company identifies risks, regardless of the existence of monitoring over the sources of such risks.

The purpose of risk assessment is to facilitate decision-making in the Company. Risk assessment includes comparing the results of the risk analysis with the established risk criteria to determine the need for additional action.

When analyzing risks, the Company considers uncertainties, sources of risk, consequences, probabilities, events, scenarios, controls and their effectiveness, and additionally determines the treatment of the risk to select and apply the risk response options.

The Company documents the results of the risk assessment.

Risk management is an iterative process that includes the following stages:

identification and choice of risk treatment options; planning and performing risk treatment; assessment of the effectiveness of such treatment; making a decision on the acceptability of the residual risk; accepting the risk or performing further treatment if the level of residual risk is unacceptable.

5.5. The Company implements risk monitoring and review at all stages of the risk treatment process to ensure and improve its quality, efficiency and effectiveness. Continuous monitoring and periodic review of the ways and results of risk treatment make part of the risk management process.

5.6. Documenting and reporting as part of risk management are aimed at:
 exchange of information on measures and results of risk management in the Company;
 providing information for making managerial decisions;
 improvement of risk management;
 facilitating effective communication with the parties concerned.

6. Development of the Risk Management Culture

The Company declares its adherence to the generally accepted values of the risk management system.

The policy of the corporate risk management system and risk management procedures are open to all employees of the Company.

The Company encourages an open discussion of risks in the context of strategy and business objectives, conducts an open discussion of risks to increase the awareness of the Company's employees on risks and management actions.

The Board of Directors conducts an annual assessment of the need to update local regulations in risk management for the purposes of:

compliance of local regulations with generally accepted standards and practices in risk management;

compliance of the CRMS with the objective of increasing the value of the Company.

The Company ensures systematic training of its employees in the principles, approaches and methodology of risk management.

7. Regulatory Compliance and Performance Evaluation of Risk Management in the Company

Regulatory compliance in risk management, observance of limits and standards set by the Company's local regulations in risk management shall be performed by all subjects of internal control on an ongoing basis within their competence.

The subjects of internal control shall be determined in accordance with the local regulations of the Company in internal control.

Preliminary consideration and preparation of recommendations on issues within the competence of the Board of Directors of the Company in terms of assessing the effectiveness of the CRMS shall be performed by the Audit Committee of the Board of Directors of the Company.

The Audit Committee of the Board of Directors of the Company, within its competence, evaluates the performance of the CRMS to implement the tasks assigned.

8. Information Support of the Corporate Risk Management System

The Company shall inform its shareholders, partners, creditors, external auditors, rating agencies and other parties concerned (in particular as part of the annual report) on risk management to the extent, in the manner and within the time frames provided for by the applicable laws, while ensuring conformity of the level of detail of disclosed information to the nature and scope of the Company's activities.
