

EXPLANATORY NOTE No. 1

Issue 1 (paragraph 1.1, 1.2):

**‘Approval of related party transactions’**

(Approval of an agreement on insurance of the liability of directors, officials and companies)

In order to insure the liability of members of the Board of Directors and the managers of the Company JSC TransContainer on an annual basis have negotiated agreements on insurance of the liability of members of the Board of Directors and managers of JSC TransContainer (D&O policy) starting from February 2009.

The validity term of the current D&O policy expires on November 7, 2011, therefore the Company needs to extend the policy on similar terms for a new term.

The expenses associated with negotiation of the D&O insurance agreement are covered by the item ‘Consulting services’ of the Company’s budget in Quarter 4, 2011.

In accordance with paragraph 1 of article 81 of the Federal Law ‘On Joint-Stock Companies’ this transaction is a related party transaction.

This transaction value does not exceed 2% of the balance sheet value of the Company’s assets based on the accounting data as of the last reporting date.

Since all members of the Company’s Board of Directors are related parties to this transaction, negotiation of the D&O policy shall be approved by the General Meeting of Shareholders.

In accordance with paragraph 3 of article 49 of the Federal Law ‘On Joint-Stock Companies’ related party transactions can be approved by the General Meeting of Shareholders only at the suggestion of the Board of Directors.

In accordance with paragraph 7 of article 83 and paragraph 1 of article 77 of the Federal Law ‘On Joint-Stock Companies’ the transaction price shall be determined by the Company’s General Meeting of Shareholders.

In view of the above, we suggest the General Meeting of Shareholders to approve the agreement on insurance of the liability of directors and officials of TransContainer (D&O).