

EXPLANATORY NOTE
Re: Issue (paragraphs 2-3):

‘Approval of related party transactions’

(Approval of Agreement on lease of cars and containers of JSC TransContainer of 09.09.2006 No. 69/TsFTOAPS-36/1 between JSC TransContainer and RZD and Supplementary Agreement No. 14 to the Agreement)

TransContainer and RZD entered into Agreement on lease of cars and containers of TransContainer Joint-Stock Company of 09.09.2006 No. 69/TsFTOAPS-36/1 (hereinafter, the ‘Agreement’). In accordance with the Agreement the Landlord (TransContainer) undertakes to lease to the Tenant (RZD) containers and cars beneficially owned by the Landlord to carry out transportation specified in the Agreement.

In the course of performing the Agreement the Parties negotiated 13 supplementary agreements to change the type of transportation for which the cars and containers were leased; to update on the document flow procedure under the Agreement; to extend the effective term of the Agreement; and to change the dispute resolution venue to the Common Court of Arbitration instead of the Moscow Arbitration Court.

The Agreement and supplementary agreements Nos. 1-8 did not have to be approved by TransContainer management bodies. Supplementary agreements Nos. 9-13 were approved by decisions of the Board of Directors of TransContainer (Minutes No. 31 of 28.11.08, No. 32 of 19.12.08, and No. 12 of 30.12.09).

Currently TransContainer initiates the negotiation of Supplementary Agreement No. 14 to the Agreement (hereinafter, the ‘Supplementary Agreement’). The subject matter of the Supplementary Agreement is:

1. Increasing the rent rate per car from 460 rubles a day (VAT excluded) to 729 rubles a day (VAT excluded).

2. Changing the type of transportation for which cars and containers were leased due to a transfer to shipping cars and containers owned by TransContainer using the rail network of the CIS and Baltic states upon the terms approved for own cars and containers and due to the fact that RZD needs to lease cars and containers including medium-tonnage containers from TransContainer solely for the purpose of transporting military and household goods within the Russian Federation under a rail travel authorization of form 2.

3. Changing the procedure for returning cars and containers from lease. The change implies that previously when the transportation ended cars and containers were returned from lease to the station of their unloading and were then transported to the place of their next loading at the expense of TransContainer, and the supplementary agreement envisions that cars and containers will be returned from lease only after they are delivered to stations that satisfy the commercial needs of TransContainer. And they will be transported from the station of unloading to the station of return from lease at the expense of the tenant, i.e. RZD.

4. Changing the bank details.
5. Extending the effective term of the Agreement to 31.12.2011.

This Agreement is income-producing for TransContainer. Incomes from lease of cars and containers are covered by item 1130 of the balance of payments 'Proceeds from RZD: agency fee for work including lease'.

In accordance with paragraph 1 of article 81 of the Federal Law 'On Joint-Stock Companies' this transaction is a related party transaction. RZD is a related party because it holds over 20% of the Authorized Capital of TransContainer and is a party to the transaction.

In accordance with paragraph 1 of article 83 of the Federal Law 'On Joint-Stock Companies' this transaction shall be approved by the Board of Directors or the Company's General Meeting of Shareholders before it is finalized.

The essence of obligation implies that the price of the transaction cannot be estimated upon its negotiation.

As of the last reporting date 30.06.2011 the total amount of accrued and acknowledged payment under the Agreement was 2,419,782,429.68 rubles, which exceeds 2% of the balance sheet value of the Company's assets based on the accounting data as of the last reporting date (as of 30.06.2011, 33,450,340,000 rubles) and, therefore, the Agreement and the Supplementary Agreement shall be approved by the Company's General Meeting of Shareholders.

In view of the above, we suggest the Company's General Meeting of Shareholders:

1. Approve agreement on lease of cars and containers of TransContainer of 09.09.2006 No. 69/TsFTOAPS-36/1 (including supplementary agreements Nos. 1 – 13) between JSC TransContainer and RZD that is a related party transaction upon the following terms:

Parties: JSC TransContainer, the 'Landlord', and RZD, the 'Tenant'.

Subject Matter: The Landlord undertakes to lease to the Tenant containers and cars beneficially owned by the Landlord to carry out transportation specified in the Agreement.

Price: As of 30.06.2011 the total amount of accrued and acknowledged payments under the Agreement was 2,419,782,429.68 rubles.

Effective Term: From 01.07.2007 to 31.03.2010 inclusively.

2. Approve Supplementary Agreement No. 14 to agreement on lease of cars and containers of TransContainer of 09.09.2006 No. 69/TsFTOAPS-36/1 between JSC TransContainer and RZD that is a related party transaction upon the following terms:

Parties: JSC TransContainer, the 'Landlord', and RZD, the 'Tenant'.

Subject Matter: Introducing amendments mentioned in draft Supplementary Agreement No. 14 into the Agreement (Appendix No. 3 to the Minutes).

Price: The price of the Supplementary Agreement cannot be estimated upon its negotiation because it consists of the cost of actually provided services at the

following rates:

Description	Rent rate (rubles per container (car) a day, VAT excluded)	Rent rate (rubles per container (car) a day, VAT included)
20-foot container	67.00	79.06
40-foot container	128.00	151.04
Car (high-capacity flat car)	729.00	860.22
Three-ton container	22.00	25.96
Five-ton container	29.00	34.22

Effective Term: The Supplementary Agreement becomes effective as of the day of its signing by the Parties if approved by management bodies of TransContainer.

The Supplementary Agreement (save paragraphs 2-5, 10, 12 and 17) governs the relations that have arisen between the Parties from the 1st (first) of April 2010.

Paragraphs 2-5, 10, 12 and 17 of the Supplementary Agreement shall govern the relations that have arisen between the Parties from the 1st (first) of July 2011.