

Explanation to a Notice of a transaction of interest - Directors'/Officers'/Company's Liability Insurance Policy concluded between Ingosstrakh Insurance Public Joint Stock Company and PJSC TransContainer

In order to insure the liability of the members of the Board of Directors and management, PJSC TransContainer (hereinafter referred to as the "Company") annually enters into the Board of Directors'/Company Management's Liability Insurance Policy (hereinafter referred to as the "D&O policy").

The term of the current D&O Policy (Insurance Policy №442-045269/18/TKД/18/07/0007 dd. July 6, 2018) expires on July 6, 2019, which necessitates the extension of this policy.

To ensure the conclusion of the D&O Insurance Policy for the next period, the Company's management has requested offers of the initial maximum insurance premium. The offers received from the insurance companies exceeded the current insurance premium 2-3 times. Increase in the insurance premiums under this type of insurance has resulted from the great number of claims against the insured persons in Russia and decrease in the reinsurance reserves for this type of insurance among the western companies.

At the meeting of the Personnel and Remuneration Committee of the Board of Directors of PJSC TransContainer (hereinafter referred to as the "Committee"), the issue "On Conducting Bidding Procedures for the Right to Conclude a Directors'/Officers' Liability Insurance Policy" (Minutes No. 9 dated April 4, 2019). The discussion of the issue resulted in the resolution to order the Company's management to investigate the possibility of decrease in the insurance premium for the next period.

Pursuant to the Committee's order, the Company's management is currently investigating the possibility of decrease of the insurance premium for the next period. To ensure the continuity of the insurance, the Company has negotiated with the current Insurer - Insurance Public Joint Stock Company Ingosstrakh - and the Parties have reached an agreement to extend the D&O Insurance Policy for 45 calendar days (up to August 20, 2019) without changing the current terms and conditions through the conclusion of an Additional Agreement to the Insurance Policy.

In accordance with the Federal Law No. 223-FZ dated July 18, 2011 "On Procurement of Goods, Works and Services by Individual Types of Legal Entities", as well as the Regulations on the Procedure for Placing Orders for the Purchase of Goods, Performance of Works, and Services for the Needs of PJSC TransContainer", the goods/services/works have been procured from the sole supplier.

Due to the fact that the members of the Board of Directors, the collegial executive body and the sole executive body of PJSC TransContainer are the beneficiaries under the Insurance Policy, in accordance with Paragraph 1 of Article 81 of the Federal Law "On Joint Stock Companies", this transaction is a transaction of interest.

Pursuant to Paragraph 1.1 of Article 81 of the Federal Law "On Joint Stock Companies", PJSC TransContainer shall notify the shareholders of the Company in advance of the contemplated transaction of interest if and when any and all members of the Board of Directors are interested in the transaction.

20 June 2019