

Explanation to a notice of a transaction of interest - Contract of Directors and Officers Liability Insurance, 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 contracts on insurance of liability of the members of the Board of Directors and the Company's management (hereinafter referred to as the “D&O policy”), starting February 2009, based on resolutions of the General Meetings of Shareholders.

Since January 1, 2017, due to the introduction of amendments to the Federal Law “On Joint-Stock Companies”, PJSC TransContainer requires mandatory notification of members of the Board of Directors and the Management Board of the Company (and in case of their interest in the transaction - shareholders of the Company) of a transaction of interest, determined by the rules of Article 81 of the Federal Law “On Joint Stock Companies”.

The term of the current D&O policy expires on August 20, 2019, which necessitates the extension of this policy.

Due to the fact that the transaction price exceeds 500 thousand rubles, a bidding procedure is necessary before the conclusion of the contract.

At the meeting of the Personnel and Remuneration Committee of the Board of Directors of PJSC TransContainer (hereinafter referred to as the “Committee”) held on July 10, 2019, the issue “On Conducting Bidding Procedures for the Right to Conclude a Contract of Directors and Officers Liability Insurance” (Minutes No. 2 dated July 10, 2019). Based on the results of consideration of the issue, the main terms of the D&O Contract were agreed upon, and instructions were given to the management of the Company to purchase services through bidding procedures.

In accordance with the Federal Law No. 223-Φ3 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”, and based on the instructions of the Committee, bidding procedures were held.

Based on the results of the Bidding Procedures, Ingosstrakh Insurance Public Joint-Stock Company (Minutes No. 49.1 dated August 21, 2019) was chosen as the winner of the Request for Proposals held by the Company and a resolution was adopted to conclude a D&O Contract with it.

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 beneficiaries under the insurance contract, 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 on the contemplated transaction of interest.

August 21, 2019