

Members of the Revision Commission Elected at the Annual General Meeting of Shareholders Held on 15 May 2018

1. Sergey Davydov, Deputy Head of the Department for Consolidated IFRS Financial Statements, part of Accounting Service, Russian Railways.
2. Olga Zorina, Deputy Head of the Internal Control Centre, Zheldorcontrol, Russian Railways.
3. Tatyana Tarynina, Chief Auditor of the Department for Control of Production and Financial Activities of Russian Railways's structural units at the Internal Control Center, Zheldorkontrol, Russian Railways.
4. Yuri Fedosov, Head of Subsidiaries and Affiliates Management Department, Russian Railways.
5. Elena Yudina, Department Head at the Internal Control Centre, Zheldorcontrol, Russian Railways.

Olga Zorina was elected as the Chair of TransContainer's Revision Commission in 2018.

Remuneration Paid to the Revision Commission Active in 2018

No.	Position	Full name	Annual Remuneration, RUB
1	Chairman of the Revision Commission (until the Annual General Meeting of Shareholders held on 15 May 2018)	A. Red'kin	225,000
2	Member of the Revision Commission	S. Davydov	150,000
3	Member of the Revision Commission	Yu. Fedosov	150,000
4	Member of the Revision Commission (until the Annual General Meeting of Shareholders held on 15 May 2018)	A. Chernyavskaya	150,000
5	Member of the Revision Commission	E. Yudina	150,000
6	Member of the Revision Commission	O. Zorina	–
7	Member of the Revision Commission	T. Tarynina	–
Total			825,000

Addressing Potential Conflict of Interest

Prevention and management of conflicts of interest are an essential tool of the Company and shareholder protection. The Board of Directors plays a key role in preventing, identifying and resolving internal conflicts between the Company's bodies, shareholders and employees.

The Company has taken measures to prevent potential conflict of interest involving executive bodies and key managers, including:

- a requirement set out in the Regulation on the Executive Board and the Regulation on the CEO of the Company obliging them to refrain from any actions that can or may potentially lead to a conflict of interest with the Company and report any such conflict arising to the Board of Directors. These obligations are also fixed in the employment contracts with the CEO and members of the Executive Board, the terms and conditions of which are determined by the Company's Board of Directors;
- authorising the Board of Directors to approve overlapping and other paid positions held by the CEO and members of the Executive Board in the governance bodies of other organisations;
- approval by the Board of Directors of a corporate risk map envisaging initiatives to prevent the employee wrongdoing risk. The initiatives aimed at minimising this risk include checking the key employees and candidates for key roles for potential conflict of interest. A report on the occurrence of this risk is reviewed by the Audit Committee on a quarterly basis;

- an annual review by the Audit Committee of a report on violations of the Company's Code of Ethics, including the situations related to the conflict of interest, prepared by the Company's Internal Audit Service.

To protect its interests in case of a potential conflict of interest, the Company has implemented measures to make sure that all interested-party transactions are reviewed by the Board of Directors. These measures include monitoring of all transactions executed by the Company for the existence of interest, maintaining and updating information about the persons interested in the transactions.

On top of the above initiatives, the Company pays special attention to insider information requirements viewing this as another element of the conflict of interest prevention.

A range of measures undertaken to identify and prevent conflicts of interest helps to minimise the probability of negative consequences for the Company.

In addition to the said measures, the Company has adopted and published on its corporate website the following documents, which are applicable to all the Company's employees and which determine the principles and procedures for preventing, identifying, and minimising any potential conflict of interest:

- Corporate Governance Code;
- Code of Ethics;

- Anti-Corruption Policy;
- Anti-Corruption Programme (available to all TransContainer's employees on its corporate website);
- Regulation on Insider Information;
- Revised Regulation on the Procedure for Addressing Conflict (or Potential Conflict) of Interest at TransContainer (available to all TransContainer's employees on its corporate website).

Applicable to all TransContainer's employees and officers, these documents determine the rules and principles of managing a conflict of interest, including the employee obligation to disclose information on an existing or potential conflict of interest, balancing the interests of the Company and its employees, and non-retaliation for reporting a conflict of interest.

In accordance with internal documents, members of the Board of Directors and the Executive Board had no conflicts of interest in the reporting period.

Combating Corruption

Based on the high ethical standards of behaviour adopted by the Company, TransContainer fully shares the approach to pursuing zero tolerance to any form of corruption.

TransContainer is a member of the Anti-Corruption Charter of the Russian Business. Participation in the Charter and consistent implementation of its provisions bear witness that the Company has adopted appropriate measures to prevent corruption, which, pursuant to the requirements of Art. 13.3 of the Federal Law No. 273-FZ dated 25 December 2008 On Combating Corruption, shall be taken by any organisation.

TransContainer does not tolerate any actions that are directly or indirectly associated with the offering, giving, promising, soliciting or receiving bribes, assisting in bribery, and any payments seeking to facilitate administrative, bureaucratic and other formalities made in any form by or to any persons/organisations, including government officials, public organisations, private companies, and political figures. This standing is confirmed by the CEO's anti-corruption statement on the Company's corporate website proclaiming zero tolerance to any form of corruption.

The Company has in place and regularly conducts training of its employees in anti-corruption and corporate fraud. All newly published and amended regulatory documents are communicated to all employees via e-mail and by placing them in the relevant sections of the corporate website.

In accordance with the Anti-Corruption Programme at TransContainer approved by the decision of the Company's Executive Board¹, the Company set up a working group to develop anti-corruption, anti-fraud, and anti-embezzlement measures².

TransContainer's anti-corruption activities are governed by the following internal documents:

- TransContainer's Anti-Corruption Policy³;
- The list of functions, which are most sensitive to corruption, corporate fraud, and embezzlement⁴;
- The Register of Corruption Risks and the List of Positions Related to Corruption Risks⁵.

Extension of Anti-corruption Activities in 2018

The Risk Committee agreed on the Register of Corruption Risks and included the risk group "corruption risks: conflict of interests, insider trading, bribery, commercial bribery" in the corporate risk map for 2018⁶.

The Regulation on the Procedure for Addressing Conflict (or Potential Conflict) of Interest at TransContainer⁷ was revised.

Stop Corruption Hotline Activities

There is a special hotline (anticorr@trcont.ru) on the Company's intranet site and the Stop Corruption hotline on the corporate website. Complaints received through both lines are sent as e-mails to heads of the Economic Security Department and the Internal Audit Service.

In 2018, 357 complaints were registered, 176 calls of them were made to the hotline (anticorr@trcont.ru), 155 - to the call centre, and 26 - to director@trcont.ru e-mail. All the facts mentioned in the complaints were reviewed, 22 situations were closely and comprehensively addressed.

1. Approved on 23 December 2016 (Minutes No. 34)

2. CEO order No. 87 dated 4 April 2017

3. Minutes No. 43 of TransContainer's Executive Board dated 16 May 2017.

4. CEO order No. 52 dated 9 March 2017.

5. Minutes No. 1 dated 24 August 2017.

6. Minutes No. 6 dated 17 November 2017.

7. Approved by Order No. 182 dated 18 July 2018.