

Payments to members of the Board of Directors for discharging extra functions

FUNCTION	PAYMENT
Chairman of the Board of Directors	50% of the fixed part of the remuneration
Deputy Chairman of the Board of Directors	25% of the fixed part of the remuneration
Committee Chairman	25% of the fixed part of the remuneration
Deputy Chairman of a committee	25% of the fixed part of the remuneration for the meetings where the director acted as Chairman of a committee of the Board of Directors
Committee member	15% of the fixed part of the remuneration

COMMITTEES OF THE BOARD OF DIRECTORS

REPORT OF THE AUDIT AND RISK COMMITTEE



The Audit and Risk Committee is a consultative and advisory body of the Board of Directors, whose resolutions are advisory. The Committee's primary goal is to assist the Board of Directors' efficient operation in controlling the Company's financial and business activities. It is achieved through addressing the matters within the Committee's authority.

Alla Saltykova

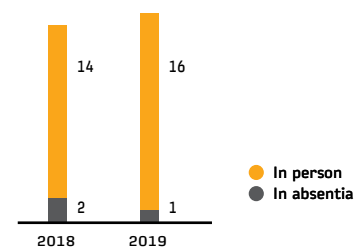
THE COMMITTEE'S GOALS AND OBJECTIVES

Accounting (financial) statements	<ul style="list-style-type: none"> • Monitor the completeness, accuracy, and integrity of FPC's accounting (financial) statements; review the material aspects of FPC's accounting policy; participate in reviewing material matters and judgements relating to FPC's accounting (financial) statements • Review external audit results • Review the rationale behind, and acceptability of, the current accounting methods, accounting (financial) reporting principles, as well as management accounting methods and management reporting principles • Preview the Company's draft Annual Report, budget, Investment Programme, Operational Efficiency and Cost Optimisation Programme, and relevant performance reports
Risk management and internal control	<ul style="list-style-type: none"> • Monitor the risk management and internal control system for reliability and effectiveness • Review the effectiveness of risk management and internal control procedures; prepare proposals for their improvement • Review and assess the implementation of the risk management and internal control policy • Review and assess the implementation of the conflict of interest management policy • Prepare recommendations on acceptable risk levels (risk appetite, preferred risks)
Internal and external audit	<ul style="list-style-type: none"> • Ensure independent and unbiased approach of the internal audit function, and review its effectiveness; review the Company's internal audit policy and internal audit plan Assess candidates for the Company's auditor and make proposals on the auditor's remuneration • Assess nominees to the position of the Company's external auditor for independence, objectivity, and absence of a conflict of interest, in particular, assess potential auditors of the Company, make proposals on the auditor's appointment, re-appointment and dismissal as well as remuneration and terms of engagement, oversee external audits and assess audit quality and auditors' reports • Ensure effective interaction between the Internal Audit Unit and the Company's external auditor
Combating malpractice by FPC's employees or third parties	<ul style="list-style-type: none"> • Monitor the performance of the system of alerting on potential fraud being committed by FPC's employees or third parties • Oversee special investigations of potential fraud, misuse of insider or confidential information • Monitor the implementation of measures taken by the Company in response to reports of suspected fraud or other violations

STATISTICS ON THE COMMITTEE MEETINGS

In 2019, the Audit and Risk Committee held 17 meetings: 16 meetings in person and one meeting in absentia

In 2019, the Audit and Risk Committee discussed 104 agenda items.



ESSENTIAL ITEMS DISCUSSED BY THE COMMITTEE

- Reviewed the audit results of FPC's RAS accounting (financial) statements for 2018
- Reviewed a report on the review of FPC's interim IFRS consolidated financial statements for 6M, significant risks, IFRS accounting policy issues, and the auditor's recommendations
- Reviewed the action plan covering organisational and technical measures to remedy breaches identified by FPC's Audit Commission when auditing FPC's financial and business performance in 2018
- Reviewed FPC's Annual Report and accounting (financial) statements for 2018
- Reviewed the drafts of JSC FPC's Budget for 2020–2022, Investment Programme for 2020–2022, and major investment projects for 2020
- Reviewed progress on FPC's anti-corruption and corruption prevention efforts
- Reviewed quarterly reports on the operation of FPC's Control and Audit Centre and Internal Audit Unit
- Quarterly, reviewed reports on the Company's financial and business activities prepared by FPC's General Director
- Reviewed organisational matters related to the Internal Audit Unit, specifically, its activity plan for 2019 and KPIs
- Reviewed the reliability and effectiveness assessment results of the risk management and internal control systems
- Reviewed the results of the assessment of on-board services against KPIs
- Reviewed the Risk Management and Internal Control Policy of JSC FPC

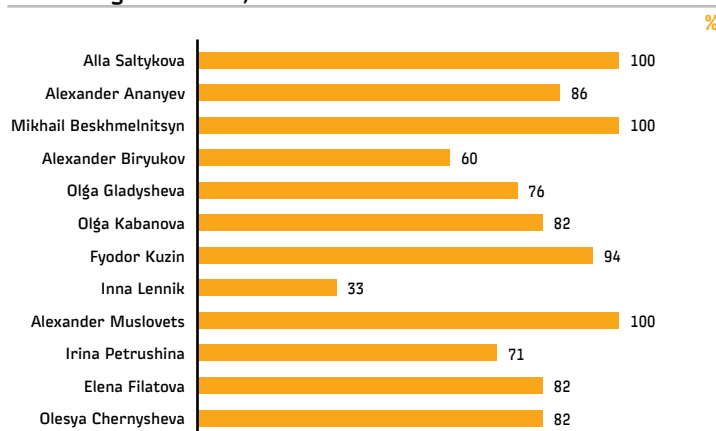
THE COMMITTEE'S PLANS FOR 2020

- Preview the Audit Commission's 2019 report and the results of follow-up activities to remedy breaches identified by FPC's Audit Commission in the previous periods
- Approve the nominee to the position of an external auditor and material terms of the relevant agreement, including the service fee
- Review the report on the performance of the risk management system in 2019, including risk occurrence, financial risks, loans, liquidity management, and compliance with the Audit and Risk Committee's recommendations
- Review FPC's RAS accounting (financial) statements for 2019, IFRS consolidated financial statements for 2019, and relevant audit reports and recommendations
- Review the report on the performance of the system to prevent and combat corruption and other malpractice at FPC
- Preview FPC's Annual Report for 2019

CHANGES IN THE COMMITTEE'S MEMBERSHIP IN 2019¹

COMMITTEE'S MEMBERSHIP FROM JANUARY TO FEBRUARY	COMMITTEE'S MEMBERSHIP FROM JULY TO DECEMBER
Alla Saltykova , Chairwoman of the Committee, Chairwoman of the Committee	Alla Saltykova , Chairwoman of the Committee, Chairwoman of the Committee
Alexander Ananyev – Deputy Head of the Department of Economics, Russian Railways	Mikhail Beskhmelnitsyn – Head of the Control and Analytical Service of the CEO – Chairman of the Management Board, Russian Railways; Deputy Chairman of the Committee
Mikhail Beskhmelnitsyn – Head of the Control and Analytical Service of the CEO – Chairman of the Management Board, Russian Railways; Deputy Chairman of the Committee	Alexander Biryukov , Head of Management Accounting and Reporting at the Economics Department, Russian Railways
Olga Gladysheva , Head of the Centre for Risk Management Coordination and Internal Control System Development, Russian Railways	Olga Gladysheva , Head of the Centre for Risk Management Coordination and Internal Control System Development, Russian Railways
Olga Kabanova , First Deputy Head of the Main Control Department of the City of Moscow	Olga Kabanova , First Deputy Head of the Main Control Department of the City of Moscow
Fyodor Kuzin – Head of the Subsidiary Relations Unit at the Subsidiaries and Affiliates Management Department, Russian Railways	Fyodor Kuzin – Head of the Subsidiary Relations Unit at the Subsidiaries and Affiliates Management Department, Russian Railways
Alexander Muslovets , Deputy General Director, FPC	Inna Lennik , Deputy Head of Zheldoraudit Internal Audit Centre, a business unit of Russian Railways. Mandate terminated early on 5 September 2019
Elena Filatova , Advisor to Deputy CEO – Chairman of the Management Board, Russian Railways	Irina Petrushina , Deputy Head of Unit at Zheldoraudit Internal Audit Centre, a business unit of Russian Railways. Elected to the Committee on 5 September 2019
Olesya Chernysheva , Head of the Accounting Department, Russian Railways	Elena Filatova , Advisor to Deputy CEO – Chairman of the Management Board, Russian Railways
	Olesya Chernysheva , Head of the Accounting Department, Russian Railways

Statistics on individual attendance of the Committee meetings in 2019,



In 2019, remuneration paid to the members of the Audit and Risk Committee of FPC's Board of Directors totalled RUB 5,197,600².

¹ Positions as at the date of election to the Committee.

² This amount does not include personal income tax or payments made to members of the Committee who are employed by FPC. No remuneration for serving on the Committee was allocated or paid to Olga Kabanova due to restrictions on remuneration for public servants.

REPORT OF THE HUMAN RESOURCES, REMUNERATION, AND CORPORATE GOVERNANCE COMMITTEE



The Human Resources, Remuneration, and Corporate Governance Committee of FPC's Board of Directors is a consultative and advisory body of the Board of Directors. The resolutions of the latter are advisory. The Committee's primary goal is to assist the Board of Directors' efficient operation in developing corporate governance, efficient HR planning, and effective and transparent remuneration practice at FPC. It is achieved through addressing the matters within the Committee's authority.

Mikhail Beskhmel'nitsyn

THE COMMITTEE'S GOALS AND OBJECTIVES

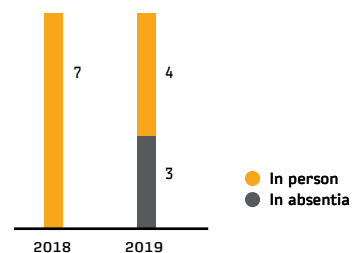
Motivation and remuneration systems	<ul style="list-style-type: none"> • Develop and regularly review the Company's policy on remuneration of members of the Board of Directors, the Company's executive bodies, and other key managers • Control the implementation of the Company's policy on remuneration and implementation of incentive programmes, evaluate the performance of the Company's executive bodies and other key managers, in particular, review the reports on their performance against KPIs • Preview the material terms of employment contracts with the Company's executive bodies and other key managers as well as bonuses for executive bodies and other key managers, and make relevant recommendations to the Board of Directors • Pre-assess the Corporate Secretary's performance in the reporting year
HR and succession planning	<ul style="list-style-type: none"> • Assess members of the Company's Board of Directors in terms of their professional skills, experience, independence and involvement in the Board's work, review all nominees to the Board of Directors for professional qualifications and independence • Develop recommendations on evaluating the performance and improving the procedures of the Board of Directors and its Committees • Develop recommendations on designing an induction programme for newly elected members of the Board of Directors • Analyse the Company's current and anticipated needs regarding the professional qualifications of members of its executive bodies and other key managers • Plan succession, develop recommendations on nominees to positions in the Company's executive bodies and other key management positions
Corporate governance	<ul style="list-style-type: none"> • Control the Company's corporate governance practice • Analyse the alignment of the Company's corporate governance system with the Company's goals and objectives, the scale of operations and acceptable risks • Develop proposals to improve the corporate governance practice

STATISTICS ON THE COMMITTEE MEETINGS

In 2019, the Committee held seven meetings:

- Three meetings in absentia and one meeting in person in the first half of 2019
- Three meetings in person in the second half of 2019.

During the period, the Committee discussed 37 agenda items.



ESSENTIAL ITEMS DISCUSSED BY THE COMMITTEE

- ▶ Reviewed all nominees to the Board of Directors for professional qualifications
- ▶ Assessed nominees to FPC's Board of Directors against the independence criteria
- ▶ Approved the terms of the employment contract with FPC's General Director
- ▶ Provided recommendations on the incentives for FPC's General Director
- ▶ Approved the updated Regulations on Preparing and Holding the General Shareholders Meeting of JSC FPC, Regulations on the Board of Directors of JSC FPC, and regulations on the Board of Directors' Committees
- ▶ Reviewed the results of the Board of Directors' performance evaluation results and self-assessment of the Board members
- ▶ Reviewed the assessment results of FPC's corporate governance practice in 2018

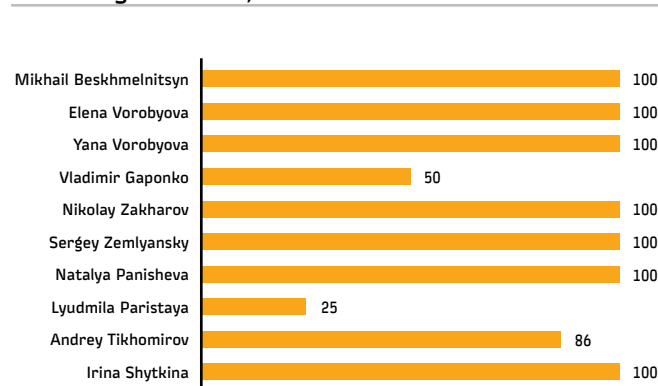
THE COMMITTEE'S PLANS FOR 2020

- ▶ Review the General Director's report on FPC's performance in 2019 and Q1 2020
- ▶ Review JSC FPC's Code of Ethics for Internal Auditors
- ▶ Consider the payment of quarterly bonuses to FPC's General Director and review the terms of his employment contract as regards salary indexation
- ▶ Review the updated Regulations on Incentives for JSC FPC's Sole Executive Body
- ▶ Consider actions to be taken in preparation for the annual General Shareholders Meeting, including assessment of nominees to FPC's Board of Directors proposed by shareholders
- ▶ Review the report on the Committee's performance in the 2019/2020 corporate year
- ▶ Resolve on the expedience of engaging an external advisor to conduct an independent performance evaluation of FPC's Board of Directors, its Committees, and individual Board members
- ▶ Review the Board of Directors' performance evaluation and self-assessment results for the 2019/2020 corporate year
- ▶ Review the updated Regulations on Remuneration and Reimbursement to Members of the Human Resources, Remuneration, and Corporate Governance Committee of FPC's Board of Directors

CHANGES IN THE COMMITTEE'S MEMBERSHIP IN 2019¹

COMMITTEE'S MEMBERSHIP FROM JANUARY TO JUNE	COMMITTEE'S MEMBERSHIP FROM JULY TO DECEMBER
Serġey Zemlyansky , Independent Director, FPC; Chairman of the Committee	Mikhail Beskhmel'nitsyn , Head of the Control and Analytical Service of the CEO – Chairman of the Management Board, Russian Railways; Chairman of the Committee
Mikhail Beskhmel'nitsyn , Head of the Control and Analytical Service of the CEO – Chairman of the Management Board, Russian Railways; Deputy Chairman of the Committee	Yana Vorobyova , Deputy Head of the Subsidiaries and Affiliates Management Department, Russian Railways
Elena Vorobyova , Head of Unit at the Subsidiaries and Affiliates Management Department, Russian Railways	Nikolay Zakharov , First Deputy Head of the Personnel Management Department, Russian Railways
Vladimir Gaponko – Head of the Economics Department, Russian Railways; Mandate terminated early on 5 March 2019	Serġey Zemlyansky , Independent Director, FPC
Nikolay Zakharov , First Deputy Head of the Personnel Management Department, Russian Railways	Natalya Panisheva , Deputy Head of the Economics Department, Russian Railways
Natalya Panisheva , Deputy Head of the Economics Department, Russian Railways Elected to the Committee on 5 March 2019	Andrey Tikhomirov , First Deputy Head of the Employment, Remuneration and Motivation Department, Russian Railways
Lyudmila Paristaya , Deputy General Director, FPC	Irina Shytkina , Independent Director, FPC
Andrey Tikhomirov , First Deputy Head of the Employment, Remuneration and Motivation Department, Russian Railways	

Statistics on individual attendance of the Committee meetings in 2019,



In 2019, remuneration paid to members of the Human Resources, Remuneration, and Corporate Governance Committee of FPC's Board of Directors totalled RUB 1,769,400².

¹ Positions as at the date of election.

² This amount does not include personal income tax or payments made to members of the Committee who are employed by FPC.

REPORT OF THE STRATEGIC PLANNING COMMITTEE



The Strategic Planning Committee is a consultative and advisory body of the Board of Directors, set up to enable the Board of Directors to improve the Company's long-term performance, whose resolutions are of an advisory nature.

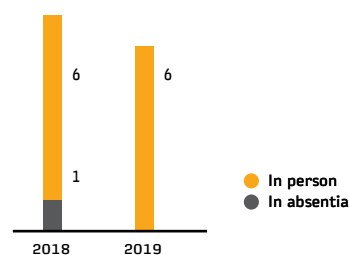
Dmitry Pečov

THE COMMITTEE'S GOALS AND OBJECTIVES

- Determine strategic goals of FPC's activities; participate in the development of the Company's Strategy, and monitor its implementation; make recommendations to the Board of Directors on adjustments to the Company's existing Strategy
- Determine the Company's business priorities
- Preview, and make recommendations to the Board of Directors on:
 - the Company's dividend policy
 - the Company's investment policy, including the establishment of key principles for the development of the investment policy
 - the Company's membership in other entities (including direct or indirect acquisition and disposal of interests in the share capitals of such entities and imposing a charge on shares or interests)
- approval of, and adjustments to, the Company's annual budget and investment programme, and approval of the relevant performance report
 - determining the amount of dividend on shares
 - approval of the Company's material transactions
 - when considering material issues of subsidiaries and affiliates
- Assess voluntary and mandatory offers for the Company's securities, Assess the Company's long-term performance
- Review the Company's financial model and a model for the valuation of its business and business segments
- Consider reorganisation or liquidation of the Company and its controlled entities
- Consider changes to the organisational structure of the Company and its controlled entities
- Consider reorganisation of business processes in the Company and its controlled entities

STATISTICS ON THE COMMITTEE MEETINGS

In 2019, the Committee held six meetings in person and discussed 21 agenda items.



ESSENTIAL ITEMS DISCUSSED BY THE COMMITTEE

- Reviewed FPC's Annual Report for 2019 and proposals on the payout (declaration) of the full year dividend for 2018
- Reviewed JSC FPC's Investment Programme for 2020–2022 and a major investment project for 2020
- Reviewed the report on monitoring passenger satisfaction
- Reviewed JSC FPC's Innovative Development Programme for 2019–2025
- Reviewed the results of, and effects from, the measures under the Passenger Service Improvement Programme for 2017–2019
- Reviewed JSC FPC's draft IT Strategy for 2020–2025
- Considered the feasibility of FPC's membership in associations and other unions

THE COMMITTEE'S PLANS FOR 2020

- Review the General Director's quarterly reports on FPC's performance
- Review FPC's draft Annual Report for 2019
- Consider payment of the full year dividend for 2019

COMMITTEE'S MEMBERSHIP IN 2019

Changes in the Committee's membership in 2019¹

COMMITTEE'S MEMBERSHIP FROM JANUARY TO JUNE	COMMITTEE'S MEMBERSHIP FROM JULY TO DECEMBER
Dmitry Pečov , Deputy CEO – Chairman of the Management Board, Russian Railways; Chairman of the Committee	Dmitry Pečov , Deputy CEO – Chairman of the Management Board, Russian Railways; Chairman of the Committee
Mikhail Beskhamelnitsyn , Head of the Control and Analytical Service of the CEO – Chairman of the Management Board, Russian Railways	Mikhail Beskhamelnitsyn , Head of the Control and Analytical Service of the CEO – Chairman of the Management Board, Russian Railways
Pavel Burtsev , Head of the Passenger Services Management Department, Russian Railways	Elena Vilchinskaya , Head of Unit at the Central Directorate for Motorised Carriages, a branch of Russian Railways
Elena Vilchinskaya , Head of Unit at the Central Directorate for Motorised Carriages, a branch of Russian Railways	Vladimir Gaponko , Head of the Economics Department, Russian Railways
Vladimir Gaponko , Head of the Economics Department, Russian Railways	Vera Evseġneeva , Head of the Subsidiaries and Affiliates Management Department, Russian Railways
Vera Evseġneeva , Head of the Subsidiaries and Affiliates Management Department, Russian Railways	Petr Ivanov, General Director, FPC
Petr Ivanov , General Director, FPC	Vladimir Maksimushkin , First Deputy Head of the Economic Environment and Strategic Development Department, Russian Railways
Vladimir Maksimushkin , First Deputy Head of the Economic Environment and Strategic Development Department, Russian Railways	Alla Saltykova , Independent Director, FPC
Alla Saltykova , Independent Director, FPC	

Statistics on individual attendance of the Committee meetings in 2019,

	%
Dmitry Pečov	100
Mikhail Beskhamelnitsyn	100
Pavel Burtsev	100
Elena Vilchinskaya	100
Vladimir Gaponko	100
Vera Evseġneeva	100
Petr Ivanov	100
Vladimir Maksimushkin	100
Alla Saltykova	100

In 2019, remuneration paid to members of the Strategic Planning Committee of FPC's Board of Directors totalled RUB 1,162,400².

Company
Profile

Development
Strategy

Performance
Overview

Corporate
Governance

Sustainable
Development

Appendices

¹ Positions as at the date of election.

² This amount does not include personal income tax or payments made to members of the Committee who are employed by FPC.