

Meetings of the Board of Directors

In 2016, 23 meetings of JPC FPC's Board of Directors were held, including 16 meetings in absentia and seven meetings

in person. The Board reviewed 164 issues during 2016

Statistics of the Board meetings in 2016



KEY RESOLUTIONS OF THE BOARD OF DIRECTORS IN 2016

1. Approve JSC FPC's Investment Programme for 2016.
2. Approve Regulations on Incentives for the Person Acting as JSC FPC's Sole Executive Body.
3. Approve JSC FPC's Insurance Coverage Programme for 2017.
4. Set traffic safety targets for 2016.
5. Adopt Regulations on the Internal Audit Organisation at RZD Holding.
6. Approve Procedure for Reorganisation of Business Units of FPC's branches.
7. Approve candidates to the boards of directors and audit commissions of FPC's subsidiaries and affiliates.
8. Approve target framework of key performance indicators at FPC.
9. Approve candidate Deputy General Directors and Heads of FPC's Branches approved; changes to FPC's organisational structure.
10. Approve Regulations on Conflict of Interest Resolution at FPC.
11. Approve JSC FPC's Programme for the Reduction of Scope and Costs of Consumed Services in 2016, and JSC FPC's Programme of Additional Cost Optimisation Initiatives in 2016.
12. Approve competence profiles of FPC's independent directors for the 2017–2018 corporate year.

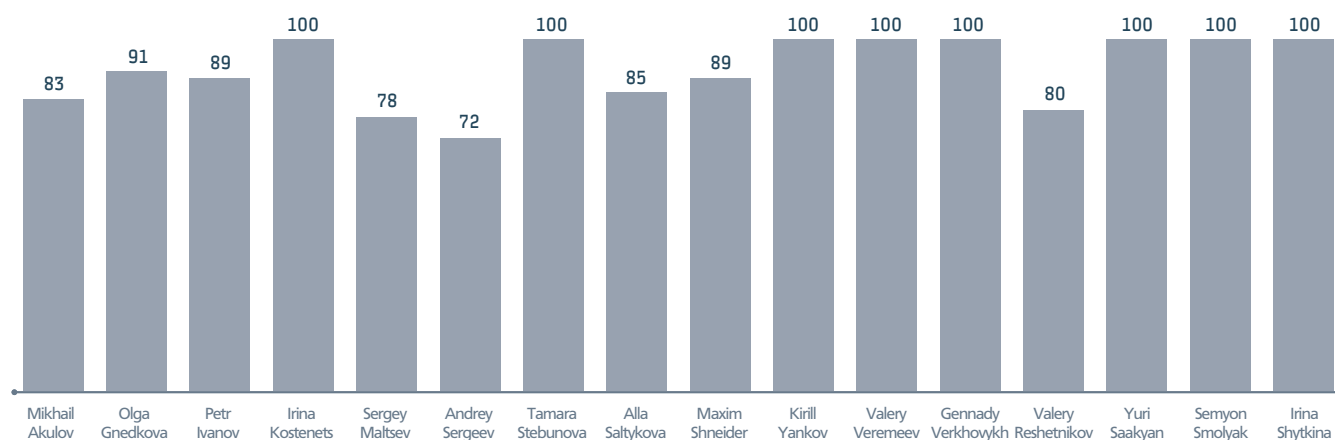


ATTENDANCE AT MEETINGS OF JSC FPC'S BOARD OF DIRECTORS BY MEMBERS OF JSC FPC'S BOARD OF DIRECTORS IN 2016

Name	In-person Board meeting	In absentia Board meeting
Mikhail Akulov	5(1)/7	13/16
Olga Gnedkova	3(2)/7	16/16
Petr Ivanov	7/7	9/11
Irina Kostenets	2(5)/7	16/16
Sergey Maltsev	4/7	10/11
Alla Saltykova	4(1)/5	6/8
Andrey Sergeev	4(1)/7	8/11
Maxim Shneider	4(2)/7	10/11
Kirill Yankov	6(1)/7	11/11
Valery Veremeev	–	5/5
Gennady Verkhovykh	–	5/5
Valery Reshetnikov	–	4/5
Yuri Saakyan	–	5/5
Semyon Smolyak	–	5/5
Irina Shytkina	–	5/5
Tamara Stebunova	1(1)/2	3/3

The format "5(1)/7" in the table means that the concerned Director personally attended five of seven meetings, and participated in one in-person meeting by submitting a written opinion.

Attendance at Board meetings by individual members in 2016¹, %



¹ Extraordinary General Shareholders Meeting of JSC FPC (Resolution No. 30 dated 14 March 2016) resolved to elect a new Board of Directors of FPC. Mandates of Valery Veremeev, Gennady Verkhovykh, Valery Reshetnikov, Yuri Saakyan, Semyon Smolyak, and Irina Shytkina were early terminated.

The annual General Shareholders Meeting (Resolution No. 31 dated 30 June 2016) elected Alla Saltykova to the Board of Directors. Mandate of Director Tamara Stebunova was early terminated.

Directors do not hold the Company's shares; no claims were filed in 2016 against members of the Board of Directors in relation to their performance of duties as Directors.

The Company did not extend any loans to members of the Board of Directors.

No conflicts of interest were identified at the Board level.

Members of the Board of Directors provided timely information to the Board about the circumstances that could potentially lead to a conflict of interest,

including information about interests related to any given transaction.

To avoid potential conflicts of interest members of the Board of Directors did not vote on transactions in which they had an interest.

Remuneration of members of the Board of Directors

The principles regarding motivation for members of JSC FPC's Board of Directors, as well as payment of compensation / reimbursement of expenses to members of the Board of Directors are set out in the Regulations on Remuneration and Reimbursement for Members of the Board of Directors of JSC FPC.

A Director's remuneration comprises two parts: remuneration for involvement in the activities of the Board of Directors and annual remuneration.

A Director's remuneration for attendance at the Board meetings (irrespective of the form) equals three times the minimum wage at Russian Railways. Aggregate Director's remuneration for attendance at the Board meetings may not exceed the limit set out in the Regulations on Remuneration and Reimbursement for Members of the Board of Directors of JSC FPC.

This remuneration is not payable if the Company has losses above an anticipated level as at the last reporting date preceding the date when the Board meeting is held.

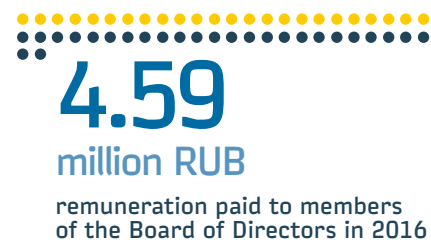
The level of a Director's annual remuneration depends on his/her personal attendance at the Board meetings and personal contribution to the Company's results.

The Regulations also provide for the payment of an extra 50% and 25% to Chairman and Deputy Chairman of the Board of Directors, respectively, for performing their roles.

Members of JSC FPC's Board of Directors are reimbursed for expenses incurred when travelling to the venue of the Board meetings or making other trips as part of their duties as members of JSC FPC's Board of Directors.

Non-executive and independent directors are not eligible for pension contributions, Insurance Programmes, Investment Programmes, or other benefits and privileges.

In 2016, the remuneration (including annual remuneration) paid to members of the Board of Directors totalled RUB 4,591,275.50.



4.59
million RUB
remuneration paid to members of the Board of Directors in 2016