

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