

## Committees of the Board of Directors

The Board has established three committees: The Strategic Planning Committee, the Audit Committee and the Human Resources and Remunerations Committee.



The functions of the Committee include developing proposals for the Board on the priorities of the Company's actions and the development of both JSC FPC's medium- and long-term strategies to implement the strategic goals of JSC RZD.

Over the course of 2013, 7 sessions were held:

- 3 sessions in person;
- 4 sessions in absentia.

The Strategic Planning Committee of the Board of Directors of JSC FPC considered 14 issues in 2013.

The composition of the Strategic Planning Committee is determined by the Board of Directors.

Since 2010, the Company has followed Regulations on the payment of remunerations to the members and secretary of the Strategic Planning Committee of the JSC FPC Board of Directors which provides for the payment of remunerations for participation in sessions of the Committee and for annual remunerations.

For participation in Committee sessions (regardless of the manner in which they are held) members of the Committee shall receive remunerations in an amount equivalent to two times the minimum wage at Joint Stock Company "Russian Railways."

According the results of the year's work, by decision of the Board of Directors of the Company in the presence of a net profit for the reported period (year), members of the committee receive remunerations whose amount is calculated according to the following formula:

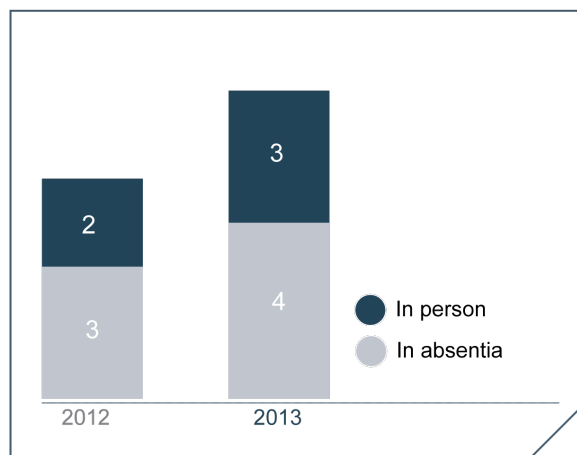
**MW x 2 x n**, where  
**MW** = the minimum wage at JSC RZD and;  
**n** = the number of sessions the committee member participated in.

The size of remunerations paid to the chairman of the committee is 50% greater than this sum.

The total remuneration paid to members of the Committee for participation in sessions in 2013 came to 434,144 roubles.

The total annual remuneration paid to members of the Committee came to 463,518 roubles.

Meeting statistics of the Strategic Planning Committee of the Board of Directors in 2012-2013



Members of the Strategic Planning Committee in 2013

January-June	July-December
V.A. Beremeev — Chairman of the Committee, Advisor to the President of JSC RZD, Member of the JSC FPC Board of Directors	V.A. Beremeev — Chairman of the Committee, Advisor to the President of JSC RZD, Member of the JSC FPC Board of Directors
M.L. Artemov — Deputy Chief of the JSC RZD Department of Business Management of the Passenger Transport unit.	M.L. Artemov — Deputy Chief of the JSC RZD Department of Business Management of the Passenger Transport unit.
A.A. Emelyanov — Deputy Director of the Department of Government Policies of Railway Transport in the Ministry of Transportation of the RF.	A.A. Emelyanov — Deputy Director of the Department of Government Policies of Railway Transport in the Ministry of Transportation of the RF.
M.E. Vorontsova — Head of the Division of Strategic Development of Types of Businesses at the Department of Economic Markets and Strategic Development of JSC RZD.	M.E. Vorontsova — Head of the Division of Strategic Development of Types of Businesses at the Department of Economic Markets and Strategic Development of JSC RZD.
Ya.V. Mandron — Deputy Director of the Department of the State Regulation of Tariffs, Infrastructure Reform and Energy Efficiency in the RF Ministry of Economic Development.	Ya.V. Mandron — Deputy Director of the Department of the State Regulation of Tariffs, Infrastructure Reform and Energy Efficiency in the RF Ministry of Economic Development.
V.V. Mishanin — Deputy General Director of the Head JSC FPC Block of Strategic Development and Corporate Management.	V.V. Mishanin — Deputy General Director of the Head JSC FPC Block of Strategic Development and Corporate Management.
	Alexander Yurievich Romanov — Deputy Chief of the Department of Corporate Finance of JSC RZD.

Statistics of the participation of the members of the Strategic Planning Committee of the JSC FPC Board of Directors at sessions of the committee in 2013

First name, Patronymic, Last name	Participation	%
M.L. Artemov	6 out of 7	86
V.A. Beremeev	7 out of 7	100
M.E. Vorontsova	5 out of 7	71
A.A. Emelyanov	3 out of 7	43
Ya.V. Mandron	5 out of 7	71
V.V. Mishanin	7 out of 7	100
A.Yu. Romanov <sup>1</sup>	2 out of 3	67

Key issues discussed by the Committee in 2013

**An adjustment to the JSC FPC investment programme for 2013 was discussed.**

**A project for strategy of innovative development at JSC FPC until 2030 was discussed.**

**JSC FPC's project budget for 2014-2016 was discussed.**

**Reports on the implementation of JSC FPC's strategy for 2012, the first quarter and nine months of 2013 were discussed.**

**JSC FPC's investment programme for 2014-2016 was discussed.**

The tasks of the Human Resources and Remuneration Committee include the development of recommendations for the Board of Directors:

- on the definition of the criteria for the selection of persons to serve in the management bodies of the Company and the candidates who match said criteria;
- on the evaluation of, and remunerations to be paid to, persons to serve in the management bodies of the Company;
- on the basic principles of human resource policies.

Over the course of 2013, 9 sessions were held:

- 6 sessions in person;

- 3 sessions in absentia.

The Human Resources and Remuneration Committee of the Board of Directors of JSC FPC considered 21 issues in 2013.

The composition of the Human Resources and Remuneration Committee is determined by the Board of Directors.

Since 2011, the Company has followed Regulations on the payment of remunerations to the members and secretary of the Human Resources and Remuneration Committee of the JSC FPC Board of Directors which provides for the payment of remunerations for participation in sessions of the Committee and for annual remunerations.

For attending sessions of the Committee, the Committee member shall receive remuneration in an amount equivalent to:

- three times the minimum wage at Joint Stock Company “Russian Railways” (henceforth JSC RZD) as of the time of the payment of remunerations in cases where the Committee member participated in sessions in person;
- two times the minimum wage at JSC RZD in cases where the Committee member participated in sessions in absentia (via a submitted written opinion).

According to the results of the year’s work, by decision of the Board of Directors of the Company in the presence of a net profit for the reported period (year), members of the committee receive remunerations whose amount is calculated according to the following formula:

**AR=2\*w\*(3\*m+2\*n)**, where

**AR** — annual remuneration;

**w** — minimum wage at JSC RZD;

**m** — the number of sessions at which the member of the Human Resources and Remuneration Committee participated in person;

**n** — the number of sessions at which the member of the Human Resources and Remuneration Committee participated in absentia (via a submitted written opinion).

The size of remunerations paid to the chairman of the committee is 50% greater than this sum.

The total remuneration paid to members of the Committee for participation in sessions in 2013 came to 732,534 roubles.

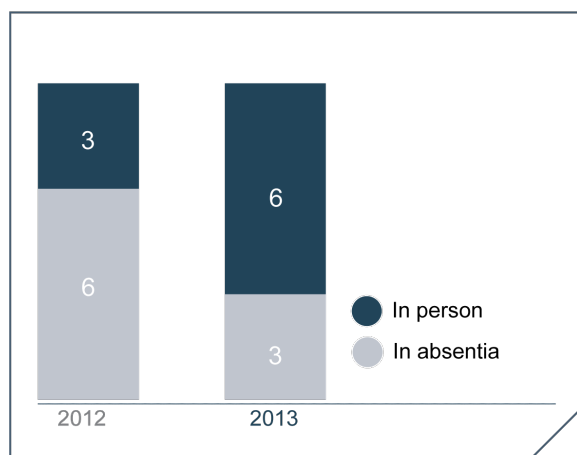
The total annual remuneration paid to members of the Committee came to 1,643,382 roubles.

The remuneration for G.V. Verkhovikh for participation in sessions of the Committee and part of the annual remuneration have been transferred to the “Spread your wings” charity fund.

Members of the Human Resources and Remuneration Committee in 2013

January-June	July-December
G.V. Verkhovikh — Chairman of the Committee, Head of the JSC RZD Department Business Management Passenger Transport Block, member of the JSC FPC Board of Directors.	G.V. Verkhovikh — Chairman of the Committee, Head of the JSC RZD Department Business Management Passenger Transport Block, member of the JSC FPC Board of Directors.
T.V. Andravonich — Deputy Head of the Department of Economics of JSC RZD, member of the Board of Directors of JSC FPC.	T.V. Andravonich — Deputy Head of the JSC RZD Department of Economics.
A.V. Illarionov — Vice-president of JSC RZD, member of the Board of Directors of JSC FPC.	L.A. Levina — Head of the Division of Working with the Management and Control of Subsidiaries and Affiliates of JSC RZD.
I.A. Kostenetz — Head of the JSC RZD Department of Economics	L.A. Paristaya — Deputy General Director of the Head JSC FPC Block of Staff Management and Social Issues.
L.A. Levina — Head of the Division of Working with the Management and Control of Subsidiaries and Affiliates of JSC RZD.	A.D. Sevidov — Head of the Human Resources Department, Division of the Managerial Personnel and Business Trips Affairs.
L.A. Paristaya — Deputy General Director of the Head JSC FPC Block of Staff Management and Social Issues.	
A.D. Sevidov — Head of the Human Resources Department, Division of the Managerial Personnel and Business Trips Affairs.	

Statistics of meetings of the Human Resources and Remuneration Committee Board of Directors in 2012-2013



Statistics of the participation of the members of the Human Committee of the JSC FPC Board of Directors at sessions of the committee in 2013

First name, Patronymic, Last name	Participation	%
T.V. Andravonich	7 out of 9	78
G.V. Verkhovikh	9 out of 9	100
A.V. Illarionov	4 out of 7	57
I.A. Kostenetz	7 out of 7	100
L.A. Levina	8 out of 9	89
L.A. Paristaya	9 out of 9	100
A.D. Sevidov	5 out of 9	56

Key issues discussed by the Committee in 2013

**Issues regarding a change to the organisation structure of JSC FPC were discussed**

**Issues regarding changes to the conditions of the employment contract with the General Director of JSC FPC were discussed**

**Recommendations from JSC FPC as to the order of selecting candidates for election to the Boards of Directors of subsidiaries and affiliates of JSC FPC were developed**

**Recommendations were given to the General Shareholders Meeting as to the payment of annual remunerations to members of the Board of Directors and Audit Commission of JSC FPC**

**An incentive system was developed for members of the Boards of Directors of subsidiaries and affiliates of JSC FPC**

The Audit Committee's tasks include: Developing recommendations for the Board of Directors as to the selection of external auditors and working with external auditors (including the examination and judgment of the results of annual and interim audits), working with the audit commission (including the examination and judgment of the results of the commission's audits), the creation of reports on violations in the financial operations of the company during the reported period and proposals for their elimination and prevention as well as informing the Board of Directors of possible risks in the Company's operations.

Over the course of 2013, 11 sessions were held:

- 8 sessions in person;
- 3 sessions in absentia.

The Audit Committee of the Board of Directors of JSC FPC considered 30 issues in 2013.

The composition of the Audit Committee is determined by the Board of Directors. There were no changes made in 2013 to the Audit Committee of the Board of Directors of JSC FPC.

Since 2010, the Company has followed Regulations on the payment of remunerations to the members and secretary of the Audit Committee of the JSC FPC Board of Directors which provides for the payment of remunerations for participation in sessions of the Committee and for annual remunerations.

For participation in Committee sessions (regardless of the manner in which they are held) members of the Committee

shall receive remunerations in an amount equivalent to two times the minimum wage at Joint Stock Company “Russian Railways.”

According the results of the year’s work, by decision of the Board of Directors of the Company in the presence of a net profit for the reported period (year), members of the committee receive remunerations whose amount is calculated according to the following formula:

**MW x 2 x n**, where

**MW** = the minimum wage at Joint Stock Company “Russian Railways” and

**n** = the number of sessions the committee member participated in.

The size of remunerations paid to the chairman of the committee is 50 % greater than this sum.

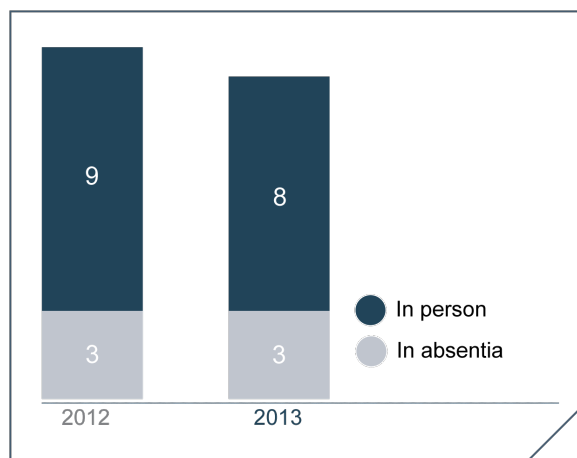
The total remuneration paid to members of the Committee for participation in sessions in 2013 came to 858,242 roubles.

Members of the Audit Committee did not receive annual remunerations.

Statistics of the participation of the members of the Audit Committee of the JSC FPC Board of Directors at sessions of the committee in 2013

First name, Patronymic, Last name	Participation	%
T.V. Andravonich	11 out of 11	100
O.E. Gnedkova	11 out of 11	100
A.G. Derin	10 out of 11	91
O.B. Ivanov	10 out of 11	91
N.A. Lem	10 out of 11	91
A.A. Myslovets	9 out of 11	82
O.M. Yakoleva	9 out of 11	82

Meeting statistics of the Audit Committee of the Board of Directors in 2012-2013



Members of the Audit Committee in 2013

First Name, Patronymic and Last Name of the Committee member	Position
O.E. Gnedkova	Chairman of the Committee, Head of the Department of Corporate Finance at JSC RZD, member of the Board of Directors of JSC FPC.
T.V. Andravonich	Deputy Head of the JSC RZD Department of Economics.
A.G. Derin	Deputy Chief of the Department of the Management of Subsidiaries and Affiliates of JSC FPC.
O.B. Ivanov	Director of Internal Auditing at JSC RZD
N.A. Lem	Head of the Department of Accounting at JSC RZD.
A.A. Myslovets	Deputy General Director of the Head JSC FPC Block of Economics and Finance.
O.M. Yakoleva	First Deputy Director at the Zheldoruchet Centre for Corporate Accounting and Reporting, a partner of JSC RZD.

Key issues discussed by the Committee in 2013

**Adjustments to the 2013 budget and to the JSC FPC project budget for 2014-2016 were agreed to.**

**The JSC FPC General Director's quarterly reports were examined.**

**Quarterly reports on the actions of the Centre of Internal Control and Auditing were reviewed.**

**The results of audit and revision checks were examined.**

**The report on the results of the implementation of financial risk management policies in 2012 and the action plan for reducing financial risk in 2013 was reviewed.**

**A new edition of the JSC FPC Credit Policy was reviewed.**

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**1:** A.Yu. Romanov - A.Yu. Romanov was selected to the committee on 07/13/13.