

The following projects being implemented by the Company have been included in the list of priority investment projects of Russian Railways:

- 'Modernisation of the railway infrastructure of the Baikal-Amur and Trans-Siberian Mainlines with the development of traffic and carrying capacity';
- 'Development of the Moscow Railway Transport Hub, including the Moscow

Little Ring Road and radial routes';

- 'Development of railway infrastructure at approaches to ports in the Azov and Black Seas, including the bypass of the Krasnodar Railway Hub';
- 'Development of railway infrastructure at approaches to ports in northwest Russia until 2020';
- 'Comprehensive development of the Mezhdurechensk-Tayshet section of

Krasnoyarsk Railway';

- Construction of the Prokhorovka-Zhuravka-Chertkovo-Bataysk railway line;
- measures implemented or planned for implementation by Russian Railways and its S&A as part of the Northern Latitudinal Railway project.

## Corporate secretary

The corporate secretary of Russian Railways is a special official whose tasks include ensuring that the Company's bodies and officials comply with the requirements of the legislation of the Russian Federation, the Charter and internal documents guaranteeing the rights and legitimate interests of shareholders, organising measures to settle conflicts involving the

violation of shareholder rights as well as arranging interaction between the Company and its shareholders and between the Company's management bodies.

The corporate secretary is appointed and dismissed by the decision of the Board of Directors based on a majority of votes by Board members. The corporate secretary's

duties are described in the Regulation on the Russian Railways Corporate Secretary and the Administrative Office of the Corporate Secretary.

Vasily Gorev has been the corporate secretary of Russian Railways since September 2015.

## Management Board of Russian Railways

The Company's Management Board handles the general management of business operations as the collective executive body (except for the resolution of matters that fall within the purview of the General Meeting of Shareholders and the president according to the Federal Law 'On Joint-Stock Companies' and the Company Charter unless otherwise specified by the Charter).

The main tasks of the Company's Management Board include preparing proposals on the Company's business strategy, implementing its financial and business policy, developing decisions on the most important issues concerning its current business operations and coordinating the work of its divisions, improving the efficiency of the internal control and risk monitoring systems and ensuring the observance of the rights and legitimate interests of shareholders.

The Company's Management Board carries out its activities in accordance with the legislation of the Russian Federation, the Charter, the resolutions of the General Meeting of Shareholders and the Board of

Directors, the Regulation on the Russian Railways Management Board and the Company's internal documents.

The Management Board acts in the Company's interests and is accountable to the Company's General Meeting of Shareholders and the Board of Directors.

The purview of the Company's Management Board includes the following matters:

- the preparation and submission to the Board of Directors of the Company's business priorities and long-term plans for their implementation, including the Company's annual budgets and Investment Programme, the preparation of reports on their implementation for the Board of Directors as well as preparing and approving the current business plans;
- the approval of internal estimated tariffs, fees and payments for work (services) performed (rendered) by the Company that are not related to natural monopolies;
- the approval of rules that ensure the proper organisation and reliability of accounting at the Company and the timely submission of the annual report and other financial reporting to the relevant bodies as well as information about the Company's operations to shareholders, creditors and the media;
- the submission to the Board of Directors of prospectuses for the issuance of securities and other documents related to the issuance of the Company's securities;
- organising the fulfilment of the Company's long-term and current plans and implementing the Company's investment, financial and other projects;
- establishing the procedure for taking into account the Company's affiliates;
- considering and coordinating draft collective bargaining agreements at the Company and regulations on industry-wide private pension support, mandatory pension insurance,

professional pension insurance and an industry-wide tariff agreement on railway transportation as well as submitting them to the Company's president for signing;

- establishing the procedure for shareholders to review information about the Company;

- establishing a remuneration system and determining measures to motivate Company employees;
- issuing binding instructions to subsidiaries on matters specified in the charters of these companies or in agreements which the Company has concluded with them;
- approving the Company's internal documents on matters that fall within the purview of the Management Board;
- resolving other matters related to the Company's current operations that are submitted for consideration by the chairman of the Management Board, the Board of Directors or shareholders.

### Members of the Russian Railways Management Board

No.	Name	Position
1.	Oleg Belozerov	President
2.	Anatoly Krasnoshchek	First Vice President
3.	Alexander Misharin	First Vice President
4.	Valentin Gapanovich	Senior Vice President
5.	Sergey Maltsev	Senior Vice President
6.	Vadim Mikhailov	Senior Vice President
7.	Anatoly Meshcheryakov	State Secretary – Vice President
8.	Mikhail Akulov	Vice President
9.	Salman Babayev	Vice President – CEO of the Centre for Corporate Transportation Service
10.	Gennady Verkhovyykh	Vice President – Director of the Central Infrastructure Directorate
11.	Alexey Vorotilkin	Vice President – Director of the Traction Directorate
12.	Pavel Ivanov	Vice President – Director of the Central Traffic Control Directorate
13.	Petr Katsyv	Vice President – Director of the Moscow Transport Hub Development Centre
14.	Alexander Saltanov	Vice President
15.	Viktor Stepov	Vice President
16.	Oleg Toni	Vice President
17.	Nikolay Fedoseyev	Vice President
18.	Anatoly Chabunin	Vice President – Director of Internal Control and Audit
19.	Shevket Shaydullin	Vice President – Director of the Traffic Safety Department
20.	Dmitry Shakhanov	Vice President
21.	Vadim Bynkov	Director of the Legal Department
22.	Olga Gnedkova	Director of the Corporate Finance Department
23.	Vadim Morozov	Senior Advisor to the Russian Railways President

## Remuneration system for the Management Board and information about the amount of remuneration for the Management Board for the reporting year

The remuneration system for members of the Russian Railways Management Board, which was approved by the Russian Railways Board of Directors, was developed to improve the efficiency of the individual and collective work of Management Board members both in the short term and the long term as well as to provide incentives

for the successful performance of Russian Railways as a single economic entity.

Executives are given bonuses for annual results based on the fulfilment of key performance indicators (KPI) and a performance assessment of the Management Board and Russian Railways as a whole.

The KPI system, which includes general corporate and functional indicators, is approved by the Russian Railways Board of Directors.

The total income earned by members of the Russian Railways Management Board amounted to RUB 1,601.7 mln in the reporting year.

## Bioographical information about members of the Russian Railways Management Board



**Oleg Belozerov**

**President of Russian Railways.**

**Born in 1969.**

Mr Belozerov graduated from St Petersburg State University of Economics and Finance with a major in economics and industrial planning in 1992. He is a candidate of economic sciences.

### Professional experience

- 1998-2000 – Commercial Director, Lenenergo;
- 2000 – Deputy Director, Freight Motor Transport Enterprise No. 21;
- 2000-2001 – Office of the Plenipotentiary Representative of the Russian President to the North-West Federal District;
- 2001–2002 – Deputy Director, Corporate Property Management, LOMO;
- 2002-2004 – CEO, Russian Fuel Company;
- July-November 2004 – Deputy Director, Federal Road Agency;
- 2004-2009 – Director, Federal Road Agency;
- March 2009 – Deputy Minister of Transportation of the Russian Federation;
- 2014 – Member of the Russian Railways Board of Directors;
- 2015 – First Deputy Minister of Transportation of the Russian Federation;
- August 2015 – President, Russian Railways.

### Government and industry awards:

Order 'For Merit to the Fatherland (4th Class)'; Order of Honour; Medal of the Order 'For Merit to the Fatherland (1st Class)'; Honorary Certificate of the Russian President; Gratitude of the Russian President; Honorary Certificate of the Government Staff of the Russian Federation; Medal of Pavel Melnikov; Badge 'Honoured Transport Worker of Russia'; Lapel Pin 'Honoured Road Builder of Russia'.