

## General Meeting of Shareholders

The supreme governing body of Russian Railways is the General Meeting of Shareholders. In accordance with Article 47 of the Federal Law 'On Joint-Stock Companies', the resolutions of the General Meeting of Shareholders shall be adopted unanimously by the sole shareholder – the Russian Government – and documented in writing in the form of resolutions and orders.

The resolutions of the Annual General Meeting of Shareholders of Russian Railways in 2015 were documented by Order No. 1233-r of the Russian Government dated 30 June 2015.

Agenda items:

- approval of the annual report and balance sheet for 2014, including the profit and loss statement for 2014;
- spending on dividend payments for Russian Railways common shares for 2014;
- spending on remuneration for members of the Company's Board of Directors;
- spending on remuneration for members of the Company's Audit Commission;
- determining the number of members of the Board of Directors;
- the appointment of members of the Board of Directors;
- determining the number of members of the Audit Commission;
- the appointment of members of the Audit Commission;
- approval of the auditor for 2015;
- the establishment of a special fund at Russian Railways to pay dividends on the Company's preferred shares;
- contribution of RUB 70 mln to the special fund for dividend payments on preferred shares from retained earnings of previous years.

In addition to the Annual General Meeting of Shareholders, there were seven Extraordinary General Meetings of Shareholders in the reporting year on matters concerning an increase in the Company's charter capital, amendments to the Charter and the early termination of the powers and election of the Company's management bodies for which the resolutions are documented in Orders of the Russian Government No. 995-r dated 29 May 2015, No. 1014-r dated 3 June 2015, No. 1605-r dated 20 August 2015, No. 1606-r dated 20 August 2015 and No. 2666-r dated 24 December 2015 as well as Resolutions of the Russian Government No. 516 dated 29 May 2015 and No. 1422 dated 24 December 2015.

## Board of Directors

The Board of Directors is the key component in the corporate governance of Russian Railways and acts on the basis of the legislation of the Russian Federation, the Charter of Russian Railways approved by Resolution No. 585 of the Russian Government dated 18 September 2003 and the Regulation on the Russian Railways Board of Directors approved by Order No. 265-r of the Russian Government dated 25 February 2004.

The main objective of the Board of Directors is to pursue a policy that supports the

Company's dynamic development, improves the sustainability of its operations and also increases profitability.

Independent directors have been elected to the Russian Railways Board of Directors since 2008 in accordance with international corporate governance practices.

In 2015, changes were made to the Russian Railways Board of Directors: in accordance with the resolution of an Extraordinary General Meeting of Shareholders (Order No. 1014-r of the Russian Government

dated 3 June 2015), Kirill Androsov and Dmitry Peskov resigned from the Board of Directors, the number of Board members was reduced to ten people, and a new member of the Board of Directors was elected – Deputy Chairman of the Russian Government Arkady Dvorkovich, who was elected Chairman of the Russian Railways Board of Directors by the resolution of the Board of Directors dated 22 June 2015.