

## Information about the Company's KPI system

The Russian Railways Board of Directors on 30 June 2014 approved the Regulation on the Key Performance Indicators of Russian Railways (hereinafter the Regulation on KPI) in accordance with the Directives of the Russian Government to representatives of the interests of the Russian Federation for participation in meetings of the boards of directors (supervisory boards) of joint-stock companies included in a special list approved by Orders of the Russian Government dated 23 January 2003.

The Regulation on KPI includes two groups of indicators: financial (amount of dividends, EBITDA, EBITDA margin and revenue (collected)) and industry-related indicators (traffic safety level and work performed). The KPI stipulated in the Regulation serve as the basis for motivating members of the Russian Railways Management Board (approved by

the Russian Railways Board of Directors on 30 June 2015).

In 2015, Russian Railways approved the method for calculating the Russian Railways Group's return on invested capital (RIOCI) for unregulated types of activities (in accordance with the guidelines for applying key performance indicators by state

corporations, state companies, state unitary enterprises as well as business companies in which the Russian Federation has a more than 50% stake in charter capital drafted jointly by the Russian Ministry of Economic Development and the Russian State Property Committee and approved by the Russian Government on 27 March 2014).