

# General Meeting of Shareholders

The General Meeting of Shareholders is the highest governing body of JSC FPC. In 2024, one annual General Meeting of Shareholders and three absentee ballots were held.

Resolutions adopted by the General Meeting of Shareholders in 2024

Date	Type of meeting	Decision-making process	Resolutions taken
12.01	Extraordinary	Absentee voting	The number of Board members was determined
14.03	Extraordinary	Absentee voting	Retained earnings of previous years were allocated for dividend payment Resolution was taken on payment of dividends by property
28.06	Annual	Meeting	Resolution was taken on the distribution of JSC FPC's profits and losses based on the results of the reporting year 2023 Resolution was taken not to pay 2023 dividends Members of the Board of Directors of JSC FPC were elected for the term until the third Annual General Meeting of Shareholders of JSC FPC Resolution was taken to pay remuneration to the previous members of the Board of Directors based on their performance in the 2023–2024 corporate year Revised Regulations on the Auditing Commission of JSC FPC and the Regulations on the Payment of Remuneration and Compensation to Members of the Auditing Commission were approved The revised Regulations on the Board of Directors of JSC FPC were approved
28.06	Extraordinary	Absentee voting	Amendments were made to the previously adopted resolutions of the General Meeting of Shareholders of JSC FPC 'On the distribution of retained earnings from previous years' (the amount of dividends and the amount of retained earnings were adjusted)

JSC STATUS Registrar performed the functions of a counting commission.

# Board of Directors

## Nomination and selection of candidates

In accordance with the Articles of Association of JSC FPC, the Board of Directors is elected by the General Meeting of Shareholders. The quantitative composition of the Board of Directors is determined by the resolution of the General Meeting of Shareholders.

The Board of Directors is built based on the principle of balance, which ensures that the number of independent directors and the knowledge, abilities, and experience of the Board members match the size and nature of the Company's operations.

In June 2024, JSC FPC's Annual General Meeting of Shareholders elected the Board of Directors for the first time for a three-year term. This resolution favours the long-term maintenance of the required collective expertise of the Board of Directors and the continuity of the Company's strategic management process.

OJSC Russian Railways selects and appoints candidates for the Board of Directors of JSC FPC based on the Company's current needs, which are determined, among other things, by the outcomes of the Board of Directors' annual performance self-assessment This procedure helps to analyse the work of the Board of Directors as

a whole, assess the individual contribution and degree of involvement of directors in the work of the Board of Directors, identify areas for development and determine the need for expertise required by the Board of Directors in the future.

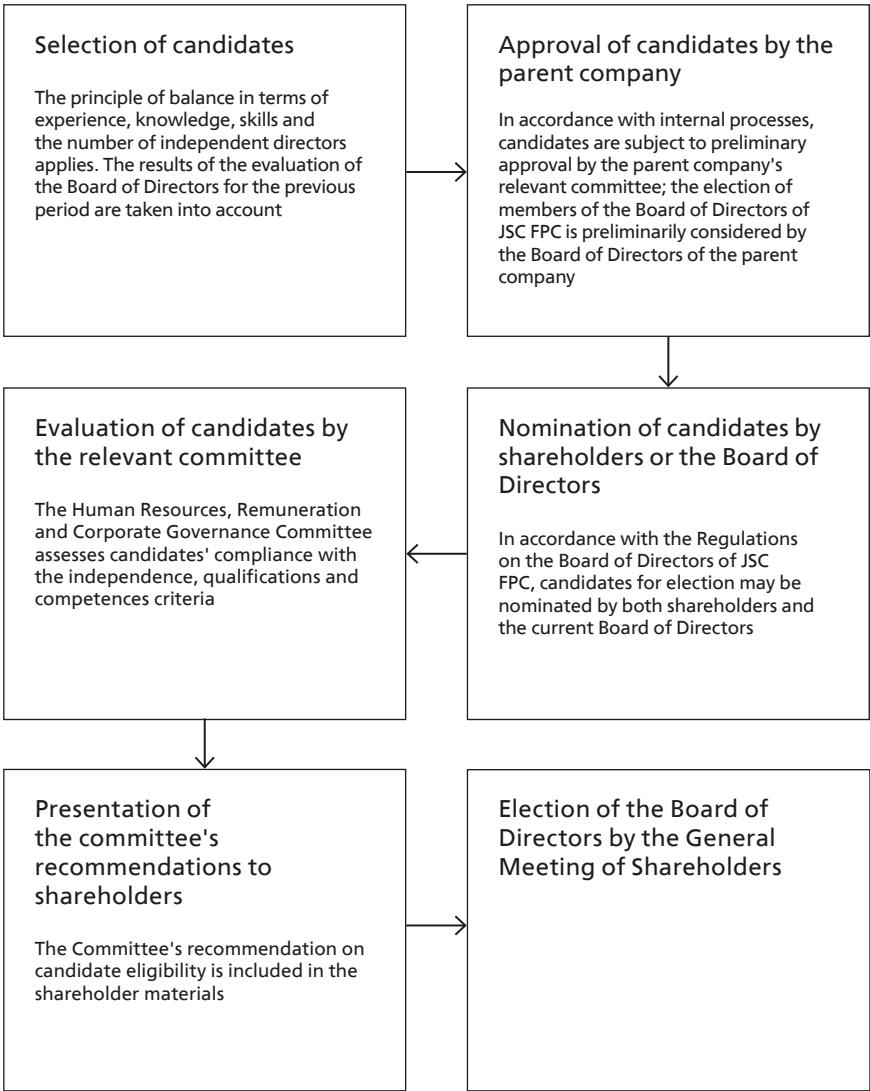
Since JSC FPC is a key controlled company of OJSC Russian Railways, including independent directors in the list of candidates is a mandatory criterion in formation of the Board of Directors. JSC FPC's Board of Directors may include the General Director of JSC FPC.

Candidates to the Board of Directors of JSC FPC shall be persons with impeccable reputation, knowledge, skills and experience necessary for making decisions within the remit of the Board of Directors and required for the effective performance of its functions.

The Human Resources, Remuneration and Corporate Governance Committee analyses the professional qualifications and independence of all candidates before the Annual General Meeting of Shareholders. The Committee uses the findings to formulate suggestions for the Board of Directors' vote on candidate elections and shares them with shareholders.



# Election of the Board of Directors



On 22 July 2024, at the first meeting of the newly elected Board of Directors, Board members familiarised with the Company's performance results for 2020–2023. The Company's General Director introduced the participants to the new technologies of higher-speed passenger service, provided information on the renewed rolling stock fleet, new value-added services for passengers and the work done to improve working conditions and create a favourable environment for the Company's employees. All necessary documents of the Company were handed over to the newly elected members of the Board of Directors in electronic form.

In March 2024, the Human Resources, Remuneration and Corporate Governance Committee of JSC FPC's Board of Directors held an offsite meeting as part of the Russia International Exhibition and Forum, which demonstrates the major achievements of our country. Independent directors who are members of the Committee took part in the offsite meeting, where they checked out new double-decker carriages, while JSC FPC's attendants gave them a tour and presented the features of the new carriages, including a ground-breaking bistro carriage.

In addition, the participants visited an interactive display of OJSC Russian Railways and learnt about its achievements.

In November 2024, independent members of JSC FPC's Board of Directors visited the renovated building of the higher-speed attendant pool of the Moscow-Yaroslavskaya passenger carriage station<sup>1</sup>. The employees told about software products to automate the work and training of attendants and train crews. In particular, the independent directors were shown how VR technology works to simulate passenger behaviour in different types and classes of passenger carriages, as well as the arrangement of seats in the business class cabin of the Lastochka higher-speed train.

In October 2024, an independent Board member and Chairman of the Human Resources, Remuneration and Corporate Governance Committee took part in the 14th Youth Conference of JSC FPC, where he spoke at a panel discussion on the role of young people in addressing the strategic objectives of the country, Russian Railways Holding and JSC FPC.

## Role of independent directors in the Company's activities

Independent directors ensure an objective and comprehensive review of matters based on their knowledge, experience and qualifications. Unbiased judgement and constructive criticism by independent directors at meetings of the Board of Directors and relevant committees help to make well-informed decisions.

Independent directors were elected as Chairmen of the Audit and Risk Committee and the Human Resources, Remuneration and Corporate Governance Committee.

The Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC assesses Board members against the independence criteria set out in the Corporate Governance Code. In 2024, in preparation for the

Annual General Meeting of Shareholders, the Committee formed and presented recommendations to shareholders that contained information on whether the candidates proposed to the Board of Directors as independent directors met all the independence criteria set out in the Code.

In July 2024, the Board of Directors confirmed the independent status of the elected directors based on the results of the evaluation conducted by the Human Resources, Remuneration and Corporate Governance Committee and the declarations of the candidate/Board member recognised as independent. The declarations contain the director's obligations to represent the interests of all shareholders and the Company, despite the existence of a formal criterion/related-party criteria, to inform the Board of Directors about possible appearance of other related-party criteria, occurrence of a conflict of interest and other ethical issues.

## Induction programme

In order to familiarise newly elected members of the Board of Directors with the operational, financial and economic activities of JSC FPC as quickly and efficiently as possible, they are given a special induction course. Taking this course is required by the Induction Programme for newly elected members of the Board of Directors of JSC FPC.

The induction course takes place held at the Company's office and includes meetings of Board members with the General Director and key employees, familiarisation with key documents and presentation materials on the Company's activities and visits to the Company's production facilities.

In order to develop the professional competencies of Board members, the Company encourages them to participate in forums, strategic sessions, conferences and other events dedicated to the specific activities of JSC FPC. Every year, the Company participates in the Transport of Russia International Forum and Exhibition, the main business event of the transport industry. Board members are also invited to participate in the forum, including plenary sessions, working meetings and discussions with representatives of the transport industry and expert community.

<sup>1</sup> It is part of the Moscow branch of JSC FPC.

## Report of the Board of Directors

At the General Meeting of Shareholders of JSC FPC held in January 2024, it was resolved that the Board should consist of nine directors<sup>1</sup>.

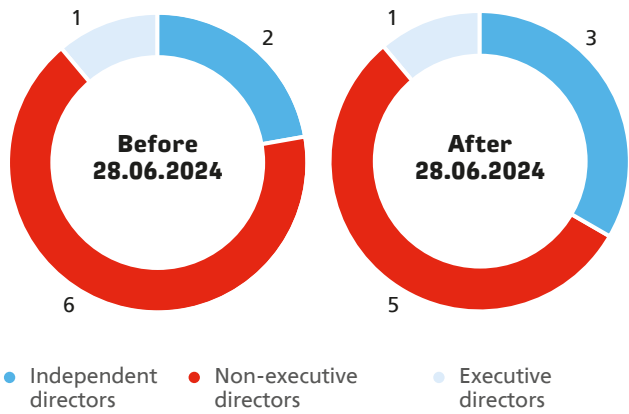
In June 2024, the General Meeting of Shareholders resolved to elect new members to the Board of Directors for a term until the third Annual General Meeting of Shareholders since the election. The current Board of Director include six re-elected members of the previous Board and three new members, including one independent director.

At the end of the seven-year term of independence, one independent director left the Board of Directors. Two non-executive directors resigned due to new personnel appointments at OJSC Russian Railways.

A non-executive director from the newly elected Board of Directors – a representative of the major shareholder, Deputy General Director of OJSC Russian Railways in charge of the railway passenger service system – was elected Chairman of the Board of Directors.

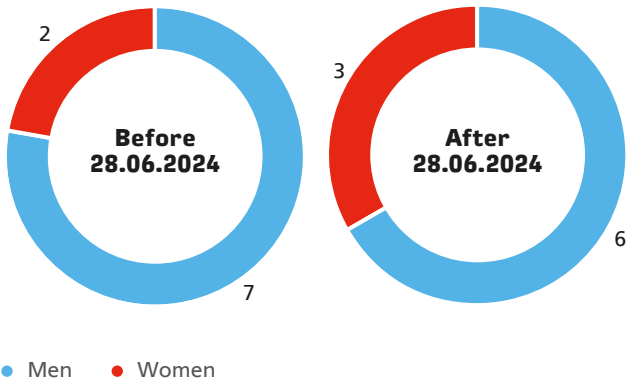
MED 37

Structure of the Board of Directors<sup>2</sup>, people



After the Annual General Meeting of Shareholders held on 28 June 2024, the number of independent members of the Board of Directors increased to the number recommended by the Corporate Governance Code of the Bank of Russia, i.e., at least one third of the total number of directors (three persons).

Gender breakdown of the Board of Directors, people

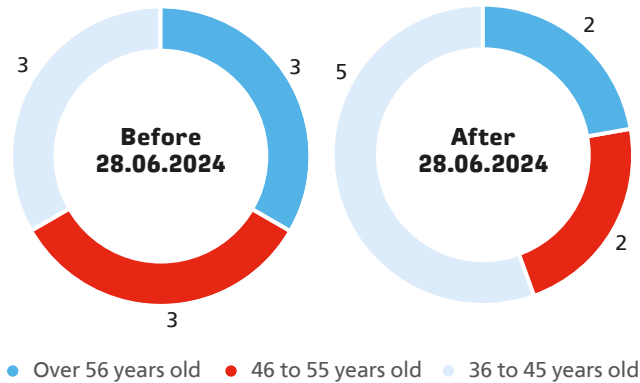


MED 44

The share of female executives on the Board of Directors in 2024 reached

33%

Age breakdown of the Board of Directors, people



The average age of JSC FPC's Board of Directors elected at the Annual General Meeting of Shareholders on 28 June 2024 was

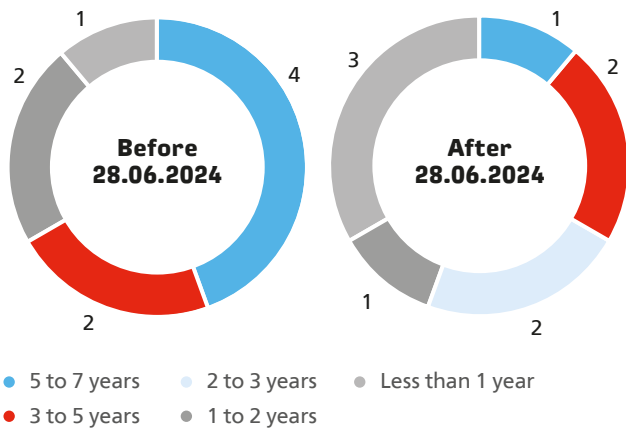
48.9 years

The average tenure of a director on the Board of Directors renewed on 28 June 2024 was

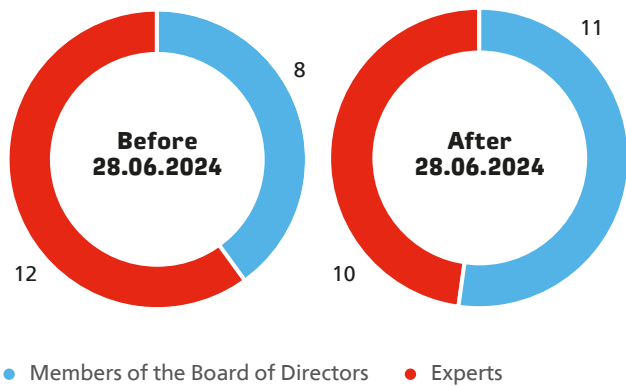
2.5 years

Since the Annual General Meeting of Shareholders held on 28 June 2024, the proportion of JSC FPC's Board members sitting on committees has increased.

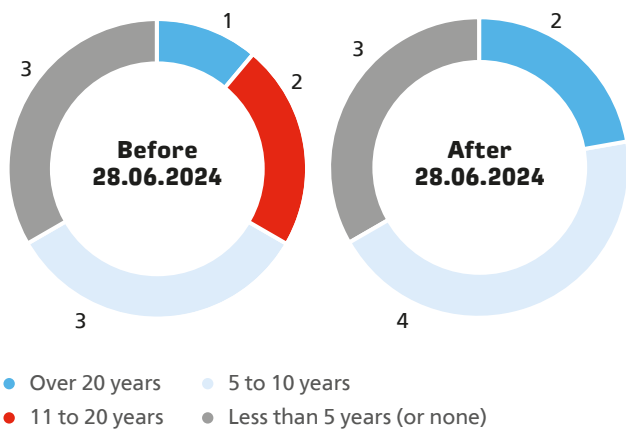
Tenure on the Board of Directors, people



Participation in the work of the Board committees, people



Experience in the transport industry, people



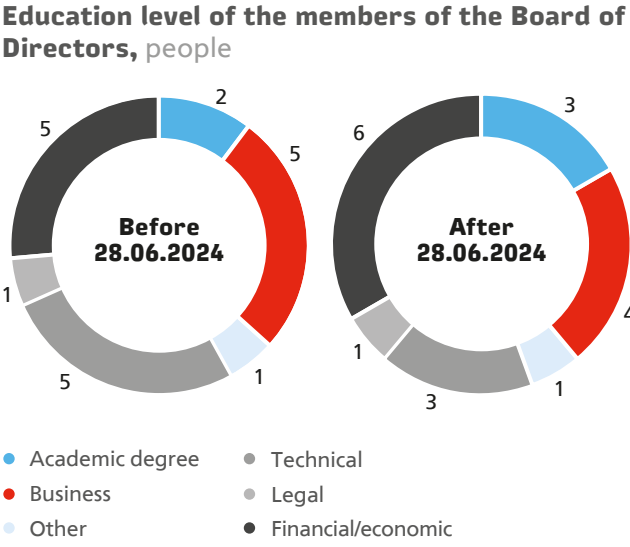
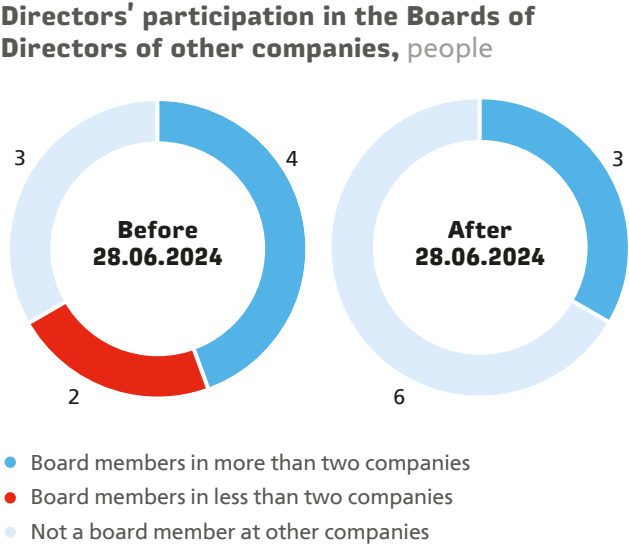
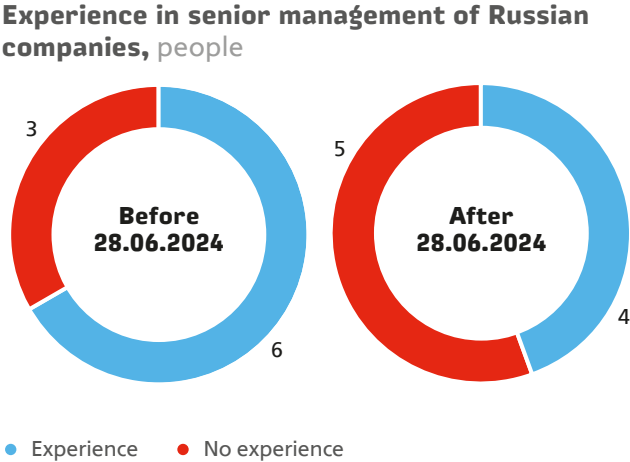
<sup>1</sup> According to the revised Articles of Association of JSC FPC, the quantitative composition of JSC FPC's Board of Directors is determined by a resolution of the General Meeting of Shareholders (previously it was determined by the Articles of Association and comprised nine directors).

<sup>2</sup> Hereinafter, data are given for the two compositions of the Board of Directors that were in place in 2024 – the first composition was in place before the Annual General Meeting of Shareholders held on 28 June 2024, the second composition was elected at that meeting and is in place as of the date of the Report.

Following the Annual General Meeting of Shareholders on 28 June 2024, a sizable portion of the Board

**67%**

had substantial experience in the railway sector



Six out of nine members of the Board of Directors have two higher education degrees or further education (MBA, advanced training, vocational preparation). Three members of the Board of Directors have an academic degree.

Competency matrix of the members of the Board of Directors<sup>1</sup>

Area of competence	D1	D2	D3	D4	D5	D6	D7	D8	D9	D10	D11	D12
Cooperation with public authorities				●		●			●	●	●	●
Experience in technology, including information technology			●	●				●				●
Corporate governance		●	●		●	●	●	●	●			
Macroeconomic and sectoral analysis	●	●						●		●	●	
Strategic planning, management and development	●	●	●	●	●	●	●	●	●	●	●	●
Finance and audit	●	●		●	●		●			●		
Internal control, audit and risk management					●			●				
Human resources management and social responsibility							●		●			
Building of performance appraisal and motivation systems			●		●			●				
Sustainable development and ESG					●							

D – Director

Additional information about members of the Board of Directors

- Members of the Board of Directors do not hold any shares in the authorised capital of JSC FPC, do not own the Company's ordinary shares and have not entered into any transactions to acquire shares of JSC FPC or dispose of them during the reporting year.
- No claims were filed against the members of the Board of Directors in connection with the performance of their duties as members of the Board of Directors.
- The Company did not issue loans (credits) to members of the Board of Directors.
- No notices on conflicts of interest were received by the Board of Directors.
- Non-executive and independent directors are not provided with pension contributions, insurance schemes, investment programmes and other benefits and privileges.

Meetings of the Board of Directors

Meetings of the Board of Directors are held on a regular basis in accordance with the annually-approved work plan of the Board of Directors, as well as when necessary, but at least once a quarter. Along with the work plan, the General Director creates and approves a corporate calendar on instructions from the Board of Directors. This gives them more control over the timing of content generation for corporate events. The corporate calendar includes information on scheduled dates of meetings of the Board of Directors and its committees and dates of sending materials for corporate events.

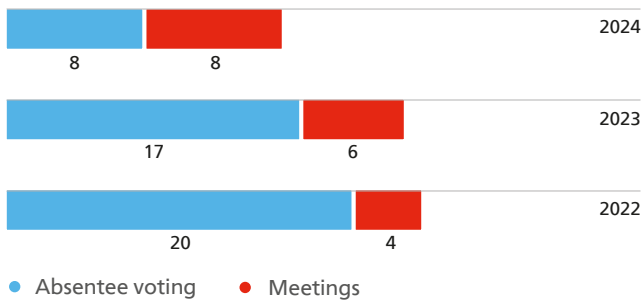
<sup>1</sup> Specifies all directors who were members of the Board of Directors in 2024 (before and after the Annual General Meeting of Shareholders held on 28 June 2024).

MED 36

In 2024, eight absentee votings and the same number of meetings were held. In 2024, the average duration of meetings was 56 minutes. The Board of Directors addressed

119 issues

Form of corporate events of the Board of Directors in 2022–2024

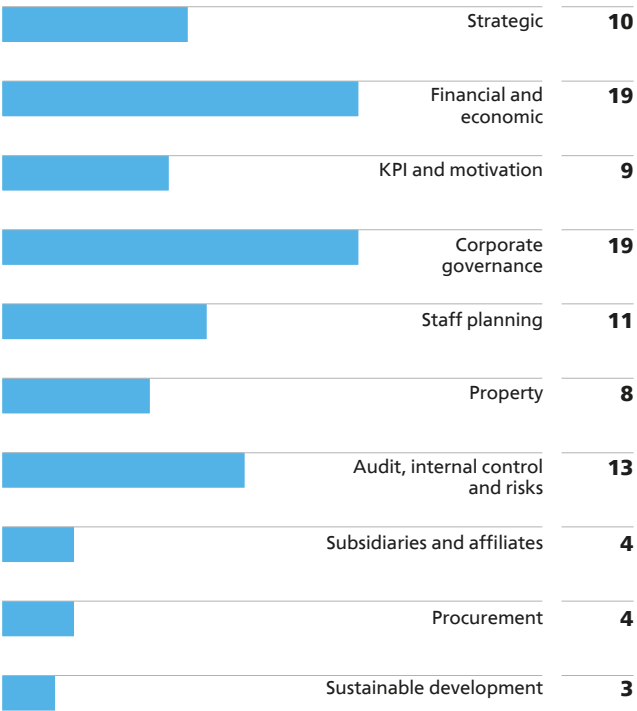


In the reporting year, a balance was maintained between meetings and absentee voting.

**In-person meetings mainly considered the most important issues requiring joint discussion, the list of which is defined by the Regulations on the Board of Directors of JSC FPC, including:**

- Approval of the Company's strategies, budget, Investment Programme and their amendments
- Approval of the Annual Report and annual accounting (financial) statements
- Review of the General Director's report for the reporting period
- Review of the results of performance evaluation of the Board of Directors, members of the Board of Directors, committees of the Board of Directors, and the Corporate Secretary

Structure of issues addressed by the Board of Directors in 2024, %



MED 36

The Board of Directors continues to have a high attendance rate at company events. In 2024, it was 99%<sup>1</sup>. Members of the Board of Directors were offered the option to participate remotely through video-conferencing using domestic software in the event that circumstances prevented them from physically attending a meeting.

MED 36

Information on the participation of members of the Board of Directors of JSC FPC in corporate events of the Board of Directors and committees in 2024<sup>2</sup>

Board member	Board of Directors			Audit and Risk Committee			Human Resources, Remuneration and Corporate Governance Committee			Strategic Planning, Digital Transformation and Information Technology Committee		
Director 1	2(2)/5	4/4	89	2(2)/5	2/2	86	0(2)/3	2/2	80	–	–	–
Director 2	2(6)/8	8/8	100	5(4)/9	3/3	100	–	–	–	–	–	–
Director 3	7(1)/8	8/8	100	5(0)/5	2/2	100	8(0)/8	3/3	100	3(0)/3	1/1	100
Director 4	0(3)/3	3/4	86	–	–	–	–	–	–	0(3)/3	1/1	100
Director 5	5(0)/5	4/4	100	–	–	–	3(0)/3	2/2	100	5(0)/5	0/0	100
Director 6	7(1)/8	8/8	100	–	–	–	–	–	–	5(3)/8	1/1	100
Director 7	2(1)3	4/4	100	–	–	–	5(0)/5	1/1	100	–	–	–
Director 8	3(5)/8	8/8	100	–	–	–	–	–	–	–	–	–
Director 9	4(1)/5	4/4	100	–	–	–	–	–	–	3(0)/5	0/0	60
Director 10	3(5)/8	8/8	100	–	–	–	2(1)/3	2/2	100	–	–	–
Director 11	1(2)/3	4/4	100	–	–	–	–	–	–	3(0)/3	1/1	100
Director 12	8(0)/8	8/8	100	–	–	–	–	–	–	6(2)/8	1/1	100

Meeting    Absentee voting    Share of participation, %

<sup>1</sup> Indicator No. 36 of the guidelines for the preparation of sustainability reporting approved by Order No. 764 of the Ministry of Economic Development of the Russian Federation dated 1 November 2023.  
<sup>2</sup> The data in the table is presented in the format '4(1)/5', which means that the member of the Board of Directors personally attended four out of five meetings and participated in one meeting by submitting a questionnaire.



Key resolutions taken the Board of Directors in 2024

Group of issues	Resolutions taken
Strategic issues	<ul style="list-style-type: none"><li>• The Digital Transformation Strategy of JSC FPC until 2024 was updated</li><li>• The amended Informatisation Programme of JSC FPC for 2024 was approved</li><li>• JSC FPC's budget, Investment Programme and Operational Efficiency and Cost Optimisation Programme for 2024 were approved</li><li>• Budget and Investment Programme adjustments were approved based on the results of the first half of 2024</li><li>• The parameters of the budget, Investment Programme and Operational Efficiency and Cost Optimisation Programme of JSC FPC for 2025–2027 were preliminarily reviewed</li></ul>
Corporate governance	<ul style="list-style-type: none"><li>• The revised Regulations on the Board of Directors of JSC FPC was reviewed:</li><li>• Amendments to the regulations on the committees of JSC FPC's Board of Directors were approved</li><li>• The status of independent members of the Board of Directors was confirmed</li><li>• Decisions were taken on the organisation of activities of the Board of Directors' committees, in particular, to review the committees' report for the 2023/2024 corporate year</li><li>• The results of the evaluation of the performance of the Board of Directors, Board Committees, Board members, Chairman of the Board of Directors, and Corporate Secretary for 2023/2024 year were reviewed</li><li>• Quarterly reports on the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors in 2024 and a report on the delivery of the Board of Directors' work plan for 2023 were reviewed</li><li>• 2023 report on compliance with the Company's Information Policy was reviewed</li></ul>
KPIs and motivation	<ul style="list-style-type: none"><li>• Revised Regulations on the System of KPIs for Awarding Bonuses to the Executives and the Regulations on the Remuneration System for Executives were approved</li><li>• Regulations on the KPI system for determining the variable part of remuneration of the head and employees of the Internal Audit Department were approved</li><li>• Target KPIs for executives for 2024 and lists of corporate and functional KPIs for executives for 2025 were approved</li><li>• Report on fulfilment of the Company's KPIs for 2023 was approved</li></ul>
Human resource planning	<ul style="list-style-type: none"><li>• Candidates for the positions of Deputy General Directors and branch managers of JSC FPC were agreed upon</li><li>• The succession pool for the position of the sole executive body for 2025 was approved</li><li>• The terms of employment agreements with the General Director, key management personnel and the Head of the Internal Audit Department were determined</li><li>• Changes were made to the Company's organisational structure</li></ul>
Audit, internal control and risks	<ul style="list-style-type: none"><li>• Audit organisation was appointed to audit JSC FPC's 2024 RAS and IFRS accounting (financial) statements; the amount of payment for its services for 2024 and the initial (maximum) price of the contract for the audit organisation's services for 2025 were determined</li><li>• Revised Risk Management and Internal Control Policy of JSC FPC was approved<sup>1</sup></li><li>• Revised Regulations on the Auditing Commission of JSC FPC and the Regulations on the Payment of Remuneration and Compensation to Members of the Auditing Commission were reviewed</li><li>• Members of the Auditing Commission were dismissed early and elected for a new term</li><li>• Risk appetite for 2024 is approved and key risk register for 2024 was reviewed</li><li>• JSC FPC's risk monitoring report and the report on the results of the RM&amp;ICS self-assessment for 2023 were reviewed</li><li>• Candidate for the position of Head of Internal Audit Department was agreed on</li><li>• Progress report on the Internal Audit Department's activity plan for 2023 was reviewed</li></ul>
Sustainable development	<ul style="list-style-type: none"><li>• Regulations on the Human Resources, Remuneration and Corporate Governance Committee of the Board of Directors of JSC FPC was supplemented with the functionality on sustainable development and ESG</li></ul> <div>MED 35</div> <ul style="list-style-type: none"><li>• Resolution was taken to join Russian Railways Holding's Sustainable Development Policy<sup>2</sup></li><li>• Report on interim results of the quality management system integration was reviewed</li></ul>
Soundness of financial and economic activities	<ul style="list-style-type: none"><li>• Annual accounting (financial) statements for 2023 were approved</li><li>• Revised Budgeting Policy and the Regulations on the Budget Formation and Utilisation Control were approved</li><li>• Quarterly reports on budget utilisation, Operational Efficiency and Cost Optimisation Programme were reviewed</li><li>• JSC FPC's Insurance Protection Programme for 2025 was approved</li></ul>

Assessment of JSC FPC's Board of Directors performance

The procedure for assessing the performance of the Board of Directors is formalised in the Regulations on Assessing the Performance of the Board of Directors, Committees of the Board of Directors, Members of the Board of Directors and the Corporate Secretary of JSC FPC<sup>1</sup>. It includes annual self-assessment and the possibility of external assessment.

The self-assessment of the performance of JSC FPC's Board of Directors for the 2024–2025 corporate year was conducted in February 2025 through a questionnaire survey of Board members and committee members regarding the performance of the Board of Directors, members of the Board of Directors, the Chairman of the Board of Directors, the Corporate Secretary and Board committees.

The analysis included the review of the needs of the Board of Directors in terms of professional qualifications, experience and business skills of Board members, the number of Board members, and the performance of the Chairman of the Board of Directors, the Corporate Secretary and committees.

The results of the assessment will be reviewed at the Company's Board of Directors meeting in June 2025 in accordance with the Board of Directors' work plan.

The weighted average performance score was 4.81 out of 5 for the Board of Directors and 5 out of 5 – for the Board Chairman.

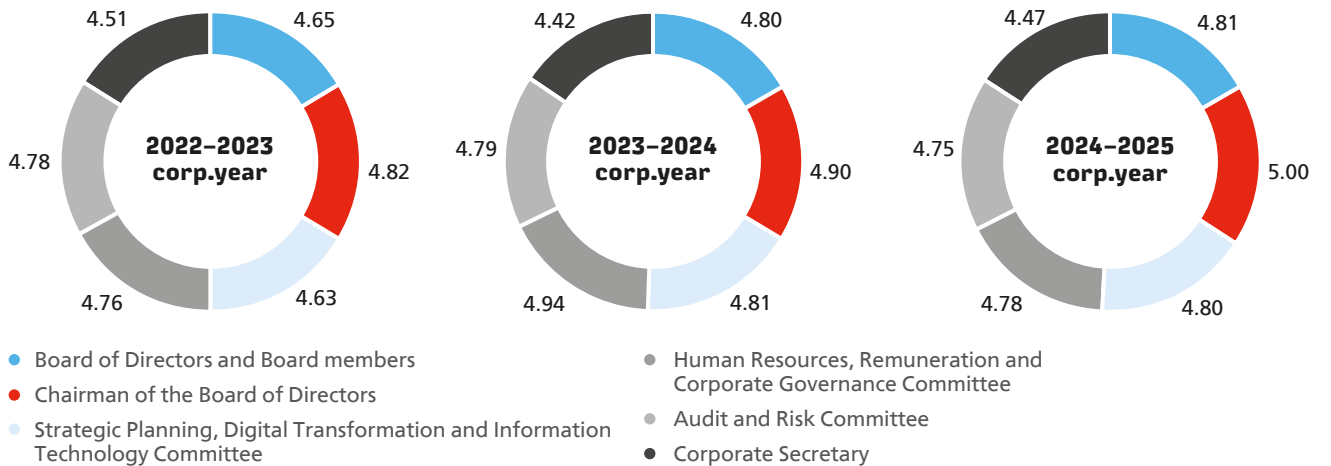
The results of the assessment for the 2024–2025 corporate year showed that the situation is in line with best practice for most of the parameters assessed.

Following the assessment results, proposals for improvement were developed and integrated into the Company's practice.

Key findings from the 2024–2025 assessment:

- The composition of the Board of Directors is balanced in terms of the ratio of executive, non-executive and independent directors.
- The number of independent directors on the Board of Directors corresponds to the level of the Company's corporate governance development.
- The qualitative composition of the Board of Directors (experience and qualifications of Board members) corresponds to the specifics of JSC FPC's business and ensures that the Board of Directors fulfils its functions.
- The number and regularity of corporate events held by the Board of Directors during the corporate year are sufficient for making the necessary decisions.
- The number of meetings of the Board of Directors is sufficient to address and resolve the most important issues.
- The Board of Directors exercises proper control over the implementation of the resolution taken.
- Work planning facilitates the due performance of their functions by the Board of Directors.
- Sufficient level of motivation of the Board members and focus on developing constructive solutions.
- Members of the Board of Directors have the knowledge and experience to effectively fulfil their tasks.

Changes in and analysis of the results of the assessment of the Board of Directors of JSC FPC



<sup>1</sup> Approved by the resolution of the Board of Directors of JSC FPC, Minutes No. 5 dated 12 November 2024.

<sup>2</sup> Approved by the resolution of the Board of Directors of OJSC Russian Railways, Minutes No. 15 dated 27 June 2024.

<sup>1</sup> Approved by the resolution of the Board of Directors of JSC FPC, Minutes No. 23 dated 1 July 2022.

Remuneration of members of the Board of Directors

The motivation principles for Board members, as well as their compensation and reimbursement of expenses, are regulated by the Regulations on Payment of Remuneration and Compensation to Members of the Board of Directors of JSC FPC<sup>1</sup>.

The Regulations include transparent mechanisms to determine remuneration in line with the recommendations of the Corporate Governance Code. The remuneration paid for the past corporate year is the only form of monetary remuneration payable to members of the Board of Directors. Forms of short-term motivation and additional material incentives are not applied.

Remuneration is differentiated depending on the scope of directors’ responsibilities and considers additional time spent on discharging the functions of the Chairman, the Deputy Chairman, and a committee member.

Payments to members of the Board of Directors for discharging extra functions

Function	Payment
Chairman of the Board of Directors	50% of the base part of remuneration
Deputy Chairman of the Board of Directors	25% of the base part of remuneration
Chairman of the Committee	25% of the base part of remuneration
Deputy Chairman of a committee	25% of the base part of remuneration for the meetings where the director acted as Committee Chairman
Committee member	15% of the base part of remuneration

If a member of the Board of Directors is a member of several committees, additional remuneration is calculated and paid for serving on each committee.

Remuneration shall be paid provided that the Board member participated in at least 50% of corporate events (from the moment of their election until the

To calculate the basic remuneration for participation in the work of the Board of Directors, a formula is used based on the fixed part of remuneration adjusted for the attendance at meetings and a coefficient that takes into account the contribution to the work of the Board of Directors as Chairman or Deputy Chairman.

Additional remuneration is payable for serving on a committee of the Board of Directors, which is calculated based on the fixed part of remuneration adjusted for the ration of attendance at committee meetings and an additional factor for discharging the functions of the Chairman, the Deputy Chairman, or a member of a committee.

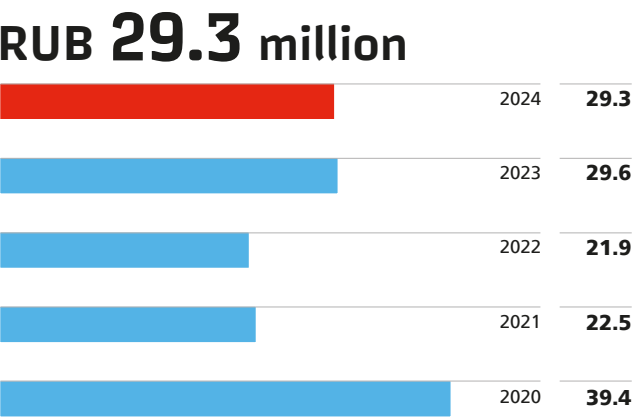
moment of termination of their powers). Additional remuneration shall be paid provided that the Board member participated (either in person or by submitting a questionnaire) in at least 50% of the committee meetings held (from the date of their election until the date of termination of their powers).



Board members get reimbursed for expenses related to participating in corporate events of the Board of Directors (Committee) in the amount of actual expenses confirmed by primary accounting records, including:

- Travel expenses to and from the venue of the meeting of the Board of Directors (Committee)<sup>1</sup> – for an air business-class ticket or for a rail ticket for first-class sleeping carriage
- Travel expenses for a round trip from/to an airport or railway station to/from a hotel
- Accommodation expenses for a single hotel room
- Other expenses related to participation of a Board member in a meeting of the Board of Directors (Committee)

Total remuneration paid to members of the Board of Directors<sup>2</sup>, RUB million



<sup>1</sup> Approved by the resolution of the Annual General Meeting of Shareholders of JSC FPC, Minutes No. 38 dated 3 July 2018.

<sup>1</sup> Including transport insurance of passengers, payment for services related to issuing travel documents.

<sup>2</sup> These amounts do not include personal income tax or payments related to the performance of duties by the General Director under the employment contract with JSC FPC. Two executive directors waived their remuneration in 2023 and 2024. In 2022, four non-executive directors waived their remuneration.