

The Remuneration System of Members of the Executive Board of JSC “Russian Railways”, Remuneration Principles and Indicators Influencing the Remuneration

The current remuneration system for members of the Executive Board of JSC “Russian Railways” approved by the Board of Directors was developed in order to improve the individual and collective performance of the members of the Executive Board both in the short-term and long-term period, as well as performance incentives for JSC “Russian Railways” as a single economic entity.

Bonuses to executives based on their performance for the year are paid according to key performance indicators (KPIs) and an assessment of work of the Executive Board of JSC “Russian Railways” in general.

Key performance indicators of the Executive Board are approved by the Board of Directors of JSC “Russian Railways”.

The levels of key performance indicators are categorized as follows:

- 1 general corporate performance indicators;
- 2 functional indicators;
- 3 indicators for individual tasks.

According to request of the RF President D.A. Medvedev No. Pr-846 dated 2 April 2011, the general corporate performance indicators were supplemented with the cost reduction for purchase of goods (works, services) per unit of production by 10% per year in real terms.

Remuneration received by members of the Executive Board

The aggregate income of members of the Executive Board of JSC “Russian Railways” paid in 2012 was RUR 1,765.8 mln.