

RUSSIAN FEDERATION GOVERNMENT RELATIONS

In 2021, JSC FPC interacted with state authorities in two main areas:

- Ensuring an epidemiologically safe passenger servicing process and organising the work of the Company's personnel
- Obtaining state support as stipulated by Russian law and developing additional measures in this area

As part of the decisions taken by state supervisory authorities to contain the spread of COVID-19, the Company strictly adhered to the decisions of Federal Service on Surveillance for Consumer Rights Protection and Human Well-Being (Rosпотребнадзор) and the Government of the Russian Federation, including when organising interstate transportation.

Based on the results of the work with the ministries and departments involved, in April 2021 the Russian Government allocated an additional RUB 5.58 billion from the Reserve Fund of the Russian Federation to compensate for revenue losses arising from state regulation of tariffs for long-distance passenger carriage in third-class open-plan sleeping carriages and fourth-class seating carriages in 2021.

However, during the formation of the federal budget for 2022 and the planning period 2023-2024 the proposals of JSC FPC on compensation for shortfall in income from state regulation of tariffs were not supported in full. The total three-year subsidy shortfall makes RUB 11.9 billion. Work in this area will continue in spring 2022 as part of the federal budget adjustment procedure.

5.58 RUB BILLION

of additional funds allocated from the Reserve Fund of the Russian Federation to compensate for losses due to state tariff regulation in 2021

In May 2021, the work was completed on the Rules of Provision of Services for Rail Transportation of Passengers, Cargo, Baggage and Unaccompanied Baggage for Personal, Family, Household and Other Needs Not Related to Business Activities, which were approved by the Russian Federation Government Decree No. 810 dated 27 May 2021.

As regards interaction with the Federal Anti-Monopoly Service on tariff setting issues, work was carried out to index state-regulated tariffs for long-distance passenger servicing and to change the model of price regulation for long-distance passenger servicing by railways. Based on the results of the actions taken, tariff indexation for 2022 will be 4.3%.

In July 2021, in order to improve legislative activities and raise public awareness of the Company's activities, JSC FPC joined industry-specific organisations: the Union of Transportation Companies of Russia and the Association of Passenger Transportation, Service, Tourism, Railway Engineering and Technology Market Participants 'Zheldorrazvitie'.