

PROCUREMENT

FPC's procurement activities are governed by the corporate Regulations on Procurement of Goods, Works and Services for the Needs of Joint Stock Company Federal Passenger Company. The document is based on the following Russian laws and regulations:

- Federal Law No. 223-FZ On Procurement of Goods, Works, and Services by Certain Types of Legal Entities dated 18 July 2011
- resolutions by the Russian Government
- other documents adopted pursuant to Federal Law No. 223-FZ.

Savings achieved by procurement in 2018 totalled RUB 2,094.87 million, more than a 6x increase from 2016 (RUB 314 million) and more than a 2x increase from 2017 (RUB 1,032.82 million).

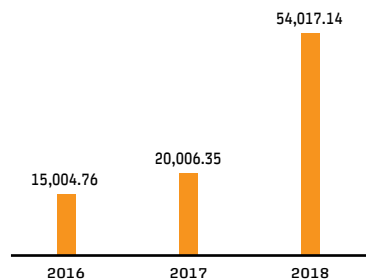
In 2018, FPC's procurement process resulted in 4,561 contracts for a total of RUB 66,477.5 million including VAT, of which:

- 2,130 contracts for a total of RUB 54,017.14 million were entered into through competitive bidding for procurement of goods, works, and services. The total price of contracts for goods, works, and services awarded in 2018 accounted for 81.3% of the total price of the 2018 contracts, more than a 3.6x increase from 2016 and a 2.7x increase from 2017. Bidders submitted a total of 4,173 bids in 2018
- 2,431 contracts for a total of RUB 12,460.36 million, or 18.7% of the total price of the 2018 contracts, were entered into with a single-source supplier (contractor, service provider).

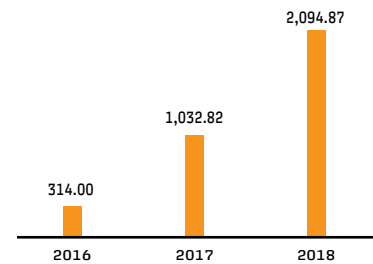
Seeking to comply with the regulatory requirements for procurement of goods, works, and services from small and medium-sized enterprises (SMEs), FPC signed 1,882 contracts with such businesses (over 40% of the Company's 2018 contracts). The total price of the contracts was RUB 19,445.57 million.

In 2018, FPC signed 1,022 contracts through competitive bidding open to SMEs only. The total price of the contracts was RUB 6,333.38 million, almost a 2x increase from 2017.

THE AMOUNT OF CONTRACTS ON A COMPETITIVE BASIS, RUB MILLION



THE ECONOMY OF FUNDS BY RESULTS PROCUREMENT ACTIVITIES, RUB MILLION

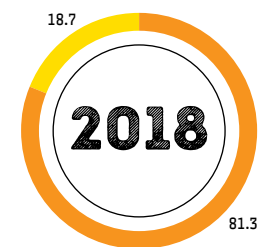


CONTRACTS, CONCLUDED IN 2018, %



- On competitive basis
- With a single-source supplier

THE TOTAL AMOUNT OF CONTRACTS FOR 2018, %



- On competitive basis
- With a single-source supplier

The economy of funds

2,094.87

RUB million

according to the results
of the procurement activities

Company Profile

Development
Strategy

Performance
Overview

Corporate
Governance

Sustainable
Development

Appendices