



## The corporate governance system in place at the Russian Railways Group allows for:

- implementing the policy of Russian Railways, including the dividend policy, with respect to subsidiaries;
- establishing the management and supervisory bodies of subsidiaries;
- monitoring the business planning process and financial and economic activities of S&A;
- interacting with shareholders and investors while observing the rights of minority shareholders, including when arranging transactions associated with the purchase and sale of stakes in S&A;
- balancing the goals of the Russian Railways Group and the strategic activities of the Group's companies.

The following best practices are employed as part of the corporate governance system established at the Russian Railways Group:

- the involvement of independent directors in the work of the Russian Railways Board of Directors and the boards of directors of subsidiaries. The Russian Railways Board of Directors includes four independent directors;
- based on the annual general meetings of shareholders held in 2015, independent directors were involved in

the work of the boards of directors of the 20 largest subsidiaries;

- the committees under the boards of directors consider agenda items on a tentative basis. Three committees operate under the Russian Railways Board of Directors: the Audit and Risk Committee, the Personnel and Remuneration Committee and the Strategic Planning Committee. Committees under the boards of directors functioned at 33 major companies that are part of the Russian Railways Group;

- Russian Railways and its subsidiaries began introducing the key provisions of the Code of Corporate Governance in 2015;
- A treasury control system has been established for the Group's largest subsidiaries.

### Management structure of Russian Railways

