

## Committees of the Board of Directors

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For the purposes of preliminary consideration of the most important matters and preparation of relevant recommendations, the Russian Railways Board of Directors has the following committees in place:

- Strategic Planning Committee;
- Audit and Risk Committee;
- Personnel and Remuneration Committee;
- Digital Transformation and Innovation Committee.

The committees are elected by Russian Railways' Board of Directors and act in accordance with the regulations on the committees as approved by the Company's Board of Directors<sup>1</sup>.



For more details on the Board of Directors' committees, see [Russian Railways' 2023 Annual Report](#), Board of Directors section.

## Management Board

The Company's Management Board is a collective executive body responsible for the general management of business operations.

The Management Board acts in the Company's interests and reports to the Company's General Meeting of Shareholders and the Board of Directors. Members of the Russian Railways Management Board are appointed by the Company's Board of Directors, while the Chairman of the Management Board is appointed by the Government of the Russian Federation.

In 2023, the Management Board of Russian Railways held 123 meetings that reviewed and resolved on a number of matters related to the development of the Russian Railways Group.

### Remuneration of the Management Board

Designed to improve the effectiveness of individual and collective performance of the Management Board members, the remuneration system relies on the achievement of the Company's KPIs. The KPI development principles, KPI structure and list, as well as the procedure for approving and monitoring the implementation of KPIs are established in the Regulation on Key Performance Indicators of Russian Railways<sup>2</sup>.

The total remuneration of the Management Board members accrued and paid in 2023 was RUB 1,182.030 m,

including RUB 377.563 m in salaries, RUB 475.406 m in incentive payments, and RUB 329.061 m in other payments. No compensations were paid.



For more details on the Management Board's performance and remuneration, see [Russian Railways' 2023 Annual Report](#), Management Board section.

For details on the Audit Commission, internal control and audit see [Russian Railways' 2023 Annual Report](#), Audit and Control section.

<sup>1</sup> The Regulation on the Strategic Planning Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 25 April 2014 (Minutes No. 8) and amended by resolution of the Board of Directors dated 19 November 2020 (Minutes No. 1); the Regulation on the Audit and Risk Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 25 April 2014 (Minutes No. 8); the Regulation on the Personnel and Remuneration Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 25 April 2014 (Minutes No. 8); the Regulation on the Digital Transformation and Innovation Committee of Russian Railways' Board of Directors was approved by resolution of the Board of Directors dated 30 May 2019 (Minutes No. 17) and amended by resolution of the Board of Directors dated 19 November 2020 (Minutes No. 1).

<sup>2</sup> Approved by resolution of Russian Railways' Board of Directors dated 22 June 2023, Minutes No. 13.

# Risk management

## Risk management system

As part of its corporate governance framework, the Company has in place a risk management and internal control system ("RMICS") to provide reasonable assurance that the Company will achieve its goals (while balancing costs and benefits), including those in the sustainable development realm.

RMICS is integrated into operational and project activities as well as strategic planning, helping to improve the quality of identification and assessment

of risks and their root causes and contributing to their timely processing through the analysis and refinement of business processes taking into account external and internal factors.

The existing RMICS ensures the Company's robust operations and improves operational efficiency by creating and supporting a risk-oriented culture, values, and behaviours at all organisational levels.

**By integrating RMICS into its business processes and aligning it with corporate goals, the Company maintains its focus on sustainable development.**

## Risk management process

Risk management is integrated into the Company's business processes and is an ongoing exercise that meets the requirements of internal regulatory documents.

As part of the risk management process, risks are identified, assessed, responded to, and monitored, with reports developed to be subsequently reviewed by executive bodies, the Audit and Risk Committee of the Board of Directors, and the Board of Directors. The reports are also provided to external stakeholders and include exhaustive information about the risks, risk response measures, and RMICS performance.

Ongoing information exchange, consultations, vertical and horizontal interaction of RMICS participants are not limited by reporting periods due to continuous risk management and internal control.

**The risk management process focuses heavily on the achievement of sustainability goals, including with due account of the approved risk level.**

