

Management Board

As a collective executive body, the Company's Management Board is responsible for the general management of business operations (except for matters that are reserved to the General Meeting of Shareholders, the Board of Directors or the CEO – Chairman of the Management Board as per the Federal Law On Joint Stock Companies and the Company's Charter, unless otherwise stated by the Charter).

In line with its key responsibilities, the Management Board is tasked with developing proposals on the Company's business strategy, implementing its financial and business policy, making decisions on the most important matters of its day-to-day operations and coordinating activities between its divisions, improving the effectiveness of the internal control and risk monitoring systems, and ensuring respect of shareholder rights and their legitimate interests.

The Management Board carries out its activities in accordance with the laws of the Russian Federation, the Company's Charter, resolutions of the General Meeting of Shareholders and the Board of Directors, the Regulation on the Russian Railways Management Board, and the Company's internal documents. 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 (with the exception of the Chairman of the Management Board, who is appointed by the Government of the Russian Federation).

The Management Board is responsible for:¹

- preparing and submitting the Company's priorities and long-term plans, including annual budgets and the investment programme, to the Board of Directors; preparing progress reports; and developing and approving current operation plans;
- approving internal estimated tariffs, fees and payments for work (services) performed (provided) by the Company that are not related to natural monopolies;
- approving rules that arrange for and ensure accuracy of accounts, as well as submitting the Company's annual report and other financial statements to the relevant government authorities in a timely manner and providing information about the Company's operations to shareholders, creditors and the media;
- submitting prospectuses of securities and other documents related to the issuance of the Company's securities to the Board of Directors;
- arranging for implementation of long-term and current plans of the Company, as well as its investment, financial and other projects;
- establishing the procedure for keeping an account of the Company's affiliates;
- reviewing and coordinating the Company's draft Collective Bargaining Agreements and regulations on industry-wide private pension schemes, mandatory pension insurance, professional pension insurance and an industry-wide railway tariff agreement, as well as submitting them to the Company's CEO and Chairman of the Management Board;
- establishing the procedure for keeping shareholders up-to-date with Company developments;

- establishing a compensation system and incentives for the Company's employees;
- approving the Company's internal documents on matters that are reserved to the Management Board;
- resolving other matters related to the Company's ongoing operations that are submitted for consideration of the Management Board by the Chairman of the Management Board, the Board of Directors or the shareholder.

While performing the above functions in 2020, the Management Board of Russian Railways held 88 meetings that reviewed and resolved on a number of matters related to the development of the Russian Railways Group. The key matters included:

- reviewing the Company's financial and business performance and the delivery on the Company's investment programme and financial plan;
- approving key documents for individual business lines, including the Russian Railways Healthy Lifestyle Programme for 2020–2025, the Marketing Concept of Promoting the Export-oriented Portfolio of the Russian Railways Group in Foreign Markets, the Russian Railways IT Development Programme until 2025, the Human Capital Development Programme until 2025, the Russian Railways Group Non-Organic Growth Strategy Programme until 2025 and potentially until 2036, and the improvement of the Company's private pension plans;
- reviewing performance under the Collective Bargaining;
- Agreement obligations and compliance with the terms of employee competitions, and updating the Collective Bargaining Agreement for 2020–2022;

¹ As per the Regulation on the Russian Railways Management Board approved by Order No. 265-r of the Government of the Russian Federation dated 25 February 2004.

- setting, extending and changing tariffs, fees and rates for services provided by Russian Railways.

Remuneration of the Management Board

In 2020, the remuneration of the members of the Russian Railways Management Board was paid in accordance with the Regulation on the Remuneration System for Members of Russian Railways' Management Board¹. The remuneration system is focused on improving the effectiveness of the individual and collective performance of the Management Board members and based on the achievement of KPI targets, personal performance assessment of each member, and performance assessment of the Management Board and Russian Railways as a whole.

The KPI framework used for bonus calculation purposes comprises a set of corporate and functional indicators. The list of corporate KPIs and KPI targets are approved by the Company's Board of Directors². The lists of functional KPIs and relevant KPI targets are approved by the CEO – Chairman of the Management Board on an annual basis.

In 2020, the Company's Board of Directors approved³ amendments to the Regulation on the Remuneration System for Members of Russian Railways' Management Board introducing the right of any member of the Management Board to waive their bonuses, in full or in part.

The total remuneration of the Management Board members accrued and paid in 2020 was RUB 1,307.285 m, including RUB 781.7 m in salaries and RUB 525.585 m in bonuses. The annual bonus for 2019 was paid to the Management Board members in accordance with the resolution of Russian Railways' Board of Directors (Minutes No. 17 dated 5 June 2020).

Members of the Management Board

No.	Full name	Position
1	Oleg Belozarov	CEO, Chairman of the Management Board
2	Anatoly Krasnoshchek	First Deputy CEO
3	Vadim Mikhailov	First Deputy CEO
4	Sergey Pavlov	First Deputy CEO
5	Elena Kharybina	Chief Accountant
6	Sergey Kobzev	Deputy CEO, Chief Engineer
7	Oleg Valinsky	Deputy CEO, Head of the Directorate of Locomotive Traction
8	Gennadiy Verkhovykh	Deputy CEO, Head of the Central Directorate of Infrastructure
9	Olga Gnedkova	Deputy CEO
10	Andrey Makarov	Deputy CEO
11	Vyacheslav Pavlovsky	Deputy CEO
12	Dmitry Pegov	Deputy CEO
13	Alexander Plutnik	Deputy CEO
14	Rashid Saybatalov	Deputy CEO, Head of the Central Directorate of Traffic Management
15	Oleg Toni	Deputy CEO, Head of the Central and Saint Petersburg Transport Hubs Development Centre
16	Nikolay Fedoseyev	Deputy CEO
17	Anatoly Chabunin	Deputy CEO, Director for Internal Control and Audit
18	Yevgeny Charkin	Deputy CEO
19	Shevket Shaydullin	Deputy CEO, Head of the Traffic Safety Department
20	Dmitry Shakhanov	Deputy CEO
21	Alexey Shilo	Deputy CEO, Head of the Centre for Corporate Transport Services
22	Vladimir Gaponko	Director for Operational Efficiency – Head of the Department of Economics
23	Vadim Bynkov	Head of the Legal Department

For the biographies of the Management Board members, see the Company's website at:



¹ Approved by the Company's Board of Directors (Minutes No. 11 dated 18 December 2019).

² Minutes No. 5 dated 30 December 2020.

³ Minutes No. 16 dated 20 May 2020.