

## External evaluation of corporate governance

Since 2013, FPC has engaged an independent expert to conduct external qualitative assessment of its corporate governance.

In 2016, RAEX (Expert RA) affirmed the Company's 2015 rating A+.gq Very High Level of Management Quality. The management quality system greatly contributes to the promotion and protection of stakeholders' rights.

The positive factors highlighted by the agency include:

- high ownership concentration (RZD's shareholding in FPC's authorised capital amounts to 100% less one share);
- highly organised risk management system;
- highly organised system for control over financial and business activities of the Company;
- highly organised Board of Directors;
- high credit ratings;

- highly organised activities of the Board of Directors' committees;
- high level of cooperation between the Company's governing bodies;
- high level of disclosure;
- highly organised corporate social responsibility;
- ISO 9001 certificates.

## General Director



The management of FPC's day-to-day operations is delegated to the General Director as a sole executive body. The General Director acts as Chairman

of the Company's Science and Technology Board, and also Chairman of the Board of the Heads of the Company's Branches.

The General Director is accountable to FPC's shareholders and the Board of Directors and submits quarterly reports to the Board on the Company's performance (budget performance, contract work performance, HR Policy, Credit Policy, social programmes, insurance coverage, implementation of the Board's resolutions).

The Board of Directors resolves on the election of the Company's General

Director, termination of his/her powers, and approves terms of employment contract, including remuneration and termination.

The General Director is responsible for timely and quality budgeting and budget performance at the Company, preparing budget performance reports, and organising activities at the Company's branches.

On 25 January 2016, Petr Ivanov was nominated FPC's General Director for a three-year term by resolution of the Board of Directors.