



Risk map

No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
Marketing and tariff policy					
1	Declines in passenger volumes on domestic routes (declines in passenger traffic)	Marketing and Tariff Policy Department	Declines in passenger volumes on domestic routes (declines in passenger traffic)	Market-based risk	Occasional/critical
2	Declines in passenger volumes on international routes (declines in passenger traffic)	Marketing and Tariff Policy Department	Declines in passenger volumes on international routes (declines in passenger traffic)	Market-based risk	Rare/critical
3	Passenger preferences shifting towards alternative modes of transport	Marketing and Tariff Policy Department	Passengers shifting to other modes, resulting in lower passenger volumes on domestic and international routes (lower passenger traffic) and reduced market share for FPC (FPC lost 11 p.p. of the domestic market between 2012 and 2016).	Market-based risk	Occasional/critical
4	Fares in the regulated segment growing at a different pace from that projected in the Strategy, with no compensation from the Government	Marketing and Tariff Policy Department	Fares in the regulated segment growing at a different pace from that projected in the Strategy, with no compensation from the Government	Regulatory risk	Likely/critical

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Intolerable	<ul style="list-style-type: none"> Implementation of the Marketing and Competition Strategy to retain existing and acquire new customers from alternative modes (including private cars). Wider application of the Revenue Management System (to cover 100% of trains on regular domestic routes, excluding socially necessary train services) – dynamic pricing is used for 650 trains serving 364 destinations. Optimisation of train schedules (to make them more convenient for passengers), including shorter journey times. Development and promotion of new routes. Rolling stock replacement and upgrades. 	<ul style="list-style-type: none"> Implementation of an optimal Tariff Policy (promotions both in the regulated and deregulated segments). Leveraging the Loyalty Programme to enhance customer relations (when building relationships with individuals, corporates, and university students). 	No
Undesirable	<ul style="list-style-type: none"> Dynamic pricing. Optimisation of international train schedules, including shorter journey times. Development and promotion of new routes. Rolling stock replacement and upgrades. 	Various marketing initiatives (special fares for international long-distance trains).	No
Intolerable	<ul style="list-style-type: none"> Use of innovative rolling stock. Implementation of the Marketing and Competition Strategy to retain existing and acquire new customers from alternative modes (including private cars). Wider application of the Revenue Management System on domestic routes (to cover 100% of trains on regular domestic routes, excluding socially necessary train services) – dynamic pricing is used for 650 trains serving 364 destinations. Dynamic pricing for international trains. Optimisation of train schedules (to make them more convenient for passengers), including shorter journey times. Development and promotion of new routes. 	<ul style="list-style-type: none"> Implementation of an optimal Tariff Policy (promotions both in the regulated and deregulated segments). Leveraging the Loyalty Programme to enhance customer relations (when building relationships with individuals, corporates, and university students). 	No
Intolerable	<ul style="list-style-type: none"> Mileage reductions on loss-making routes. Change of VAT rate. 	<ul style="list-style-type: none"> Adjustment of train frequencies (train cancellations). Reduction of VAT from 18% to 10%. 	Partial



No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
5	Loss of market share due to stiffer competition	Marketing and Tariff Policy Department	FPC losing market share due to increased competition and shifting consumer preferences (FPC lost 11 p.p. of the domestic market between 2012 and 2016)	Market-based risk	Occasional/critical
6	Increased state support for air transport	Marketing and Tariff Policy Department	Declines in rail passenger volumes in the deregulated segment (declines in passenger traffic)	Regulatory risk	Occasional/critical
7	Leakage of personal data of the Loyalty Programme participants	Marketing and Tariff Policy Department, Loyalty Programme Unit	Programme participants making complaints to courts under Federal Law No. 152-FZ On Personal Data	Reputational risk	Rare/negligible
Development					
8	Failure to achieve the target performance of investment projects during the implementation of Investment Programme	Investment Department	Longer payback periods due to larger investments, longer project timelines and higher planned operating costs, as well as lower planned returns	Investment risk	Frequent/critical
9	Technical, economic and performance characteristics of the passenger rolling stock lagging behind international benchmarks	Rolling Stock Management Department	<ul style="list-style-type: none"> No opportunity to increase train speed on RZD's infrastructure. Having to keep more carriages in the Company's fleet. Failure to accommodate passenger volumes. 	Research, technological and operational risk	Likely/minor

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Intolerable	<ul style="list-style-type: none"> • Use of innovative rolling stock. • Implementation of the Marketing and Competition Strategy to retain existing and acquire new customers from alternative modes (including private cars). • Wider application of the Revenue Management System on domestic routes (to cover 100% of trains on regular domestic routes, excluding socially necessary train services) – dynamic pricing is used for 650 trains serving 364 destinations. • Dynamic pricing for international trains. • Optimisation of train schedules, including shorter journey times. • Development and promotion of new routes. 	<ul style="list-style-type: none"> • Implementation of an optimal Tariff Policy (promotions both in the regulated and deregulated segments). • Leveraging the Loyalty Programme to enhance customer relations (when building relationships with individuals, corporates, and university students) 	No
Intolerable	<ul style="list-style-type: none"> • Implementation of the Marketing and Competition Strategy to retain existing and acquire new customers from alternative modes (including private cars). • Wider application of the Revenue Management System (to cover 100% of trains on regular domestic routes, excluding socially necessary train services) – dynamic pricing is used for 650 trains serving 364 destinations. • Development of the Inter-Regional Passenger Service Long-Term Regulation Concept and the Regular Railway Passenger Services Bill. 	<ul style="list-style-type: none"> • Implementation of an optimal Tariff Policy (promotions both in the regulated and deregulated segments). • Leveraging the Loyalty Programme to enhance customer relations (when building relationships with individuals, corporates, and university students). • Adoption of the Inter-Regional Passenger Service Long-Term Regulation Concept and the Regular Railway Passenger Services Bill. 	No
Negligible	<ul style="list-style-type: none"> • Data link encryption at http://pass.rzd.ru. • Certification of the Automatic Route Control System. • SMS authentication for logging in to personal accounts. 	Award of compensation points under the Loyalty Programme.	No
Intolerable	<ul style="list-style-type: none"> • Monitoring the operational performance of the new fixed asset. • Selection of fixed asset providers through tendering procedures. • Making sure the contract contains a clause providing for the provider's responsibility for the fixed asset quality and delivery in due time. 	Drafting an Action Plan to improve the operational performance of the new fixed asset.	Partial
Undesirable	<ul style="list-style-type: none"> • Development of RZD's infrastructure to improve average speeds. • Higher allocations for innovative rolling stock purchases. • Setting technical specifications for newly developed and upgraded rolling stock. 	<ul style="list-style-type: none"> • Larger purchases of new rolling stock. • Timely preventive maintenance. 	No



No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
10	Poor management of strategic projects	Strategic and Organisational Development Department, Project Management Unit	Poor management of strategic projects resulting in strategic project failures	Management risk	Unlikely/negligible
Traffic safety					
11	Breach of traffic safety rules	Rolling Stock Management Department	Train schedule disruptions as well as other safety-related consequences (train crashes, accidents, etc.)	Research, technological and operational risk	Frequent/minor
Technical and technological aspects of product manufacturing, delivery of works and services					
12	Fire safety	Operation and Production Facilities Development Department	Injuries and death, damage to property caused by fires	Research, technological and operational risk	Frequent/negligible
13	Industrial Safety	Operation and Production Facilities Development Department	Accident or incident at a hazardous industrial facility.	Research, technological and operational risk	Unlikely/negligible

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Negligible	<ul style="list-style-type: none"> Improvement of project management methodology. Allocation of human resources for strategic projects. 	No negative impact from the risk occurrence.	No
Undesirable	Implementation of the Action Plan to Improve Traffic Safety Measures and to Achieve Accident Reduction Targets at JSC FPC for 2017, approved by FPC Order No. FPC-618 dated 29 December 2016.	<ul style="list-style-type: none"> Requiring contractors and subcontractors to comply with the Company's Traffic Safety Policy when performing work for FPC. Building personal and collective ownership of traffic safety among FPC's employees. 	Partial
Tolerable	<ul style="list-style-type: none"> Implementation of the Operational Programme for Fire Safety, including: <ul style="list-style-type: none"> centralised contracting for fire prevention/ fighting and emergency response, maintenance of fire protection systems; procurement and maintenance of first response fire fighting equipment; pressure measurements in indoor and outdoor fire water mains; fireproofing of metal and wooden structures. Implementation of the Investment Programme to Equip FPC's Stationary Facilities with Fire-Protection Systems. Implementation of an action plan covering organisational and technical measures. Audits and inspections. 	Fire containment and extinguishing according to specific fire-fighting plans and the existing contract with FGPVO ZDT (Federal State Enterprise Departmental Security Service of Railway Transport) of Russia for emergency response and fire fighting services at FPC's facilities.	Partial
Negligible	<ul style="list-style-type: none"> Implementation of the Operational Programme for Industrial Safety (expert review of industrial safety of buildings, structures and equipment). Implementation of the Investment Programme for Industrial Safety (replacement of equipment that has reached the end of its standard service life). Implementation of action plans covering organisational and technical measures. Development of an Emergency Response Plan. Development of an Oil Spill Response Plan. Audits, inspections and certifications. 	<ul style="list-style-type: none"> Execution of contracts for the provision of emergency response services for gas distribution and consumers' gas systems. Execution of contracts with professional emergency response organisations. Ongoing contract with FGP VO ZDT of Russia for emergency response services. 	No



No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
14	Environmental Safety	Operation and Production Facilities Development Department	<ul style="list-style-type: none"> Administrative sanctions or fines levied against the Company or its officers; extra payments for negative environmental impact. Suspension of operations by authorities, environmental pollution. Negative environmental impact of operations in excess of predetermined limits; contamination of soils or waste water; damage to sewerage systems due to petroleum product spills or damaged treatment facilities. 	Environmental risk	Frequent/negligible
15	Administrative sanctions and fines	Operation and Production Facilities Development Department	<ul style="list-style-type: none"> Administrative sanctions or fines levied against the Company or its officers. Suspension of operations at the facility in question by authorities. 	Research, technological and operational risk	Frequent/negligible
16	Occupational injuries	Occupational Health and Safety Unit	The risk of injury to employees is associated with the lack of control over compliance with occupational health and process safety requirements as well as regulatory requirements for health and safety.	Risk of occupational injuries	Frequent/minor

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Tolerable	<ul style="list-style-type: none"> • Implementation of the Operational Programme for Environmental Safety. • Implementation of investment projects to improve environmental performance. • Implementation of action plans covering organisational and technical measures. • Audits, inspections and training. 	<ul style="list-style-type: none"> • Ongoing contract with FGP VO ZDT of Russia for emergency response services. • Emergency containment and response plans. • Plans to prevent and clean-up spills of crude oil and petroleum products. • Procedure for interaction between FPC, Rail Transport Department at the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing, and other involved governmental agencies in situations where radioactive substances or other sources of ionising radiation above natural background levels or hazardous substances are discovered in carriages of long-distance passenger trains crossing the national border of the Russian Federation. 	Partial
Tolerable	<ul style="list-style-type: none"> • Implementation of Operational Programmes for Fire, Industrial and Environmental Safety. • Implementation of the Investment Programme for Industrial Safety. • Implementation of action plans covering organisational and technical measures. • Audits, inspections, certifications and examinations. 	<ul style="list-style-type: none"> • Procedure for interaction between FPC, Rail Transport Department at the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing, and other involved governmental agencies in situations where radioactive substances or other sources of ionising radiation above natural background levels or hazardous substances are discovered in carriages of long-distance passenger trains crossing the national border of the Russian Federation. • Ongoing contract with FGP VO ZDT of Russia for emergency response services. • Site-specific fire fighting plans. • Emergency containment and response plans. • Plans to prevent and clean-up spills of crude oil and petroleum products. 	Partial
Undesirable	Preventive health and safety measures (briefings, training in safe work practices, etc.).	Payment of sick pay and payments to injured people in accordance with Russian laws.	Partial



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Product manufacturing, delivery of works and services					
17	Infrastructure constraints	Transport Management Department	Lower passenger numbers carried by FPC due to failure to provide convenient schedules; passengers shifting to alternative modes.	Research, technological and operational risk	Rare/negligible
18	Shortage of passenger carriages	Rolling Stock Management Department	<ul style="list-style-type: none"> • Failure to accommodate passenger volumes. • Mileage reductions. 	Investment risk	Occasional/significant
19	Lower quality of passenger carriage repairs	Rolling Stock Management Department	Failure to control the quality of contractors' services and performance under carriage repair contracts.	Research, technological and operational risk	Frequent/negligible
20	Lower customer focus by FPC's staff vs competition	Passenger Service Department	Lower passenger volumes (due to modal shifts).	Human resource risk	Unlikely/significant
21	Lower passenger satisfaction levels due to substandard customer service by RZD Holding's business units involved in the passenger service value chain	Passenger Service Department	Lower passenger volumes (due to modal shifts).	Reputational risk	Likely/negligible

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Negligible	Implementation of the Programme to Increase Average Speeds of Long-Distance Passenger Trains for 2017–2022, approved by Order of JSC RZD No. 2028 dated 30 September 2016.	Submission of a request to RZD to develop a train schedule with shorter journey times.	Partial
Undesirable	<ul style="list-style-type: none"> Higher rates of rolling stock replacement and upgrades (procurement + overhaul with service life extension (KVR)). Early repair of third-class sleeping carriages. Maintenance and depot repair of third-class sleeping carriages approaching the end of their service life to increase capacity at peak times. 	Replacement of third-class sleeping carriages with other types of rolling stock.	No
Tolerable	<ul style="list-style-type: none"> Monthly reliability and quality analysis. Achieving targets for reducing the amount of running repair that involves uncoupling of rolling stock. Inspections of the Company's branches and contractors to monitor compliance with contractual obligations. 	<ul style="list-style-type: none"> Development of rapid corrective measures. More stringent requirements and greater responsibility (including larger fines) in new contracts with contractors. 	Partial
Tolerable	<ul style="list-style-type: none"> Review of the training system (both for new hires and professional development). Launching specialised training involving psychologists. 	<ul style="list-style-type: none"> Professional training in educational institutions listed by FPC and licensed to deliver training under the training programmes agreed with FPC. Participation of FPC's representatives in qualification examinations. 	No
Tolerable	<ul style="list-style-type: none"> Implementation of motivational programmes (Ranks, Personal Salaries, Passport of Trust). Professional training and education of personnel. Engagement of student train attendant teams in the summer holiday period. 	<ul style="list-style-type: none"> Specialised training (under TWI and other programmes). Young employee support programmes. 	No



No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
Public relations					
22	Public dissatisfaction with FPC's services	Corporate Communications Centre	<ul style="list-style-type: none"> Lower satisfaction or complete dissatisfaction of customers with FPC's services can result in a loss of passenger traffic on specific routes or across the country in general. Consumers shifting to road and air modes. The occurrence of this risk may result in major financial losses up to the level where the Company would have to go into liquidation due to unprofitability. 	Reputational risk	Frequent/negligible
23	Damage to business reputation	Corporate Communications Centre	Damage to business reputation may result in lower credit ratings, which, in turn, may lead to higher interest rates on loans raised by the Company or even complete banks' refusal to lend to the Company.	Reputational risk	Frequent/negligible
Safety and security					
24	Threat of terrorist attacks	Transport Security Department	Act of unlawful interference is an illegal action (omission), including a terrorist attack, threatening the safety of transportation and inflicting damage to life, health and property or posing a threat of such consequences.	Research, technological and operational risk	Frequent/negligible

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Tolerable	<ul style="list-style-type: none"> Detailed Regulations on Cooperation of the Heads of FPC Business Units with the Media were developed to make sure such dealings are properly conducted (Order No. 536, dated 24 May 2016). JSC RZD Order on Emergency Response Communications Procedures (Order No. 1, dated 9 January 2017) has been communicated to the employees dealing with the media. A Quick Reference Card for RZD Holding's Front-Line Staff Dealing with Media Members Taking Photos or Videos was developed for train crews (Order No. SH-169, dated 11 January 2017). Special instructions for the heads of FPC business units, FPC's Standard Publicity Threat Response Procedure, was drafted and approved (Order No. FPC-519, dated 21 November 2015). 	Monitoring of negative publicity incidents involving the Company or its employees currently covers not only the media but social networks as well.	No
Tolerable	In order to mitigate the risk of loss of business reputation and to comply with the requirements of the Federal Antimonopoly Service of Russia, FPC's Corporate Communications Centre publishes (discloses) the following financial statements at the Company's website: annual reports, annual accounting statements, and consolidated financial statements of JSC FPC, and the issuer's quarterly statements.	<ul style="list-style-type: none"> Participation in industry exhibitions and conferences and holding image-building events to promote positive perceptions of the Company among experts. Monitoring consumer loyalty to FPC's activities (initiating and maintaining passenger feedback). Monitoring negative reports about the Company in the media space and ensuring prompt anti-crisis responses. Monitoring competitors – key players in the air, road and rail sectors of the transportation services market. Ensuring the Company's full visibility in the media. Generation of own positive information flow. 	No
Tolerable	Implementation of JSC FPC's Transport Infrastructure and Vehicle Security Plans.	Timely communication of threats to federal executive authorities and helping them to discover, prevent and thwart acts of unlawful interference as well as identify the causes and conditions facilitating such acts.	No



No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
25	Disclosure of the Company's confidential or insider information	Corporate Security Department	<ul style="list-style-type: none"> • Third parties obtaining trade secrets, confidential information or other insider information. • The Company's confidential or insider information shared with third parties. • Unauthorised persons entering FPC's premises to steal materials or employees' personal belongings. 	Management risk	Frequent/negligible

26	Risk of corruption	Corporate Security Department	<ul style="list-style-type: none"> • Abuse of office, giving/accepting bribes, abuse of power. • Commercial bribery or other abuse of office by an individual to obtain benefits in the form of money, valuables, other property or other services of pecuniary value or property rights for himself/herself or third parties or unlawful provision of such benefits to said person by other individuals (economic damage, financial losses, reputational risks for FPC). 	Management risk	Frequent/negligible
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Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Tolerable	<ul style="list-style-type: none"> • Verification of compliance with FPC’s local regulations covering the protection of the Company’s confidential and insider information. • Preventive activities. 	<p>Internal investigation of information leaks and disciplinary/administrative action against offenders.</p>	Partial

Tolerable	<ul style="list-style-type: none"> • Communicating provisions of the anti-corruption laws of the Russian Federation and internal anti-corruption policies of JSC FPC to FPC’s employees. • Educating FPC’s employees on the importance of avoiding behaviours at work that can be interpreted by others as a promise or offer of a bribe, or as a consent to accept a bribe or a request for a bribe. • Educating FPC employees on anti-corruption and corruption prevention requirements and liability for corrupt practices; corruption prevention workshops; production and distribution of printed anti-corruption materials. • Educating FPC’s employees to cultivate a culture against accepting gifts that are related to their office or duties. • Checking compliance by FPC’s employees with job-related anti-corruption and corruption prevention procedures, including those related to accepting gifts, and reporting attempts to lead employees into corrupt practices. • Cooperation with law-enforcement agencies in the implementation of anti-corruption measures. Joint inspections. • Maintaining a security hotline to provide FPC’s employees, citizens and third-party organisations with a means to promptly report corrupt practices. 	<p>Cooperation with law-enforcement and judicial authorities to redress damage sustained by FPC.</p>	Partial
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Human resource management					
27	Social tensions among staff	HR and Social Development Department	<ul style="list-style-type: none"> • Damage to the Company's image. • Employees' complaints to various authorities. 	Social risk	Frequent/negligible
28	Shortage of highly skilled staff	HR and Social Development Department	<ul style="list-style-type: none"> • Failure to train skilled personnel in due time; • growing number of passenger complaints; • equipment failures; • increased overtime. 	Human resource risk	Frequent/negligible
Financial and economic management of resources					
29	Supplier prices and the cost of long-distance passenger services growing faster than fares	Economics Department	Mismatch between the actual costs of transportation and the Company's revenues.	Market-based risk	Frequent/negligible
30	Foreign currency risk	Financial Department	Increased FPC's expenditures under agreements and contracts denominated in foreign currencies.	Financial risk	Occasional/negligible
31	Interest rate risk	Financial Department	The risk of increase of interest rates on borrowed funds and funds being raised.	Financial risk	Rare/negligible

Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Tolerable	<ul style="list-style-type: none"> Working meetings with teams. FPC's Employee Information Day. Drafting a Procedure for the Reorganisation of Business Units of FPC's Branches. Inspecting compliance with labour law in the business units of FPC's branches. Cooperation with regional job centres to provide employment for dismissed personnel. 	<ul style="list-style-type: none"> Working meetings with teams. Monthly monitoring of the downsizing process and managing employment relationships with employees being dismissed. 	Partial
Tolerable	<ul style="list-style-type: none"> Professional development training of employees involved in train operations at least once every three years. Timely training and engagement of student train attendant teams for passenger services in the summer holiday period in order to prevent overtime. 	Professional training only in educational institutions that are listed by FPC and hold relevant educational licenses; FPC participation in qualification examinations; provision of training courses.	Partial
Tolerable	<ul style="list-style-type: none"> Use of fixed prices in contracts covering more than one year or unit rate formulas linked to actual inflation. Budgeting below inflation, based on the indices used by RZD Holding (e.g. ref. No. 18868, dated 14 October 2016). No entering into contracts linked to exchange rates; renegotiation of existing contracts denominated in foreign currencies. Notifying the branches of maximum allowed price increases in decentralised contracts. 	<ul style="list-style-type: none"> Drafting a Cost Cutting and Optimisation Plan or amending programmes implemented by FPC (train cancellations, Repair Programme, etc.). Shortened working hours for administrative staff. Adjusting approved budget parameters. 	No
Tolerable	<ul style="list-style-type: none"> Hedging of payments in foreign currencies with derivatives. Renegotiation of contracts denominated in foreign currencies. 	–	No
Negligible	<ul style="list-style-type: none"> Obtaining credit ratings from leading international rating agencies. Renegotiation of interest rates for existing loan agreements (adjusted by agreement of the parties). The main risk factor was eliminated in 2016 – FPC's debut bond offering on the Moscow Exchange helped refinance the debt owed to VTB Bank under a loan agreement by repaying RUB 2.7 billion on 15 June 2016 and replacing the remaining debt with 9.95% p.a. coupon payments. 	–	No



No.	Risk	Risk Owner	Risk description	Risk classification by area of occurrence	Risk likelihood / severity of consequences
32	Liquidity risk	Financial Department	The risk related to threats and opportunities arising in the process of managing FPC's surplus funds (insolvency risks, cash gap risks).	Financial risk	Unlikely/minor
33	Credit risk	Financial Department	Risk of contractors' failure to fulfil their obligations to FPC under signed contracts/agreements.	Financial risk	Unlikely/minor
34	Sharp decrease in subsidies	Financial Department	Risk of a significant reduction in governmental financial support (subsidies).	Financial risk	Rare/critical



Risk tolerance level	Measures to maintain or reduce risk level	Measures to mitigate consequences should the risk occur	Risk occurrence in 2016
Tolerable	<ul style="list-style-type: none"> Daily planning of FPC payments. Placement of surplus cash into deposit accounts with early withdrawal provisions. 	Borrowing; early termination of deposit agreements.	No
Undesirable	<ul style="list-style-type: none"> Use of standard payment terms to minimise advance payments and receive pre-payment for services rendered to counterparties. Requirement for high-risk contractors to provide bank guarantees to secure fulfilment of their obligations to FPC. 	—	No
Undesirable	<ul style="list-style-type: none"> Checking the completeness and validity of provided calculations. 	Providing substantiating documents to support calculations; out-of-court settlements and litigation.	No

