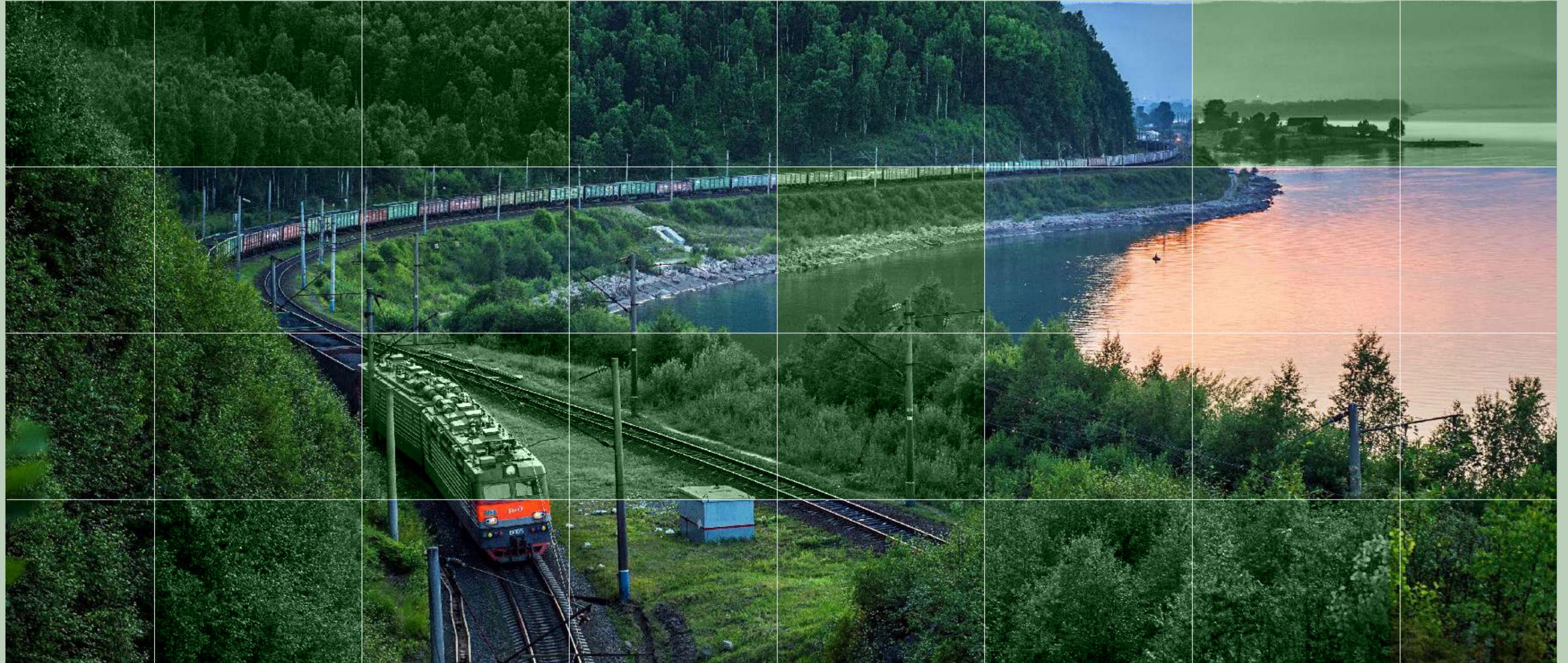


# Corporate Governance

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# Board of Directors

The Board of Globaltrans is responsible for providing effective leadership for the Group, establishing its values and culture, overseeing its governance, and promoting the success of the Group for the benefit of all stakeholders. The Board is composed of highly experienced directors, equipped with the diverse skills, expertise and commercial experience required to lead the Group effectively and provide support for the executive management.

Board of Directors

15  
Members

4  
Independent  
Non-executive  
Directors



**Sergey Maltsev**

**Chairman of the Board, Executive Director, Chief Strategy Officer, Co-founder and shareholder of Globaltrans**

**Appointment:** Mr. Maltsev was elected Chairman of the Board of Directors in April 2018 and has served as Chief Strategy Officer since August 2017.

**Skills and experience:** Mr. Maltsev was instrumental in the development of the freight rail market in Russia and has worked in the industry for over 30 years. He co-founded Globaltrans and served as Chief Executive Officer from 2008 until 2015 when he left the Group. At that point he served as Senior Vice President for strategy and corporate governance at JSC Russian Railways until his return to Globaltrans as Chief Strategy Officer in 2017.

Mr. Maltsev was a founding member and Chairman of the non-profit partnership "Council of Railway Operators". In recognition of his services to the rail industry, Mr. Maltsev received the "Honoured Railwayman of Russia" award. He has a degree in railway engineering.



**John Carroll Colley**

**Independent Non-executive Director, Chairman of the Audit Committee**

**Appointment:** Mr. Colley was appointed to the Board as an Independent Non-executive Director in April 2013.

**Committee membership:** Mr. Colley is Chairman of the Audit Committee and a member of the Nomination and Remuneration committees. In 2021 Mr. Colley became a member of the ESG Committee.

**Skills and experience:** Mr. Colley has extensive experience in international trade and risk management both in the public and private sectors. From 2007 to 2010, Mr. Colley served as country manager for Russia at Noble Resources SA. Prior to that, he held a variety of positions in the public sector, including at the office of the US Trade Representative and the US Department of Commerce in Washington, DC. He worked for Linkful Ltd and Noble Resources SA in Moscow from 1992 to 1999.

Mr. Colley, a fluent Russian speaker, holds an MA in History and a BA in International Affairs and Russian Studies from the University of Virginia.

**Other appointments:** Mr. Colley is currently the principal of Highgate Consulting LLC, a global advisory consulting company.



**Dr. Johann Franz Durrer**

**Senior Independent Non-executive Director, Chairman of the Remuneration and Nomination committees**

**Appointment:** Dr. Durrer was appointed to the Board as an Independent Non-executive Director in March 2008.

**Committee membership:** Dr. Durrer is Chairman of the Remuneration and Nomination committees.

**Skills and experience:** Dr. Durrer began his career at Union Bank of Switzerland and in 1970 founded Fidura Treuhand AG, which provides bookkeeping, auditing and financial services.

Dr. Durrer graduated from the University of Zurich with a doctorate in Economics and is a member of the Swiss Fiduciary Association.



**Vasilis Hadjivassiliou**

**Independent Non-executive Director**

**Appointment:** Mr. Hadjivassiliou was appointed to the Board as an Independent Non-executive Director in September 2019.

**Committee membership:** In 2021 Mr. Hadjivassiliou became a member of the Audit Committee.

**Skills and experience:** Mr. Hadjivassiliou was a partner in Assurance and Advisory services in PricewaterhouseCoopers (PwC), Cyprus, from 1990 until 2018 when he retired. During this time he held various leadership positions with PwC, including as an elected member of the Executive Board, Head of the Limassol office as well as a number of other offices in Cyprus and was a leading figure in business development. He has extensive experience in auditing, International Financial Reporting Standards and business advisory services having advised major local and international groups including companies publicly listed on the London Stock Exchange as well as in Cyprus.

Mr. Hadjivassiliou is a graduate of the University of Manchester and a Fellow of the Institute of Chartered Accountants of England and Wales.

**Other appointments:** Mr. Hadjivassiliou holds directorships in several companies affiliated with his family and is also a Board member in a number of other private companies.



**George Papaioannou**

Independent Non-executive Director

**Appointment:** Mr. Papaioannou joined the Board as an Independent Non-executive Director in April 2013.

**Committee membership:** Mr. Papaioannou is a member of the Audit Committee.

**Skills and experience:** Mr. Papaioannou has an experience of more than 20 years in financial reporting, risk management, auditing, financial performance analysis and taxation. In 2004, he founded G. Papaioannou Auditors Ltd, which provides accounting, audit, tax and consulting services. From 2002 to 2004, he worked at Grant Thornton in Cyprus and before that for PricewaterhouseCoopers in Cyprus.

Mr. Papaioannou holds a degree in Accounting and Financial Management from the University of Essex. He is a qualified chartered accountant and a Fellow of the Institute of Chartered Accountants in England and Wales.



**Alexander Eliseev**

Non-executive Director, Co-founder of Globaltrans

**Appointment:** Mr. Eliseev joined the Board in March 2008.

**Skills and experience:** Mr. Eliseev co-founded Globaltrans in 2004 and has played a leading role in introducing market-based reforms to the Russian freight rail transportation market. He has spent more than 17 years in senior management positions, mostly within the rail sector, and sits on the boards of two Globaltrans subsidiaries, New Forwarding Company and BaltTransServis.

Mr. Eliseev is a graduate of the Russian State Medical University, where he studied biophysics.

**Other appointments:** Mr. Eliseev is Chairman of the Board of Globaltruck, a leading freight trucking operator in Russia, listed on the Moscow Exchange.



**Andrey Gomon**

Non-executive Director

**Appointment:** Mr. Gomon served as a member of the Board of the Company from 2013 to 2016 and rejoined the Board in April 2017.

**Skills and experience:** Mr. Gomon has over 13 years management experience in the railway industry. From 2006 to 2012 he was CEO of Transoil, one of the largest oil rail transportation companies in Russia, having previously served as CFO between 2003 and 2006. He sits on the boards of two Globaltrans subsidiaries, New Forwarding Company and BaltTransServis.

Mr. Gomon studied economics at St Petersburg State University and holds an MBA from INSEAD.



**Elia Nicolaou**

Non-executive Director, Company Secretary, Secretary to the Board

**Appointment:** Ms. Nicolaou joined the Board as a Non-executive Director in March 2008. She is the Company Secretary.

**Committee membership:** Ms. Nicolaou was a member of the Audit Committee in 2020. In 2021, Ms. Nicolaou stepped down as a member of the Audit Committee and became a member and Chair of the ESG Committee.

**Skills and experience:** Ms. Nicolaou has extensive experience in commercial, corporate and funds law. She is currently the Managing Director of Amicorp (Cyprus) Ltd. Previously, she was head of the Corporate Legal department at Polakis Sarris LLC and also worked at C. Patsalides LLC. Ms. Nicolaou participates in various associations of the Cyprus Chamber of Commerce and sits on the boards of other listed and private companies.

Ms. Nicolaou graduated with an LLB in Law from the University of Nottingham and holds an LLM in Commercial and Corporate Law from University College London. She has an advanced diploma in Business Administration from the Cyprus International Institute of Management.



**Melina Pyrgou**

Non-executive Director

**Appointment:** Ms. Pyrgou was appointed to the Board as a Non-executive Director in April 2013.

**Skills and experience:** Ms. Pyrgou is a barrister and registered insolvency practitioner and has practised corporate law for over 25 years. She is currently Managing Director of Pyrgou Vakis Law Firm, a Cyprus-based corporate and commercial law practice. Previously she was Director of Legal Services at PricewaterhouseCoopers in Cyprus. Ms. Pyrgou served as the Chairman of EuropeFides Association, a European network of accounting, audit, tax and legal firms, from 2015 to 2016 and is a member of various business associations.

Ms. Pyrgou graduated from the University of Keele with a degree in Law and Sociology and holds a diploma in Environmental Law from the University of Geneva. She was called to the bar in Cyprus in 1992 and in London (Grays Inn) in 1995.

**Other appointments:** Ms. Pyrgou currently serves as a member of the Cyprus Investments Promotion Agency (CIPA). She also sits on the Disciplinary Committee of the Institute of Certified Public Accountants of Cyprus (ICPAC). Ms. Pyrgou is also a Board member of the Health Insurance Organisation.



**Konstantin Shirokov**

Executive Director, Head of Internal Audit

**Appointment:** Mr. Shirokov was appointed to the Board as an Executive Director in March 2008 and heads Globaltrans' internal audit function.

**Skills and experience:** Mr. Shirokov has over 12 years' senior international management experience. Prior to joining Globaltrans, he worked in senior finance roles at Mechel and as an economist at Glencore International. He served as a non-executive member on the board of Global Ports Investments PLC between 2008 and April 2018 where he was a member of the Audit and Risk committee.

Mr. Shirokov graduated from the Finance Academy under the Russian government and studied business management at Oxford Brookes University.



**Alexander Storozhev**

Executive Director,  
Chief Procurement Officer

**Appointment:** Mr. Storozhev joined the Board as an Executive Director in April 2013.

**Skills and experience:** Mr. Storozhev has held senior management roles throughout a 20-year career in the rail industry and has been with Globaltrans since it was established. He is chairman of a number of Globaltrans subsidiary boards, including AS Spacecom, AS Spacecom Trans, GTI Management and BaltTransServis and serves on the boards of other Globaltrans' subsidiaries including New Forwarding Company and Ural Wagonrepair Company. Since February 2015, he has been Director of Investments and Business Development at New Forwarding Company. Mr. Storozhev is a recipient of the "Honoured Transport Worker of CIS" Award.

Mr. Storozhev graduated from the Kiev Military Academy of Aviation and Engineering in 1990 with a degree in Engineering. He holds a diploma from the Mirbis Business School in Moscow and a Master's degree in Business Administration and Finance.



**Alexander Tarasov**

Non-executive Director

**Appointment:** Alexander Tarasov joined the Board in April 2013.

**Skills and experience:** Mr. Tarasov served as a deputy director general in Sevttekhnotrans, a Globaltrans subsidiary that subsequently merged with Ferrotrans. He has held management positions at a number of leading Russian companies across different sectors, with a focus on financial management and analysis.

Mr. Tarasov graduated from the Bauman Moscow State Technical University with a degree in Engineering and holds a degree in Economics from the Moscow State University of Commerce.



**Michael Thomaidis**

Non-executive Director

**Appointment:** Mr. Thomaidis was appointed to the Board as a Non-executive Director in April 2014.

**Skills and experience:** Mr. Thomaidis served as a director at Globaltrans from 2004 to 2008 and sat on the Board of Global Ports Investments PLC, Russia's leading container port operator. He has been a director at Leverret Holding Ltd (Cyprus) since 2007.

Mr. Thomaidis graduated from London Southbank University with a BSc degree in Consumer Product Management.



**Marios Tofaros**

Non-executive Director

**Appointment:** Mr. Tofaros was appointed to the Board as a Non-executive Director in April 2013.

**Skills and experience:** Mr. Tofaros is a director of the Client Accounting department at Amicorp (Cyprus) Ltd. He was a financial accountant at Depfa Investment Bank Ltd from 2004 to 2008 and a finance officer at Louis Catering Ltd from 2003 to 2004. He has held various positions in the Audit department at KPMG Cyprus.

Mr. Tofaros has a degree in Accounting, Finance and Economics and a master's degree in Business Studies, both from the University of Kent. He holds a chartered certified accountant (FCCA) diploma and is a member of the Institute of Certified Public Accountants of Cyprus.



**Sergey Tolmachev**

Executive Director, Managing Director

**Appointment:** Mr. Tolmachev was appointed to the Board as a Non-executive Director in April 2013 and as an Executive Director in October 2013.

**Skills and experience:** Mr. Tolmachev became the Group's Managing Director in October 2013. He joined N-Trans Group in 2001 and has held various management positions focused on corporate finance and treasury. He also serves on Globaltrans subsidiary boards, including AS Spacecom and AS Spacecom Trans. He has extensive experience in financial analysis and modelling.

Mr. Tolmachev graduated from Lomonosov Moscow State University with a degree in Mechanics and Applied Mathematics.

# Executive Management

The executive leadership has responsibility for managing the Group's day-to-day business operations and support functions. The senior management team comprises the executive directors along with individuals responsible for the key subsidiaries and Group functions. Senior management is in turn supported by a team of highly skilled and competent line managers.



**Valery Shpakov**

**Chief Executive Officer**

Mr. Shpakov became CEO in March 2016, having served as interim CEO since November 2015. He joined New Forwarding Company, a Globaltrans subsidiary, in 2003 and has been its CEO since 2007.

He is an experienced manager with a track record of over 30 years in the rail industry. He began his career in the private sector in 1999 and has held managerial positions at various companies in the transport sector. He is a recipient of the "Honoured Railwayman of Russia" award.



**Sergey Maltsev**

**Chief Strategy Officer, Chairman of the Board, Executive Director, Co-founder and shareholder**

Mr. Maltsev has served as Chief Strategy Officer of the Group since August 2017 and was elected as Chairman of the Board of Directors of Globaltrans in April 2018.

Mr. Maltsev has worked in the rail sector for more than 30 years and was instrumental in the development of the private freight rail market in Russia. Mr. Maltsev was a founding member and Chairman of the non-profit partnership "Council of Railway Operators". Having co-founded Globaltrans, he served as the Company's CEO and member of the Board for over a decade before stepping down in 2015. Subsequently, he worked as the Senior Vice President for strategy and corporate governance at JSC Russian Railways. He is a recipient of the "Honoured Railwayman of Russia" award.



**Alexander Shenets**

**Chief Financial Officer**

Mr. Shenets has been CFO of Globaltrans since the Group's establishment and has more than 15 years of experience in senior finance positions, mostly in the rail sector. He is a member of the boards of GTI Management, New Forwarding Company, BaltTransServis, AS Spacecom, AS Spacecom Trans and Ural Wagonrepair Company, all Globaltrans subsidiaries.

He holds an MBA from Lomonosov Moscow State University.



**Vyacheslav Stanislavsky**

**Deputy Chief Executive Officer, Head of Operations**

Mr. Stanislavsky joined New Forwarding Company, a Globaltrans subsidiary, as Deputy General Director for Operations and Commerce in March 2010 and became First Deputy General Director in April 2011.

He has more than 30 years of experience in the rail industry and is a recipient of the "Honoured Railwayman of Russia" award.



**Alexander Storozhev**

Chief Procurement Officer, member of the Board, Executive Director

Mr. Storozhev joined the Board as an Executive Director in April 2013. He has held a series of senior management roles over a 20-year career in the rail industry. He has been with Globaltrans since the company was established and is Chairman of a number of Globaltrans subsidiary boards, including AS Spacecom, AS Spacecom Trans, GTI Management and BaltTransServis. He also serves on the boards of New Forwarding Company and Ural Wagonrepair Company, both Globaltrans subsidiaries. Mr. Storozhev is a recipient of the "Honoured Transport Worker of CIS" award.

He graduated from the Kiev Military Academy of Aviation and Engineering in 1990 with a degree in Engineering. He also holds a diploma from the Mirbis Business School in Moscow and a Master's degree in Business Administration and Finance.



**Kirill Prokofiev**

CEO of BaltTransServis

Mr. Prokofiev was appointed CEO of BaltTransServis, a Globaltrans subsidiary, in February 2017. Prior to his appointment, he spent more than seven years working in senior executive roles in the rail sector.

He graduated from Saint Petersburg State University of Economics, where he majored in economics. He also holds an MBA in Strategic Management from Moscow's Higher School of Economics.



**Roman Goncharov**

Head of Treasury

Mr. Goncharov has served as CFO of New Forwarding Company, a Globaltrans subsidiary, since 2005 and has over 15 years of management experience.

He has an MBA from the Moscow International School of Business.



**Sergey Avseykov**

Business Development Officer

Mr. Avseykov is in charge of business development for the Group. He joined New Forwarding Company, a Globaltrans subsidiary, in 2011 as Head of the Marketing and Development Division. Between 2017 and 2018, Mr. Avseykov served as acting Head of Business Project Management at JSC Russian Railways before rejoining Globaltrans in 2018.

Mr. Avseykov graduated from Tomsk State University and holds a PhD in political science from the Russian Presidential Academy of National Economics.



**Svetlana Brokar**

Government Relations Officer

Ms. Brokar joined as Government Relations Officer in December 2018. She is an attorney with significant expertise in civil, tax, commercial, corporate, finance and railway transport matters. She has worked with government departments including the Russian Transport, Finance and Railway Ministries. From 2009 to 2013, Ms. Brokar was a member of the Board of New Forwarding Company, a Globaltrans subsidiary, and since 2014 has acted as its in-house legal counsel or provided it with legal services. She also previously worked with the non-profit partnership "Council of Railway Operators".

Ms. Brokar graduated with a law degree from Kaliningrad State University.



**Artem Gabestro**

General Counsel, Corporate Governance Advisor to CEO

Artem Gabestro joined the Group in 2007 as a lawyer before becoming general counsel of Globaltrans two years later. He is a member of the Audit Committee of Globaltrans' subsidiary New Forwarding Company and in January 2020 was appointed as an advisor to Globaltrans' CEO on issues of corporate governance.

Mr. Gabestro is a graduate of Moscow State University of International Affairs and holds a Master's degree in law.

# Corporate Governance Report

Dear shareholders,

On behalf of the Board, I am pleased to introduce the Group's Governance Report for 2020, which provides an overview of how the Board maintained its governance focus in the challenging circumstances we faced last year due to the COVID-19 pandemic.

The Board views good governance, transparency and accountability as essential building blocks in supporting Globaltrans' long-term success and sustainability. In this context, the impact of the COVID-19 pandemic was not only an examination of our strategy and business model, but it was also a real-life test of the Group's governance and in particular the Board's ability to exercise effective leadership and governance oversight during a period when the business was under extreme stress. It is very gratifying to report that the Board of Directors rose to the challenge of leading the Group with great pragmatism, urgency, and commitment.



I would like to thank all of the directors for their input, commitment, and unwavering support during this unprecedented period.

The Board, working closely with the management, took decisive action to mitigate the impact of COVID-19 and to ensure that the business continued to remain fully operational. This included the introduction of measures to protect the health and safety of our employees, to improve costs, to optimise capital allocation (for instance by cancelling all non-essential expansion CAPEX) to protect free cash flows, to safeguard dividend payments, and to maintain a dialogue with the stakeholders. Board and Committee meetings continued as scheduled but as virtual meetings, with all directors participating via remote meeting technology.

As a result, the Board was able to continue to engage with and to provide constructive feedback to the executive team without our governance oversight suffering.

Whilst responding to the impact of the pandemic inevitably took up a lot of the Board's time last year, we nonetheless continued to make progress against our strategic governance priorities. In recognition of stakeholders' growing focus on environmental and social issues, the Board announced in January 2021 the formation of the ESG Committee to oversee the Group's integration of ESG into our strategy and business processes and ensure that our governance continues to evolve in line with international best practice.

The secondary listing of the Company's GDRs on the Moscow Exchange was another important step in increasing the Group's profile with Russian investors, especially with the growing retail base of investors, illustrating again our firm commitment to open and proactive engagement with our stakeholders.

2020 was a very challenging period and I would like to thank the Board and the executive team for their commitment and enthusiasm during this time.

**Sergey Maltsev**  
Chairman  
Chief Strategy Officer  
Co-founder and shareholder

# Corporate Governance Report

## Corporate governance framework

### Corporate governance policies

Globaltrans' corporate governance policies and practices are designed to ensure that the Group upholds its responsibilities to shareholders and other stakeholders. This key principle is promoted and applied across all levels of the Group in order to establish effective and transparent corporate governance. To that end, Globaltrans' Board of Directors has adopted the Company's Code of Corporate Governance (based on the principles of the UK Corporate Governance Code), guaranteeing that the interests of all shareholders are given due consideration.



Globaltrans' policies include, inter alia:

#### Corporate documents and policies

- Articles of Association
- Appointment Policy for the Board of Directors and its committees
- Audit Committee — terms of reference
- Board of Directors — terms of reference
- Dividend Policy
- ESG (Environmental, Social and Governance) Committee — terms of reference
- Nomination Committee — terms of reference
- Policy on assessment of independence and objectivity of external auditor
- Remuneration Committee — terms of reference

#### Business ethics

- Anti-Fraud Policy
- Business Continuity Policy
- Code of Ethics and Conduct
- Corporate Diversity and Inclusion Policy
- Environmental and Energy Policy
- ESG Policy
- Freedom of Association Policy
- Human Rights Policy
- Policy on reporting and investigating allegations of suspected improper activities (Whistleblowing Policy)
- Supplier Code of Conduct

#### Disclosure, transparency and market abuse regulation

- Continuing Obligations Policy
- Corporate policy on the treatment of the rights of minority shareholders
- Disclosure Policy
- Internal control rules for insider information
- List of insider information
- Securities Dealing Code and the PDMR Securities Dealing Code

#### Privacy

- Privacy Policy



For the Group's corporate governance documents and policies, please visit our corporate website at: <https://globaltrans.com/governance/corporate-documents>.

## The Board responsibilities and activities

Globaltrans' Board of Directors is accountable to the Company's shareholders for standards of governance across the Group's activities. The Board is committed to providing effective, transparent and ethical oversight of the Group so that the Board can take decisions which it believes benefit all its stakeholders and communities and create value for the Group.

### Responsibilities

- Providing leadership, setting the overall strategy and ensuring that the necessary components are in place for the Group to meet its objectives.
- Setting Group values and standards, and ensuring that obligations to all stakeholders are understood and met.
- Monitoring and reviewing the performance of the Group and its management.
- Maintaining an effective system of internal control and risk management to safeguard shareholders' rights and interests and the Group's assets.
- Ensuring an effective governance framework and compliance with relevant regulations.
- Assessing from time to time whether the Independent Non-executive Directors continue to demonstrate independence.

Board members are nominated based on their industry knowledge, expertise and experience in areas such as accounting, finance, business management and strategic planning.

In selecting candidates for the Board, the Group seeks to create an effective and complementary Board whose capability is appropriate for the scale, complexity and strategic positioning of the business. Non-executive Directors are drawn from a wide range of industries and backgrounds including infrastructure, transport audit and financial services, and have appropriate experience working with and for large international organisations. In addition, the Group selects Independent Directors intending to ensure that the views of the free-float shareholders are represented and that the interests of all stakeholders are taken into account.

The Board comprises 15 members, eleven of whom are Non-executive Directors. Four of the Non-executive Directors are independent. Globaltrans separates the positions of Chairperson and CEO to ensure appropriate segregation of roles and a clear division of responsibilities.

In 2020, members of the Board of Directors held 16,326,121 shares and GDRs in Globaltrans.

### Diversity

The Board does not operate a formal diversity policy concerning age, gender or educational and professional backgrounds. However, in line with best practice, the Board does take into account these aspects when making new Board appointments and considering the composition of the Board.

There are 2 female members on the Board, equivalent to about 13% of the Board. The Board ranges in age from 40 to over 70 years old, with the average age being 52.5 years. Board members have experience across the following areas: the transportation and port industry, audit, accounting, economics and finance, the banking sector and legal, engineering and mechanics, biophysics and mathematics, history, international affairs and risk management.

### Membership

The process for Board appointments is led by the Nomination Committee and members of the Board are elected at the General Meeting.

# Corporate Governance Report

## Induction and professional development

The Chairman is responsible for ensuring that there is a properly constructed and timely induction for new directors upon joining the Board. Directors have full access to a regular supply of financial, operational, strategic and regulatory information to help them discharge their responsibilities.

## Performance evaluation

The Board's performance is assessed annually and the evaluation process is conducted through a combination of self-assessment and annual appraisals. The Chairman's performance is evaluated by the Non-executive Directors.

## Activities

The Board meets at least four times a year. Fixed meetings are scheduled at the end of each quarter, while ad hoc meetings are called when there are pressing matters requiring the Board's consideration in between the scheduled meetings.

### The Board met

**18** times

during 2020 and considered 79 items including the following:

#### Regular meetings

- Review of the Group's financial and operational performance.
- Approval of the annual budget.
- Review of the Group's performance against the approved annual budget.
- Approval of the annual and semi-annual financial statements and the respective regulatory announcements.
- Review of the results of risk assessments.
- Approval of the Annual General Meeting agenda, including dividend proposals and Board reappointments.
- Approval of appointments to the Board of Directors of subsidiaries.
- Approval of the interim dividend of the Company.

#### Ad hoc meetings

- Approval of change of the GDR depository bank and transfer of GDR Programme.
- Approval of material borrowings and pledges by subsidiaries.
- Approval of the contracts of the Company.
- Approval of Company policies.
- Approval of the remuneration of key management and executive directors.
- Appointment of the key management of the Group.
- Approval of dividend distribution by subsidiaries.
- Review and consideration of various business development opportunities and major transactions.
- Approval of the buyback of the Company's GDRs from the market.
- Approval for the listing of the Company's GDRs on MOEX.
- Changes in the responsibilities of Board members and other matters.

## THE BOARD AND THE BOARD COMMITTEES MEETINGS IN 2020 AND THE ATTENDANCE OF DIRECTORS

	Board of Directors		Nomination Committee		Remuneration Committee		Audit Committee	
	E	A	E	A	E	A	E	A
Sergey Maltsev (Chairman)	18	18						
John Carroll Colley	18	18	1	1	3	3	4	4
Dr. Johann Franz Durrer	18	18	1	1	3	3		
Alexander Eliseev	18	17						
Andrey Gomon	18	18						
Vasilis Hadjivassiliou	18	18						
Elia Nicolaou	18	18					4	4
George Papaioannou	18	18					4	4
Melina Pyrgou	18	18						
Konstantin Shirokov	18	18						
Alexander Storozhev	18	18						
Alexander Tarasov	18	18						
Michael Thomaidis	18	17						
Marios Tofaros	18	18						
Sergey Tolmachev	18	18						

E Eligible

A Attended

## Remuneration of the Board and the management

Directors serve on the Board under letters of appointment which specify their terms of appointment and remuneration. Appointments are effective until the following Annual General Meeting. Remuneration levels for Non-executive Directors reflect their expertise, time commitment, responsibilities and membership of any Board Committees. Directors are also reimbursed for expenses associated with the discharge of their duties.

Non-executive Directors are not eligible for bonuses, retirement benefits or participation in any incentive plans operated by the Group. The Group's shareholders approved the remuneration of Board members for 2020 at the Annual General Meeting held on 30 April 2020. For details of the remuneration paid to the Board and key executives in 2020, please refer to Note 35a of the Group's Consolidated Management Report and Consolidated Financial Statements included in the Financial Statements section of this Annual Report.

The total gross remuneration of the members of the Board of Directors paid by the Group in 2020 amounted to RUB 433 mln.

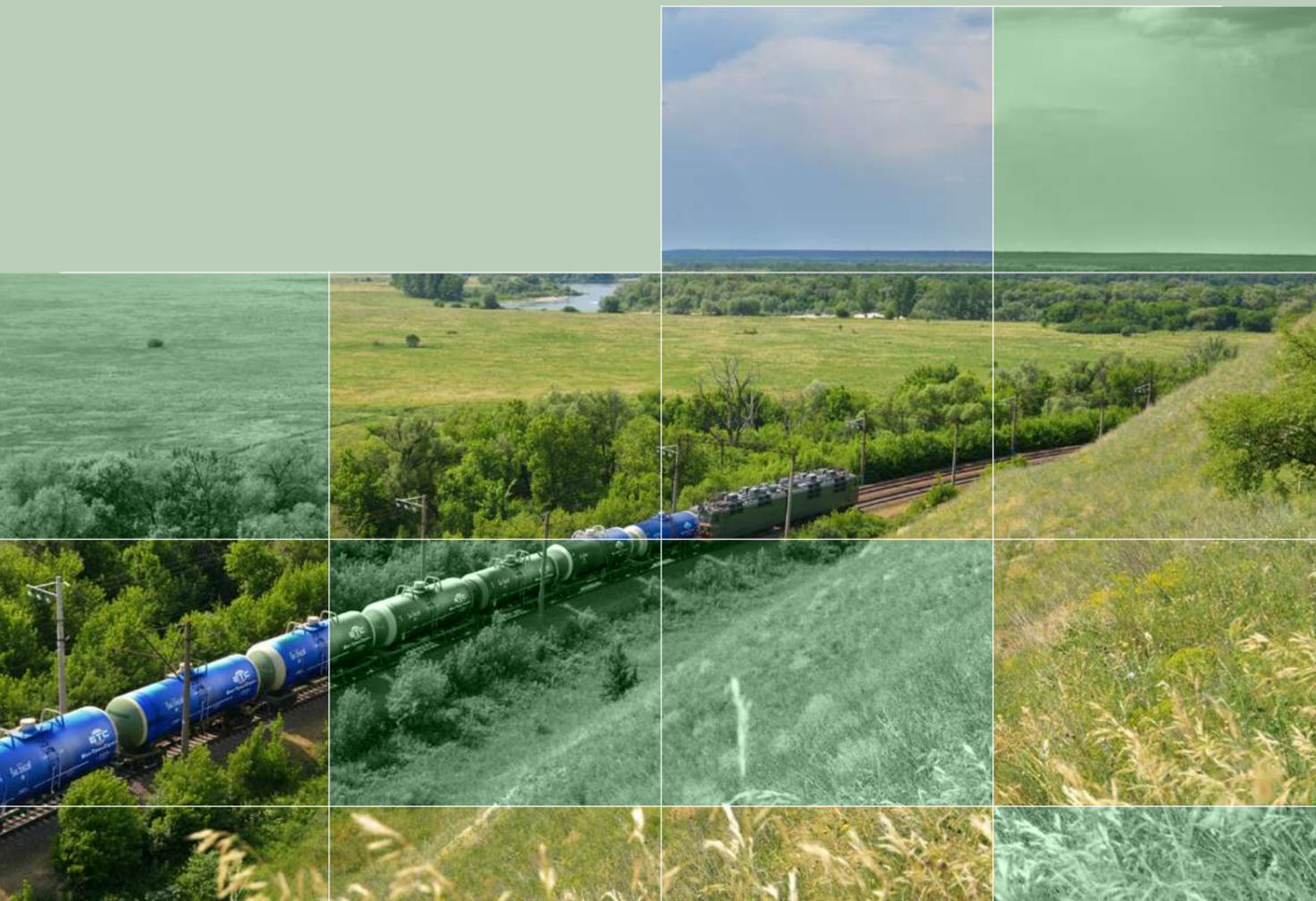
# Corporate Governance Report

## Board committees

In 2020, in order to assist the Board and ensure transparency and impartiality in specific areas, Globaltrans had 3 Board committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. The Chairperson of each committee is an Independent Director. In January 2021, the Group also established the ESG Committee.

All committees are advisory bodies. While these committees have the authority to examine particular issues and report back with recommendations, the ultimate decision-making responsibility for all matters lies with the full Board. Each committee has written terms of reference, approved by the Board, that summarise the committee's role and responsibilities.

**4**  
Board committees<sup>1</sup>



## Audit Committee

The role of the Audit Committee is to ensure the integrity of the Group's published financial information and the effectiveness of the internal audit function and the systems for internal control and risk management, as well as the external audit process.

	Number of members	Members as at 31 December 2020	Minimum meetings a year	Number of meetings in 2020
Members and meetings	 3 members 2 independent	<b>John Carroll Colley</b> , Independent Non-executive Director (Chairman)  <b>Elia Nicolaou</b> , Non-executive Director  <b>George Papaioannou</b> , Independent Non-executive Director	4	4

- Responsibilities**
- Integrity of the Group's financial statements.
  - Effectiveness of the Group's internal control and risk management systems.
  - Relationship with the Group's external auditors, including the audit process and reports.
  - Terms of the auditor's appointment and remuneration.
  - Implementation of codes of conduct.
  - Assessment of the Chairman of the Board's performance.

- Issues considered in 2020**
- Review of the Group's Consolidated Financial Statements for 2019 and interim financial results for the six months ended 30 June 2020.
  - Review of the external auditor's report to the Audit Committee following its full-year audit for 2019 and review for the six months ended 30 June 2020.
  - Review of the Group's external auditor and terms of reappointment for 2020. The Committee recommended reappointment of the external auditors to the Board which, in turn, proposed their reappointment at the Annual General Meeting of the Group held on 30 April 2020.
  - Review of the report of the external auditor on the audit strategy for 2020.
  - Review of regulatory announcements by the Group.
  - Review of internal controls and risk management processes.
  - Approval of non-audit services to be provided to the Group by the external auditor.
  - Review of the internal audit function and reports on its activities, and on the internal audit model and plan.

### THE AUDIT COMMITTEE MEETINGS IN 2020

	Eligible	Attended
John Carroll Colley	4	4
Elia Nicolaou	4	4
George Papaioannou	4	4

<sup>1</sup> Including an ESG Committee established in January 2021.

# Corporate Governance Report

## Nomination Committee

The role of the Nomination Committee is to monitor and review the composition and balance of the Board and its committees to ensure Globaltrans has the right structure, skills and diversity for the effective management of the Group.

	Number of members	Members as at 31 December 2020	Minimum meetings a year	Number of meetings in 2020
Members and meetings	 2 members 2 independent	<b>Johann Franz Durrer</b> , Senior Independent Non-executive Director (Chairman)  <b>John Carroll Colley</b> , Independent Non-executive Director	1	1
Responsibilities	<ul style="list-style-type: none"> <li>Preparation of selection criteria and appointment procedures for Board members.</li> <li>Regular review of the Board's structure, size and composition.</li> <li>Future Board appointments.</li> <li>Recommendations regarding the membership of the Audit and Remuneration Committees.</li> </ul>			
Issues considered in 2020	<ul style="list-style-type: none"> <li>Advice to the Annual General Meeting on the appointment of Board members.</li> <li>Recommendation on appointment of a Director to the Board of the Company.</li> </ul>			

### THE NOMINATION COMMITTEE MEETINGS IN 2020

	Eligible	Attended
Dr. Johann Franz Durrer	1	1
John Carroll Colley	1	1

## Remuneration Committee

The role of the Remuneration Committee is to ensure that executive remuneration aligns appropriately with the business strategy and that the Remuneration Policy remains appropriate.

	Number of members	Members as at 31 December 2020	Minimum meetings a year	Number of meetings in 2020
Members and meetings	 2 members 2 independent	<b>Johann Franz Durrer</b> , Senior Independent Non-executive Director (Chairman)  <b>John Carroll Colley</b> , Independent Non-executive Director	1	3
Responsibilities	<ul style="list-style-type: none"> <li>Remuneration of Executive Directors (Chairman and Executive Directors determine the remuneration for independent members).</li> <li>Review of the Group's Remuneration Policy.</li> </ul>			
Issues considered in 2020	<ul style="list-style-type: none"> <li>Approval of bonuses to the Chief Strategy Officer and the Chief Financial Officer.</li> </ul>			

### THE REMUNERATION COMMITTEE MEETINGS IN 2020

	Eligible	Attended
Dr. Johann Franz Durrer	3	3
John Carroll Colley	3	3

# Corporate Governance Report

## Establishment of the ESG Committee

The Board's strategy and business model aims to deliver sustainable growth for all stakeholders and the consideration of environmental, social and governance (ESG) issues has a central role to play. Companies increasingly are expected by stakeholders to explain how their business impacts on the environment, society and the people in it. The coronavirus pandemic has only served to intensify debate around sustainability and increase calls for greater transparency.

The Group takes its ESG responsibilities seriously and in January 2021 the Board established an ESG Committee to lead its thinking on ESG matters and ensure that ESG issues are integrated into the Group's long-term strategy.

The ESG Committee will also monitor the development of the Group's sustainability strategy, review and recommend ESG disclosures for Board approval and approve the Group's sustainability reports.

The ESG Committee is comprised of 2 Board members: Elia Nicolaou, Non-executive Director, who will serve as the Chair, and John Carroll Colley, Independent Non-executive Director.

The ESG Committee will meet at least 2 times a year. As the Committee was established at the start of 2021, further information about its activities will be published in the Group's Annual Report for 2021.

## Shareholder engagement

The Board places great importance on its relationships with the Company's shareholders. It continually strives to provide high levels of transparency and build trust, recognising that engaging with shareholders is key to creating long-term, sustainable shareholder value. The Board engages with shareholders in a variety of ways. The CEO and CFO meet regularly with the Group's institutional investors to hear their views and provide updates on the Group's strategy and business performance. The Group has a dedicated Investor Relations team that acts as the primary point of contact with the investor community.

Management undertakes a regular schedule of meetings, presentations, conference calls and webcasts with institutional investors and sell-side analysts.

The Group's commitment to open and constructive communication has been particularly important in the last year in light of the coronavirus pandemic. The Board and management worked hard to maintain open channels of communications, maintaining a full investor relations contact programme using remote communications tools to interact with investors. The Group's new website was also launched in 2020, providing easy-to-navigate access and an enhanced investor relations experience.

In connection with the Group's secondary listing on MOEX, the Company arranged 7 interactive events and seminars for Russian retail investors to introduce them to the Company, and set out the investment case. These events were well supported by retail investors in Russia.

There are currently 11 sell-side analysts who monitor Globaltrans. Corporate information, including annual reports, Company announcements and presentations is available on the corporate website at [www.globaltrans.com/investors](http://www.globaltrans.com/investors).



## Internal control and audit

The Board is primarily responsible for establishing a framework of prudent and effective internal controls and risk management in relation to the financial reporting process for the undertakings included in the Group consolidation that enables risks to be assessed and managed and financial reports to be prepared.

The Audit Committee reviews and assesses the Group's internal control and risk management processes. The system of controls is designed to manage rather than eliminate the risks relevant to the

Group's operations and, therefore, can only provide reasonable, and not absolute, assurance against material errors, losses, fraud or breaches of laws and regulations.

At Globaltrans, the body responsible for internal audit is the Internal Audit Service (IAS). It tests the Group's systems of risk management, internal control and corporate governance to obtain reasonable assurance that:

- the risk management system functions efficiently;
- material financial, management and operating information is accurate, reliable and up-to-date;
- the actions of employees and management bodies comply with the Group's policies, standards and procedures and applicable laws;
- resources are procured reasonably and used efficiently and their safekeeping is fully guaranteed;
- Group companies conduct their business in compliance with applicable laws.

Every year the Audit Committee approves an internal audit plan, which is developed by identifying the audit universe, performing a risk analysis and obtaining input from management relative to risks, controls and governance processes. The internal auditor regularly reports to the Audit Committee on the progress of planned audits. If any material internal control deficiencies are identified, they are immediately communicated to the Audit Committee and consequently to the Board.

## External auditor

The Audit Committee manages the relationship with the external auditor on behalf of the Board. Each year it considers the reappointment of the external auditor, reviews requirements of the rotation of the audit partner and the audit firm when applicable, as well as its remuneration and other terms of engagement, and makes a recommendation to the Board. Shareholders are then asked to approve the appointment at the Annual General Meeting.

The Group has a formal policy on assessing the independence and objectivity of the external auditor. It regulates the terms of appointment of the external auditor and the nature of audit and permitted non-audit services provided to the Group. External auditors periodically (at least annually) provide written confirmation to the Committee that, in their professional judgement, they are independent of the Group. The Committee is satisfied that the independence and objectivity of the external auditors is not impaired and that the external audit process remains effective.

The Audit Committee recommended the reappointment of PricewaterhouseCoopers as the Group's external auditor for 2020 and 2021. The appointment for 2020 was approved by the Group's shareholders at the Annual General Meeting on 30 April 2020.



In 2020, Globaltrans' Investor Relations team held

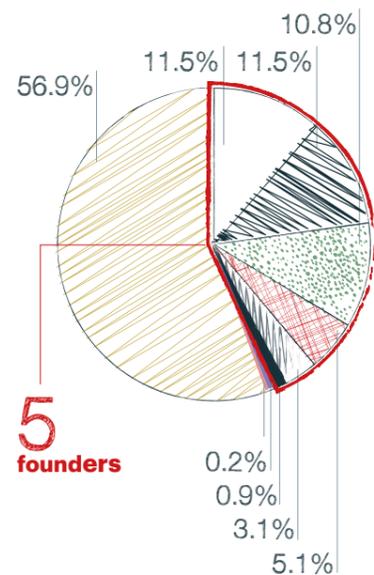
**260 meetings**  
with investors  
and shareholders,

participated in  
**7 investor**  
conferences,

arranged  
**3 roadshows**

# Share Capital

## OWNERSHIP STRUCTURE, AS OF 30 MARCH 2021



- Marigold Investments Ltd <sup>2</sup>
- Onyx Investments Ltd <sup>2</sup>
- Maple Valley Investments Ltd <sup>2</sup>
- Litten Investments Ltd <sup>3</sup>
- Goldriver Resources Ltd <sup>4</sup>
- Transportation Investments Management Ltd <sup>5</sup>
- Directors and management
- Treasury shares
- Free float <sup>1</sup>

Globaltrans was formed in 2004 when a group of like-minded entrepreneurs brought their freight rail businesses together to form the Company, giving it the scale, governance and focus to become one of the leading players in the region.

Those founders continue to be shareholders today with a combined stake of about 43% in total and their entrepreneurial spirit remains at the heart of the Group's culture and approach. In addition, other directors and management of Globaltrans are shareholders in the Company representing about 0.2% of the issued share capital.

In 2008, Globaltrans' founders recognised the benefits of an international listing and undertook an Initial Public Offering on the London Stock Exchange, becoming the first freight rail company serving Russian cargo flows to be listed internationally. In October 2020 Globaltrans' GDRs were admitted to trading on the Moscow Exchange.

Today, the majority of the Company's shares are in the hands of the public with Globaltrans' free float amounting to approximately 56.9%<sup>1</sup> of the issued share capital.

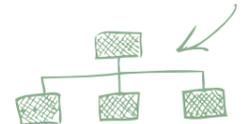
The issued share capital of Globaltrans consists of 178,740,916 ordinary shares with a nominal value of USD 0.10 each, a certain portion of which is held in the form of Global Depository Receipts ("GDRs"). The GDRs represent one ordinary share each and have been traded on the Main Market of LSE (ticker symbol: GLTR) since May 2008 and on the Level One quotation list of MOEX since October 2020 (ticker symbol: GLTR). Citibank N.A. is the depository bank for the GDR programme of Globaltrans.

<sup>1</sup> For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.  
<sup>2</sup> A. Filatov, N. Mishin and K. Nikolaev are co-founders of Globaltrans and are beneficiaries with regard to 11.5%, 11.5%, 10.8% respectively of Globaltrans' ordinary share capital each through their respective SPVs (Marigold Investments Ltd, Onyx Investments Ltd and Maple Valley Investments Ltd).  
<sup>3</sup> Beneficially owned by Alexander Eliseev, Non-executive Director and co-founder of Globaltrans.  
<sup>4</sup> Beneficially owned by Sergey Maltsev, Chairman of the Board of Directors, Chief Strategy Officer and co-founder of Globaltrans.  
<sup>5</sup> Beneficially owned by Andrey Filatov, Nikita Mishin and Konstantin Nikolaev, co-founders of Globaltrans.

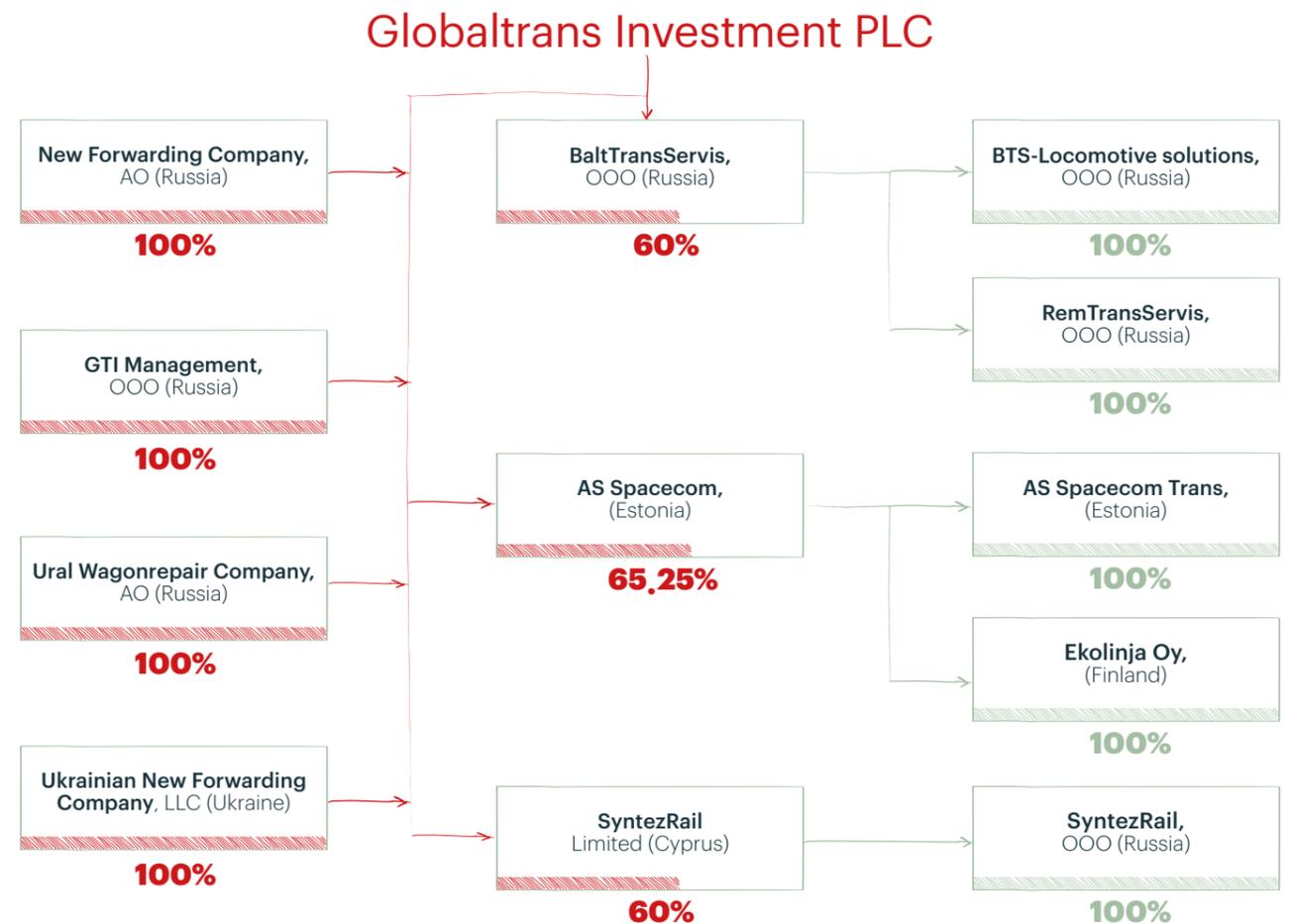
# Corporate Structure

Globaltrans provides freight rail transportation, railcar leasing and other ancillary services to clients in Russia, the CIS and Baltic countries through its subsidiaries – New Forwarding Company, BaltTransServis, GTI Management, SyntezRail, Spacecom, Spacecom Trans and Ukrainian New Forwarding Company.

The Group's corporate structure ensures efficient asset management and operational control while creating logical business segments.



## CORPORATE STRUCTURE, AS OF 31 DECEMBER 2020



Source: Globaltrans