

# Governance

“ Our people are at the heart of everything that we do and in 2021 our focus was again on protecting our employees’ well-being with Health & Safety our top priority. We also focused on supporting their mental health and motivation through positive engagement with staff throughout the year. The pandemic taught us to quickly adapt to the rapidly changing environment. The acceleration in the Group’s digital transformation we believe is benefitting both our people and our Company.

**Julia Ryzhkova**  
Head of HR, New Forwarding Company

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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, and constructive challenge to, the executive management.



## Sergey Maltsev

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

**Appointed:** Chairman in April 2018 and Chief Strategy Officer in 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 to join JSC Russian Railways as Senior Vice President for strategy and corporate governance. He rejoined Globaltrans as Chief Strategy Officer in 2017 before becoming Chairman the following year.

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

**Appointed:** April 2013.

### Committee Memberships:



**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

**Appointed:** March 2008.

### Committee Memberships:



**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, member of the Audit committee

**Appointed:** September 2019.

### Committee Memberships:



### Skills and experience:

Mr. Hadjivassiliou was a partner in Assurance and Advisory services at 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.

15 members

of the Board of Directors

### 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.



## Board of Directors



**George Papaioannou**  
Independent Non-executive Director

**Appointed:** April 2013.

**Committee Memberships:**

A

**Skills and experience:**

Mr. Papaioannou has 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.

**Other appointments:** Mr. Papaioannou holds directorships in a number of family owned companies and in a very limited number of other private companies.



**Alexander Eliseev**  
Non-executive Director, co-founder of Globaltrans

**Appointed:** 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

**Appointed:** 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

**Appointed:** March 2008.

**Committee Memberships:**

E

**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 is a member of the Board of CIFA and WICCI, the Chair of Cyprus-South East Asia Business Association, 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. She was admitted to the Bar in Cyprus in 2003.



**Melina Pyrgou**  
Non-executive Director

**Appointed:** 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.

4 independent

Non-executive Directors

**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.

## Board of Directors



### Konstantin Shirokov

Executive Director,  
Head of Internal Audit

**Appointed:** March 2008.

**Skills and experience:** Mr. Shirokov has over 12 years of 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

**Appointed:** 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

**Appointed:** April 2013.

**Skills and experience:** Mr. Tarasov served as a deputy director general in Sevtekhnotrans, 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 Thomaides

Non-executive Director

**Appointed:** April 2014.

**Skills and experience:** Mr. Thomaides 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. Thomaides graduated from London Southbank University with a BSc degree in Consumer Product Management.



### Marios Tofaros

Non-executive Director

**Appointed:** 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

**Appointed:** Non-executive Director in April 2013 and 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 over 30 years and was instrumental in the development of the private freight rail market in Russia. He 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 a 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 16 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.



## Executive Management



**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 Corporate Governance Report for 2021. The report provides an overview of what the Board focused on during the year, with details on our governance framework that supports the business.**

The Board believes that good governance is essential to the long-term success of the Group and has committed to high standards of compliance. Our governance principles are based on the UK Code of Corporate Governance and are regularly updated and adapted to ensure we remain in line with best practice and meet our obligations to stakeholders.

The Board's governance focus over the last year was on our sustainability agenda, the health and wellbeing of our people, dialogue with shareholders and business resilience.

Sustainability is central to the achievement of our strategic goals and the long-term viability of the business. It is critical that the Group has the governance structure to support its environmental, social and governance strategies, and in January 2021 the Board established a new ESG committee to oversee our sustainability strategy. Thanks to the committee's work, and improved ESG disclosures, our ESG profile improved, and we were rewarded with upgraded ESG ratings and supportive shareholder feedback.

Climate change is high on the Board's agenda. Our industry is well-positioned to facilitate the green transport development and we continue to support management in its efforts to reduce emissions and optimise energy usage. Reflecting our commitment to strong sustainability governance, sustainability plan identifies and focuses on specific sustainability priorities. The Board oversees, and is ultimately responsible for, sustainability and the progress made against the sustainability plan. In response to stakeholders' increasing interest in our climate change approach, Globaltrans has chosen to use the Taskforce for Climate-related Financial Disclosures methodology (TCFD) to align its climate-change reporting. Looking ahead, we intend to increase the level of disclosure as we develop our understanding of the risks and opportunities posed by climate change, as reflected in the Governance of climate-related issues section of this report.

COVID-19 has focused interest on the social aspects of ESG. The Board recognises that the demand for companies to do more in areas such as health and safety, staff development, workforce diversity and equality can only intensify. One of the most important and visible manifestations of how a business treats its employees is safety. Our Company's culture has always been one of safety first, helping to ensure that our people are not put in harm's way. However we can still do more build a sustainable safety culture.

We greatly value the views of shareholders and we appreciate their support of the business. The Board is committed to maintaining high levels of engagement with shareholders. In 2021, we expanded our contact programme to include Russian investors following the successful secondary listing of the Company's GDRs on MOEX in 2020. Our 2021 discussions with shareholders covered a wide range of topics with corporate strategy, governance, and ESG matters especially in focus.

As I have briefly outlined, I am pleased with our progress this year.

**Sergey Maltsev**

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

# Corporate Governance Report

## 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 supported by effective and transparent governance structures. To that end, Globaltrans' Board of Directors has adopted and updated 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 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
- Health and Safety 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>

## 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.

### Membership

The process for Board appointments is led by the Nomination committee and members of the Board are elected at the General Meeting. 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 Chairman and CEO to ensure appropriate segregation of roles and a clear division of responsibilities.

In 2021, members of the Board of Directors held 14,716,545 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 average age of the Board is 53.5 years, and ranges in age from 40 to over 70 years old. Board members have experience across the following areas: the transportation and ports industry, audit, accounting, economics, finance and banking, legal, engineering and mechanics, biophysics and mathematics, history, international affairs and risk management.



# Corporate Governance Report

## Induction and professional development

The Chair 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 17 times during 2021 and considered 70 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 material borrowings and pledges by the Company and its subsidiaries.
- Approval of the contracts of the Company.
- 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 prolongation of the buy-back of the Company's GDRs from the market.
- Consideration of M&A transactions.

17 times

The Board met in 2021

## The Board and the Board Committees meetings in 2021 and the attendance of Directors

	Board of Directors		Nomination committee		Remuneration committee		Audit committee		ESG committee	
	E	A	E	A	E	A	E	A	E	A
Sergey Maltsev (Chairman)	17	17								
John Carroll Colley	17	17	1	1	5	5	6	6	2	2
Dr. Johann Franz Durrer	17	17	1	1	5	5				
Alexander Eliseev	17	17								
Andrey Gomon	17	17								
Vasilis Hadjivassiliou	17	17					6	6		
Elia Nicolaou	17	17							2	2
George Papaioannou	17	17					6	6		
Melina Pyrgou	17	17								
Konstantin Shirokov	17	17								
Alexander Storozhev	17	17								
Alexander Tarasov	17	17								
Michael Thomaides	17	17								
Marios Tofaros	17	17								
Sergey Tolmachev	17	17								

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 2021 at the Annual General Meeting held on 29 April 2021. For details of the remuneration paid to the Board and key executives in 2021, 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.

# Corporate Governance Report

## Board committees

Globaltrans has 4 principal committees that advise the Board: the Audit committee, the Nomination committee, the Remuneration committee and the ESG committee. These committees oversee, review and monitor key areas on behalf of the Board and while they have the authority to make recommendations, 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.



### 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.

#### Members and meetings

Number of members	Members as at 31 December 2021	Minimum meetings a year	Number of meetings in 2021
3 members; all independent	John Carroll Colley, Independent Non-executive Director (Chairman)  Vasilis Hadjivassiliou, Independent Non-executive Director  George Papaioannou, Independent Non-executive Director	4	6

#### 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 2021

- Review of the Group's Consolidated Financial Statements for 2020 and interim financial results for the six months ended 30 June 2021.
- Review of the external auditor's report to the Audit Committee following its full-year audit for 2020 and review for the six months ended 30 June 2021.
- Review of the Group's external auditor and terms of reappointment for 2021. 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 29 April 2021.
- Review of the report of the external auditor on the audit strategy for 2021.
- 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 2021

	Eligible	Attended
John Carroll Colley	6	6
George Papaioannou	6	6
Vasilis Hadjivassiliou	6	6

4

Board committees



### NOMINATION COMMITTEE

The role of the Nomination committee is to monitor and review the size, 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.

#### Members and meetings

Number of members	Members as at 31 December 2021	Minimum meetings a year	Number of meetings in 2021
2 members; all independent	Johann Franz Durrer, Senior Independent Non-executive Director (Chairman)  John Carroll Colley, Independent Non-executive Director	1	1

#### Responsibilities

- Preparation of selection criteria and appointment procedures for Board members.
- Regular review of the Board's structure, size and composition.
- Future Board appointments.
- Recommendations regarding the membership of the Audit and Remuneration committees.

#### The Nomination Committee meetings in 2021

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

#### Issues considered in 2021

- Advice to the Annual General Meeting on the appointment of Board members.
- Recommendation on appointment of Directors to the Committees of the Board.

# Corporate Governance Report



## 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.

### Members and meetings

Number of members	Members as at 31 December 2021	Minimum meetings a year	Number of meetings in 2021
2 members; all independent	Johann Franz Durrer, Senior Independent Non-executive Director (Chairman)  John Carroll Colley, Independent Non-executive Director	1	1

### Responsibilities

- Remuneration of Executive Directors (Chairman and Executive Directors determine the remuneration for independent members).
- Review of the Group's remuneration policies.

### Issues considered in 2021

- Approval of bonuses to the chief strategy officer, chief financial officer and managing director.

### The Remuneration Committee meetings in 2021

	Eligible	Attended
Dr. Johann Franz Durrer	5	5
John Carroll Colley	5	5



## ESG COMMITTEE

The role of the ESG committee is to monitor the development of the Group's sustainability strategy, review and recommend ESG disclosures for Board approval and approve the Group's sustainability reports.

### Members and meetings

Number of members	Members as at 31 December 2021	Minimum meetings a year	Number of meetings in 2021
2 members; 1 independent	Elia Nicolaou, Non-executive Director (Chair)  John Carroll Colley, Independent Non-executive Director	2	2

### Responsibilities

- Monitoring of the development of the Group's sustainability strategy (issues, policies, initiatives related to ESG).
- Oversight of ESG disclosures.
- Approval of annual integrated sustainability reports.
- Review of the ESG activities of the Group.
- Review of key performance indicators.

### Issues considered in 2021

- Review of the Group's ESG activities and key performance indicators in 2020 covered in the annual integrated sustainability report.
- Approval of the annual integrated sustainability report for 2020.
- Approval of the 2021 meetings/work plan of the ESG committee.
- Review of latest sustainability trends, the Group's ESG activities, and investor feedback during the H1 2021 non-deal roadshow.
- Review of the Group's ESG plan, key activities and ESG performance in H1 2021.
- Review and approval of the ESG work plan for H2 2021.

### The ESG Committee meetings in 2021

	Eligible	Attended
Elia Nicolaou	2	2
John Carroll Colley	2	2



# Corporate Governance Report

## 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 management, along with Investor Relations team, worked hard to maintain open channels of communications, using remote communications tools to interact with investors. In connection with the Group's secondary listing on the Moscow Exchange, the Company focused on events and seminars for Russian retail investors to introduce them to the Company and set out the investment case. Over 2,000 local investors took part in these events during 2021 contributing to the significant increase in the stock liquidity. The Group's new website was also launched in 2020, providing easy-to-navigate access and an enhanced investor relations experience.



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).

>2,000

local investors took part in dedicated seminars in 2021

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; and
- 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 on 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 2021 and 2022. The appointment for 2021 was approved by the Group's shareholders at the Annual General Meeting on 29 April 2021.

# Share Capital

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.

These founders remain shareholders with a total stake of about 43% between them, and their entrepreneurial December 2021, news surrounding spirit remains at the heart of our culture and approach today. In addition, other directors and officers of Globaltrans are shareholders of the Company representing approximately 0.2% of the issued share capital.

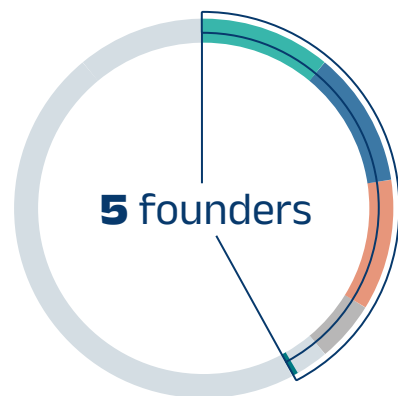
In 2008, Globaltrans' founders recognised the benefits of an international listing and undertook an Initial Public Offering on the London Stock Exchange (LSE), becoming the first freight rail company serving Russian cargo flows to be listed internationally. In 2020, Globaltrans' GDRs were admitted to trading on the Moscow Exchange (MOEX). Today, the majority of the Company's shares are in public hands with Globaltrans' free float amounting to approximately 56.8% 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 the LSE (ticker symbol: GLTR) since May 2008<sup>1</sup> and on the Level One quotation list of MOEX (ticker symbol: GLTR) since October 2020. Citibank N.A. is the depository bank for the GDR programme of Globaltrans.

As of 4 March 2022 the total number of the GRDs held in treasury represented 0.24% of the Company's share capital.

## Ownership structure as of 4 March 2022



<sup>1</sup> Imposed suspension of GDRs trading on the London Stock Exchange on 3 March 2022 continued as of the date of publication.  
<sup>2</sup> Andrey Filatov, Nikita Mishin and Konstantin Nikolaev are co-founders of Globaltrans and are beneficiaries with regard to 11.5% and 11.5% and 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.  
<sup>6</sup> For these purposes, the free float consists of the ordinary shares and GDRs held by investors not affiliated or associated with Globaltrans.

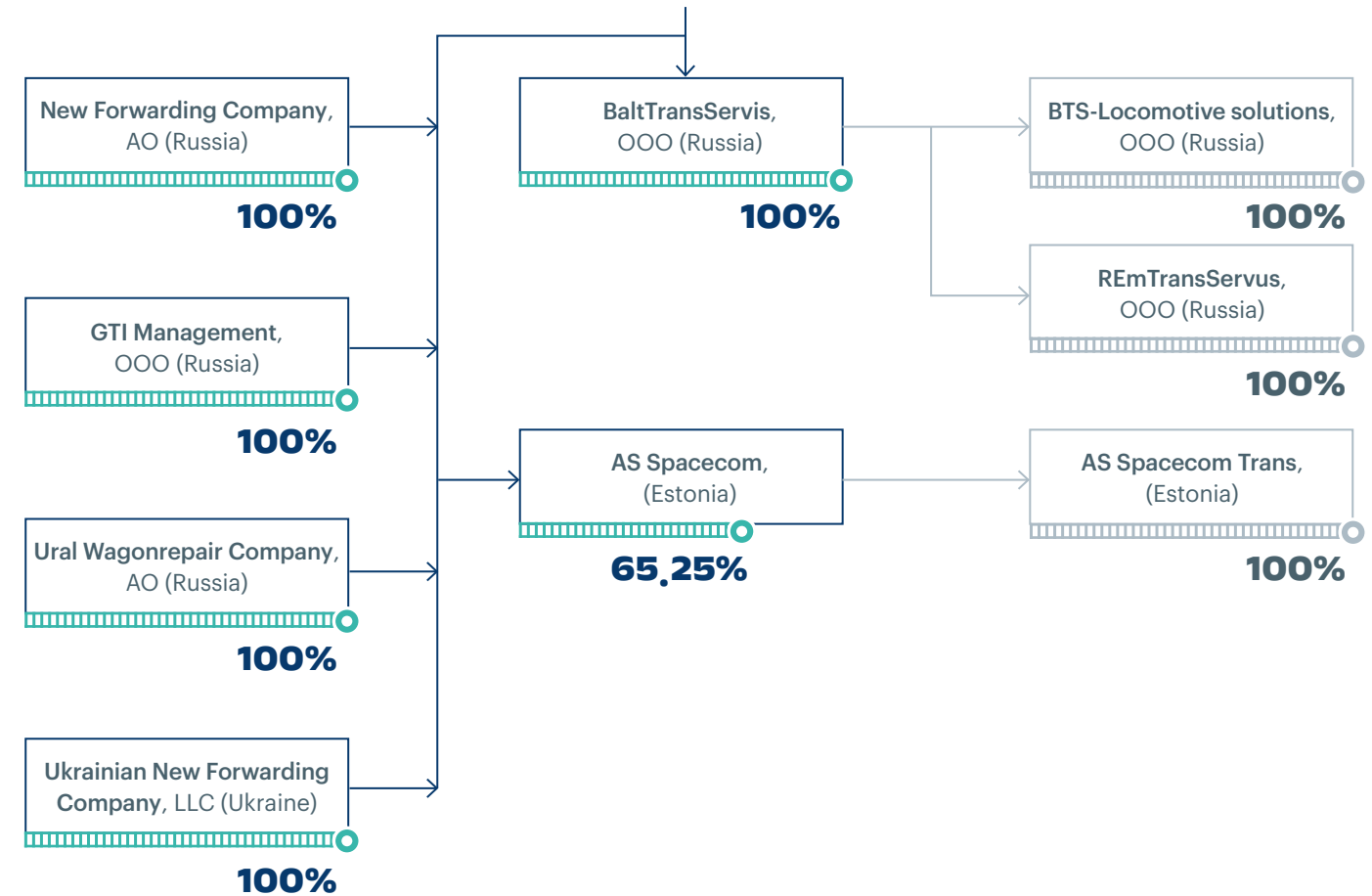
# Corporate Structure

Globaltrans provides freight rail transportation, railcar leasing and other ancillary services to clients through its subsidiaries: New Forwarding Company, BaltTransServis, GTI Management, Spacecom and Ukrainian New Forwarding Company.

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

## Globaltrans Investment PLC

as of 1 March 2022



Source: Globaltrans