



RAVEN RUSSIA LIMITED

**Raven Russia Limited
Corporate Governance Report**

Extracted from the 2016 Annual Report

CORPORATE GOVERNANCE

Chairman's introduction

The Board is responsible for ensuring that the Group adopts appropriate corporate governance arrangements. The culture that good corporate governance promotes is essential in delivering our strategic objectives and sound governance principles are embedded in our day to day operations.

This section of the report sets out how we have adopted and applied the principles of the UK Corporate Governance Code (the "Code").

As a Board, we welcome the opportunity to discuss the business with our shareholders at road shows, investor and broker briefings and at our annual general meeting.

Richard Jewson

12 March 2017

Statement of Compliance with the Code

Responsibility for good governance lies with the Board. It is accountable to shareholders for the activities of the Group. The Board consider that the Company complies fully with the provisions of the Code, save for B.1.1 which sets out the requirements for Non Executive Directors to be considered independent from the Company. Stephen Coe and David Moore have both served on the Board as Non-Executive Directors since the Company's establishment in 2005 and Christopher Sherwell will have served nine years by the time of the annual general meeting in 2017. The Board and the nominations committee have specifically considered their independence as in past years. The Board is still of the opinion that length of service is not necessarily a complete or accurate measure of a Director's independence, a view the Board feels is shared by its shareholders. In the Board's opinion, Stephen, David and Christopher continue to fulfil the requirements acting as independent Directors.

Copies of the Code are available to download free of charge from the Financial Reporting Council's website (www.frc.org.uk).

Leadership

The Role of the Board

The Board is collectively charged with governance of the Group, providing leadership and direction for management. The culture of the organisation promoted by the Board and distilled throughout the Group by the executive and management teams who have been charged with running the business.



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The Board is accountable to shareholders for the long term success of the Group, whilst ensuring appropriate management and operation in pursuit of the objectives of the Group. A formal schedule of matters reserved solely for consideration by the Board has been adopted and this forms the basis of the Board's core activities and agenda for scheduled Board meetings. The core principal elements of the schedule are set out on the left.

The Board has established Audit, Remuneration and Nominations Committees and delegated certain activities through their terms of reference. Terms of reference for each Committee can be found on the Company's website (www.ravenrussia.com). Together, the Committees and the schedule of reserved matters assist the Board in discharging its duties effectively. The Board and its Committees have regular scheduled meetings. An overview of the activities of the Board and its Committees is contained within this report and that of the Audit and Remuneration Committees.

The roles and responsibilities of the Chairman and Chief Executive are separate and clearly defined and agreed by the Board. These terms of reference are set out in writing and reviewed as required. The Chairman is primarily responsible for the effective working of the Board and the Chief Executive for the operational management of the business. This includes development of the Group's strategy and business model, the presentation of this to the Board and ultimately its implementation across the Group.

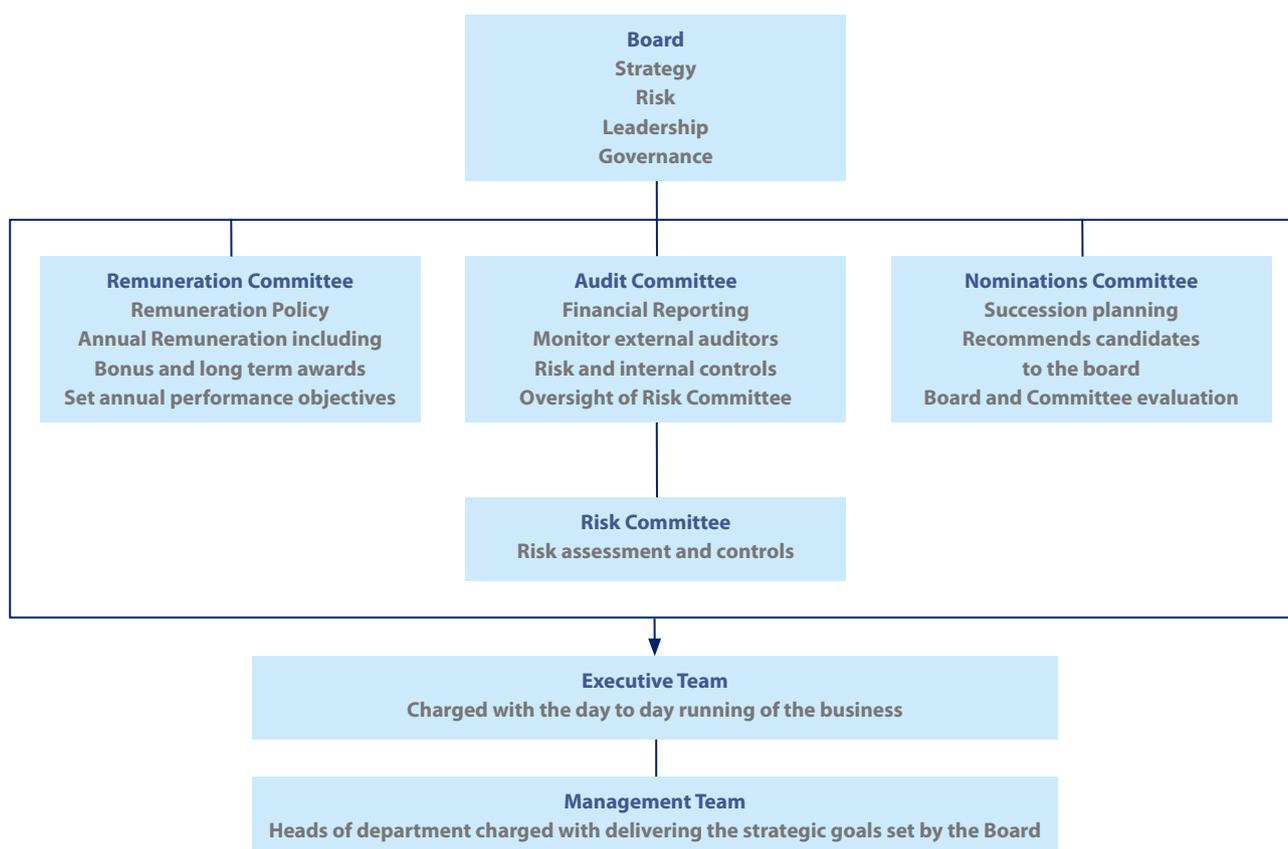
The Board and its Committees

Board composition

Throughout the year, the Board comprised eight directors: Non Executive Chairman, Richard Jewson, who was considered independent on appointment; four Executive Directors; and three Non Executive Directors. The Board considers all of the Non Executive Directors have acted independently from management and are free from any relationship that could impact or interfere with the exercise of their independent judgement. The Board and Nominations Committee have given specific consideration to the continued appointment of the Non Executive directors given their tenure which is explained further below.

Christopher Sherwell is the Senior Independent Director of the Company.

Biographies for each director are included elsewhere in this Annual Report.



The full Board meets at least six times a year to consider general matters affecting the Company and otherwise as required. Committee meetings comprising any two or more Directors meet on an ad hoc basis to consider transactional and related matters concerning the Company's business. During 2016, there were 18 such committee meetings. Meetings are generally held in Guernsey at the Group's head office, however at least once a year, the Board will hold a formal meeting in Russia to review the Group's operations and meet local management.

To enable the Board to discharge its duties, all Directors receive appropriate and timely information, including briefing papers distributed in advance of any board meeting and regular management information. All of the Directors are entitled to have access to independent professional advice at the Company's expense, where they deem it necessary to discharge their responsibilities as Directors. On appointment, a Director receives advice from the Company's financial and other professional advisers as to the affairs of the Company and their responsibilities, an estimation of time commitments necessary to undertake the role and a commitment to receive other such training and induction as may be appropriate.

Attendance at Board or Committee meetings during the year to 31 December 2016

	Board	Audit Committee	Nominations Committee	Remuneration Committee
R Jewson	6	N/A	1	4
A Bilton	6	N/A	0	N/A
G Hirsch	6	N/A	N/A	N/A
M Sinclair	6	N/A	N/A	N/A
C Smith	6	N/A	N/A	N/A
S Coe	6	3	N/A	4
C Sherwell	6	3	1	4
D Moore	6	3	N/A	3
No. of meetings during the year	6	3	1	4

(where 'N/A' is shown, the Director listed is not a member of the Committee)

Effectiveness

Board performance evaluation

The Board undertakes annual performance evaluations of its own and of its Committees' activities. These are led by the Chairman and where dealing with his own performance, by the Senior Independent Director.

The performance evaluations for the year ended 2016 were undertaken internally, which included group discussions and face to face interviews with each of the directors. It was concluded that the performance of the Board, its Committees and individual Directors was effective and that the Board has the necessary balance of skills, expertise, independence and knowledge required to direct the business.

The Board and Nominations Committee consider annually the composition of the Board and its Committees with reference to the Group's needs and also the requirements of the Code. In accordance with the Code, all Directors will be put forward for re-election at the Annual General Meeting. Having considered the balance of skills, expertise and performance of the Board, its committees and individual Directors, the Board recommends each Director for re-appointment at the Annual General Meeting.

Nominations Committee

The Nominations Committee comprises Anton Bilton, Christopher Sherwell and Richard Jewson, who is Chairman. The Committee undertakes an annual review of any succession planning and ensures that the membership and composition of the Board and its Committees are constituted appropriately in light of the requirements of the Group, with the necessary balance of skills, expertise, independence and diversity to undertake their roles effectively. As explained in the introduction on compliance with the Code, given the tenure of the Non Executive Directors, a detailed review and discussion was undertaken during the year to consider the succession of the Non Executive team on the Board. The Committee, having considered the current composition of the Board and its Committees, was of the opinion that the Non Executives had served independently and continue to act so.

The Board's overriding aim is that the composition of the Board and its Committees are fit for purpose, with the correct constituents and balance of skill, knowledge, experience and diversity, not limited to gender. The Committee is charged with ensuring this requirement is complied with and where necessary will recommend changes. As previously reported, the Committee will not positively discriminate when appointments are considered to comply with any diversity guidelines, reiterating that appointments are made on merit and giving due consideration to the existing Board composition.

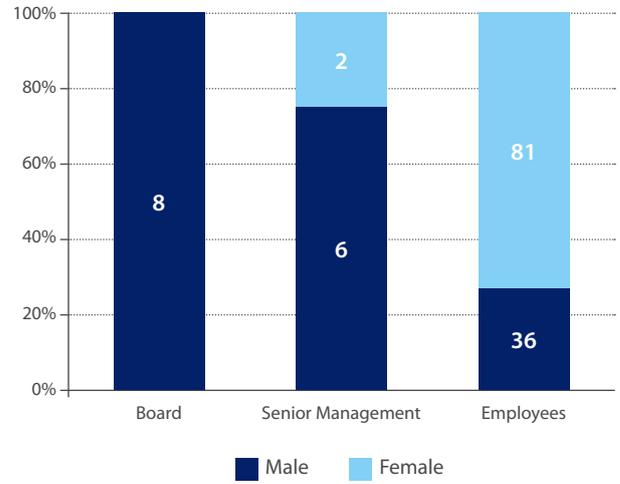
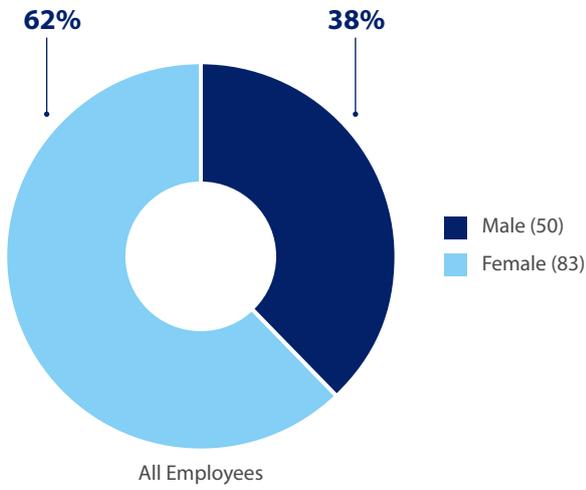
Diversity

The Nomination Committee consider the experience, background, age and tenure of each individual to contribute to the diversity of the Board, its Committees and the wider Group. When recruiting across the Group, appointments are made on merit, ensuring the best candidates are appointed to support the operating activities of the Group.

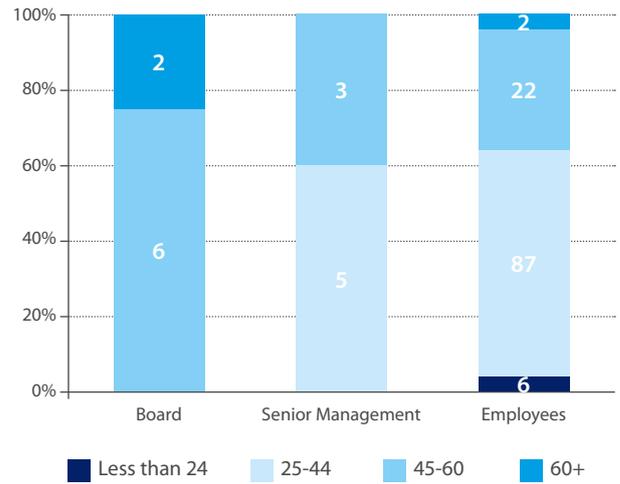
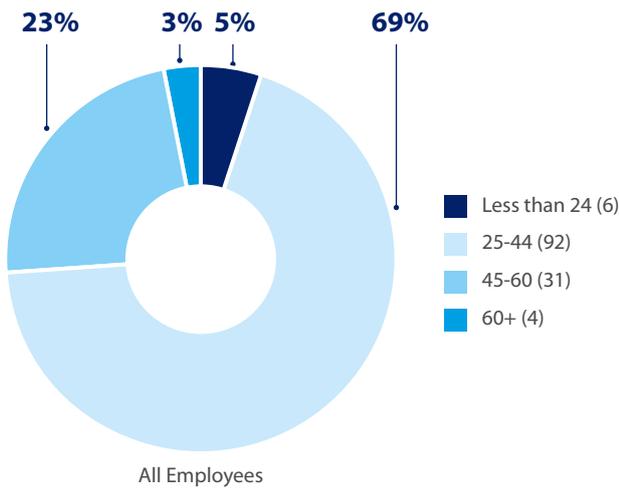
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Information about the diversity of the Group's workforce at 31 December 2016 is set out below.

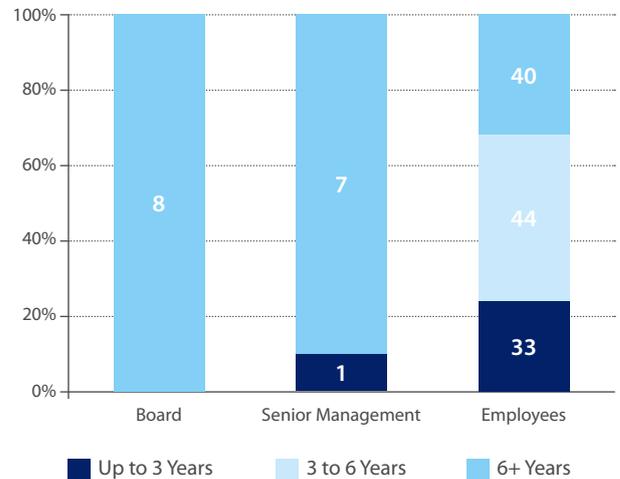
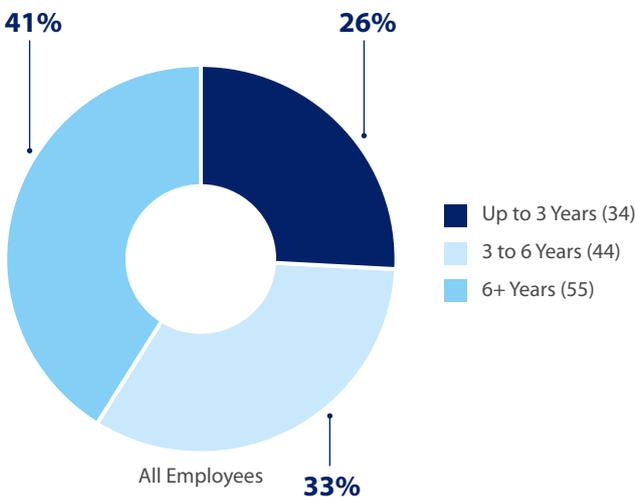
Gender



Age



Tenure



*Length of service for Board members is from date of appointment.

Remuneration Committee

The Remuneration Committee comprises Stephen Coe, Richard Jewson, David Moore and Christopher Sherwell, who is Chairman. The Remuneration Committee meets at least once a year to review the performance of Executive Directors and to recommend their remuneration and other benefit packages. The fees of the Non Executive Directors are determined by the Executive Directors. Full details of the activities undertaken by the Committee during the year are included within the Remuneration Report. The Remuneration Report will be subject to an advisory vote at the Annual General Meeting.

Engagement with Shareholders

The Board considers regular contact with shareholders and other stakeholders an important part of its corporate governance arrangements. Engagement with our investors, fund managers, analysts, the press and other interested parties is performed by the Chief Executive, Executive Deputy Chairman and Chief Financial Officer as the Company's principal spokesmen.

The Company's investor relations programme includes formal presentations of the annual and interim results, as well as regular analyst briefings and meetings. The Board are provided with regular updates on the Company's investor relations activities including any reports prepared by the Company's brokers, external analyst papers, and details of any shareholder meetings.

The Board believes that sustainable financial performance and delivering on the objectives of the Company are key measures in building trust with the Company's shareholders. To promote a clear understanding of the Company, its objectives and financial results, the Board ensures that information relating to the Company is disclosed in a timely manner and in a format suitable for the shareholders of the Company.

The Company has updated its website during 2016 to enable stakeholders quick and easy access to information published by the Group. Communication through these means allows our investors to receive information in a timely and cost effective manner.

The notice of AGM accompanies this report and a separate proxy card is provided for shareholders.



RAVEN RUSSIA LIMITED
www.ravenrussia.com

Registered Office
P.O. Box 522, Second Floor, La Vieille Cour, La Plaiderie, St. Peter Port, Guernsey, GY1 6EH