



Annex 8

**A MODEL BY-LAW FOR THE SUPERVISORY BOARD'S  
CORPORATE GOVERNANCE COMMITTEE**

APPROVED

By decision of the Supervisory Board  
of the Open Joint Stock Company «\_\_\_\_\_»

Supervisory Board Minutes

No. \_\_\_\_\_  
of \_\_\_\_\_ 200\_

Signature of the Chairman of the Supervisory Board

\_\_\_\_\_

dated this \_\_day of \_\_\_\_\_, 200\_  
[The Company's Seal]



**BY-LAW FOR THE SUPERVISORY BOARD'S CORPORATE  
GOVERNANCE COMMITTEE**

of the Open Joint Stock Company  
«\_\_\_\_\_»

The city of \_\_\_\_\_  
\_\_\_\_\_, 200\_



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### Article 1. General Provisions

- 1.1. This By-law for the Corporate Governance Committee (hereinafter the By-law) of the Supervisory Board of the Open Joint Stock Company “\_\_\_\_\_” (hereinafter the Company) has been drafted in accordance with the laws of the Russian Federation (hereinafter the Law), the charter of the Company and other internal corporate documents, and relevant recommendations of the Federal Commission for the Securities Market’s Code of Corporate Conduct (hereinafter the FCSM Code).
- 1.2. The By-Law shall define the authority of the Supervisory Board’s Corporate Governance Committee (hereinafter the Committee) and its members, and further, shall define the rights and responsibilities of the Committee’s members, election, composition, and dismissal of Committee members, meeting procedures, as well as the remuneration of Committee members.
- 1.3. The Committee has been established to assist the Supervisory Board in performing its guidance and oversight functions effectively and efficiently, and is specifically charged with the development of, compliance with, and periodic review of the Company’s corporate governance policies and practices. The Committee further monitors and reviews policies concerning shareholder rights, conflict resolution, ethics, disclosure and transparency, evaluation, and the Company’s internal documents (organization and process).
- 1.4. All proposals developed by the Committee are recommendations and thus non-binding to the Supervisory Board.

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### Article 2. Authority

- 2.1. The following issues shall fall within the authority of the Committee:
  - 2.1.1. As to the Company's corporate governance framework, to:
    - 2.1.1.1. Develop and conduct periodic reviews of the Company's corporate governance documents, specifically, the Company's charter and by-laws, with the purpose of ensuring their compliance and conformity with the Law, as well as national and international best practices;
    - 2.1.1.2. Develop a specific and clearly stated plan for the improvement of corporate governance practices based on the leading and most progressive Russian and international practices, and further, conduct periodic reviews of the plan and its implementation;
    - 2.1.1.3. Develop the Company's corporate governance compliance program, including the corporate governance officer or department responsible for developing and conducting director induction and continuing education programs; and
    - 2.1.1.4. Ensure that the Company has an officer, e.g. the Corporate Secretary, who shall be responsible for implementing the Company's corporate governance policies and practices.
  - 2.1.2. As to the working procedures (organization and process) within the Company, to:
    - 2.1.2.1. Develop recommendations for the appropriate preparation and organization of the General Meeting of Shareholders (hereinafter GMS) working in close cooperation with the Company's Corporate Secretary;
    - 2.1.2.2. Ensure that the Supervisory Board is structured in such a way so as to allow it to effectively handle any number of complex issues. With this goal in mind, the Committee shall make recommendations for the establishment of other Supervisory Board committees as required, including the type, authority, and composition of such committees; and

- 2.1.2.3. Develop procedures for the Supervisory Board, including procedures for the preparation of meetings (including the notification period, types, and forms of notice, and information and documentation to be provided), their organization (e.g. the frequency of conducting meetings and the role of the Corporate Secretary), and their conclusion (e.g. minutes and verbatim reports).
- 2.1.3. As to shareholder rights and conflict resolution, to:
  - 2.1.3.1. Ensure that shareholder rights are appropriately and specifically defined in the Company's charter, by-laws, and company-level corporate governance code, and develop policies and procedures for the protection of these rights; and
  - 2.1.3.2. Develop and periodically conduct reviews of the Company's conflict resolution policy and procedures.
- 2.1.4. As to ethics and corporate conduct, to:
  - 2.1.4.1. Assist the Supervisory Board and management in drafting a code of ethics or company-level corporate governance code;
  - 2.1.4.2. Establish oversight and control procedures for detecting and preventing violations of the Law, the Company's code of ethics, and any other internal ethical standards; and
  - 2.1.4.3. Conduct an annual review and update of the code of ethics and policies concerning internal ethical standards.
- 2.1.5. As to the disclosure of financial information and issues of transparency, to:
  - 2.1.5.1. Work with the Supervisory Board's Audit Committee to develop policies and procedures for the disclosure of the Company's corporate governance practices, financial statements, ownership structure, and remuneration policy for directors, and other material information in the Company's annual and quarterly reports, corporate website, and other relevant sources of information.

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- 2.1.6. As to the assessment of the Supervisory Board's activities, to:
  - 2.1.6.1. Develop procedures for conducting an annual evaluation of the Supervisory Board's activities;
  - 2.1.6.2. Conduct an annual evaluation of the Supervisory Board's performance utilizing an assessment of the Supervisory Board itself (self-evaluation) or, alternatively, utilizing third-party specialists to conduct such evaluation;
  - 2.1.6.3. Report on the results of the self-evaluation to the Supervisory Board, and facilitate a discussion of the findings by the Supervisory Board during an out-of-office retreat, a separate Board meeting or, at a minimum, as a separate agenda item;
  - 2.1.6.4. Develop recommendations for improving the Supervisory Board's performance based on the results of the self-evaluation and any ensuing Supervisory Board discussions thereon;
  - 2.1.6.5. If warranted, periodically organize professional training events for Supervisory Board members specifically addressing areas that need improvement; and
  - 2.1.6.6. Publish a summary of the findings and recommendations in the Company's annual report.
- 2.1.7. As to the individual evaluation of Supervisory Board members, to:
  - 2.1.7.1. Develop procedures and a set of criteria for conducting an annual evaluation of individual Supervisory Board members (directors) prior to any re-election of directors;
  - 2.1.7.2. Assess the findings, and develop recommendations for advising directors in areas that need improvement; and
  - 2.1.7.3. Present the findings and recommendations to the shareholders prior to the GMS.
- 2.1.8. As to director remuneration, to:
  - 2.1.8.1. Advise the Supervisory Board's Nominations and Remuneration Committee in the development of policies for the remuneration of directors, including the Chairman of the Supervisory Board, that are consistent with leading Russian and international practices.

### Article 3. Rights and Responsibilities

- 3.1. The Committee shall have the following rights:
  - 3.1.1. Request documents, reports, explanations, and other relevant information from the officers, executives, and employees of the Company [including the Company's strategy advisors];
  - 3.1.2. Invite the Company's officers, executives, and employees, as well as the Company's strategy advisors, to its meetings as observers to question them, and seek explanations and clarifications;
  - 3.1.3. Utilize the services of outside consultants, experts, and advisers;
  - 3.1.4. Perform special investigations as required, and utilize the services of independent experts in doing so; and
  - 3.1.5. Perform any other duties as may be required by the Supervisory Board within the scope of authority of the Committee as set forth herein.
- 3.2. The Committee shall conduct an annual review and assessment of the adequacy of the By-law, and thereafter make such recommendations to the Supervisory Board regarding any changes to the By-law deemed advisable by the Committee.
- 3.3. The Committee shall report to the Supervisory Board on a regular basis, but not less than once every six months. The Committee shall make such report to the Supervisory Board as soon as feasible after every meeting.
- 3.4. Further, Committee members shall:
  - 3.4.1. Participate in the activities and work of the Committee, and attend all its meetings;
  - 3.4.2. Keep abreast of industry and market trends, advances in information technology, and other areas of strategic importance to the Company;
  - 3.4.3. Treat as confidential all information that becomes known to them in the course of performing their official duties;
  - 3.4.4. Inform the Supervisory Board of any changes in their independent status or any conflict of interest regarding decisions to be made by the Committee; and
  - 3.4.5. Annually review and evaluate the performance of the Committee and its members, including a review of the Committee's compliance with the By-law.

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### Article 4. Election, Composition, and Dismissal

- 4.1. The Committee shall consist of \_\_\_ members and shall be elected by a majority vote of all directors.
- 4.2. The term of office of the Committee shall coincide with the term of office for the Supervisory Board.
- 4.3. Only Supervisory Board members may be elected members of the Committee.
- 4.4. Members of the Committee must have the necessary knowledge and experience in matters concerning corporate governance.
- 4.5. The Supervisory Board shall, wherever possible, elect only independent directors to the Committee. If this is not feasible for whatever reason, the Committee shall be chaired by an independent director and have at least one other member who is an outside director.
- 4.6. The Supervisory Board may, at any time, dismiss any member of the Committee, or re-elect the entire Committee.

### Article 5. Meeting Procedures

- 5.1. The Committee shall be headed by a Chairman, who shall be elected by a simple majority vote of the Committee's members.
- 5.2. The Corporate Secretary of the Company shall act as the Secretary of the Committee unless and until one of the Committee members is so elected.
- 5.3. Meetings shall be the principal form utilized for carrying out the work and activities of the Committee.
- 5.4. Meetings may be conducted whenever and as often as necessary to properly carry out the Committee's functions and duties in a timely manner. However, at a minimum, the committee should conduct not less than one meeting every six months. If a meeting of the Supervisory Board is to be conducted in which an issue within the Committee's authority is to be discussed, then a meeting of the Committee should be conducted no later than \_\_\_ days before such meeting of the Supervisory Board.
- 5.5. Meetings may be called by the Chairman of the Committee, any member of the Committee, or by decision of the Supervisory Board.
- 5.6. Meetings may be conducted when members are physically in attendance, or by written consent of those members not physically able to attend, and

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- further, may be conducted in the form of either video- or audio-conferences.
- 5.7. A quorum shall be deemed present at any meeting of the Committee if at least one-half of its members are present at such meeting.
  - 5.8. The Secretary of the Committee shall be responsible for giving advance notice to all of the Committee members of the meeting and its agenda at least \_\_\_ [number] days prior to the meeting, and ensuring the availability of all necessary information regarding all of the items included on the agenda. Additionally, the notice shall be given in any form deemed convenient and agreed upon by the Committee members, e.g. by telephone, fax, ordinary, or electronic mail.
  - 5.9. The minutes of Committee meetings shall be signed by all members present.
  - 5.10. Upon the conclusion of discussions regarding any particular issue, the Committee shall draft a written opinion to be signed by all members of the Committee, and such written opinion shall be submitted to the Chairman of the Supervisory Board or the Corporate Secretary in time for inclusion on the agenda of the next Supervisory Board meeting. Any member of the Committee having a dissenting opinion should submit such opinion with the majority opinion of the Committee.
  - 5.11. The Committee shall make decisions by a majority vote of members participating in the meeting.

### Article 6. Remuneration

- 6.1. The remuneration of Committee members is determined in accordance with the requirements of the by-law on the Supervisory Board.