



Annex 12

**A MODEL BY-LAW FOR THE CORPORATE SECRETARY**

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 CORPORATE SECRETARY**

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 Secretary (hereinafter the By-law) of the Open Joint Stock Company «\_\_\_\_\_» (hereinafter the Company) have been developed in accordance with the legislation of the Russian Federation (hereinafter the Law), the Company charter, other internal corporate documents, and recommendations of the Federal Commission for the Securities Market's Code of Corporate Conduct (hereinafter the FCSM Code).
- 1.2. The By-law shall regulate the Corporate Secretary's authority to help with the development of, compliance with, and periodic review of the Company's corporate governance policies and practices, ensuring that the Company and its governing bodies follow and comply with the Law, as well as internal corporate rules and policies as determined by the Company charter, the By-law, and other by-laws and internal documents; the preparation and conducting of the General Meeting of Shareholders (hereinafter the GMS), Supervisory Board meetings [and Executive Board meetings]; the establishment and maintenance of clear and effective channels of communications between the various governing bodies of the Company; the disclosure of appropriate information about the Company; the keeping of corporate records; the review of shareholder requests; and the resolution of disputes involving the rights of shareholders.
- 1.3. The Corporate Secretary shall carry out his duties and responsibilities based on the Law, the Company charter, the By-law, and other relevant internal company documents, and the employment contract signed with the Company.
- 1.4. In case of negligence or failure to fulfill his responsibilities, the Corporate Secretary shall be held responsible under the Law.

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### Article 2. Election, Term, and Dismissal

- 2.1. The Corporate Secretary shall be appointed by the Supervisory Board by a majority vote of Supervisory Board members (directors) participating in the meeting.
- 2.2. Any director may nominate a candidate for the position of Corporate Secretary.
- 2.3. The Corporate Secretary must have the necessary qualifications to properly carry out his duties, including:<sup>125</sup>
  - 2.3.1. \_\_\_\_\_;
  - 2.3.2. \_\_\_\_\_; and
  - 2.3.3. \_\_\_\_\_.
- 2.4. A candidate nominated for the position of Corporate Secretary must disclose to the Supervisory Board information on:
  - 2.4.1. Education and professional experience;
  - 2.4.2. Personal references;
  - 2.4.3. Share ownership in the Company;
  - 2.4.4. Positions held in other companies;
  - 2.4.5. Relationships with affiliated parties and business partners of the Company;
  - 2.4.6. \_\_\_\_\_;
  - 2.4.7. \_\_\_\_\_; and
  - 2.4.8. Other information that may affect his performance in carrying out the functions of the Corporate Secretary.
- 2.5. The Corporate Secretary shall be elected for the term of \_\_ year(s).
- 2.6. The terms of the contract with the Corporate Secretary shall be approved by the Supervisory Board. The contract shall be signed by the Chairman of the Supervisory Board on behalf of the Company.
- 2.7. The Supervisory Board may dismiss the Corporate Secretary and appoint a new Corporate Secretary at any time.

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<sup>125</sup> For example a legal and/or financial background (higher degree in law, finance, economics, or related field), relevant professional experience (practical work experience as an in-house lawyer), special skills (communication and interpersonal skills, as well as attention to detail), and specific knowledge (for example on corporate and securities law, and/or finance and accounting).

### Article 3. Functions, Duties, and Responsibilities

- 3.1. The Corporate Secretary shall assist the Supervisory Board [and its Corporate Governance Committee] in the development of, compliance with, and periodic review of the Company's corporate governance policies and practices.
- 3.2. The Corporate Secretary shall help ensure that the Company and its governing bodies follow and comply with the Law. In doing so, the Corporate Secretary will keep abreast of the latest legal and regulatory developments, as well as internationally recognized best practices, as they relate to corporate governance, and provide periodic updates and briefs to the Company's directors and managers. The Corporate Secretary shall work and coordinate closely with the Company's legal department in this context.
- 3.3. The Corporate Secretary ensures that the governing bodies follow existing internal corporate rules and policies as determined by the Company charter, by-laws, and other internal documents, as well as to change such rules and policies, or institute new ones where appropriate. The Corporate Secretary is to inform the Chairman of the Supervisory Board of all violations of corporate procedures in a timely manner.
- 3.4. The Corporate Secretary shall properly prepare and conduct the GMS in accordance with the Law, the Company charter, and other relevant by-laws and internal documents of the Company following the decision on calling a GMS. In the course of preparing and conducting a GMS, the Corporate Secretary shall:
  - 3.4.1. Ensure that the list of the shareholders entitled to participate in the GMS is properly prepared;<sup>126</sup>
  - 3.4.2. Ensure that the persons entitled to participate in the GMS are properly notified by preparing and sending (delivering) voting ballots to shareholders, as well as properly notifying all directors, the General Director [and Executive Board members, the External Manager], Revision Commission members, and the External Auditor of the Company;

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<sup>126</sup> In the legally specified cases when the shareholder list is to be compiled by an independent External Registrar, the Corporate Secretary must have the authority to instruct the Registrar to create the list on the basis of instructions of the General Directors or by-laws (e.g. the By-law for the GMS).

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- 3.4.3. Prepare and ensure unrestricted access to all materials that shall be made available for the GMS, and authenticate and provide copies of the materials upon the request of the persons entitled to participate in the GMS;
  - 3.4.4. Collect the completed voting ballots received by the Company and ensure their timely transfer to the Counting Commission;
  - 3.4.5. Organize the minutes of the GMS;
  - 3.4.6. Ensure that the persons entitled to participate in the GMS are informed of the voting results of the GMS in a timely manner; and
  - 3.4.7. Answer procedural questions during the GMS, and take measures to resolve conflicts arising when preparing and conducting the GMS.
- 3.5. The Corporate Secretary shall help the Chairman prepare and conduct the Company's Supervisory Board meetings in accordance with the Law, the Company charter, and other by-laws and internal documents of the Company.
- 3.5.1. The Corporate Secretary shall help prepare the annual schedule of Supervisory Board meetings and notify all directors of the upcoming meeting \_\_ weeks in advance.<sup>127</sup>
  - 3.5.2. If necessary, the Corporate Secretary shall send (or deliver) voting ballots to all directors, collect the completed ballots and written opinions of the directors who were not physically present at the meeting, and transfer these to the Supervisory Board Chairman.
  - 3.5.3. The Corporate Secretary shall ensure that Supervisory Board meetings are held in accordance with the procedures established in the By-law for the Supervisory Board;
  - 3.5.4. The Corporate Secretary shall assist the Chairman in keeping minutes of the Supervisory Board meetings that reflect the location and time of the meeting, the names of the persons who participated in the meeting, the agenda of the meeting, quorum and voting results, and a description of decisions made by the Supervisory Board;

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<sup>127</sup> Good practice suggests two weeks.

- 3.5.5. The Corporate Secretary shall assist directors in obtaining the information necessary to take informed decisions. [In accordance with the information policy of the Company] the Corporate Secretary shall provide directors access to transcripts and minutes of Executive Board meetings, orders of the General Director, and other documents of the executive bodies of the Company, minutes of meetings and reports of the Revision Commission, and the opinion and management letter of the External Auditor, as well as the Company's primary accounting documents and financial information pursuant to a decision of the Supervisory Board's Chairman.
- 3.5.6. The Corporate Secretary shall help organize induction trainings for newly elected directors to brief these directors on their duties and responsibilities, the procedures that regulate the operations of the Supervisory Board and other working bodies of the Company, the Company's organizational structure and officers of the Company, internal documents of the Company, applicable decisions of the GMS and the Supervisory Board to their work as directors, and other information that may be required by directors for the appropriate discharge of their duties.
- 3.5.7. The Corporate Secretary shall inform and advise directors on legal requirements, charter provisions, and other internal corporate regulations that regulate their rights and responsibilities with respect to preparing and conducting the GMS and Supervisory Board meetings, and ensuring for information disclosure.
- 3.6. The Corporate Secretary shall assist in establishing and maintaining clear communication between the various governing bodies, in particular between the Supervisory and Executive Boards. To this extent, the General Director, Chief Accountant, and other relevant parties/bodies must provide timely and accurate information upon the Corporate Secretary's request.
- 3.7. The Corporate Secretary shall ensure for the proper disclosure of information about the Company. In particular, the Corporate Secretary shall:
  - 3.7.1. Ensure compliance with the requirements of the Law, the Company charter and by-laws, and other internal corporate documents on keeping and disclosing information about the Company;

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- 3.7.2. Help ensure for the timely disclosure by the Company of information contained in the securities prospectuses, quarterly reports, annual report as well as information on all material facts that may affect the financial and business performance of the Company.
- 3.8. The Corporate Secretary acts as a liaison during a control transaction between the controlling shareholder (or group of shareholders) in a mandatory bid to buyout common shares (and securities convertible into common shares) and the other shareholders of the Company. In particular, the Corporate Secretary shall ensure that the offer is distributed to all shareholders in accordance with the requirements of the Law, the charter, and other internal documents of the Company.
- 3.9. The Corporate Secretary should notify the Chairman of the Supervisory Board of any potential or real conflicts of interests among the Company's shareholders, directors, or executives so that they can be dealt with appropriately, and act as a liaison in case of conflicts of interests among directors.
- 3.10. The Corporate Secretary shall keep the Company records and documents as specified under the Law, make these available to authorized parties, prevent un-authorized access, and make copies of such documents. The copies of the documents must be authenticated by the Corporate Secretary.
- 3.11. The Corporate Secretary shall ensure that all shareholder requests are properly processed by keeping records of all incoming shareholder requests, transferring the requests to the relevant governing bodies and departments, and monitoring the timely and full response to such requests by the governing bodies and departments.
- 3.12. The Corporate Secretary shall ensure that all conflicts arising from shareholder rights violations are properly examined and resolved by the Company [in accordance with the relevant by-laws]. The Corporate Secretary shall have the right to request explanations from the External Registrar in connection with shareholder complaints arising from the keeping of the shareholder register of the Company.<sup>128</sup>

<sup>128</sup> It is recommended to include the provision on the responsibility of the Registrar to provide the relevant explanations to the Corporate Secretary in the company's contract with the Registrar.

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- 3.13. The Corporate Secretary shall have the right to obtain any information necessary for the proper discharge of his duties.
- 3.14. The Corporate Secretary shall act solely in the function of the Corporate Secretary and shall not perform any other duties in the Company.

### **Article 4. Office of the Corporate Secretary<sup>129</sup>**

- 4.1. To ensure the Corporate Secretary's performance of his duties, the Company shall establish the Office of the Corporate Secretary.
- 4.2. The staff of the Office of the Corporate Secretary (hereinafter staff) shall consist of \_\_\_ employees that report directly to the Corporate Secretary.
- 4.3. The staff shall be appointed by the General Director upon the recommendation of the Corporate Secretary.
- 4.4. The staff must have the necessary qualifications to properly carry out their duties and responsibilities.
- 4.5. The staff may not at the same time be directors, managers, or employees of another company, or Revision Commission members.

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<sup>129</sup> Establishing an Office of the Corporate Secretary is only recommended for larger companies.