



Annex 25

A MODEL BY-LAW ON INFORMATION DISCLOSURE

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 ON INFORMATION DISCLOSURE

of the Open Joint Stock Company
«_____»

The city of _____,
_____, 200_



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Article 1. General Provisions

- 1.1. This By-law on Information Disclosure (hereinafter the By-law) of the Open Joint Stock Company «_____» (hereinafter the Company) has been developed in accordance with applicable provisions of the laws of the Russian Federation (hereinafter the Law), the Company charter, other internal documents, and the 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 regulate information disclosure by the Company about the Company and its business activities.
- 1.3. For purposes of the By-law, the Company's disclosure policy shall be understood to mean the set of principles and procedures established by the Company for the proper information disclosure.
- 1.4. The General Director shall be responsible for ensuring the adherence to and compliance with the By-law.

Article 2. Objectives and Principles of Disclosure

- 2.1. The goal of disclosure is to provide information for shareholders and interested parties to assist such persons in making informed decisions or taking actions.

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- 2.2. When disclosing information, the Company shall be guided by the principles of accuracy, accessibility, timeliness, completeness, and regularity, and additionally, will seek to maintain a reasonable balance between the transparency of the Company and the protection of its commercial interests while complying with relevant provisions of the Law, the charter, the By-law, and other internal documents of the Company.
- 2.3. The Company shall not avoid the disclosure of negative information about the Company if such information might be considered material or essential for shareholders or potential investors.
- 2.4. The preferential treatment of any one group of recipients of such information (selective disclosure) shall be prohibited unless otherwise provided for by the Law.

Article 3. Persons Authorized to Make Disclosures on Behalf of the Company

- 3.1. The following officers of the Company (hereinafter authorized persons) shall be authorized to disclose information to interested parties such as investors, the public, the mass media, and/or governmental authorities:
 - 3.1.1. The General Director;
 - 3.1.2. The Deputy General Director [or another person, e.g. the Head of the Investor Relations Department] responsible for information disclosure (hereinafter the Deputy General Director);
 - 3.1.3. The Chief Financial Officer;
 - 3.1.4. The Operations Manager;
 - 3.1.5. _____; and
 - 3.1.6. _____.
- 3.2. To ensure a uniform and consistent disclosure policy, authorized persons may also designate other persons to act on their behalf and respond to any inquiries, under extraordinary circumstances. However, no person other than the Company's authorized persons may comment upon or answer any questions, or respond to any inquiries regarding the Company's business activities, without special authorization or order of an authorized person.
- 3.3. Public statements that may have a significant impact on the Company's business activities and/or the value of its securities shall be coordinated with

_____ [e.g. the Deputy General Director or other person determined by the General Director].

- 3.4. If any employee of the Company participates in any public event, as part of his official or other duties, such employee shall ensure that any information disclosure regarding the Company is made in strict compliance with the Company's disclosure policy and with the prior approval of an authorized person.
- 3.5. Authorized persons shall be fully informed regarding the Company's business activities that might also be of interest to the business community. The communications of authorized persons shall be directed, coordinated, and controlled by the General Director.

Article 4. Parties and Rules for the Disclosure of Information

- 4.1. The Supervisory Board [or such other person or committee responsible for the Company's disclosure policy], in coordination with the General Director and any other authorized persons, shall develop, regularly review, and improve the Company's disclosure policy.
- 4.2. The General Director shall be responsible for the organization, accuracy, and timeliness of information disclosure, and for filing reports with the relevant governmental authorities. The General Director shall also be responsible for providing information about the Company to shareholders, creditors, and other interested parties.
- 4.3. The Corporate Secretary, in coordination with the General Director, shall ensure the:
 - 4.3.1. Timely disclosure of information contained in the securities prospectuses and quarterly reports of the Company, and information regarding material events affecting the Company's business and financial operations; and
 - 4.3.2. Safekeeping of the Company's documents that are subject to mandatory storage, control access thereto, and provide copies thereof. The Secretary shall certify copies.
- 4.4. The Company's disclosure policy shall be implemented in accordance with the Law, and in the best interests of the Company and its shareholders.

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- 4.5. The General Director and other authorized persons shall always have complete information on all aspects of the Company's business activities for one or more of the following purposes:
- 4.5.1. Determining whether such information meets the disclosure requirements, whether it is material, and whether it may be disclosed at that particular time or should be treated as confidential;
 - 4.5.2. Ensuring the proper understanding of the current operations of the Company that may be of interest to investors; and
 - 4.5.3. Preventing situations where the Company might inadvertently deny the occurrence of any significant events, despite the fact that they actually occurred.
- 4.6. In addition to mandatory disclosure requirements, the Company shall prepare and disclose information regarding:
- 4.6.1. The Company's corporate governance policy;
 - 4.6.2. The Company's social and environmental policy;
 - 4.6.3. The activities of the Company's various governing bodies, and the corporate documents;
 - 4.6.4. Those shareholders who own 5% or more of the Company's shares, including information on indirect (beneficial) ownership;¹⁷³
 - 4.6.5. The following persons:¹⁷⁴
 - 4.6.5.1. Those persons specified in Clause 3.1 hereof;
 - 4.6.5.2. The Chief Accountant;
 - 4.6.5.3. Supervisory Board members;
 - 4.6.5.4. The Corporate Secretary;
 - 4.6.5.5. _____; and
 - 4.6.5.6. _____;
 - 4.6.6. _____; and
 - 4.6.7. _____.

¹⁷³ The Federal Commission for the Securities Market's Code of Corporate Conduct (FCSM Code), Chapter 7, Section 2.1.4.

¹⁷⁴ FCSM Code, Chapter 7, Section 2.1.2.

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- 4.7. Those persons and channels responsible for information dissemination shall ensure unrestricted access thereto by interested parties. In addition to the means of disclosure required by the Law, the Company shall:
 - 4.7.1. Publish information about the Company, on planned presentations by the Company's officers and interviews with them in the mass media;
 - 4.7.2. Conduct regular meetings (information briefings¹⁷⁵ and/or press conferences) with shareholders, potential investors, and other market participants;
 - 4.7.3. In addition to the disclosures required by the Law, disclose additional information on the Company's website;
 - 4.7.4. Issue press-releases; and
 - 4.7.5. Conduct any other means of disclosure as established by the General Director and the Supervisory Board.
- 4.8. The Company shall publish on its website all significant announcements and materials, and may also publish brochures and booklets. The Company's website shall, at a minimum, include the following information:¹⁷⁶
 - 4.8.1. The charter and all amendments thereto;
 - 4.8.2. Annual reports, annual and quarterly financial statements (Russian Accounting Standards (RAS) and International Financial Reporting Standards (IFRS) when available);
 - 4.8.3. Securities prospectuses;
 - 4.8.4. Audit reports or opinions;
 - 4.8.5. Information on material facts; and
 - 4.8.6. Information on the General Meetings of Shareholders (hereinafter the GMS), material decisions of the Supervisory Board, and the development strategy of the Company.

Article 5. Public Information

- 5.1. Public information in the securities market shall mean information, access to which is not restricted in any way, and the disclosure of which is required by the Law on the Securities Market.

¹⁷⁵ FCSM Code, Chapter 7, Sections 1.1.1 and 1.1.2.

¹⁷⁶ Companies with 10,000 or more shareholders shall publish their financial statements in at least two printed media (with a circulation of not less than 50,000 copies) to which most shareholders have unrestricted access. FCSM Code, Charter 7, Section 1.1.2.

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- 5.2. Public information shall include:
- 5.2.1. The charter, as amended;
 - 5.2.2. By-laws of the Company including, but not limited to, the by-laws for the governing bodies, audit and control bodies, disclosure policy, Supervisory Board's committees, etc.;
 - 5.2.3. The External Auditor's reports and opinions;
 - 5.2.4. Annual financial statements prepared in accordance with RAS;
 - 5.2.5. Annual financial statements prepared in accordance with IFRS;¹⁷⁷
 - 5.2.6. The annual report of the Company;
 - 5.2.7. An approved development strategy of the Company;¹⁷⁸
 - 5.2.8. Information about the securities, and the financial and business operations of the Company;
 - 5.2.9. _____; and
 - 5.2.10. _____.
- 5.3. The Company shall disclose information about its securities, and its financial and business operations in the form of:
- 5.3.1. Quarterly reports;
 - 5.3.2. Reports on material events affecting the financial and business operations of the Company;
 - 5.3.3. Decisions regarding the issuance of the Company's securities;
 - 5.3.4. Securities prospectuses; and
 - 5.3.5. Reports on results of securities issue.
- 5.4. The Company shall disclose information regarding material facts affecting its financial and business operations in accordance with the requirements of law.
- 5.5. The Company shall also disclose information on the following events and activities:¹⁷⁹
- 5.5.1. Changes in the name of the Company;
 - 5.5.2. Decisions regarding the increase or decrease of the charter capital;

¹⁷⁷ If the Company files accounting statements in accordance with international standards, e.g. US GAAP, IFRS.

¹⁷⁸ FCSM Code, Chapter 7, Section 3.3.1. recommends disclosure of the development strategy in the annual report to shareholders including the company's prospects regarding sales, efficiency, market share, income growth, profitability, and debt-equity ratio.

¹⁷⁹ If the company discloses information regarding said events and activities consistent with the recommendations of the FCSM Code in addition to that list required by statutory provisions.

- 5.5.3. A buyback by the Company of its own shares provided that such buyback is not related to a decrease in the charter capital, and a statement disclosing the source of funding for the acquisition, the purchase price, as well as the goals and reasons for such purchase;
 - 5.5.4. Price fluctuations of 5% or more of the Company's shares over a relatively short period of time;
 - 5.5.5. Transactions that may affect shareholder interests or the use of the Company's assets, including information regarding the use of shares and the other parties involved in such deals;
 - 5.5.6. Cessation of the production of goods or the provision of services, the sales of which accounted for at least 10% of the Company's total output based on the results of the previous fiscal year;
 - 5.5.7. Changes in the business priorities of the Company;
 - 5.5.8. Amendments to the charter relating to the issuance of preferred shares of classes other than those previously issued; and
 - 5.5.9. Changes of the External Auditor, External Registrar, or Depository of the Company;
 - 5.5.10. _____; and
 - 5.5.11. _____.
- 5.6. The Company shall disclose all material events affecting the financial and business operations of the Company even if not listed herein, but are nevertheless deemed material, and may affect the price of the Company's shares.
- 5.7. If securities are issued which require the registration of the securities prospectus, the Company shall provide access to information contained in the prospectus and shall publish a notice of the procedure of disclosure in _____¹⁸⁰.
- 5.8. The prospectus shall disclose all material information about:¹⁸¹
- 5.8.1. The motives for the issuance of such shares;
 - 5.8.2. The Company's dividend policy;
 - 5.8.3. The intention of any Supervisory Board member, the General Director, any Executive Board member, the General Director's depu-

¹⁸⁰ Name of the print media with a circulation of not less than 50,000 copies.

¹⁸¹ FCSM Code, Chapter 7, Section 2.1.

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- ties, the Chief Accountant, and/or the Corporate Secretary to purchase and/or sell shares; and
- 5.8.4. Supervisory Board members, the General Director, Executive Board members, the General Director's deputies, the Corporate Secretary, and the Chief Accountant of the Company.
- 5.9. The Supervisory Board shall prepare the annual report of the Company for presentation at the Annual General Meeting of Shareholders (hereinafter AGM).
- 5.10. In addition to statutory information, the annual report of the Company shall contain the following:
- 5.10.1. An analysis of the competitive position of the Company;
- 5.10.2. An analysis of the Company's profitability;
- 5.10.3. A comparison of the planned and actual results of the Company for the year;
- 5.10.4. Net profit information, including total net profit, net profit from the Company's principal activities, and net earnings per share;
- 5.10.5. An assessment of changes in the asset structure over the past three years;
- 5.10.6. The percentage of export revenue over the year;
- 5.10.7. The Company's human resources and training policy;
- 5.10.8. The Company's corporate governance system and main corporate governance event during the reporting period;
- 5.10.9. _____; and
- 5.10.10. _____.
- 5.11. The annual report shall be signed by the General Director and the Chief Accountant, and be subject to prior approval by the Supervisory Board based on a review by the Revision Commission and External Auditor. The annual report shall be approved at least 30 days before the date of the AGM.
- 5.12. The Company shall publish its annual financial statements in _____¹⁸².
- 5.13. The Company shall publish annual financial statements not later than June 1 of the year following the reporting year.
- 5.14. The Company shall keep a record of its affiliated persons, and file reports on affiliated persons as required under law.

¹⁸² Name of the print media in which the annual accounting statements are published.

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- 5.15. The Company shall hold quarterly informational briefings.¹⁸³
- 5.16. Notice of informational briefings shall be published in _____¹⁸⁴ at least 10 days before the date of the briefing.
- 5.17. At the informational briefings, the shareholders and any other interested parties may receive information on the Company's business activities, and pose questions to representatives of the executive bodies and the Supervisory Board of the Company.
- 5.18. The Company shall disclose public information on its internet website located under: www._____.ru.

Article 6. Information Provided to Shareholders

- 6.1. The Company shall ensure that shareholders have access to the documents and information as set forth in the Law.
- 6.2. All shareholders shall have the right to review the documents listed in Clause 5.2 hereof, at the address of the executive body of the Company which is located at: _____.¹⁸⁵ The Company shall provide copies of any such documents upon request of any shareholder.
- 6.3. Requests to review or receive copies of documents shall be made in writing to the attention of _____,¹⁸⁶ and be sent to the following address: _____.¹⁸⁷ The request shall state the full name of the shareholder (for legal entities, their names and location), the number and type (class) of shares owned by the shareholder and the title of the document requested. The request is to be accompanied by an extract from the shareholder register.

¹⁸³ FCSM Code, Chapter 7, Section 3.1.1.

¹⁸⁴ Provide the name of the print media accessible to the majority of shareholders of the company. In accordance with the recommendations of the FCSM Code, Chapter 7, Section 1.1.2, it is possible to name an alternative print media.

¹⁸⁵ Name the location (physical address) of the executive body of the company. Name the contact telephone number of the Corporate Secretary, the Shareholder Relations Department, or others as applicable. It is also advisable to provide an alternative location, if available, where the shareholders may review the company's documents.

¹⁸⁶ Name the position of the relevant person: General Director, Corporate Secretary, or other person performing the functions of the Corporate Secretary.

¹⁸⁷ Name the location of the executive body.

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- 6.4. The Corporate Secretary shall be required to verify the share ownership of the person requesting information.
- 6.5. The documents shall be made available for inspection free of charge within seven¹⁸⁸ calendar days after the date of the request.
- 6.6. Copies of the documents shall be made available within five business days after the relevant request and after receipt of payment from the shareholder for the copy and postage costs incurred by the Company. If copies of the documents are sent to the requesting party by mail, the date of dispatch shall be considered the date of providing the documents.
- 6.7. Payment for providing copies shall be made in the following manner: _____¹⁸⁹.
- 6.8. At the request of any shareholder, the Company or the External Registrar shall, within _____ days¹⁹⁰ after the receipt of such request, make available to the shareholder an extract from the list of persons entitled to participate in the GMS containing information about such persons, or a certificate that the person is not included in the list of persons entitled to participate in the GMS.

Article 7. Confidential Information

- 7.1. Trade secrets or confidential information shall mean any non-public information about the Company having actual or potential commercial value because of the fact that it is unknown to third parties. There is no legal right to free access to such information, and the possessor of such information shall be responsible for taking steps to protect its confidentiality.
- 7.2. The Company shall take all necessary steps and actions to protect its trade secrets and confidential information.
- 7.3. The following persons shall have access to confidential information:¹⁹¹
 - 7.3.1. Supervisory Board members;
 - 7.3.2. The General Director;

¹⁸⁸ FCSM Code, Chapter 7, Section 1.1.1. recommends a period of five business days.

¹⁸⁹ Specify how the payment for copies shall be made.

¹⁹⁰ Best practice suggests a period of 3–5 days.

¹⁹¹ List any other officers and employees of the company that shall have access to proprietary information, or make reference to any other company by-laws containing a list of employees having access to such information.

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- 7.3.3. Executive Board members;
 - 7.3.4. Deputy General Directors;
 - 7.3.5. The Chief Accountant;
 - 7.3.6. The Corporate Secretary; and
 - 7.3.7. _____.
- 7.4. These persons shall sign confidentiality agreements with the Company.
 - 7.5. The General Director shall have the right to make changes and amendments to the list of persons having access to confidential information.
 - 7.6. Any person having access to confidential information shall not use such information for entering into any business transactions, nor shall they disclose such information to third parties for commercial use.
 - 7.7. Persons who have illegally acquired the Company's trade secrets or confidential information shall reimburse the Company for any losses incurred. The same shall apply to the employees of the Company who have disclosed confidential information in violation of their employment contracts, and to any other contracting parties disclosing such information in violation of their contractual agreement.
 - 7.8. Confidential information shall include, but not be exclusively limited to, the following information:¹⁹²
 - 7.8.1. _____;
 - 7.8.2. _____; and
 - 7.8.3. _____.
 - 7.9. The following documents shall not constitute confidential information of the Company:
 - 7.9.1. The Company's founding documents;
 - 7.9.2. Documents providing evidence of certain legal rights, such as patents, or documents evincing the Company's legal right to engage in business operations, e.g. registration certificates, licenses, etc.;
 - 7.9.3. Mandatory reports on financial and business operations;
 - 7.9.4. Documents confirming the solvency of the Company;

¹⁹² FCSM Code, Chapter 7, Section 4.1.1. recommends including any information that shall be deemed confidential.

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- 7.9.5. Documents containing information on the number and composition of the Company's employees, their salaries and labor conditions, as well as available vacancies;
 - 7.9.6. Documents regarding the payment of taxes and other mandatory payments;
 - 7.9.7. Documents containing information on environmental pollution;
 - 7.9.8. Documents concerning compliance with antitrust laws;
 - 7.9.9. Documents with information on noncompliance with labor safety regulations, the sale of products that may have a harmful effect on people's health, as well as any other violations of the Law, and the amount of damages caused by such noncompliance;
 - 7.9.10. Documents containing information about the participation in other organizations of any of the members of the Supervisory Board or Executive Board, the General Director or the General Director's deputies, or the Chief Accountant of the Company;
 - 7.9.11. Any documents containing confidential information which have been released by the Company and have become public information;
 - 7.9.12. _____; and
 - 7.9.13. _____.
- 7.10. The Company shall provide access to the documents and information listed in Clause 7.8 hereof when requested by those governmental and law enforcement authorities entitled to have access to such information pursuant to law, as well as when requested by employees of the Company.

Article 8. Insider Information

- 8.1. Insider information shall include any material non-public information about the business activities of the Company, its shares and any other securities, as well as any transactions with these securities, which, if disclosed, might materially affect the market value of these shares or other securities of the Company.¹⁹³

¹⁹³ It should be noted that the only document currently containing a definition of "insider information" is the FCSM Code, Chapter 7, Section 4.2. Russian legislation does not define those persons considered "insiders," nor does it establish liability for the improper or unauthorized use of insider information, nor does it regulate other issues related to control over the use of insider information. At present, a new law "On Insider Information" is under consideration by the State Duma, and it is advisable to incorporate appropriate changes and amendments to the by-law subsequent to the promulgation of such law.

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- 8.2. Information that meets the following criteria shall be considered insider information:
 - 8.2.1. Information that directly relates to the Company, its subsidiaries and their securities, as well as the business prospects of the Company and its subsidiaries;
 - 8.2.2. Information of a specific nature;
 - 8.2.3. Any non-public information; and
 - 8.2.4. Information that, if published, might significantly affect the price of any of the Company's securities.
- 8.3. Any individual or legal entity that has access to insider information pursuant to the Law, job description, or other internal regulation of the Company, shall be deemed an insider.
- 8.4. The following persons shall be considered insiders:
 - 8.4.1. Supervisory Board members, any corporate executive and members of control bodies of the Company, as well as its subsidiaries and affiliated companies;
 - 8.4.2. Persons employed by the Company or its subsidiaries and affiliated companies in any official or professional capacity pursuant to an employment contract, and having access to insider information pursuant to the terms of such contract; and
 - 8.4.3. The spouses and close relatives of the persons listed herein;
 - 8.4.4. Persons that own a _____% of voting shares or a _____% of votes of the issuer, its subsidiaries, or related companies;
 - 8.4.5. Officials of governmental authorities and agencies, or local authorities;
 - 8.4.6. Legal entities affiliated with any of the aforementioned persons or legal entities;
 - 8.4.7. _____; and
 - 8.4.8. _____.
- 8.5. Insiders shall be prohibited from disclosing insider information or from engaging in any transactions using insider information.
- 8.6. The procedures for the appropriate handling and use of insider information shall be established by the Supervisory Board.
- 8.7. The General Director shall be responsible for ensuring compliance with the Law and any special requirements provided for in the Company's charter,

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by-laws, and other internal documents to prevent conflicts of interest and to prevent the improper use of insider information by the employees and business units of the Company.

Article 9. Information Provided to the Company

- 9.1. If the Company is required to disclose information that is provided to it by other persons or legal entities, the Company shall use its best efforts to ensure the timely receipt and continuous update of such information.
- 9.2. The Company shall be entitled to receive information that is material to the business activities of the Company in accordance with the Law.
- 9.3. The Company's internal regulations shall set forth the appropriate procedure and deadlines for filing, and define the personal information required to be filed by candidates for the Company's elective bodies.
- 9.4. Supervisory Board members, the General Director, Executive Board members, and shareholders owning more than 20% of voting shares of the Company who have been deemed interested parties in any transaction shall provide the Supervisory Board, the Revision Commission, and the External Auditor with information regarding:
 - 9.4.1. Legal entities in which such person owns 20% or more of the voting shares (interest), regardless of whether individually or jointly owned with affiliated persons;
 - 9.4.2. Legal entities in which they hold positions in the governing bodies; and
 - 9.4.3. All executed, negotiated, or proposed deals known to them in which they might be considered an interested party.
- 9.5. When requested by the General Director or other persons duly authorized by the General Director, the External Registrar shall make available that information included in the shareholder register in accordance with the procedures set forth by the Law.
- 9.6. The Company shall keep a record of its affiliates and file reports on such affiliates in accordance with the Law.
- 9.7. Affiliates of the Company shall notify the Company in writing within ten days of the purchase by such affiliate of any of the Company's shares, and

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such notification shall state the number and type (class) of the shares so purchased.

- 9.8. If any damage is caused to the Company because of the failure by any affiliate to disclose such information, or by the untimely disclosure of such information by the affiliate, then that affiliate shall be held liable for any damages caused thereby to the Company.
- 9.9. The External Auditor shall provide the Company with the results of any audit of the Company's financial and business operations in accordance with the Law and the contract with the External Auditor.