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IMPORTANT NOTICE

The model documents contained in the following Annexes are intended to guide a company in drafting and/or amending its internal documents to meet good corporate governance standards. These documents meet the requirements set forth in Russian law, recommendations proposed in the Federal Commission for the Securities Market's Code of Corporate Conduct (FCSM Code), and internationally recognized best practices utilized by specific companies at the time of this Manual's publication.

These documents have been developed for companies with the following characteristics:

- The company is an open joint stock company;
- The company has subsidiaries;
- State ownership does not exceed 25% of the charter capital, and golden share arrangements do not exist;
- The company has more than 50 shareholders;
- The company has a Supervisory Board;
- The Supervisory Board has the right to increase the charter capital by issuing authorized shares;
- The company has a Revision Commission;
- The company has a General Director and an Executive Board;
- The External Registrar responsible for maintaining the shareholder register is a specialized organization, which is also responsible for carrying out the functions of the Counting Commission;
- Supervisory Board members are elected by cumulative voting;
- Shareholder(s) holding not less than 2% of voting shares may call a Supervisory Board meeting;
- The procedures for preparing and conducting the General Meeting of Shareholders (GMS) are regulated in the by-law for the GMS;
- The company has a Corporate Secretary; and
- The company has created Supervisory Board committees, specifically the Audit Committee, Corporate Governance Committee, Nominations and Remuneration Committee, and Strategic Planning and Finance Committee.

Other companies, irrespective of their legal form, size (in terms of turnover, assets, employees, and/or shareholders), ownership structure, and public listing, may

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benefit from making use of these model documents. However, they should carefully choose and/or adapt the documents to meet their specific needs, and are best advised to carefully consider the costs *versus* the benefits of implementing specific corporate governance structures. In any event, the model documents contained in these Annexes should not be adopted on a wholesale basis, but rather tailored to meet the specific characteristics of each company.

These model documents may be used separately and independently from one another, although many of the provisions contained in different documents are interrelated.

Developing the company's governance structure goes beyond words on paper. The company's management and/or Supervisory Board will be well served to assess the need for specific corporate governance structures and processes before drafting and/or amending specific internal documents. The authors recommend that these model documents be used in conjunction with the Manual that has been jointly prepared by the IFC Russia Corporate Governance Project and the U.S. Department of Commerce. Moreover, the company will benefit from corporate training sessions to ensure that the structures and processes contained in these Annexes are understood by the governing bodies and properly implemented in practice.

Finally, these model documents must not be used without, or viewed as a substitute for, professional legal or any other advice that one would normally use in preparing internal company documents.