



OECD Russia Corporate Governance Roundtable

SUMMARY OF PROCEEDINGS OF THE TECHNICAL SEMINAR OF JULY 1 2014, MOSCOW

The purpose of this report is to present the results of the Technical Seminar held in Moscow on 1 July 2014 in the framework of the OECD Russia Corporate Governance Roundtable. The Technical Seminar focused on the corporate governance of State-owned Enterprises (SOEs) and facilitated a discussion of two central topics: i) Nomination, Election and Remuneration of Executive and Supervisory Boards; and ii) Audit of SOEs' Performance. The invitation-only meeting was well attended and brought together over 60 experts from State-owned Enterprises, authorities, regulators and the Exchange.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
OPENING REMARKS	3
PANEL 1: NOMINATION, ELECTION AND REMUNERATION OF EXECUTIVE AND SUPERVISORY BOARDS.....	4
Speakers and commentators.....	4
Summary of the topic and the debate.....	4
PANEL 2: AUDIT OF SOES' PERFORMANCE.....	6
Speakers and commentators.....	6
Summary of the topic and the debate.....	6
CLOSING REMARKS	8
ANNEX 1: BIOGRAPHIES OF THE SPEAKERS.....	8
ANNEX 2: BACKGROUND MATERIAL	13

EXECUTIVE SUMMARY

1. The 2014 Technical Seminar of the OECD Russia Corporate Governance Roundtable focused on the corporate governance of State-owned Enterprises (SOEs) and facilitated a discussion of two central topics: i) Nomination, Election and Remuneration of Executive and Supervisory Boards; and ii) Audit of SOEs' Performance. The invitation-only meeting was well attended and brought together over 60 experts from SOEs, authorities, regulators and the Exchange.

2. Alexander Afanasiev (Moscow Exchange) and Rostislav Kokorev (Ministry of Economic Development of the Russian Federation) opened the Technical Seminar. The speakers highlighted the progress made in the area of corporate governance in Russia and in particular the recent adoption of the new Russian Corporate Governance Code as well as the key role the OECD Russia Corporate Governance Roundtable played therein. Nevertheless, it was also emphasized that significant efforts still need to be taken in the area of implementation of the Code, in particular in SOEs, as well as in some specific areas of legislation.

3. The first panel discussed issues related to the Nomination, Election and Remuneration of Executive and Supervisory Boards. Rosimuschestvo representatives first presented their "Methodical recommendations on the application of key performance indicators" as well as their "Principles for the motivation and remuneration of top management and board members", which the Agency developed earlier this year together with a group of experts. These recommendations and principles were then further debated in this session and considered in the light of international experience and best practices.

4. The second panel devoted to Audit of SOEs' Performance comprised a comprehensive presentation by Rosimuschestvo representatives on the work carried out by revision commissions, which constitute a specificity of the Russian corporate governance landscape. The interaction of these revision commissions with audit committees and internal audit services was subsequently discussed.

OPENING REMARKS

- Alexander Afanasiev, Chairman of the Executive Board and CEO, Moscow Exchange
- Rostislav Kokorev, Corporate Governance Director, Ministry of Economic Development

5. Alexander Afanasiev opened the Technical Seminar outlining the reasons why the Moscow Exchange is committed to promoting better corporate governance in Russia and why the revised Code is a key instrument in this regard. He emphasized the revised Code is a major step towards achieving sound corporate governance, which in turn is essential to building trust. He outlined that Russia does not have a long history of good corporate governance but that it is capable to achieve significant progress over a short

period of time. He underscored that it is key that the issuers, including State-owned Enterprises (SOEs) understand that good corporate governance is not a burden imposed on them but that they are those who will eventually benefit from good corporate governance, at company level and in the country as a whole. He then moved on to explaining that the agency problem in Russia is between the majority and minority shareholders and that this issue is increasingly being addressed with the Code as an essential tool. Foreign and Russian investors alike, he said, are expected to also benefit from gradually improving corporate governance.

6. Rostislav Kokorev agreed with Mr Afanasiev that Russia made good progress in the area of corporate governance as evidenced in particular by the recent adoption of the new Russian Corporate Governance Code. He also praised the key role the OECD Russia Corporate Governance Roundtable played therein and expressed his hope for a continued cooperation between Russia and the OECD in the area of corporate governance. Mr Kokorev emphasized that significant efforts still need to be taken in the area of implementation of the Code, in particular among SOEs, as well as in some specific areas of legislation. He explained that given the weight of SOEs in the Russian economy it is positive that they appear to be willing, thanks to the efforts of Rosimuschestvo, to be forerunners in the implementation of the Code. He reminded the audience that Prime Minister Medvedev cares deeply about SOEs being forerunners in the implementation of the Code.

PANEL 1: NOMINATION, ELECTION AND REMUNERATION OF EXECUTIVE AND SUPERVISORY BOARDS

Speakers and commentators

- Oleg Fedorov, Advisor to the Head of Rosimushchestvo
- Alexander Filatov, Member, Expert Council under Rosimuschestvo
- Vitaly Sergeychuk, Head of Department of Privatization of the largest organizations, Rosimuschestvo
- Chen Fleischer, Legal Advisor, Government Companies Authority of Israel
- Baris Dincer, Board Member, Corporate Governance Association of Turkey
- Alexander Shevchuk, Executive Director, Investor Protection Association
- Oleg Shvyrkov, Corporate Management Director, Deloitte CIS

Moderator: Héctor Lehuedé, Senior Policy Analyst, OECD

Summary of the topic and the debate

7. Along with the system of nomination, motivation and remuneration of senior management, the next most crucial event for a company is the nomination, election and remuneration of its board members. Indeed, these two events are interdependent in a critical manner, depending in part on the ownership structure of the company.

8. A key challenge of the State as a controlling shareholder is to appoint a competent and professional board that will follow the mandate coming from the ownership policy, while being sufficiently competent and professional to ensure that the company will be sustainable and competitive. Nomination, election as well as motivation and remuneration of executive and supervisory boards are therefore substantial concerns of the OECD Guidelines on Corporate Governance of State-owned Enterprises (the Guidelines).

9. States are recommended to establish well-structured and transparent board nomination and remuneration processes and actively participate in the nomination and remuneration of executive and supervisory boards. These nomination and remuneration processes should be based on a thorough evaluation of the candidates' experience and competence. States should also endow boards with a clear mandate and the necessary independence to determine the best way to accomplish the task assigned. For commercially oriented SOEs, their board practices and structure should not differ substantially from good practices adopted by private sector boards.

10. Rosimuschestvo, together with a group of experts, has developed its “Methodical recommendations on the application of key performance indicators” as well as its “Principles for the motivation and remuneration of top management and board members”. These recommendations and principles were further debated in this session.

11. The panel discussed the role of the nomination and remuneration committee of the board and the ways in which it can improve the composition of SOE boards and their performance. International speakers from Israel and Turkey provided key insights on what could be learnt from the international experience and what are the best practices that could be relevant to improve the functioning of the Russian SOE sector. The Panel also addressed the issue as to what extent are Rosimuschestvo’s nomination and remuneration practices in line with recommended best practices.

12. Héctor Lehuedé opened the Panel outlining the perspective and experience of the OECD as to the importance and practices of nomination, election and remuneration of executive and supervisory boards. He also highlighted the commitment and progress of Rosimuschestvo and handed over to Oleg Fedorov who explained in detail the work Rosimuschestvo carried out with regard to evaluating the nomination and remuneration practices of their SOEs. In this context, Mr Fedorov highlighted that the share of independent directors of Russian SOEs’ boards is currently around one fourth and that the focus revolves around three central issues namely a responsible approach to instructions, an increasing competence of directors and better board effectiveness.

13. Alexander Shevchuk subsequently outlined the role of Associations (e.g. his Investor Protection Association but also the Independent Director Association and others) in helping SOEs with finding appropriate board members. Nevertheless, he highlighted that his experience showed that more consistency and transparency would be desirable as to the board nomination and election practices in Russian SOEs. Vitaly Sergeychuk then outlined to what extent the Code will be a useful tool for effectively improving SOEs’ practices and that monitoring of the implementation by the SOEs will be key.

14. The panel then focused more specifically on the issues related to remuneration. Oleg Shvyrkov explained that there are two key instruments in Russia which address the issue of board remuneration in SOEs, namely the revised Corporate Governance Code and Rosimuschestvo’s Methodical Recommendations on Board and Executive Remuneration. He subsequently outlined the key difference and complementarities of these instruments and concluded that transparency and disclosure of the remuneration system are paramount. Alexander Filatov then focused on the link of remuneration and motivation and made clear that long-term motivation is not adequately addressed in SOEs yet and should

be taken into consideration going forward. He also outlined that in order to attract competent directors it is key to maintain an appropriate level of remuneration.

15. Turning to the international experience, Chen Fleischer presented the Israeli experience and recent developments in the SOE board nomination process. She focused in particular on the fact that as an underlying rationale SOEs have to perform according to business considerations and that key targets in Israel include enhancing the SOE director's independence while at the same time improving the professionalism and business experience of the directors. Baris Dincer emphasized that while Turkey has some interesting experience in nomination and remuneration in SOEs, most of the Turkish SOEs have been successfully privatized in recent years. He therefore focused on the Turkish experiences as well as on several relevant experiences of other countries and concluded that it is vital to align SOE practices with those of the private sector.

PANEL 2: AUDIT OF SOES' PERFORMANCE

Speakers and commentators

- Vasily Garshin, Head of internal control of Rosimuschestvo
- Denis Malykhin, Head of the Committee on risk management and internal control expert and consulting Council, Rosimuschestvo
- Héctor Lehuedé, Senior Policy Analyst, OECD
- Elena Dubovitskaya, Director, PricewaterhouseCoopers
- Nikolay Rabushko, Deputy CEO, AHML
- Lubov Rudnitskaya, Chair of the revision commission, Russian Railways

Moderator: Vladimir Gusakov, Managing Director for Government Relations, Moscow Exchange

Summary of the topic and the debate

16. The audit system facilitates the achievement of company objectives as it fosters a systematic and thorough approach of evaluating and improving the effectiveness of risk management, control and corporate governance to ensure the credibility and accountability of a company.

17. The OECD Guidelines on Corporate Governance of State-owned Enterprises (the Guidelines) distinguish three different types of audits (internal, external and state audit) and outline that the exercise is structured in three levels: i) the first level where effective internal audit systems are put in place; ii) then when SOE financial statements are audited by external and independent auditors according to international standards; and iii) when state audit takes place vis-à-vis SOEs and the coordinating or ownership entities. To ensure an overall robust auditing system and avoid duplication, the Guidelines encourage to clearly define the respective roles of these audits and explain how they complement one another.

18. The Guidelines recommend that SOEs develop efficient internal audit procedures and establish an internal audit function that is monitored by and reports directly to the board and to the audit committee. Listed SOEs, especially large ones, should be accountable for financial and non-financial information following international standards. Enhanced procedures of government control cannot substitute for an independent external audit.

19. The audit committee plays a central role in overseeing the relationship with the three types of auditors. Internal auditors should have a direct reporting line to the audit committee, which should ensure their independence, support their work and discuss their findings. The audit committee should also be responsible for nominating or appointing external independent auditors and should discuss the results of state audits, and in general ensure that appropriate action is taken upon audit findings.

20. Over the 2013-2014 reporting years the revision commissions of SOEs have been auditing the companies' financial and economic performance in accordance with the "Guidelines for the organization of controlling processes for revision commissions". This panel discussed their experiences over this period and their interaction with audit committees and internal audit services. Other issues which were addressed included a discussion of a potential gap between audit at SOEs and that of privately-owned listed companies in Russia, what can be learnt from the international experience and what are the best practices that could be useful to improve the functioning of the Russian audit function within the SOE sector. It was also outlined that to what extent Rosimuschestvo's guidelines and practices regarding SOE performance audit are in line with OECD Guidelines' recommendations.

21. Vladimir Gusakov opened the panel and handed over to Héctor Lehuedé who briefly outlined the international perspective on the audit of SOE performance, highlighting that accountability and transparency is an important priority in the OECD's view of sound SOE policies. The different types of audit of performance are in turn important prerequisites for accountability in general. Vasily Garshin subsequently presented in detail how the audit and risk management approaches of Rosimuschestvo developed over the last two years. He insisted particularly on explaining the role of revision commissions which he described as a heritage from the soviet past and as a direct instrument of shareholder control.

22. Denis Malykhin outlined that Rosimuschestvo's methodological recommendations and guidelines on SOE performance audit are a very useful tool and developed their substantive content in more detail. Mr Malykhin also added that while the revised Russian Corporate Governance Code is not specifically targeted to SOEs but rather addresses all listed companies, its provisions with regard to internal control and audit are very relevant and should be implemented in SOEs in the near future. Nikolay Rabushko elaborated on the audit of performance mechanisms deployed in his company, AHML, and expressed that revision commissions are generally a positive institution. Lubov Rudnitskaya agreed with him on the importance of the role of revision commissions and explained to the audience the various tasks she is entrusted with as the chair of the revision commission of Russian Railways.

23. While the moderator and the panelists outlined to what extent the revision commission can be a good opportunity for shareholders to get information, it has also been debated that this indirectly implies a circumvention of the board as the revision commission reports directly to the shareholders and not to the board. Héctor Lehuedé emphasized the risk of the revision commission being dominated by the controlling shareholder. Elena Dubovitskaya presented the methodology PwC developed together with Rosimuschestvo in order to assess the level of corporate governance in Russian SOEs. This methodology which consist of roughly 120 questions along 6 topics, where each question has a weighted score and red flags mark particularly important issues for Rosimuschestvo. She added that the concrete assessment approach started by Rosimuschestvo is in line with Prime Minister Medvedev's commitment to effectively the implement the provisions of the Corporate Governance Code in Russian SOEs.

CLOSING REMARKS

24. Vladimir Gusakov closed the Technical Seminar by thanking all speakers and participants and by highlighting the importance of the topics which were fruitfully debated. He also commented on the significant weight of SOEs in the Russian economy and outlined that there will be a positive signaling effect for the whole market if SOEs continue to effectively improve their corporate governance by implementing the revised Corporate Governance Code and Rosimuschestvo's Methodological Recommendations.

ANNEX 1: BIOGRAPHIES OF THE SPEAKERS

Biographies

Alexander Afanasiev

Alexander is Chairman of the Executive Board and CEO of the Moscow Exchange. He was born in 1962, graduated from the Moscow Financial Institute with a degree in international economic relations and also holds a PhD in economics. Alexander has been working in the Russian bank industry since 1991. In the Bank of Russia he participated in creation of the Russian Project Finance Bank, the first investment bank with foreign capital in Russia, and then served as its Managing Director. In 1996 he joined the executive board of Joint Stock Bank "Imperial". From September 1998, he worked as a Deputy CEO for Bank WestLB Vostok (ZAO), a subsidiary company of the German banking group WestLB AG. In 2005 Alexander was appointed Chairman of the MICEX FX Market's Council. He also co-chairs the National Foreign Exchange Association and National Securities Market Association.

Alexander Filatov

Alexander Filatov is the Managing Director of the Center for Corporate Governance and a Chartered Director (UK IoD). He has a significant experience as a board member of a number of companies, such as B&N Bank, Agency for Home Mortgage, KazmunaiTeniz, Sitronics-NANO, VolgaTelecom, OGK-2 and Stavropol GRES. From 2001-2011 Alexander was the CEO of the Independent Directors Association (IDA) in Russia, advising Russian companies in better corporate governance and implementation of independent directors' best practices. From 2001-2006 he was a Director at Ernst & Young CIS, Transaction Advisory Support/Mergers & Acquisitions. His prior positions included Deputy General Director of the NAUFOR Center for Analysis as well as Project Head of a World Bank project on Investors' Protection and Mutual Investment Development. Alexander has also published several books and articles on corporate governance topics.

Alexander Shevchuk

Alexander Shevchuk is the Executive Director of the Investor Protection Association (IPA), Russia's leading association of institutional investors, uniting 30 major, highly active funds with over \$29 billion in portfolio investments in Russia. Starting in 2002 as an analyst of independent directors' practice of Russian companies, he now has a broad corporate governance experience as a member of Boards of Directors and Audit Commissions, with over 8 years of service as an independent director at 17 companies. Alexander has a long track record of representing portfolio investors in corporate restructuring processes in Russia, interaction with authorities, dispute resolutions and corporate law improvements. He holds a degree in Finance from Moscow Finance Academy.

Baris Dincer

Baris Dincer is a managing partner at Arge Consulting and executive director of Argüden Governance Academy. He also serves as a board member of Corporate Governance Association of Turkey and advisory board member of Corporate Social Responsibility Association of Turkey. Baris started his career at the Turkish Prime Ministry Privatization Administration (PA) followed by the World Bank, Harvard University, OECD and the private sector. He has been awarded various scholarships and grants such as USA Fulbright, British Chevening and German Baden Württemberg and has recently been selected as "Rising Star of Corporate Governance" by Ira Millstein Center of Columbia University in New York. He holds undergraduate degree in Business Administration from Galatasaray University, postgraduate degrees in business and economics from City University London, Bilkent University and Pforzheim University. He furthered his academic studies at Phd level in Public Policy at Hacettepe and Harvard Universities.

Chen Fleischer

Chen Fleischer is a legal counsel in the legal department of Israel's Government Companies Authority (GCA) in the Ministry of Finance, since 2011. Joining the GCA, after having worked for the High Court of justice department in the Ministry of Justice representing the State in the Supreme Court, she took the position of the legal adviser to the Israeli SOEs Board Nomination Examination Committee and specializes in issues of corporate governance of SOEs related to Board nomination, composition and practices. Chen took part in leading the design and implementation of the recent changes the GCA introduced to the Israeli board nomination process in the SOEs. She holds a bachelor's and a master's degree in law from the Tel Aviv University.

Elena Dubovitskaya

Elena Dubovitskaya is a senior manager in PwC Russia where she manages consulting projects with regard to corporate governance for local and foreign companies. Elena has 12 years of corporate governance related experience, including research, publications, analytics, rating services (working with Standard and Poor's Governance Services), experience in industry and consulting. Her practical experience includes a number of projects on comprehensive assessment of corporate governance, improvement of the board of directors performance, corporate restructuring, ethical standards development and corporate reporting preparation and assurance. She graduated from the Moscow

State University. She holds PhD in Economics and completed a certificated program of studies in Corporate Governance, York University, Schulich Business School (Canada). Elena led a number of corporate governance surveys, has more than 10 publications on corporate governance issues, holds lectures for university students on the subject.

Héctor Lehuedé

Héctor Lehuedé is Senior Policy Analyst at the OECD Corporate Affairs Division, which is responsible for the corporate governance work of the OECD. He is in charge of the bilateral work with the Russian Federation, of research on comparative international corporate governance and of peer reviews of the implementation of the OECD Principles of Corporate Governance and the OECD Guidelines on Corporate Governance of State-owned enterprises. Héctor is also the manager of the OECD Russia Corporate Governance Roundtable. Before joining the organization, Héctor was a Senior Advisor to the Chilean Minister of Finance. He started his career in the legal field and practiced law for over a decade at some of the largest legal and auditing firms in Chile, specialising in tax, corporate and financial affairs. Héctor holds a law Juris Doctor Degree from Universidad de Chile and a Masters Degree from Stanford University.

Lubov Rudnitskaya

Lubov Rudnitskaya is a professor at the Higher School of Economics' Banking Institute. She is the Chairwoman of the Audit Commission of the "Russian Railways" OJSC, member of the audit commissions of "MNIi PII" OJSC and "ZS KCONC" OJSC. Lubov is a member of the working group on corporate law and corporate governance, taxation of financial operations, as well as the working group on establishment of the international financial center in the Russian Federation. Lubov is the member of the Independent Directors' Register of the IFC (International Finance Corporation) and the National Register of Independent Directors of the Russian Union of Industrialists and Entrepreneurs. Lubov spent over 20 years working in the finance sector: she was the manager of the St.Petersburg Branch Office of MAKB "Vozrozhdenie", head of the project on restructuring of commercial banks of the Agency of Banks' Restructuring, Chairwoman of the Management Board of the Russian Industrial Bank, member of the Management Board, Chief Accountant of "Megafon" OJSC. Lubov graduated from the Leningradskiy State University, faculty of economics, and the Institute of Finance and Economics, faculty of foreign economic activities, Ph.D. (Economics).

Nikolay Rabushko

Nikolai Rabushko is the Deputy CEO of the Agency for Housing Mortgage Lending (AHML). In 1995 he graduated from the Yaroslavl Higher Military Academy of Finance named after the Army General A.V.Khroulev as a specialist in «Financial support of forces». During 1997-2010 Nikolai was working in banking sector on managerial positions in "Zato-Bank" CJSC, "UniCredit Bank" CJSC, "Expobank" LLC. From January 2011 till December 2012 Nikolai was heading the Internal Audit Department of "Agency for Housing Mortgage Lending" CJSC. Since January 2013 Nikolai is the Deputy General Director and the Head of Financial Control Service and supervises issues related to establishment of

the efficient system of internal control and risk management as well as business planning of the Agency.

Oleg Fedorov

Oleg Fedorov is the Advisor of the Head of Rosimuschestvo. During 1999-2002 Oleg was the member of the Management Board of NAUFOR, subsequently he acted as the head of the department for protection of investors' rights, department of market infrastructure and the Consultative Center of SRO NAUFOR. During 2001- 2003 Oleg coordinated activities of independent directors in the Investor Protection Association (IPA). Since 2002 Oleg as the deputy CEO of IPA also supervised representation of interests of investors and members of IPA in the course of reorganization of subsidiaries of "Svyazinvest" OJSC. Starting 2003 Oleg worked as CEO of "UFG" CJSC and "DeutscheUFG" CJSC and then "Deutsche Bank" LLC (Moscow). During 2009-2012 Oleg worked in "VTB Capital" CJSC as the Managing Director supervising interaction with the state authorities and companies. Since 2012 Oleg as the Counsel of the Chief of Rosimuschestvo supervises corporate governance issues and privatization of major state-owned enterprises. During 2000-2011 Oleg was elected as independent director into the Boards of Directors and Audit Commissions of 16 companies, including "FSK UES" CJSC, "SO-CDU UES", "Sverdlovenergo", "Novosibirskenergo", "Omskenergo", "Kubanenergo", "Novgorodtelecom", "Volgatelecom", "NSS", "VASO", "MOEK", "Petrovsky Passage" and others. Oleg has experience of participation in and management of the committees on nominations and compensations, on strategy and corporate governance. Oleg represents the State in the Boards of Directors of "Alrosa" OJSC, "Vnukovo Airport" OJSC and International Airport of Irkutsk.

Oleg Shvyrkov

Oleg Shvyrkov, Ph.D. is Director for Corporate Governance, CIS at Deloitte CIS. Oleg has over 10 years of practical experience in the area of Corporate Governance in emerging markets. In 2013 Oleg was invited to serve on the team of drafters for update of the Russian Corporate Governance Code, led by the Bank of Russia's Financial Markets Service, the Moscow Exchange, and the European Bank for Reconstruction and Development. Oleg served as a consultant to the OECD Corporate Governance Roundtable in Russia. He also worked for Standard & Poor's in Russia, where he was an analytical director at the Governance Services group. Oleg also participates in several professional associations and working groups, including the Expert Council of the Capital Markets Service of the Bank of Russia and the Corporate Relations Subcommittee of the Taskforce for Development of the International Financial Center in Moscow (the 'Voloshin's Group'). Oleg has published extensively in the area of corporate governance. In June 2014, Oleg received the Rising Star of Corporate Governance Award by Columbia Law School's Millstein Center for Global Markets and Corporate Ownership.

Olga Dergunova

Olga Dergunova is Deputy Minister of Economic Development of the Russian Federation and Head of the Federal Agency for the State Property Management. During the last twenty years she was actively establishing and developing the IT sector in Russia: during 1994-2007 Olga was the Head of Representative Office, General Director, President

of Microsoft in Russia and the CIS. In 2007 Olga became the Board member of “VTB Bank” OJSC, during three years she was responsible for relations with major corporate clients. Since 2010 Olga was leading the work with the subsidiary banks of “VTB Bank” OJSC and was responsible for strengthening the position of VTB Group at all markets as the global player at the global financial market, improving the Group management system and building profitable efficient business in the subsidiary banks in accordance with the new strategy of VTB Group. Olga is a participant of the Forum of Young Global Leaders of the World Economic Forum (YGL WEF). In 2012 Olga was appointed as the Deputy Minister of Economic Development of the Russian Federation, Chief of the Federal Agency for the State Property Management.

Vasily Garshin

Vasily Vladimirovich Garshin is the Head of the Internal Control Department of Rosimuschestvo. During 1999-2002 Vasily was working in the Central Economic and Mathematical Institute of the Russian Academy of Sciences. During 2002-2006 Vasily was working as a chief economist and a chief specialist of VTB Bank. In 2006 he was appointed as the head of the group of integration of subsidiary banks of VTB Group of the Financial Department of VTB Bank. Since 2010 Vasily worked as director in the Internal Control Department of VTB Bank. Since 2012 till the present time Vasily works as the Head of the Internal Control Department of the Federal Agency for the State Property Management (Rosimuschestvo).

Victoria Semerikova

Victoria is the Head of the Department of Corporate technologies of the Federal Agency on the Management of State Property (Rosimuschestvo). Since February 2013 she performed functions of the Advisor to the Head of the Rosimuschestvo. From 2006 till 2013 she occupied leading positions in the Department of corporate strategy and development of the VTB Bank. Later she moved to the position of the Director of the Department of affiliated banks. Her area of responsibility included start-up projects to expand VTB Group presence, projects on assets acquisition, as well as special management effectiveness projects in the countries of VTB Group presence. She was a member of the Audit Committee of the VTB Branch in Armenia. From 2005 to 2006 she was employed at Ernst&Young audit company in the department of auditing telecom industry. In 2004 Victoria received a Bachelor with distinction from the Russian Academy of Economy named after Plekhanov, and in 2006 she got a Master of Management in the same Academy.

Vladimir Gusakov

Vladimir Gusakov is Managing Director for Government Relations at the Moscow Exchange. He is also member of the Board of Directors of Russian Railways, member of the Supervisory Board of the Housing Mortgage Lending Agency where he was appointed in 2008 by the resolution of the Russian government, and the Chairman of Rosagroleasing. He has been a member of the National Stock Market Association’s Council since it was established in 1996; he is a member of the Non-Governmental Council of Financial Market Participants, the Expert Council on Corporate Management at the Russian FSFM, the Independent Directors’ Committee of the RSPP, and the Committee for

Credit Organization and Financial Market Legislation of the Association of Lawyers of Russia. Vladimir graduated in 1984 from the P. Lumumba Peoples' Friendship University with a degree in Mathematics. He is a Candidate of Physical and Mathematical Sciences and an Associate Professor. In 2003, he graduated from the G.V. Plekhanov Russian Economic Academy with a degree in Finance. In 2008, he graduated from the President's Russian Academy of Public Administration with a degree in Law.

ANNEX 2: BACKGROUND MATERIAL

- OECD Guidelines on Corporate Governance of State-owned Enterprises, OECD Publishing (2005) [English version](#) and [Russian version](#)
- Boards of Directors of State-Owned Enterprises: An Overview of National Practices, OECD Publishing (2013) [English version only](#)
- Board Formation: Nomination and Election in OECD Countries and Russia, OECD Russia Corporate Governance Roundtable (2012) [English version](#) and [Russian version](#)
- Survey Russian boards: Selection, nomination and election, PWC-IDA, OECD Russia Corporate Governance Roundtable (2012) [English version](#) and [Russian version](#)
- Accountability and Transparency: a Guide for State Ownership, OECD Publishing (2010) [English version only](#)
- Draft Guidelines on the organization of the internal audit function in joint-stock companies with the participation of the Russian Federation (2014) [Russian version only](#)
- Methodical recommendations on the application of key performance indicators (2013) [Russian version only](#)
- Guidelines for the organization of controlling processes for revision commissions (2013) [Russian version only](#)