

REGULATION

On Committees of the Moscow Chamber of Commerce and Industry Association

1. GENERAL PROVISIONS

- 1.1 This Regulation defines a general procedure for setting up and functioning of committees of the Moscow Chamber of Commerce and Industry Association (hereinafter – the Committees).
- 1.2 The Committees are functional cross-industry consulting public entities of the Moscow Chamber of Commerce and Industry Association (hereinafter – the MCCI) created to address scientific, research, trade, socio-economic, corruption and other topical issues relevant for their area of competence.
- 1.3 The Committees will be set up by an MCCI Board decision based on the MCCI President's presentation following an MCCI member initiative.
- 1.4 The MCCI Board shall approve the Regulation and statutes of committees by the area of competence (Annex 1 to the Regulation on MCCI Committees).
- 1.5 The Committees are not legal entities and shall carry out their activities as public entities run by committee chairs and co-chairs.
- 1.6 Decisions made by the Committees shall be binding for committee members and of advisory nature for MCCI members, once the MCCI Board approves them.
- 1.7 The Committees shall be governed by the Russian Constitution, RF Law On Commerce and Industry Chambers in the Russian Federation, the Moscow City Law On The Moscow Chamber of Commerce and Industry and other federal laws and regulations, the MCCI Charter, MCCI management decisions, this Regulation and Statutes of Committees by the area of competence.

2. OBJECTIVES, TASKS AND KEY AREAS OF COMMITTEE ACTIVITIES

- 2.1. The main objectives of Committees by the area of competence shall be to support the MCCI core activities, in particular, to support the Moscow City's economic development, the latter's integration in the country's economy and global business environment; to build up an up-to-date industrial, financial and trade infrastructure, to create a favourable business environment, regulate entrepreneur-social partner relations and promote all kinds of entrepreneurship as well as trade, economic, scientific and academic ties between the Moscow business community and entrepreneurs across Russia and abroad; to involve the MCCI structural entities in implementing the MCCI mission, objectives and functions under the guidance of the MCCI President.
- 2.2. Within their scope, the Committees will support the MCCI in implementing its Charter tasks.
- 2.3. Key areas of the Committees' activities:
 - Review of socio-economic situation and various factors impacting business development by the area of their competence;
 - Participation, together with MCCI structural entities, in assessing a regulatory impact of legislative and regulatory acts;
 - Participation in marketing research by a Committee area of competence;
 - Participation in forming MCCI databanks of information on entrepreneurial activities;
 - Promotion of domestic and foreign entrepreneurial expertise among the Committee and MCCI members;
 - Provision of information and consulting support to organizations and individual entrepreneurs on issues related to the Committees' expertise;

- Proposals on organization of and participation in conferences, workshops, seminars that address challenges facing entrepreneurs in Moscow and abroad;
- Involvement of R&D and business community in conferences, workshops, seminars on challenges facing entrepreneurs in their areas;
- Support in arranging business meetings, training courses and workshops for employees of entities with different forms of ownership, either in Moscow or abroad;
- Development of proposals and recommendations to the MCCI management bodies intended for presentation and protection of the Committee members' interests in federal and Moscow governmental bodies, legislative and other authorities;
- Drawing up of draft documents and decisions aimed at enhancing the Committees' competencies, getting them approved by the MCCI Board and presenting them at legislative and executive bodies;
- Participation, together with the MCCI Board, in drafting documents regulating the Committees' areas of competence and in developing city programs impacting Committee members' interests;
- Upon agreement with the MCCI President, public oversight over implementation of legislative and executive authority decisions within their competence areas;
- Joint activities with other public MCCI entities along agreed lines;
- Upon agreement with the MCCI President, promotion of Committee decisions in mass media to protect their members' interests;
- Involvement of Committee members in the MCCI and its professional (commercial) organizations' services, including promotion of the MCCI activities and opportunities;
- Assistance with timely annual MCCI membership fee payment by Committee members.

3. COMMITTEE SET UP PROCEDURE.

COMMITTEE MEMBERSHIP, TERMS AND PROCEDURES FOR JOINING AND EXITING COMMITTEES

- 3.1. Committee members shall include representatives of organizations and the business community who are MCCI members, representatives of business associations, Moscow City Government, Moscow scientific and research community, the public and business community.
- 3.2. The MCCI Committees shall be created based on an application filed by at least ten organizations, eight out of which must be MCCI members. Only MCCI members may be permanent committee members representing organizations or individual entrepreneurs.
- 3.3. The Committees will be set up under the following procedure:
 - Action groups formed of business representatives shall put forward a proposal on setting up relevant committees to the Department for Public Entities Relations. Action groups shall define key objectives, functions and tasks of proposed committees and present to the MCCI President lists of potential committee members out of MCCI members and potential MCCI member candidates;
 - Action groups will draft statutes of Committees by competence areas as provided for by Annex 1 to this Regulation. They will also draft committee programs, hold kick-off meetings to form committee management bodies and adopt committee programs and action plans;
 - The MCCI President will reserve the right to decline chair candidates proposed by a Committee organizational meeting and recommend his own committee chair candidates.
- 3.4. The Department for Public Entities Relations will provide the following documents to an MCCI Board meeting approving a committee creation:
 - A list of potential new committee members out of the current MCCI members, and also a list of those who are willing to join MCCI and become members of said committee;

- Arguments supporting the necessity and relevance of creating a new committee;
 - A draft Committee Statute;
 - A draft Committee Program;
 - A resume of a candidate for the role of a Committee chair;
 - If necessary, a resume of a candidate for the role of a Committee co-chair;
 - A Committee action plan;
- 3.5. Upon the MCCI President's decision, action group representatives may take part in the MCCI Board meetings passing decisions on committees' creation.
- 3.5.1 The MCCI Board meetings that make decisions on committees' creation will be required to address issues of MCCI membership in respect of organizations that are not MCCI members but that are included in a list of potential committee members. Upon the MCCI Board approval of the documents set out in p 3.4 of this Regulation, the Committees will be deemed established and formally included in the list of the MCCI public entities.
- 3.6. Agreements shall be signed between the MCCI President and approved Committee chairs (Annex 2 to the MCCI Committee Regulation).
- 3.7. The following procedures shall apply to joining and exiting committees:
- 3.7.1. Any MCCI member may join a Committee, if they are interested in the Committee's professional agenda.
- 3.7.2. An MCCI member may belong to only one current or newly created MCCI public entity.
- 3.7.3. The Committees may accept members at any stage. A committee membership will be granted upon a committee chair's decision following an applicant's written request. Decisions to refuse a committee membership shall be taken only at a committee meeting (by a majority vote). Applications shall be reviewed within 10 calendar days from the date of their submission.
- 3.7.4. Grounds for exiting (exclusion from) a committee:
- A notice of voluntary withdrawal from a committee,
 - A committee meeting decision by a qualified majority to exclude a member from a committee. A committee member whose exclusion is voted upon shall not be allowed to vote.
- 3.7.5. Within five days from the date of a decision specified in p. 3.7.4, the Committee chair shall notify the MCCI President thereof attaching minutes of the committee meeting and setting out the grounds for said decision.
- 3.7.6. A committee member may be excluded from a committee based on a committee meeting decision in the following cases:
- Breaches of Russian competition laws,
 - Violations of business ethics and conduct in doing business,
 - Damage to the committee's, MCCI and/or their members' business reputation,
 - Repeated failure to comply with this Regulation, statute of the committee by the area of competence, other MCCI regulations and decisions of the committee and MCCI management bodies.
- 3.7.7. Based on a committee meeting decision to exclude a committee member under p. 3.7.6 and stature of a committee by the area of competence, a decision may be made to appeal to the MCCI President that the MCCI Board exclude such a member from the MCCI.
- 3.8. The Committees may engage experts from among enterprises and organizations that are not MCCI members. Said experts may become fully-fledged committee members upon joining the MCCI.

4. COMMITTEE RIGHTS. COMMITTEE MEMBER RIGHTS AND RESPONSIBILITIES

- 4.1. The Committees shall be entitled to:
- Upon agreement with the MCCI President, invite representatives of governmental authorities; at their own discretion, invite representatives of diverse businesses and public associations that are not committee members to take part in their meetings;
 - Form subcommittees, working groups from among Committee members and engaged experts; such subcommittees and working groups will act on their own within the framework of

agreed action plans and programs, pursuing the Committee's general objectives and tasks. Said units' leaders will be appointed by the Committee chair and co-chair;

- Propose to the MCCI management bodies that, for the purposes of familiarizing themselves with business activity patterns, Committee members and engaged specialists visit businesses, enterprises and associations of the City of Moscow and other Russian regions;
- Upon agreement with the MCCI President, put forward proposals to governmental authorities, public associations and business entities;
- Request and obtain information required for their functioning from public entities and MCCI departments;
- Issue their own Committee letterhead agreed with the MCCI President.

4.2. Committee members, on their own behalf or as authorized Committee representatives, shall be entitled:

- To take part in discussing issues addressed by Committee meetings;
- To submit proposals pertaining to their area of expertise for the MCCI President's consideration;
- To receive the MCCI assistance in resolving issues related to the Committee activities;
- To have access to the MCCI and MCCI organizations' services on beneficial terms, determined by the MCCI management bodies;
- Upon agreement with the MCCI President, to defend Committee members' interests through interaction with the Russian Federation and the City of Moscow governmental authorities;
- On the MCCI President's invitation, to attend MCCI Board meetings;
- To withdraw voluntarily from the Committee membership.

4.3. Committee members shall be obliged:

- To use their best endeavour to promote the MCCI charter objectives and tasks;
- To act in accordance with civilized and fair partnership principles and avoid unfair competition;
- To pay membership and other fees approved by the MCCI Board in a timely manner;
- To take part in their Committee activities;
- To meet, timely and fully, their obligations assumed in respect of their Committee and the MCCI;
- To provide information required to solve issues related to the Committee activities;
- To carry out their business activity in good faith, provide accurate and fair information on their operations, support local producers and strengthen their positions on the domestic and foreign markets.

4.4. Committee members may also have other rights and bear other responsibilities under Russian laws, other Committee and MCCI regulations and under agreements signed between the Committees and governmental authorities.

5. COMMITTEE MANAGEMENT BODIES

5.1. Committee meetings shall be higher Committee management bodies.

- 5.1.1. Committee meetings shall be held at least once every quarter. At the year-end, the Committees will hold meetings to sum up results of a reporting period.
- 5.1.2. Ad-hoc Committee meetings may be held to solve urgent issues, either upon an MCCI President's decision, or on the initiative of the chair (co-chair), or at the request of at least one third of the Committee members.

- 5.1.3. Committee meetings in absentia may be held to address issues related to denial of entry to new members and/or exclusion from committee membership.
- 5.1.4. Committee meetings will:
- Elect chair and co-chair candidates and propose them for the MCCI President's consideration,
 - Elect deputy (deputies) of a committee chair and a committee secretary,
 - Approve a committee program,
 - Review Committee chair (co-chair) reports and Committee working group reports and make decisions thereon,
 - Discuss issues related to suspending, resuming or terminating Committee's activities and amending the Committee statute (followed by a subsequent approval by the MCCI Board), and
 - Refuse entry to new members and exclude members from the Committee.
- 5.1.5. A Committee meeting will be empowered if at least one-half of its members attend it, provided that all Committee members have been duly notified of the date of the meeting. A committee meeting decision will be taken by a simple majority of the committee member votes. Minutes of the meeting will be taken. A Committee secretary will ensure that every committee member be familiarized with the minutes of a meeting.
- 5.1.6. Committee member-organization leaders will represent committee member interests. Organization leaders are entitled to delegate the right to represent their interests to third parties based on a power of attorney. A power of attorney may be a simple written statement bearing the organization's stamp and signed by the organization's leader.
- 5.1.7. Only one committee member representative will have a voting right at a committee meeting. Each committee member has only one vote.
- 5.2. The Committees will be run by chairpersons. A Committee meeting elects a chair candidate to be approved by the MCCI President and MCCI Board. An MCCI Committee chair will be elected for a one-year term. Once this term is over, a Committee meeting will either suggest to the MCCI President that the current committee chair's term should be extended or propose a new candidate.
- 5.3. A Committee chair will run a Committee working in close contact with the MCCI President and the Department for Public Entity Relations and will ensure that the Committee objectives and tasks are efficiently addressed. The chairperson will also represent the Committee at federal and regional legislative and executive authorities, local governments and public organizations.
- 5.4. The Committee chairperson shall:
- Organize and steer the Committee activities, define the scope of issues for Committee meetings, and instruct Committee members on implementation of the Committee's objectives and tasks,
 - Run the Committee in compliance with Russian laws, MCCI Charter, MCCI Committee Regulation, Statute of an MCCI Committee by the area of competence, Committee meeting and MCCI President's decisions and in accordance with the Committee action plans and programs,
 - Ensure implementation of Committee meeting and MCCI President's decisions,
 - Approve rules, procedures and other internal documents adopted by the Committee, except documents approved by Committee meetings,
 - Organize collection, processing and presentation of accurate and fair information about the Committee activities to Committee members and the MCCI President,
 - Organize safe-keeping of the Committee Statute, Committee internal documents, minutes of Committee meetings, reports, communications and other documents related to the Committee activities and ensure access to the above said documents to Committee members and MCCI administrative staff,
 - Take necessary measures to protect confidential information,
 - Organize preparation and holding of Committee meetings,
 - Solve other current Committee issues.

- 5.4.1. Committee chairpersons shall be obliged to act reasonably and in good faith in the interests of their Committees and the MCCI.
- 5.4.2. If there is a conflict of interest or a threat of said conflict, a Committee chair shall notify the MCCI President thereof immediately. Until a decision is made in their respect, a committee chair shall refrain from any actions that might lead to a conflict of interest.
- 5.4.3. At any time, the MCCI President will be entitled to request that a Committee chair (co-chair) provide information about the Committee activities.
- 5.4.4. A decision on a Committee chair's resignation shall be made in the following cases:
 - If a Committee chair expresses a willingness to resign;
 - If a majority of Committee members issue a written request citing the following facts:
 - The Committee chair's breach of Russian competition laws in respect of a Committee member (members) and the MCCI;
 - The Committee chair's breach of ethics and business conduct rules in their business dealings with a Committee member (members) and MCCI;
 - Damage to Committee members and the MCCI's business reputation;
 - Failure to comply with this Regulation, other MCCI regulatory documents and Committee management bodies' and MCCI decisions.
 - Repeated failure to hold Committee meetings (in accordance with the approved Committee action plan);
 - The Committee's lack of sustained efforts in the Committee's core areas as specified by the statute of the Committee by the area of competence, and also lack of control over implementing decisions made by the Committee management bodies and the MCCI;
 - Low membership fee payment rate, Committee member drop-out rate by over one-third;
 - Failure to hold regular Committee events (at least quarterly) and meetings with governmental authorities (at least once every six months);
 - Breach of the agreement between the Committee chair and the MCCI.

The MCCI President shall be entitled, following a Department for Public Entity Relations' request, to hold ad-hoc Committee meetings to review reports of a Committee supervisor (an MCCI employee), of Committee chairs and Committee working group leaders on their activities. Based on a Committee meeting decision (to regard a Committee's activities as unsatisfactory), the MCCI President will initiate an MCCI Board meeting to address the issue of early termination of the Committee chair's tenure. The MCCI Board shall be entitled to decide on liquidating the Committee if it has identified the Committee's obvious and complete incapability to implement its activities.

- 5.4.5. In the absence of a Committee chair, deputy chairs will perform the chair's functions as well as other functions identified by the Committee chair.
- 5.4.6. The Committee secretary will perform the following:
 - Summarize submitted proposals on the Committee action plans;
 - Participate in discussing and drafting analytical documents and recommendations;
 - Inform Committee members of planned events; communicate information related to the Committee activities;
 - Oversee and monitor implementation of Committee meeting decisions;
 - Ensure that Committee meetings are convened, inform Committee members of the date, venue and agenda of a regular Committee meeting, organize dissemination of materials to Committee members and stakeholder organizations, document Committee meeting minutes and decisions.
- 5.5. The Department for Public Entity Relations shall supervise the Committees' activities.

6. THE COMMITTEES' OPERATIONAL PROCEDURES

- 6.1. The Committees will carry out their activities based on programs and six-month action plans.
- 6.2. The Committees will work in the interests of MCCI members in accordance with the objectives and tasks set out in Section 2 of this Regulation and Statutes of Committees by the area of competence.
- 6.3. The Committees will carry out their activities according to approved six-month action plans. Committee meetings will make decisions.
- 6.4. The Committee action plans will be provided to the Department for Public Entity Relations at least 15 days before half a year begins, in a table format (Annex 3 to the Regulation on MCCI Committees). The same procedure will apply to agreeing a change of date of an event included in a Committee's action plan. Any changes may be made to a plan no later than the 25th day of the month preceding the month in which an event is to take place.
- 6.5. Reports on Committee activities in an established format (Annex 4 to the Regulation on MCCI Committees) will be submitted to the Department for Public Entity Relations twice a year: no later than 10 June for the first six months of the year and 15 January for the year ended. Reports on events (workshops, round-table discussions and conferences) will be provided to the Department for Public Entity Relations within five business days from the date they took place.
- 6.6. The Committees will agree the contents of communications containing proposals, recommendations and requests addressed to state legislative and executive authorities with the MCCI President and send them either on the MCCI letterhead under the MCCI President's signature, or on a Committee letterhead under a Committee chair's signature.
- 6.7. If necessary, the Department for Public Entity Relations will provide organizational and technical support to the Committees' activities.
- 6.8. The Committee subcommittees, sections, working groups and other public entities may join relevant current MCCI committees, commissions and guilds as industry (professional) sections and take part in their work.
- 6.9. The Committees may use the MCCI name and logo on their letterhead and business cards only upon the MCCI President's agreement.
- 6.10. Committees shall not be allowed to use the MCCI letterhead for their correspondence.

7. THE COMMITTEES' FINANCIAL ACTIVITY

- 7.1. The Committees' funds that are a source of financing their activities will be accounted for on separate subaccounts by the MCCI. The Committees will be entitled to issue a request to the MCCI President that such a subaccount be opened.
- 7.2. The Committees' use of funds and property allocated thereto by the MCCI will be monitored by the Department for financial-economic and business activity.
- 7.3. Relevant Committee meetings must approve lists of payments from the Committees' subaccounts to be made automatically.
- 7.4. Settlement operations made from the MCCI bank accounts for the purposes of supporting the Committee activities shall be made upon agreement with the Department for financial and economic activity upon relevant requests. If said requests are not in line with the Committees' objectives, settlements shall not be made.
- 7.5. The Committee revenues shall be generated from the following:
 - Contributions in the form of cash or property as well as property and not-property rights made by Committee member organizations and other business entities for the purposes of supporting a Committee's activities and implementing approved programs (projects);
 - Other sources allowed by Russian laws.