

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in Corporate Finance
Student:	Marina Podkhomutova
Title of thesis:	Corporate governance practices, CEO characteristics and firm performance of Russian public companies

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.

The master thesis is devoted to highly topical issue of corporate governance. The relevance of the research topic is confirmed by several issues, such as the consequences of the global financial crisis, which made the researchers and practitioners once again to turn to the study of the influence of CEOs on the firms' performance: globalization of the Russian economy, which has forced the Russian companies to significantly improve its corporate governance, where personality of the CEO is one of the its most important aspects. As a result there are numerous researches on this topic, but their conclusions are contradictory. Moreover virtually complete absence of the similar studies in the Russian framework proves the need of such research in our country. It is worth noting, that the relevance of this paper from a theoretical point of view may consist in the non-traditional presentation CEO-FIRM relationship in terms of CEO-FIRM match concept.

Thus Marina Podkhomutova in her thesis has conducted the research, where the main goal was to establish and to study a relationship between CEO characteristics and company performance in Russia in terms of CEO-FIRM match, provide a qualitative analysis. To investigate the relationship between CEO characteristics and firm performance the author has defined legislative and theoretical aspect of the CEO's activity in Russia, has provided the literature review, the results and arguments of which were used to figure out what most likely will be the effect of CEO characteristics on firm value. Further the author has hand- collected a huge database, which was used to conduct an empirical study. Finally she has finalized her paper with the interpretation of the results, and provided practical recommendations.

Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.

The master's thesis consists of an introduction, two chapters, a conclusion and a list of references. In the first chapter the author gave a definition of CEO and has examined the legislative aspects of its functioning in Russia. Special attention was paid to the theory of correspondence as an ideological part of the research. In accordance with the literature review the author conduct an empirical study where she examines CEO characteristics and company performance In Russia in terms of CEO-FIRM match concept. As a result, the author achieved the main goal of the research by the consequent execution of the tasks.

Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.

All the objectives set in the thesis are met. The research problem is clearly formulated. The methodology is consistent with the approaches considered in the contemporary academic literature. Literature review is logically related to the research topic, the conducted study and the obtained results demonstrate good level of the author's analytical skills. In general, the quality of the analytical approach meets the requirements for master's thesis.

Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.

The applied methodology – econometric analysis is clearly relevant for conducted research and achievement of the research goal. The data sample used by the author is adequate and relevant for the stated research problem. The list of references and literature review are complete and coherent, along with review of classical concepts, the student provides a comprehensive analysis of contemporary literature.

Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.

The thesis is completed independently. Based on the existing methodology the author investigated the relationship between CEO characteristics and company performance In Russia. Given the fact, that the topic is covered in a relatively small number of papers regarding Russia, the thesis is novel and has practical significance. Empirical findings are substantiated and have references to existing studies.

Practical/applied nature of research. Extent to which the theoretical background is related to the international or

Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.

The empirical study is based on a sample 143 of Russian public companies. The author made a significant work of collecting data, which characterizes the CEOs, financial position of the company and corporate governance. The choice of the model and factors are justified. **Podkhomutova M.** justified and interpreted all the findings of econometric analysis. Based on the results of her study, the author concludes that the companies where an insider CEO has replaced the predecessor who voluntarily resigned demonstrates lower ROE than the firms with other types of matches; the companies where an outsider CEO has replaced a dismissed predecessor demonstrates higher ROA than the firms with other types of matches; the companies where an outsider CEO has replaced a dismissed predecessor demonstrates lower ROE than in firms with other types of matches. The most interesting finding is that the companies with good match CEO demonstrate worse performance comparing to the firms with bad match CEO.

Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

The layout of the master thesis (tables, figures, references) meets the requirements of the Regulation for master thesis preparation and defense. The thesis text is original and does not contain elements of plagiarism.

The Master thesis of **Podkhomutova M.** meets the requirements for master thesis of MCF program thus the author of the thesis can be awarded the required degree.

Date

07.10.2017

Scientific Advisor:

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