

REFEREE'S REVIEW

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| Program: | MIB |
| Student: | Timm Shrago |
| Title of thesis: | MULTIPLE DIRECTORSHIPS: THE STUDY OF RUSSIAN COMPANIES WITH A FOREIGN OWNERSHIP |

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| 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. | 5 | | | |
| 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. | 5 | | | |
| 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. | 5 | | | |
| 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. | 5 | | | |
| 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. | | 4 | | |
| 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. | | 4 | | |
| Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references. | | 4 | | |

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor.

Additional comments:

Corporate governance as an academic discipline as well as a field of practical activities includes many different aspects of agency problem. Many of those are difficult to quantify. The structure of the Board of Directors is one of those, which is easy to quantify. That's why a lot of attention in academic literature (an intensive survey provided) is devoted to analysis of Boards' construction. It explains the aims and tasks for the thesis. Actually the only Boards' feature is under authors' attack. It is multiple directorships. This topic for Russia was not covered in the existing literature before.

Let us notice that Sarbanes-Oxley Act provides penalties for 'busy' directors for US companies (but many sit on the Boards in foreign companies, e.g. in India). This means that American legislators treated multiple directorships as an evil. On the other hand we can treat multiple directorships in the framework of higher experience/reputation of such directors. This a starting point for formulation of hypotheses in this paper.

As empirical method the author uses multiple regressions with panel data. Data collection and statistics usage are quite adequate. I have just one doubt concerning Tobin's Q as dependent variable (measure of company's success). In fact Tobin's Q is a difficult theoretical concept. There is no way to calculate it directly. Any numerical estimate for this parameter is a proxy. There is no justification/discussion for the choice of a particular proxy used in the paper. Obviously this proxy is borrowed from the original foreign paper but some speculation on the options available would be reasonable (p.26).

"Managerial Implications" are not a strong side of this work. They are trivial and not directly related to regressions.

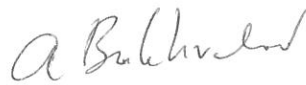
Nevertheless, the author made a lot of theoretical and empirical work. He has overcome difficult statistical methods. His statistics are significant and hypotheses are verified. So, it makes general impression of the paper quite positive.

I do not like layout of the paper because neither sections nor subsections are numbered. It makes difficult to make references with this style of layout. Also gradations of gray in the figures are not recognizable.

Master thesis of Mr. Timm Shrago meets the requirements of MIB program, and deserves an "excellent" grade, thus the author can be given the desired degree.

Date: June 15, 2011

Referee:
Professor of Finance



Alexander Bukhvalov