

**Information (materials) to be presented to the shareholders of
PJSC LSR Group in preparation for conducting the annual general meeting of shareholders on
June 9, 2017.**

In accordance with the notification of convening the annual general meeting of shareholders of PJSC LSR Group, PJSC LSR Group presents the following to the shareholders for purposes of familiarization:

Draft decisions of the annual general meeting of shareholders of PJSC LSR Group

Formulation of question No. 1: “Approval of the Company’s 2016 Annual Progress Report”.

Formulation of decision on the question:

To approve the Company’s 2016 Annual Progress Report.

Formulation of question No. 2: “Approval of the Company’s 2016 Annual Accounting (Financial) Statements”.

Formulation of decision on the question:

To approve the Company’s 2016 Annual Accounting (Financial) Statements.

Formulation of question No. 3: “Distribution of the Company’s profits for the 2016 fiscal year”.

Formulation of decision on the question:

To distribute the Company’s profits for the 2016 fiscal year as follows:

- to pay dividends on ordinary registered shares following the results of the 2016 fiscal year in the amount of seventy-eight (78) rubles per one ordinary registered share for a total amount of eight billion thirty-six million three hundred and fifty-six thousand seven hundred and seventy (8,036,356,770) rubles, including due to undistributed earnings of previous years. Dividend payment shall be made in the form of monetary funds. The record date shall be deemed as follows: 6/20/2017.

- not to pay remunerations and compensations to the members of the Internal Audit Commission within the period of performance of their obligations till the next annual General Meeting of the Company’s shareholders.

- to approve the amount of remunerations and compensations paid to the members of the Company’s Board of Directors within the period of performance of their obligations relating to execution of the functions of the members of the Board of Directors in the amount of thirty-seven million eight hundred thousand (37,800,000) rubles.

Formulation of question No. 4: “Determination of the number of members of the Board of Directors”.

Formulation of decision on the question:

To determine the numerical composition of the Company’s Board of Directors equal to 9 members.

Formulation of question No. 5: “Election of the members of the Company’s Board of Directors”.

Formulation of decision on the question:

To elect the following members into the Company’s Board of Directors:

1. Dmitri Valeryevich Gontcharov;
2. Vasily Maksimovich Kostritsa;
3. Aleksey Petrovich Makhnev (independent director);
4. Andrey Yurievich Molchanov;
5. Vitaly Grigoryevich Podolskiy (independent director);
6. Aleksandr Mikhailovich Prysyzhnyuk (independent director);
7. Yelena Viktorovna Tumanova;
8. Olga Mikhailovna Sheykina;
9. Eugeny Vladimirovich Yatsyshin.

Formulation of question No. 6: “Election of the members of the Company’s Internal Audit Commission”.

Formulation of decision on the question:

To elect the following members into the Company’s Internal Audit Commission:

1. Natalya Sergeevna Klevtsova;
2. Lyudmila Valerievna Fradina;
3. Irina Anatolyevna Sharapova.

Formulation of question No. 7: “Selection of the Company’s auditors for 2017”.

Formulation of decision on the question:

1. To obtain auditor’s approval of the Company’s 2017 Accounting (Financial) Statements prepared in accordance with the Russian Accounting Standards by LLC Audit-Service SPb.

2. To obtain auditor's approval of the Company's 2017 Consolidated Financial Statements prepared in accordance with the IFRS by JSC KPMG.

Formulation of question No. 8: "Approval of the Company's revised Charter".

Formulation of decision on the question:

To approve the Company's revised Charter.

Formulation of question No. 9: "Approval of the revised Regulation on the Company's Board of Directors".

Formulation of decision on the question:

To approve the revised Regulation on the Company's Board of Directors.

Formulation of question No. 10: "Approval of the revised Regulation on General Meeting of the Company's Shareholders."

Formulation of decision on the question:

To approve the revised Regulation on General Meeting of the Company's Shareholders.

Formulation of question No. 11: "Approval of transactions in the cases provided for in Article 83 of the Federal Law "On Joint-Stock Companies".

Formulation of decision on the question:

I. To approve the interested party transaction, i.e. entering into Contract of Guarantee No. 55/0000/62/827-P5 of 10/3/2016 (the "Contract of Guarantee") by and between PJSC LSR Group (the "Pledger") and PJSC Sberbank (the "Bank/Guarantor") to the amount of any and all liabilities of LLC LSR-Stroy (the "Principal") under Bank Guarantee Agreement No. 55/0000/62/827 of 10/3/2016 (the "Agreement") entered into by and between the Guarantor and the Principal as follows:

1. Type of transaction: Performance Guarantee, including Advance Payment Guarantee.
2. Liabilities ensured by the Guarantee: ensuring performance of liabilities, including those relating to advance payment refund under Contractor Agreement No. 19/2016 of 5/6/2016 in relation to construction of tramway system, reconstruction of road and performance of other works in accordance with the Contract entered into by and between the Principal and Limited Liability Company Transport Concession Company (location: 95, Varshavskoye shosse, bldg 1, Moscow, Russian Federation INN 6952036026, OGRN 1136952000888 (the "Beneficiary").
3. Amount of the Guarantee: Three billion two hundred and eighty-three million twenty-six thousand eight hundred and twenty-four (3,283,026,824) rubles 36 kopecks.
4. Duration of the Guarantee: from the date of its provision till November 10, 2018 (inclusive).
5. Remuneration for the Guarantee provision amounts to one point eight (1.8) percent per year.
6. Payment for necessary funds diversion by the Guarantor in order to settle the Principal's liabilities to the Beneficiary at the rate of fourteen (14) percent per year of the effected payment amount under the Guarantee. The payment shall be made by the Principal simultaneously with reimbursement of the payment under the Guarantee.
7. A penalty in case of late performance by the Principal of its payment liabilities under the Agreement amounts to twenty-eight (28) percent per year. The penalty is charged on the amount of the late payment for each day of delay from the period of past due debt (excluding this date) till the date of its full repayment (inclusive).
8. A penalty in case of failure to notify the Guarantor or its untimely notification of change in composition and officials' powers: one hundred and sixty-four thousand one hundred and fifty-one (164,151) rubles 34 kopecks collected pursuant to Clause 1.3.7. of the Contract of Guarantee.
9. In case of failure to fulfill or improper fulfillment of the obligations stipulated by Clause 8.1.5. of the Agreement during more than five (5) working days, the Principal shall pay the Guarantor a penalty in the amount of zero point five thousandth (0.005) percent of the Guarantee amount specified in Clause 1.1. of the Agreement.
10. Should the provision stipulated by Clause 13.6 of the Bank Guarantee Agreement be violated, the Principal shall pay the Guarantor a penalty in the amount of zero point five thousandth (0.005) percent of the Guarantee amount specified in Clause 1.1. of the Agreement.
11. Should the Principal fail to fulfill its obligations stipulated by Clause 8.1.7 of the Agreement, the Principal shall pay the Guarantor a penalty in the amount of zero point five thousandth (0.005) percent of the Guarantee amount specified in Clause 1.1. of the Bank Guarantee Agreement.
12. Should the Principal fail to fulfill its obligations stipulated by Clause 8.1.12. of the Agreement, the Principal shall pay the Guarantor a penalty in the amount of one hundred and sixty-four thousand one hundred and fifty-one (164,151) rubles 34 kopecks collected pursuant to Clause 1.3.11. of the Contract of Guarantee.

13. Should the Principal fail to fulfill its obligations stipulated by Clause 8.1.6 and/or 8.1.4, and/or 8.1.8 of the Agreement, the Principal shall pay the Guarantor a penalty in the amount of zero point five thousandth (0.005) percent of the Guarantee amount.

14. Should the Principal fail to fulfill each obligation stipulated by the clauses of the Agreement and specified in a table herein, the Principal shall pay the Guarantor a penalty in the amount specified in the table:

Clause of the Agreement	Penalty amount
8.1.26, 8.1.27, 8.1.29, 8.1.33, 8.1.34	one (1) percent of the Guarantee amount specified in Clause 1.1. of the Agreement for each fact of violation
8.1.10, 8.1.23, 8.1.28, 8.1.30, 8.1.31, 8.1.32	zero point twenty-five (0.25) percent per year of the Guarantee amount specified in Clause 1.1. of the Agreement for each day of failure to fulfill/improper fulfillment of the obligations
8.1.9, 8.1.11, 8.1.15, 8.1.16, 8.1.17, 8.1.18, 8.1.19, 8.1.20, 8.1.21, 8.1.22, 8.1.24, 8.1.25., 8.1.36	zero point one (0.1) percent of the Guarantee amount specified in Clause 1.1. of the Agreement for each fact of violation
8.1.35	zero point one ten-thousandth (0.0001) percent of the Guarantee amount specified in Clause 1.1. of the Agreement for each day of failure to fulfill/improper fulfillment of the obligations

The penalty shall be paid within three (3) working days upon receipt of the relevant notification of penalty payment from the Guarantor (including the date of receipt).

For each fact of the Principal's failure to fulfill its obligations to provide the Guarantor with documents in hard copy stipulated by Clause 13.4 of the Agreement, the Principal shall pay the Guarantor a penalty in the amount of four hundred thousand (400,000) rubles. The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Guarantor (including the date of receipt).

Should the Principal fail to fulfill its obligations stipulated by Clause 8.1.14 of the Agreement, the Principal shall pay the Guarantor a penalty in the amount of fifty thousand (50,000) rubles for each fact of failure to fulfill the relevant obligation. The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Guarantor (including the date of receipt).

15. Should the period specified in Clause 2.2 of the Contract of Guarantee be violated, the Pledger shall, from the date following the due date set out by the Contract for each day of delay, including the date of past due debt repayment, pay the Bank a penalty in the amount of fourteen (14) percent per year of the late payment amount that includes the Principal's obligations to pay the amount of the necessary funds diversion and remunerations for the Guarantee provision regardless of the Principal's penalty pursuant to Clause 3.1. of the Contract of Guarantee.

16. Should the Pledger fail to meet conditions of Clauses 2.1, 2.12, 2.15, 5.2 of the Contract of Guarantee, the Pledger shall pay the Bank a penalty in the amount of five hundred thousand (500,000) rubles within five (5) working days upon receipt of the written Bank request for the penalty payment.

Party concerned:

A. Molchanov, member of the Board of Directors, CEO, member of the Executive Board, and controlling person of PJSC LSR Group, who directly or indirectly through the LLC LSR controlled company is authorized to manage over 50 % of votes of the supreme corporate body of PJSC LSR Group.

Reason for interest:

A. Molchanov is a controlling person (indirect control through the controlled entity PJSC LSR Group) of LLC LSR-Stroy (a beneficiary under transaction).

II. I. To approve the interested party transaction, i. e. entering into Additional Agreement No. 1 of 11/1/2016 to Contract of Guarantee No. 55/0000/62/827-P5 of 10/3/2016 (the "Contract") by and between PJSC LSR Group (the "Pledger") and PJSC Sberbank (the "Bank/Guarantor") to the amount of any and all liabilities of LLC LSR-Stroy (the "Principal") under Bank Guarantee Agreement No. 55/0000/62/827 of 10/3/2016 (the "Agreement") due to the following amendments made to the Contract:

1. Clause 1.1. of the Contract shall be amended as follows:

“1.1 In accordance with the Contract, the Pledger shall be liable to the Bank for the Principal’s fulfillment, i. e. Limited Liability Company LSR-Stroy (registered address: 36, ul. Kazanskaya, Saint Petersburg 190031, INN 7838450579, OGRN 1107847344758), hereinafter referred to as the Principal, of any and all liabilities under Bank Guarantee Agreement No. 55/0000/62/827 of 10/3/2016 taking into account Additional Agreement No. 1 of 11/1/2016, hereinafter referred to as the Bank Guarantee Agreement entered into by and between the Bank and the Principal”.

2. Clause 1.3.13 of the Contract shall be amended as follows:

“1.3.13. In each case/ when the Principal fails to fulfill each obligation stipulated by the clauses of the Bank Guarantee Agreement and specified in the table herein, the Principal shall pay the Guarantor a penalty in the amount specified in the table:

Clause of the Bank Guarantee Agreement.	Penalty amount
8.1.26, 8.1.27, 8.1.29, 8.1.33, 8.1.34, 8.1.40	one (1) percent of the Guarantee amount specified in Clause 1.1. of the Bank Guarantee Agreement for each fact of violation
8.1.10, 8.1.23, 8.1.28, 8.1.30, 8.1.31, 8.1.32	zero point twenty-five (0.25) percent per year of the Guarantee amount specified in Clause 1.1. of the Bank Guarantee Agreement for each day of failure to fulfill/improper fulfillment of the obligations
8.1.9, 8.1.11, 8.1.15, 8.1.16, 8.1.17, 8.1.18, 8.1.19, 8.1.20, 8.1.21, 8.1.22, 8.1.24, 8.1.25.	zero point one (0.1) percent of the Guarantee amount specified in Clause 1.1. of the Bank Guarantee Agreement for each fact of violation
8.1.35	zero point one ten-thousandth (0.0001) percent of the Guarantee amount specified in Clause 1.1. of the Bank Guarantee Agreement for each day of failure to fulfill/improper fulfillment of the obligations

The penalty shall be paid within three (3) working days upon receipt of the relevant notification of penalty payment from the Guarantor (including the date of receipt)”.

3. Clause 1.3.17 shall be supplemented as follows:

“1.3.17. Should the Principal violate the obligations specified in Clause 8.1.37 and Clause 8.1.39 of the Bank Guarantee Agreement, the remuneration amount for the Guarantee provision shall be increased by two (2) percentage points starting from the third working day upon receipt of the advance payment from the Beneficiary till the date of obligation fulfillment (inclusive)”.

4. Clause 1.3.18 shall be supplemented as follows:

“1.3.18. Should the Principal violate the obligation specified in Clause 8.1.38. of the Bank Guarantee Agreement, the remuneration amount for the Guarantee provision shall be increased by zero point five (0.5) percentage point starting from the date of default (use of funds for the purposes not specified in Clause 8.1.38. of the Bank Guarantee Agreement) till the date of crediting funds to the additional settlement account in the amount used for the purposes not specified in Clause 8.1.38 of the Bank Guarantee Agreement (inclusive).

Should the Principal further violate the obligation specified in Clause 8.1.38. of the Bank Guarantee Agreement (not crediting funds to the additional settlement account in the amount used for the purposes not specified in Clause 8.1.38. of the Bank Guarantee Agreement) within the period of:

- more than 10 consecutive days (inclusive) from the date of default, the applicable remuneration amount for the Guarantee provision shall be additionally increased by zero point five (0.5) percentage point starting from the eleventh consecutive day upon the date of default till the date of crediting fund to the additional settlement account in the amount used for the purposes not specified in Clause 8.1.38 of the Bank Guarantee Agreement (inclusive);

- more than 30 consecutive days (inclusive) from the date of default, the applicable remuneration amount for the Guarantee provision shall be additionally increased by zero point five (0.5) percentage point starting from the thirty-first consecutive day upon the date of default till the date of crediting of funds to the additional settlement account in the amount used for the purposes not specified in Clause 8.1.38 of the Bank Guarantee Agreement (inclusive);

- more than 90 consecutive days (inclusive) from the date of default, the applicable remuneration amount for the Guarantee provision shall be additionally increased by zero point five (0.5) percentage point starting from the ninety-first consecutive day upon the date of default till the date of crediting of funds to

the additional settlement account in the amount used for the purposes not specified in Clause 8.1.38 of the Bank Guarantee Agreement (inclusive)".

Party concerned:

A. Molchanov, member of the Board of Directors, CEO, member of the Executive Board, and controlling person of PJSC LSR Group, who directly or indirectly through the LLC LSR controlled company is authorized to manage over 50 % of votes of the supreme corporate body of PJSC LSR Group.

Reason for interest:

A. Molchanov is a controlling person (indirect control through the controlled entity PJSC LSR Group) of LLC LSR-Stroy (a beneficiary under transaction).

III. To approve the interested party transactions, i. e. entering into the Contracts of Guarantee No. 173500/0018-8/3 of 2/27/2017, No. 173500/0019-8/3 of 2/27/2017, No. 173500/0020-8/3 of 2/27/2017, No. 173500/0021-8/3 of 2/27/2017 by and between PJSC LSR Group (the "Pledger") and JSC Russian Agricultural Bank (the "Creditor") (the "Contracts of Guarantee") for the full amount of liabilities as security for fulfillment of all obligations of JSC LSR. Real Estate-M (the "Borrower") to the Creditor under Credit Agreements No. 173500/0018 of 2/27/2017, No. 173500/0019 of 2/27/2017, No. 173500/0020 of 2/27/2017, No. 173500/0021 of 2/27/2017, entered into by and between the Borrower and the Creditor as follows:

1. Type of credits: credit.
2. Total amount of credit transactions is one billion nine hundred million (1,900,000,000) rubles.
3. The amount of each credit is not more than six hundred million (600,000,000) rubles.
4. Credit interest is not more than 15 % per year.
5. The final credit (principal debt) payment period is not more than 24 months.
6. Credit commission is not applicable.
7. Early repayment charge is not applicable.
8. Intended use of credit:
 - to replenish current assets;
 - to repay credits provided to the Borrower by third-party credit organizations;
 - to provide loans to third parties being part of the Group;
 - to repay loans provided to the Borrower by third parties;
 - to finance current activities stipulated by the Borrower's Charter, including acquisition of land lots and other facilities.

To authorize a sole executive body to settle transactions aimed at changing of the aforementioned terms and conditions of the Contracts of Guarantee, at its discretion but within the limits set out hereby.

Party concerned:

A. Molchanov, member of the Board of Directors, CEO, member of the Executive Board, and controlling person of PJSC LSR Group, who directly or indirectly through the LLC LSR controlled company is authorized to manage over 50 % of votes of the supreme corporate body of PJSC LSR Group.

Reason for interest:

1. A. Molchanov is a controlling person (indirect control through the controlled entity PJSC LSR Group and LLC LSR) of LLC LSR. Real Estate-M (a beneficiary under transaction).
2. A. Molchanov is CEO of LLC LSR that is a management organization of JSC LSR. Real Estate-M (a beneficiary under transaction).

IV. To approve the interested party transaction, i. e. entering into Contract of Guarantee No. 0162-2-102117-P5 of 3/13/2017 (the "Contract of Guarantee") by and between PJSC LSR Group (the "Pledger") and PJSC Sberbank (the "Creditor") as a security for fulfillment of the obligations of LLC LSR. Wall (the "Borrower") to the Creditor under Agreement for Opening Non-Revolver Credit Line No. 0162-2-102117 of 3/13/2017 (the "Credit Agreement") entered into by and between the Borrower and the Creditor as follows:

1. Type of credit: non-revolving credit line.
2. Credit limit is nine hundred and eighty-seven million (987,000,000) rubles.
3. Credit interest is eleven (11) percent per year. Payment of interest shall be made on March 20, 2017 and thereon every month on 20th day of each calendar month and on the day of full credit repayment specified in Clause 6.1 of the Credit Agreement or on the day of full credit repayment that occurred

earlier than the day specified in Clause 6.1 of the Credit Agreement subject to drawdown of credit line limit in the full amount and/or after the Expiry Date of the availability period in the amount charged at the specified date(s) (inclusive).

4. The final credit payment date is March 12, 2023 (inclusive).

5. Reservation charge is zero point fifteen (0.15) percent of credit line limit that amounts to one million four hundred and eighty thousand five hundred (1,480,500) rubles. The reservation charge shall be paid by the Borrower to the Creditor simultaneously prior to the first credit granting but no later than March 24, 2017.

6. Drawdown charge is zero point twenty-five (0.25) percent per year of free limit balance calculated pursuant to Clause 3.1 of the Credit Agreement. The drawdown charge shall be paid by the Borrower to the Creditor within the interest payment dates set out in the Credit Agreement in the amount charged at the specified payment date(s) (inclusive).

7. Should the credit be paid (fully or partially) earlier than within the date(s) specified in Clause 6.1 of the Credit Agreement, the Borrower shall pay the Creditor a prepayment charge.

The prepayment charge is accrued on the credit amount returned. The prepayment charge amount is set out in accordance with the table:

The period when early repayment of credit debt occurred (the Creditor receives the Borrower's application when repaying the credit debt pursuant to Clause 5.12 of the Credit Agreement)	Amount of the prepayment charge, % per year of the early credit amount returned
from March 13, 2017 till March 12, 2018	two (2)
from March 13, 2018 till March 12, 2019	two (2)
from March 13, 2019 till March 12, 2020	zero point seventy-five (0.75)
from March 13, 2020 till March 12, 2021	zero point five (0.5)
from March 13, 2021 till March 12, 2022	zero (0)
from March 13, 2022 till March 12, 2023	zero (0)

8. Intended use of credit: to refinance previously incurred expenses associated with acquisition of real and personal property on the electronic trading platform New Information Systems (<http://nistp.ru/>) (bidding code is 966-OAOФ, Lot No. 11) within the project on moving Aeroc plant to the aerated concrete production site located at the following address: 12, ul. Industrialnaya, Vsevolozhsk District, Leningrad Region, Sertolovo; to refinance Loan Agreement No. 6-z/2016 of 12/15/2016 entered into by and between the Borrower and PJSC LSR Group.

9. Credit repayment schedule:

Repayment date	Payment amount
April 20, 2021	one hundred million (100,000,000) rubles
October 20, 2021	one hundred and fifty million (150,000,000) rubles
January 20, 2022	one hundred and fifty million (150,000,000) rubles
April 20, 2022	two hundred million (200,000,000) rubles
July 20, 2022	two hundred million (200,000,000) rubles
March 12, 2023	one hundred and eighty-seven million (187,000,000) rubles

10. In case of late transfer of payment for credit repayment, late payment of interests or Fees, excluding payment for early credit repayment, the Borrower shall pay the Creditor a penalty in the amount of interest rate specified in Clause 4.1 of the Credit Agreement increased twofold, in percentage form per year. The penalty is charged on the amount of the late payment for each day of delay from the period of past due debt (excluding this date) till the date of its full repayment (inclusive).

The date of past due debt within the Credit Agreement is the Date of Payment when the Borrower fails to fulfill its obligations stipulated by the Credit Agreement.

Penalties for late transfer of payment for the credit repayment and late payment of interests shall be paid in the credit currency.

Penalties for late transfer of Fees, excluding payment for early credit repayment shall be paid in the credit currency.

11. Should the provision stipulated by Clause 13.5 of the Credit Agreement be violated, the Borrower shall pay the Creditor a penalty in the amount of zero point one hundredth (0.01) percent of the credit line limit specified in Clause 1.1 of the Credit Agreement. The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Creditor (including the date of receipt) in the credit currency.

12. In each case/when the Borrower fails to fulfill each obligations stipulated by the clauses of the Credit Agreement specified in the table herein, the Borrower shall, upon the Creditor's request, pay the Creditor a penalty in the amount specified in the table herein pursuant to Clause 7.1.13 of the Credit Agreement.

Clause of the Credit Agreement	Penalty amount
The Borrower is provided grace time with regard to the obligations specified in Clauses 7.1.7.5, 8.2.4, 8.2.5, 8.2.6, 8.2.7, 8.2.8, 8.2.10, 8.2.12, 8.2.13, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18, 8.2.19, 8.2.20, 8.2.23, 8.2.24, 8.2.25, 8.2.26, 8.2.27, 8.2.28, 8.2.29, 8.2.30, 8.2.31, 8.2.37, 8.2.39, 8.2.40, 8.2.41, 8.2.42, 8.2.43, 8.2.44 pursuant to Clause 9.2 of the Credit Agreement.	zero point twenty-five (0.25) percent of the limit under the Credit Agreement
Clauses 8.2.11, 8.2.21, 8.2.32, 8.2.33, 8.2.34, 8.2.35, 8.2.36 of the Credit Agreement	zero point one thousandth (0.001) percent of the limit under the Credit Agreement for each day of delay in fulfilling the obligations
Clauses 8.2.22, 8.2.38 of the Credit Agreement	zero point one ten-thousandth (0.0001) percent of the limit under the Credit Agreement for each day of delay in fulfilling the obligations

The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Creditor (including the date of receipt).

13. For each fact of the Borrower's failure to fulfill its obligations to provide the Creditor with documents in hard copy stipulated by Clause 13.3 of the Credit Agreement, the Borrower shall pay the Creditor a penalty in the amount of fifty thousand (50,000) rubles. The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Creditor (including the date of receipt).

14. The Creditor shall have the right to unilaterally and at its own discretion increase the interest rate under the Credit Agreement, including, but not limited to, due to decisions on increase of key rate and/or refinancing rate taken by the Bank of Russia with notification of the Borrower of this fact without execution of an additional agreement on this change. Should the Creditor unilaterally increase the interest rate, the said change shall be effective in thirty (30) consecutive days upon sending notification to the Creditor unless the later effective date of the change is specified in the notification.

The Borrower shall be notified of the said changes in the Credit Agreement in the manner stipulated by the Credit Agreement.

Party concerned:

A. Molchanov, member of the Board of Directors, CEO, member of the Executive Board, and controlling person of PJSC LSR Group, who directly or indirectly through the LLC LSR controlled company is authorized to manage over 50 % of votes of the supreme corporate body of PJSC LSR Group.

Reason for interest:

1. A. Molchanov is a controlling person (indirect control through the controlled entity PJSC LSR Group) of LLC LSR. Wall (a beneficiary under transaction).
2. A. Molchanov is CEO of LLC LSR that is a management organization of JSC LSR. Wall (a beneficiary under transaction).

V. To approve the interested party transaction, i. e. entering into Agreement for subsequent pledge of participatory share No. 0162-2-102117-ZD (the "Pledge Agreement") by and between PJSC LSR Group (the "Pledger") and PJSC Sberbank (the "Creditor") as a security for fulfillment of the obligations of LLC LSR. Wall (the "Borrower") to the Creditor under Agreement for Opening Non-Revolving Credit Line No. 0162-2-102117 of 3/13/2017 (the "Credit Agreement") entered into by and between the Borrower and the Creditor as follows:

1. Type of credit: non-revolving credit line.
2. Credit limit is nine hundred and eighty-seven million (987,000,000) rubles.
3. Credit interest is eleven (11) percent per year. Payment of interest shall be made on March 20, 2017 and thereon every month on 20th day of each calendar month and on the day of full credit repayment specified in Clause 6.1 of the Credit Agreement or on the day of full credit repayment that occurred earlier than the day specified in Clause 6.1 of the Credit Agreement subject to drawdown of credit line

limit in the full amount and/or after the Expiry Date of the availability period in the amount charged at the specified date(s) (inclusive).

4. The final credit payment date is March 12, 2023 (inclusive).

5. Reservation charge is zero point fifteen (0.15) percent of credit line limit that amounts to one million four hundred and eighty thousand five hundred (1,480,500) rubles. The reservation charge shall be paid by the Borrower to the Creditor simultaneously prior to the first credit granting but no later than March 24, 2017.

6. Drawdown charge is zero point twenty-five (0.25) percent per year of free limit balance calculated pursuant to Clause 3.1 of the Credit Agreement. The drawdown charge shall be paid by the Borrower to the Creditor within the interest payment dates set out in the Credit Agreement in the amount charged at the specified payment date(s) (inclusive).

7. Should the credit be paid (fully or partially) earlier than within the date(s) specified in Clause 6.1 of the Credit Agreement, the Borrower shall pay the Creditor a prepayment charge.

The prepayment charge is accrued on the credit amount returned. The prepayment charge amount is set out in accordance with the table:

The period when early repayment of credit debt occurred (the Creditor receives the Borrower's application when repaying the credit debt pursuant to Clause 5.12 of the Credit Agreement)	Amount of the prepayment charge, % per year of the early credit amount returned
from March 13, 2017 till March 12, 2018	two (2)
from March 13, 2018 till March 12, 2019	two (2)
from March 13, 2019 till March 12, 2020	zero point seventy-five (0.75)
from March 13, 2020 till March 12, 2021	zero point five (0.5)
from March 13, 2021 till March 12, 2022	zero (0)
from March 13, 2022 till March 12, 2023	zero (0)

8. Intended use of credit: to refinance previously incurred expenses associated with acquisition of real and personal property on the electronic trading platform New Information Systems (<http://nistp.ru/>) (bidding code is 966-OAOΦ, Lot No. 11) within the project on moving Aeroc plant to the aerated concrete production site located at the following address: 12, ul. Industrialnaya, Vsevolozhsk District, Leningrad Region, Sertolovo; to refinance Loan Agreement No. 6-z/2016 of 12/15/2016 entered into by and between the Borrower and PJSC LSR Group.

9. Credit repayment schedule:

Repayment date	Payment amount
April 20, 2021	one hundred million (100,000,000) rubles
October 20, 2021	one hundred and fifty million (150,000,000) rubles
January 20, 2022	one hundred and fifty million (150,000,000) rubles
April 20, 2022	two hundred million (200,000,000) rubles
July 20, 2022	two hundred million (200,000,000) rubles
March 12, 2023	one hundred and eighty-seven million (187,000,000) rubles

10. In case of late transfer of payment for credit repayment, late payment of interests or Fees, excluding payment for early credit repayment, the Borrower shall pay the Creditor a penalty in the amount of interest rate specified in Clause 4.1 of the Credit Agreement increased twofold, in percentage form per year. The penalty is charged on the amount of the late payment for each day of delay from the period of past due debt (excluding this date) till the date of its full repayment (inclusive).

The date of past due debt within the Credit Agreement is the Date of Payment when the Borrower fails to fulfill its obligations stipulated by the Credit Agreement.

Penalties for late transfer of payment for the credit repayment and late payment of interests shall be paid in the credit currency.

Penalties for late transfer of Fees, excluding payment for early credit repayment shall be paid in the credit currency.

11. Should the provision stipulated by Clause 13.5 of the Credit Agreement be violated, the Borrower shall pay the Creditor a penalty in the amount of zero point one hundredth (0.01) percent of the credit line limit specified in Clause 1.1 of the Credit Agreement. The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Creditor (including the date of receipt) in the credit currency.

12. In each case/when the Borrower fails to fulfill each obligations stipulated by the clauses of the Credit Agreement specified in the table herein, the Borrower shall, upon the Creditor's request, pay the Creditor a penalty in the amount specified in the table herein pursuant to Clause 7.1.13 of the Credit Agreement.

Clause of the Credit Agreement	Penalty amount
The Borrower is provided grace time with regard to the obligations specified in Clauses 7.1.7.5, 8.2.4, 8.2.5, 8.2.6, 8.2.7, 8.2.8, 8.2.10, 8.2.12, 8.2.13, 8.2.14, 8.2.15, 8.2.16, 8.2.17, 8.2.18, 8.2.19, 8.2.20, 8.2.23, 8.2.24, 8.2.25, 8.2.26, 8.2.27, 8.2.28, 8.2.29, 8.2.30, 8.2.31, 8.2.37, 8.2.39, 8.2.40, 8.2.41, 8.2.42, 8.2.43, 8.2.44 pursuant to Clause 9.2 of the Credit Agreement.	zero point twenty-five (0.25) percent of the limit under the Credit Agreement
Clauses 8.2.11, 8.2.21, 8.2.32, 8.2.33, 8.2.34, 8.2.35, 8.2.36 of the Credit Agreement	zero point one thousandth (0.001) percent of the limit under the Credit Agreement for each day of delay in fulfilling the obligations
Clauses 8.2.22, 8.2.38 of the Credit Agreement	zero point one ten-thousandth (0.0001) percent of the limit under the Credit Agreement for each day of delay in fulfilling the obligations

The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Creditor (including the date of receipt).

13. For each fact of the Borrower's failure to fulfill its obligations to provide the Creditor with documents in hard copy stipulated by Clause 13.3 of the Credit Agreement, the Borrower shall pay the Creditor a penalty in the amount of fifty thousand (50,000) rubles. The penalty shall be paid within five (5) working days upon receipt of the relevant notification of penalty payment from the Creditor (including the date of receipt).

14. The Creditor shall have the right to unilaterally and at its own discretion increase the interest rate under the Credit Agreement, including, but not limited to, due to decisions on increase of key rate and/or refinancing rate taken by the Bank of Russia with notification of the Borrower of this fact without execution of an additional agreement on this change. Should the Creditor unilaterally increase the interest rate, the said change shall be effective in thirty (30) consecutive days upon sending notification to the Creditor unless the later effective date of the change is specified in the notification.

The Borrower shall be notified of the said changes in the Credit Agreement in the manner stipulated by the Credit Agreement.

15. Characteristics of Pledged Item:

- Nominal value of the Share pledged is three billion nine hundred and one million two hundred and twelve thousand four hundred and sixteen (3,901,212,416) rubles (100 % of the authorized capital).
- Assessed value of the Share is five billion two hundred and one million six hundred and sixteen thousand five hundred and fifty-five (5,201,616,555) rubles.
- Pledge value of the Share is three billion nine hundred and one million two hundred and twelve thousand four hundred and sixteen (3,901,212,416) rubles (haircut is 25 %).

Party concerned:

A. Molchanov, member of the Board of Directors, CEO, member of the Executive Board, and controlling person of PJSC LSR Group, who directly or indirectly through the LLC LSR controlled company is authorized to manage over 50 % of votes of the supreme corporate body of PJSC LSR Group.

Reason for interest:

1. A. Molchanov is a controlling person (indirect control through the controlled entity PJSC LSR Group) of LLC LSR. Wall (a beneficiary under transaction).
2. A. Molchanov is CEO of LLC LSR that is a management organization of JSC LSR. Wall (a beneficiary under transaction).