

**Explanatory Note
to Revised Draft Charter of PJSC LSR Group
Proposed for the Meeting of Shareholders of PJSC LSR Group of 6/9/2017.**

Amendments to the effective Company Charter registered on 4/15/2015 are mainly based on the need to bring the Charter in accordance with the amended legislation of the Russian Federation.

The following major amendments to the Company Charter are introduced:

1. Information about the address of the Company sole executive body is excluded as the information on the address of the legal entity is included in the Unified State Register of Legal Entities (USRLE).
2. Information about Company representative office in Moscow is excluded as the information on branches and representative offices of the legal entity is included in the Unified State Register of Legal Entities (USRLE).
3. Right of shareholders not included in the register of Company shareholders to introduce items to the agenda of the General Meeting of Shareholders and motions for the nomination of candidates by giving appropriate orders (instructions) to a person who registers their rights to shares is recognized.
4. Right of shareholders not included in the register of Company shareholders to claim the call of the Extraordinary General Meeting of Shareholders by giving appropriate orders (instructions) to a person who registers their rights to shares is recognized.
5. Possibility to use information and communication technologies ensuring remote participation in the General Meeting of Shareholders, discuss items of the agenda and make decisions on issues put to the vote without attending the General Meeting of Shareholders is recognized.
6. Possibility for shareholders to fill in electronic voting papers during the General Meeting of Company Shareholders on the website specified in the notification of the General Meeting of Company Shareholders is recognized.
7. Dates of Extraordinary Meetings of Shareholders are specified in accordance with the amendments to the legislation.
8. Competence of the Company Board of Directors is extended with the following authority: to approve the agreement on shareholder's contribution to Company property.
9. Competence of the Company sole executive body is extended with the following authority: to make a decision on change of the Company address within its location.
10. Two new chapters are added to the Company Charter: on regulating Company major transactions and related party transactions.
11. Requirements of the legislation on obligatory involvement of the auditor not connected by property interests with the Company or its shareholders in the audit of the annual accounting (financial) statements are recognized.