

**Explanatory note
to the draft Provisions on holding a General Meeting of Shareholders
of OJSC LSR Group in a new edition,
submitted to the Meeting of Shareholders of OJSC LSR Group on 07/04/2015.**

The changes to the Provisions concerning conducting the General Meeting of Shareholders of the Company, approved by the Meeting of Shareholders of 20/06/2014 (hereinafter – Provisions), are basically stipulated by the necessity of bringing the standards of the Provisions in accordance with the changed legislation of the Russian Federation, recommendations of the Code of Corporate Governance and planned amendments to the Listing Regulations of CJSC FB MMBV (hereinafter – Listing Regulations).

The following basic changes and specifications are introduced into the Provisions:

1. The Company name is cited in accordance with RF law.
2. Drafting of the Provisions results in a unified standard of document turnover of OJSC LSR Group.
3. The terms and definitions to be used in the Provisions are cited in accordance with RF law and are distributed in the text upon first mention.
4. In accordance with the recommendations of the Code of Corporate Governance and planned changes in the Listing Regulations, the obligation is secured to divulge information regarding the date of compiling the list of individuals with the right to participate in the General Meeting no less than 7 days before its occurrence.
5. The list of requirements for mandatory submission of information about the candidates when advancing candidates to the Company's bodies was supplemented with the requirement to submit contact information for communication with the candidate.
6. The Provisions secured the legal requirements that in a public company the functions of the accounting committee at the General Meeting of Shareholders shall be executed by an independent company which has a legal license, and manages the Company's shareholders register (independent Registrar).
7. In accordance with the recommendations of the Code of Corporate Governance in the Provisions the list of documents was specified and supplemented which need to be presented to the participants in the Meeting of Shareholders of the accounting committee during registration for participation in the General Meeting of Shareholders.
8. In accordance with the recommendations of the Code of Corporate Governance, the Provisions regulate more precisely the procedure for conducting the General Meeting of Shareholders, including limiting the time for reporting on agenda issues and the discussion time for these issues.
9. In accordance with the recommendations of the Code of Corporate Governance the possibility is specified for the shareholders to demand assurance by the Company's accounting committee (representatives of the registrar performing the functions of the accounting committee) of the copy of the completed ballot paper.
10. The standards of the Provision, establishing the order of informing persons having the right to participate in the meetings, decisions made by the meeting, and the results of voting at it are presented in accordance with the legislation of the Russian Federation.
11. In accordance with the recommendations of the Code of Corporate Governance the Provisions secure the obligation of the Company to post the minutes of the General Meeting of Shareholder on the Company's website on the Internet no later than 3 (three) days from the date of compilation of the minutes.