

APPROVED by
the General Meeting of Shareholders of
PIK Group of Companies,
Open Joint Stock Company

Minutes № 10
of April 20, 2006

**BYLAW ON THE MANAGEMENT BOARD of
PIK Group of Companies,
Open Joint Stock Company**

Moscow

1. GENERAL PROVISIONS

1.1. In accordance with the Civil Code of the Russian Federation, the Federal Law «On Joint Stock Companies» and the Charter of the Company, the present Bylaw on the Management Board (hereinafter referred to as the Bylaw) specifies terms and the procedure of convocation and the holding of meetings of the Management Board, and also the procedure of adoption of resolutions.

1.2. The Management Board is a collegial executive body of the Company effecting management of current activity of the Company.

2. PURPOSE AND PRINCIPLES OF ACTIVITY OF THE MANAGEMENT BOARD

2.1. The purpose of activity of the Management Board is the ensuring of effective work of the Company.

2.2. In order to implement the purpose of activity, the Management Board shall be governed by the following principles:

- quick and maximum impartial decision-taking process for the benefit of the Company and its shareholders;
- good faith, timely and effective fulfillment of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company.

3. CHAIRMAN OF THE MANAGEMENT BOARD

3.1. The functions of the Chairman of the Management Board of the Company shall be effectuated by a person effectuating the functions of the sole executive body of the Company.

3.2. The Chairman of the Management Board shall arrange the holding of meetings of the Management Board, preside at them, sign all documents in the name of the Company and minutes of meetings of the Management Board, act without a power of attorney in the name of the Company in accordance with resolutions of the Management Board adopted within the limits of its competence.

3.3. In the event of necessity to adopt a resolution regarding some issues without delay, in the absence of the Chairman of the Management Board, the acting President of the Company shall arrange a meeting of the Management Board, preside at it and sign the minutes of a meeting.

4. SECRETARY OF THE MANAGEMENT BOARD

4.1. The Secretary of the Management Board shall be appointed by members of the Management Board at the first meeting by a majority of votes of members of the Management Board participating in it.

4.2. The Management Board shall have the right at any time to relieve the Secretary of the Management Board of his/her post and appoint a new Secretary of the Management Board.

4.3. In the absence of the Secretary of the Management Board, fulfillment of his/her duties shall be imposed on another person by a majority of votes of members of the Management Board participating in a meeting.

- 4.4. The Secretary of the Management Board shall have the right:
- 4.4.1. to demand from executives of the Company information and documents necessary for preparation of materials related to issues on the agenda of meetings of the Management Board;
 - 4.4.2. to receive for fulfilment of his/her duties remuneration and compensation of expenses related to performance of functions of the Secretary of the Management Board, in the amount of and in accordance with the procedure determined by a resolution of the Management Board.
- 4.5. The Secretary of the Management Board shall do as follows:
- 4.5.1. keep and draw up the minutes of meetings of the Management Board;
 - 4.5.2. take stock of and keep incoming documentation and copies of outgoing documentation of the Management Board;
 - 4.5.3. notify members of the Management Board of the holding of meetings of the Management Board in accordance with the procedure and in terms established by the present Bylaw;
 - 4.5.4. provide members of the Management Board with materials necessary for consideration of issues on the agenda of meetings of the Management Board in accordance with the procedure and in terms established by the present Bylaw;
 - 4.5.5. perform other functions provided for by the present Bylaw.

5. MEETING OF THE MANAGEMENT BOARD

5.1. Meetings of the Management Board may be held whether in a form of joint attendance (including, but not limited to, conference-calls) or absentee voting.

5.2. Meetings of the Management Board shall be held on a regular basis in accordance with a work schedule approved at a meeting of the Management Board. If necessary, the Management Board may consider issues not included into a work schedule.

5.3. A meeting of the Management Board shall be convoked by the Chairman of the Management Board on his/her own initiative or by demand of a member of the Management Board of the Company.

5.4. Members of the Management Board shall be notified of convocation of a meeting of the Management Board, its form, place and time (if a meeting is being held in a form of joint attendance), and also of the agenda in an arbitrary form by the Secretary of the Management Board not later than 3 business days before a date of a meeting.

In the event of necessity to urgently settle some issues, the stated term may be reduced.

Jointly with a notification, members of the Management Board shall be provided with all necessary materials related to issues on the agenda.

5.5. A quorum for the holding of meetings of the Management Board of the Company shall amount to not less than 2/3 of elected members of the Management Board.

If the quantity of members of the Management Board becomes less than the quantity making up the stated quorum, the Board of Directors of the Company shall adopt a resolution on determination of a quantitative membership and appointment of members of the Management Board of the Company.

5.6. In course of decision-taking process of the Management Board, members of the Management Board present at a meeting shall express their opinions regarding issues on the agenda by voting.

5.7. If a member of the Management Board can not personally participate in a meeting or a meeting is being held by absentee voting, a member of the Management Board shall express his/her opinion regarding issues on the agenda in a written form.

If a written opinion of a member of the Management Board contains his/her voting, it shall be taken into account when determining a quorum and voting results.

A written opinion shall be submitted by a member of the Management Board prior to a meeting of the Management Board or, if a meeting is being held in a form of absentee voting, not later than on a final date of receipt of written opinions of members of the Management Board.

The Chairman shall read out a written opinion of a member of the Management Board absent at a meeting of the Management Board prior to the beginning of voting regarding an issue on the agenda to which this opinion is related.

5.8. Resolutions at meetings of the Management Board shall be taken by a majority of votes of members of the Management Board of the Company participating in a meeting.

5.9. In course of a decision-taking process at a meeting of the Management Board, each member of the Management Board shall have one vote.

Transfer of the right of vote by a member of the Management Board to another person, including a member of the Management Board, shall be prohibited.

The Chairman of the Management Board of the Company shall not participate in voting.

5.10. The Secretary of the Management Board shall keep the minutes at a meeting of the Management Board.

The minutes of a meeting of the Management Board shall be drawn up not later than 3 days after its holding.

The minutes of a meeting shall specify:

- the form of a meeting;
- the place and time of a meeting (if a meeting is being held in a form of joint attendance);
- persons participating in a meeting;
- the form of participation of each member of the Management Board in a meeting being held in a form of joint attendance (personal attendance at a meeting, participation in a conference-call, a written opinion);
- the agenda of a meeting;
- the issues put for voting and voting results on them;
- adopted resolutions.

The minutes of a meeting of the Management Board shall be signed by the Chairman of a meeting and the Secretary of the Management Board.

The Company shall store the minutes of meetings of the Management Board at a location of its executive body in accordance with the procedure and within terms established by the federal executive agency on securities market. If such terms have not been established, the Company shall permanently store the minutes of meetings of the Management Board.

The Company shall secure an access to the minutes of meetings of the Management Board to members of the Board of Directors, the Audit Commission, an auditor of the Company, and also to shareholders having in aggregate not less than 25 percent of voting shares of the Company.

6. REMUNERATION TO MEMBERS OF THE MANAGEMENT BOARD AND COMPENSATION OF EXPENSES RELATED TO FULFILMENT OF THEIR DUTIES

6.1. Members of the Management Board of the Company in a period of fulfilment of their duties will have remuneration paid and expenses related to performance of their functions of members of the Management Board compensated.

6.2. Amount of additional remuneration to members of the Management Board and the procedure of its payment shall be determined by a resolution of the Board of Directors of the Company.

7. PROCEDURE OF APPROVAL OF THE BYLAW AND MAKING MODIFICATIONS INTO IT

7.1. The present Bylaw shall be approved by the General Meeting of Shareholders by a majority of votes of shareholders – owners of voting shares of the Company.

7.2. The present Bylaw may be supplemented and modified by the General Meeting of Shareholders by a majority of votes of shareholders – owners of voting shares of the Company

7.3. If in the result of change in the legislation of the Russian Federation or the Charter of the Company some articles of the present Bylaw become contradictory with it, the Bylaw shall apply in its part, not contradictory with current legislation and the Charter of the Company.