

Non-binding translation

APPROVED

February 26, 2007

by the General meeting of the shareholders of

OJSC "M.video Company "

Minutes No. 4, dated February 26, 2007

**B Y - L A W
ON
SINGLE EXECUTIVE BODY
(GENERAL DIRECTOR)**

**Open joint-stock company
M. Video Company**

Moscow
2007

Article 1. General Provisions

1.1. This by-law On single executive body (General Director) (hereinafter referred to as the “By-law”) is approved in accordance with the Federal Law “On Joint-Stock Companies” and other normative legal acts of the Russian Federation, as well as the Charter of OJSC “M.video Company” (hereinafter referred to as the “Company”), it defines the procedure for activities, rights, responsibilities and liability of the Company’s General Director.

Article 2. Election of the Company’s General Director, Early Termination of his Powers

2.1. The Company’s General Director shall be elected for the term of 3 (three) years. The Contract with the General Director on behalf of the Company is signed by the Chairman of the Company’s Board of Directors.

2.2. Persons entitled to convene or demand calling a meeting of the Company’s Board of Directors under the Federal Law “On Joint-Stock Companies”, the Company’s Charter and the Company’s internal documents are entitled to submit a proposal at the meeting of the Board of Directors on a candidate to the position of the General Director within the time period provided for by the laws of the Russian Federation, the Company’s Charter and the Company’s internal documents.

A proposal on nominating candidates to the position of the Company’s General Director can be included in the demand on calling the meeting of the Company’s Board of Directors.

2.3. At the decision of the General shareholders’ meeting the powers of the Company’s General Director (single executive body) can be delegated under a contract to a commercial company (management company) or an independent entrepreneur (manager). The decision on delegating the powers of the Company’s General Director (single executive body) to a management company or a manager is made by the General shareholders’ meeting only at the proposal of the Company’s Board of Directors.

2.4. If the powers of the Company’s General Director are delegated under a contract to a commercial company (management company) or an independent entrepreneur (manager), provisions of the Company’s Charter and this By-law pertain in full measure to the said commercial company (management company) or independent entrepreneur (manager).

2.5. The Company’s Board of Directors can at any time make a decision about an early termination of the powers of the Company’s incumbent General Director and about electing the new General Director of the Company.

2.6. The Company’s Board of Directors can make a decision to suspend the powers of the management company or the Company’s manager and to form a temporary single executive body of the Company till the election of a new single executive body of the Company, or to delegate the powers of the Company’s single executive body to a new management company or a new manager.

Article 3. Competence of the Company’s General Director

3.1. The Company’s General Director shall act on behalf of the Company without a power of attorney, inter alia, represent its interests, carry out transactions on behalf of the Company, approve the employees list, issue orders and give instructions binding on all the Company’s employees.

3.2. The General Director's competence includes all the issues of the management of the Company's current activities, with the exception of issues belonging to the competence of the General shareholders' meeting and the Company's Board of Directors. The General Director organizes the implementation of decisions of the General shareholders' meeting and the Company's Board of Directors.

The Company's General Director shall:

1. carry out day-to-day management of the Company's activities;
2. have the right of first signature on financial documents;
3. dispose of the Company's assets to support its current activities within the limits established by the Company's Charter, unless in accordance with the Company's Charter the General Director does not have to obtain the consent of the General shareholders' meeting and (or) the Company's Board of Directors to carry out such transactions;
4. represent the Company's interests both in the Russian Federation and beyond its boundaries;
5. approve the staff, sign labor agreements with the Company's employees, use motivation measures in respect of these employees and impose penalties on them;
6. carry out transactions on behalf of the Company, with the exception of cases provided for by the Federal Law "On Joint-Stock Companies" and the Company's Charter;
7. issue powers of attorney on behalf of the Company;
8. open bank accounts for the Company;
9. organize the Company's accounting and reporting;
10. ensure the maintenance of the Company shareholders' register;
11. issue orders and give instructions binding on all the Company employees;
12. submit the Company's annual report and balance sheet to the Board of Directors and the General shareholders' meeting for approval;
13. carry out other functions required to achieve the Company's goals and to ensure its normal operation in accordance with the current legislation of the Russian Federation and the Company Charter.

3.3. The Company's General Director cannot make decisions on issues placed under the current legislation of the Russian Federation and the Company's Charter within the competence of the General shareholders' meeting and the Company's Board of Directors.

Article 4. Rights, Responsibilities and Liability of the Company's General Director

4.1. The rights and responsibilities of the Company's General Director shall be defined by the Federal Law "On Joint-Stock Companies", other statutory acts of the Russian Federation, the Company's Charter, this By-law and the contract concluded between him and the Company.

4.2. The Company's General Director in exercising his rights and fulfilling his responsibilities is to act in the Company's interests, exercise his rights and fulfill his responsibilities in respect of the Company in good faith and reasonably, not to disclose commercial and other confidential information about the Company's activities which became known to him.

4.3. Holding of more than one office by the Company's General Director in the management bodies of other companies is allowed only with the consent of the Company's Board of Directors.

4.4. The Company's General Director cannot use the Company's capability or allow using it to personal ends.

4.5. The Company's General Director is to use information about the Company's activities, about the Company's securities and transactions therewith which is not public and the disclosure of which can affect the market value of the Company's securities significantly, and other information amounting to official or commercial secret, only in the Company's interests and according to the Company's internal documents.

4.6. The Company's General Director shall notify the Company of the ownership of the Company's securities, as well as about the sale and (or) purchase of the Company's securities within 3 (three) days from the moment of transition of the securities to the General Director or another person (in case of securities sale). If the powers of the Company's single executive body are delegated to the management company (commercial company), the management company, as well, is to communicate to the Company information on the Company's securities owned by the management company officers, as well as about the sale and (or) purchase of the Company's securities by them within 3 (three) days from the moment of transition of securities to the relevant person.

4.7. The Company's General Director is to communicate to the Company information on changes in the size of its interest in the charter capital of the Company's subsidiaries and dependent companies, and/or on changes in amount of ordinary shares of the Company's subsidiaries and dependent companies owned by him within 3 (three) days from the moment of commencement of the relevant .

4.8. The Company's General Director is to communicate the following information to the Board of Directors within the last 10 days of each quarter of the financial year:

- about legal entities in which he owns independently or jointly with his affiliate (affiliates) 20 or more percent of the voting shares (stakes, investment units);
- about legal entities in whose governing bodies he holds posts;
- about completed or proposed transactions in which he can be regarded as an interested party.

4.9. The Company's General Director reports to the Company's General shareholders' meeting and the Board of Directors.

4.10. The Company's General Director shall be liable to the Company for the losses caused to the Company through his culpable actions (inaction), unless other grounds and liability amount are established by federal laws. In determining the grounds and the amount of liability of the Company's General Director usual conditions of business intercourse and other circumstances meaningful for the case are to be taken into account.

Article 5. Final Provisions

5.1. The requirements of this By-law are binding on the Company, its shareholders, members of the Board of Directors and other officers and employees of the Company.

5.2. If this By-law and the Company Charter do not contain rules regulating certain issues of the activities of the Company's General Director, one should be guided by the current legislation of the Russian Federation, as well as decisions of the General shareholders' meeting and the Company's Board of Directors and other internal documents of the Company.