

Non-binding translation

APPROVED

February, 26, 2007

by the general meeting of the shareholders of
OJSC "Company M. Video"

Minutes No.4, dated February, 26, 2007

**B Y - L A W
O N
REVISION COMMISSION**

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

Moscow
2007

Article 1. General Provisions

1.1. This Regulation on the Revision Commission of the Open Joint-Stock Company M. Video Company (hereinafter referred to as the “Company”) was developed in accordance with the Federal Law “On joint-stock companies”, other statutory legal acts of the Russian Federation and the Company’s Charter.

1.2. The main goals of the Revision Commission are:

- Control over the formation of accurate financial and accounting reports of the Company and other information on the Company’s financial and business activities and property status;
- Control over compliance with the legislation of the Russian Federation on accounting procedure and filing financial reports and information by the Company to the relevant bodies, organizations and the Company shareholders;
- Assistance in increasing the effectiveness of the Company’s assets management and other financial and business activities of the Company, mitigation of financial and operational risks, improvement of the internal control system.

Article 2. Procedure for the Formation of the Company’s Revision Commission

2.1. The Revision Commission consists of 3 persons.

2.2. Members of the Revision Commission shall be elected by the General shareholders’ meeting for the period till the next annual General shareholders’ meeting.

2.3. Shares belonging to the members of the Board of Directors or persons holding posts in the Company’s management bodies cannot participate in the voting when members of the Companies’ Revision Commission are elected.

2.4. Members of the Revision Commission cannot simultaneously be members of the Board of Directors, neither can they occupy other posts in the Company’s management bodies.

2.5. Persons elected to the Company’s Revision Commission can be reelected to this body for an unlimited number of times.

2.6. At the decision of the Company’s General shareholders’ meeting the powers of the Revision Commission as a whole or her individual members can be terminated before the appointed time.

2.7. The shareholders (shareholder) which jointly own at least 2 percent of the Company’s voting shares can propose candidates to the Company’s Revision Commission at the annual General shareholders’ meeting whose number can not exceed the number of members of the Revision Commission. Such proposals must be received by the Company not later, than 30 days after the end of the fiscal year.

The proposal on nominating candidates to the Company’s Revision Commission can be included in the demand on the convocation of an extraordinary General shareholders’ meeting.

2.8. The proposal on the nomination (self-nomination) of a candidate (candidates) to the Revision Commission contains the following information about the nominated candidates:

- Name of the body to which the candidate is nominated (the Company’s Revision Commission);
- Family name, name and patronymic;
- date of birth;

- education (indicating the educational institution and the date of graduation);
- position at the principal place of business as of the date of submitting the proposal on nominating the candidate, information on the membership in the management and control bodies of other legal entities;
- the candidate's place of work in the past 5 years, indicating the posts held by him;
- existence of restrictions (prohibitions) in accordance with statutory acts and (or) court judgment on holding posts in the management bodies of commercial organizations and (or) on certain occupations;
- information about the candidate's ownership separately or jointly with its affiliate (affiliates) of 20 or more percent of voting shares (stakes, investment units) in commercial organizations;
- address of the candidate's residence and contact telephone number.

The candidate's written consent to the nomination should be attached to the proposal on candidate nomination (with the exception of cases of candidates' self-nomination) and the candidate's confirmation of accuracy and completeness of information about him listed above.

Article 3. Assurance of the Activities of the Revision Commission, Remuneration and Compensation Paid to its Members

3.1. For the purpose of supporting the activities of the Revision Commission the Company represented by its management bodies is to provide the Revision Commission with the necessary premises, technical facilities and materials, as well ensuring the funding of its activities.

3.2. At the decision of the General shareholders' meeting the members of the Company's Revision Commission in the period of the fulfillment of their duties can receive remunerations and (or) their expenses connected with their fulfillment of their duties can be compensated. The amount of remunerations and compensations paid to the members of the Revision Commission is approved by the decision of the Company's General shareholders' meeting on the basis of the recommendations of the Company's Board of Directors.

Article 4. Functions of the Company's Revision Commission

4.1. The Revision Commission examines the Company's financial and business activities based on the results of the Company's activities for the year, and at any time on the initiative of the Revision Commission, at the decision of the General shareholders' meeting, the Board of Directors or at the demand of the shareholders owning in the aggregate at least 10 percent of the Company's voting shares.

4.2. In carrying out its functions the Revision Commission shall:

- confirm the accuracy of data contained in the Company's annual reports, annual accounting reports and other reports, as well as other financial documents of the Company;
- examine the Company's financial documents, inventory the property, inspect the findings of property inventory commission, compare the said documents with primary accounting data;
- provide information about facts of violation of the procedure of accounting and filing financial reports established by statutory legal acts of the Russian Federation

identified in the course of inspections, as well as other requirements of the legislation of the Russian Federation;

- check the fulfillment of orders on removing violations and weaknesses previously identified by the Revision Commission;
- inspect the condition of the Company's cash and property, effectiveness of the use of the Company's assets and other resources, identify the reasons of non-production losses and expenses;
- examine the legality of contracts entered into by the Company, transactions carried out and settlements on them;
- analyze compliance of accounting, tax, management and statistical accounting with the current statutory provisions;
- examine compliance with mandatory ratios and rules in financial, business and production activities;
- examine and analyze the Company's financial condition, its paying capacity, assets liquidity, relation of the Company's own and borrowed funds, functioning of the internal control system and financial and operational risks management system, identify reserves to improve the Company's economic condition and develop recommendations for the Company's management bodies;
- check the timeliness and accuracy of payments to suppliers of goods (works, services), payments on taxes and assessments, accounting and payment of dividends, interest on bonds, extinction of other obligations;
- check the accuracy of preparing the Company's balance sheets and reports and the timeliness of filing them to the authorized bodies;
- check the consistency of decisions on the issues of financial and business activities made by the General Director and the Company's Board of Directors;
- carry out other functions pertaining to the inspection of the Company's financial and business activities.

Article 5. Rights and Duties of the Revision Commission

5.1. To carry out its functions the Revision Commission can:

- receive from the Company's management bodies, its departments, services and officers all the documents requested by the Revision Commission, required for its work, the study of which is consistent with the functions and powers of the Revision Commission. The said documents are to be presented to the Revision Commission within 3 working days following the receipt of a written request from the Revision Commission by the relevant person;
- in accordance with the procedure established by the Federal Law "On joint-stock companies", other statutory legal acts of the Russian Federation, the Company Charter and the Regulation on the General meeting of the Company's shareholders, demand a convocation of an extraordinary General shareholders' meeting and (or) holding a meeting of the Board of Directors in cases when the identified violations in the Company's financial and business activities threaten the interests of the Company and its shareholders and demand making decisions on the issues within the competence of the Company's relevant management bodies;
- demand the necessary explanations from the members of the Company's Board of Directors, as well as the Company's employees in the oral or written form;

- make proposals on addenda (amendments) to the plans of work of the Company's management bodies;
- demand an inventory of the Company's stocks of materials and capital equipment;
- raise the issue before the Company's management bodies about the liability of the Company's employees in case they violate the laws of the Russian Federation, the Company Charter and the Company's internal documents;
- demand from the Company's management bodies a prompt removal of violations identified in the course of inspections (audits);
- demand provision of copies of the minutes of the Company's Board of Directors within 2 days from the date of the request from the chairman of the Revision Commission and the appropriate application to the Board of Directors;
- hire specialists that do not hold established posts in the Company on a contract basis. If it is necessary to outsource external specialists the budget of expenditure upon the presentation of the chairman of the Revision Commission is to be previously approved by the Company's General Director.

5.2. The Revision Commission is to:

- ensure systematic control over the Company's financial and business activities;
- objectively show in the inspection materials the identified facts and abuses, indicating their reasons, guilty parties, size of material damage caused;
- take all the necessary measures to identify potential violations in the Company's financial and business activities and participate in their elimination;
- perform inspections of the Company's financial and business activities on the initiative of the Company's management bodies and other persons authorized to demand such inspections, communicate their results to the initiator of the inspection, as well as the Company's Board of Directors and the General Director in the form of inspection reports;
- keep commercial secret, it cannot disclose confidential information to which the members of the Revision Commission got access in carrying out its functions;
- demand that the Board of Directors convene an extraordinary General shareholders' meeting only in case of a real threat to the interests of the Company and its shareholders.

5.3. In performing inspections the members of the Revision Commission are to review all the documents and materials pertaining to the subject of the inspection properly.

5.4. The members of the Revision Commission are responsible for objectivity and good faith of the inspection of the Company's financial and business activities performed by them, as well as for keeping commercial secret contained in the Company's documents submitted to the Revision Commission.

Article 6. Procedure of the Work of the Company's Revision Commission

6.1. The Revision Commission shall review the Company's annual reports and balance sheets without fail before they are approved by the annual General meeting of the Company's shareholders.

6.2. Planned work of the Revision Commission is organized in accordance with quarterly plans of activities approved by the Revision Commission upon the presentation of its Chairman.

6.3. Off-schedule examinations of the Company's financial and business activities are performed at the discretion of the Revision Commission, at the decision of the General shareholders' meeting, the Company's Board of Directors or at the demand of the shareholders owning in the aggregate at least 10 % of the Company's voting shares.

6.4. Based on the results of the inspection of the Company's financial and business activities the Revision Commission prepares a report which is to be signed by all the members of the Revision Commission. A member of the Revision Commission, who expressed his disagreement with the findings of the Revision Commission, can prepare a special opinion which is attached to the report of the Revision Commission and is its integral part.

If a member of the Revision Commission has not signed the report and has not prepared a special opinion, the report should indicate reasons for that.

6.5. The Revision Commission shall submit the report on the results of the inspection of the Company's financial and business activities to the initiators of the inspection, the Board of Directors and the General Director of the Company within 5 days after the completion of the inspection.

6.6. In the course of inspections (audits) the Company's officers and other employees can:

- be present during the inventory of stocks of materials and capital equipment entrusted to them, inspections and other actions of the Revision Commission;
- read interim inspection (audit) reports and opinions on the results of inspections pertaining to their official duties and provide written explanations and objections on them;
- read account registers, reports, other documents which served as the basis for findings about violations, abuses and weaknesses in the work;
- check calculations made by the Revision Commission of amounts of material damage to be compensated and submit written objections, documents and other evidence to substantiate their objections.

6.7. Inspections (audits) of the Company's financial and business activities should not violate normal operation of the Company.

Article 7. Procedure of Holding Meetings of the Company's Revision Commission

7.1. Meetings of the Revision Commission are held before the beginning of the inspection (audit) of the Company's financial and business activities and on its results, and at other time, if necessary.

7.2. Meetings of the Revision Commission shall be convened by the Revision Commission at its initiative, on the demand of the members of the Revision Commission or persons entitled to demand an audit of the Company's financial and business activities.

7.3. The initiator of holding the meeting shall send the demand about holding the meeting of the Revision Commission to the chairman or the secretary of the Revision Commission not later than 7 (seven) working days before the proposed date of the meeting.

7.4. Notifications about the meeting of the Company's Revision Commission shall be sent by the secretary (or in his absence by the chairman) of the Revision Commission to each member of the Revision Commission and persons invited to participate in the meeting by the chairman of the Revision Commission, in writing by registered letter, by special delivery or transmitted by telegraph, teletype or e-mail at least 4 (four) working days before the date of the meeting.

7.5. Issues not indicated in the notification cannot be discussed at meetings of the Revision Commission, with the exception of cases when such decision is taken unanimously by all the members of the Revision Commission.

If necessary, any meeting of the Revision Commission can be postponed by the consent of all the present members of the Revision Commission. The time period for which the meeting of the Revision Commission is postponed shall be approved by the members of the Revision Commission present at the meeting by a simple majority of votes.

7.6. To ensure a quorum at the meeting of the Revision Commission the presence of at least 2 members of the Revision Commission is necessary.

The members of the Revision Commission are to be present at the meetings in person. They cannot delegate their authority to other persons, including authority by proxy. A member of the Revision Commission shall be deemed present at the meeting, if he:

- personally participates in the meeting (including conference calls) or can otherwise express his opinion in the course of the meeting operatively and vote on the issues being discussed;

- by the beginning of the meeting he has expressed his will in writing – has spoken “for” or “against” the decision on an agenda item being put to vote the draft of which he has read previously.

7.7. When decisions are made at the meeting of the Revision Commission each of its members shall have one vote. In case of tie vote the vote of the chairman of the Revision Commission shall be deemed decisive. Transferring a vote by one member of the Revision Commission to another person, including another member of the Revision Commission is not allowed.

7.8. Decisions on the items of the agenda of the meeting of the Revision Commission shall be made by voting by show by a simple majority of votes of the total number of votes of elected members of the Company’s Revision Commission.

7.9. Decisions of the Revision Commission are recorded in the protocol.

The protocol contains the following information:

- date, time and place of the meeting;
- list of persons present at the meeting;
- agenda of the meeting;
- issues put to the vote;
- results of the voting, indicating the result of voting of each member of the Revision Commission who has voted;
- decisions made.

Materials prepared (approved) by the Revision Commission are attached to the minutes of the meeting: opinions, interim inspection reports and other documents.

7.10. A copy of the minutes of the Revision Commission is sent to all the members of the Revision Commission and the initiator of holding the meeting within 5 (five) days following the day of holding the meeting of the Revision Commission (by registered letter, telegram with delivery confirmation, by e-mail).

A member of the Revision Commission in case of his disagreement with the decision of the Revision Commission can register a special opinion in the minutes of the meeting and communicate it to the General meeting of the Company’s shareholders, the Board of Directors, the Company’s General Director or the shareholders who initiated the meeting.

Article 8. Chairman and Secretary of the Company’s Revision Commission

8.1. At the first meeting after the election members of the Revision Commission by a majority of votes of the total number of votes of the Revision Commission elect the chairman of the Revision Commission out of the members of the Revision Commission.

The Revision Commission can at any time reelect its chairman by a majority of votes of the total number of votes of the Revision Commission.

8.2. Chairman of the Company's Revision Commission shall:

- organize the work of the Revision Commission;
- convene meetings of the Revision Commission;
- invite persons which are not members of the Revision Commission to participate in its meeting;
- organize taking of the minutes of the meeting of the Revision Commission;
- sign minutes of the meeting of the Revision Commission.

8.3. In the absence of the chairman of the Revision Commission his functions are carried out by one of the members of the Revision Commission elected at the decision of the Revision Commission.

8.4. The secretary of the Revision Commission reports to its chairman and is elected on the basis of a presentation of the chairman of the Revision Commission by a majority of votes of the total number of votes of the Revision Commission. The Secretary of the Revision Commission does not have to be its member.

The Revision Commission can at any time reelect the secretary of the Revision Commission by a majority of votes of the total number of votes of the Revision Commission.

8.5. The secretary of the Revision Commission shall:

- Organize record keeping and custody of minutes and other materials of the Revision Commission, notification of the members of the Revision Commission and invited persons about the meetings to be held, delivery of materials to the members of the Revision Commission;
- Draw up minutes of the meetings, issue abstracts from them and copies thereof;
- Carry out other instructions of the chairman of the Revision Commission connected with organizational support of the activities of the Revision Commission and preparation of its meetings.

Article 9. Final Provisions

9.1. The requirements of this Regulation are binding on the Company, its shareholders, members of the Board of Directors, other officers and employees of the Company.

9.2. If this Regulation and the Company Charter do not contain rules regulating certain issues of the activities of the Revision Commission, 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.