

THE BOARD OF DIRECTORS RESOLUTIONS

MOSCOW, RUSSIA – August 20, 2014 – HALS-Development (LSE, MICEX, RTS: HALS), a major Russian real estate company, announces the Board of Directors resolutions passed at the meeting on 20 August 2014 (minutes #2 dated 20/08/2014):

6 members of 7 elected members of the Board of Directors have participated at the meeting. There was a quorum on the agenda.

Resolutions:

- 1) To determine the amount of payment for services of the auditor of accounting (financial) statement of Hals-development JSC for 2014 made according to RAS - Closed Joint-Stock Company Energy Consulting / Audit, basic state registration number – 1047717034640, in the sum 949 900 rubles taking into account a value added tax.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 2) To determine the amount of payment for services of the auditor of the consolidated financial statement of Hals-Development JSC for 2014 made according to IFRS - ERNST & YOUNG LLC, basic state registration number – 1027739707203, in the sum 19 680 000 rubles without VAT.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 3) To give consent to the President and members of the Executive Board of Hals-Development JSC to double-job as members of the management bodies of the subsidiaries of Hals-Development JSC (Annex 1).

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 4) To approve the following composition of the Audit Committee of the Board of Directors of Hals-Development JSC:

Plaksenkov E.A.

Luginin A.V.

Adamov V.E.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 5) To elect Plaksenkov E.A. as the Chairman of the Audit Committee of the Board of Directors of Hals-Development JSC.

Voting results:

“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

- 6) To approve the following composition of the Staff and Remuneration Committee of the Board of Directors of Hals-Development JSC.
Plaksenkov E.A.
Luginin A.V.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 7) To elect Plaksenkov E.A. as the Chairman of the Staff and Remuneration Committee of the Board of Directors of Hals-Development JSC.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 8) To approve the following composition of the Strategy Committee of the Board of Directors of Hals-Development JSC in quantity of 3 people:
Adamov V.E.
Luginin A.V.
Plaksenkov E.A.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 9) To elect Adamov V.E. as the Chairman of the Strategy Committee of the Board of Directors of Hals-Development JSC.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 10) To approve the following composition of the Corporate Management Committee of the Board of Directors of Hals-Development JSC in quantity of 3 people:
Luginin A.V.
Adamov V.E.
Plaksenkov E.A.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 11) To elect Luginin A.V. as the Chairman of the Corporate Management Committee of the Board of Directors of Hals-Development JSC.
Voting results:
“FOR” – 6 votes.
“AGAINST” - 0 votes.
“ABSTAINED” - 0 votes.
- 12) To approve Regulation on procurements of Hals-development JSC in new version (Annex 2).
Voting results:
“FOR” – 6 votes.

“AGAINST” - 0 votes.

“ABSTAINED” - 0 votes.

Hals-Development ("the Company") is the fastest growing developing company, specializing in commercial and residential real estate; it controls all stages of development project: from making conception till the following management of the built object.

The Company was the first Russian property developer to list its shares on the main market of the London Stock Exchange. The Company's shares are also listed on the Moscow Interbank Currency Exchange and the Moscow Exchange.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 400,000 square meters,

Hals-Development is currently developing such projects as reconstructing the building of the “Central Children’s Shop on Lubyanka”; development of hotel “Peking”, building of Land Plot No. 11, MIBC “Moscow-City”, selling of residential premises of “Literator”, Wine House”, “Nasledie” and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 320 thousand sq m, this is 4 large projects – trade center “LETO” (100 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex “Solnce” and resort “Camelia” in Sochi. The total value of development projects of HALS-Development is 1.6 mio sq.m.

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