



APPROVED

By the Decision of the General Meeting
Of Non-commercial Partnership
“Sakhalin Regional Association of constructors”

Minutes №7 of February «20 » 2009

**Regulations on Compensation Fund of
Non-commercial Partnership
“Sakhalin Regional Association of Constructors”**

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1. DESTINATION AND THE SPHERE OF APPLICATION OF THE DOCUMENT

- 1.1. These Regulations determine the issues of creation and use of means of the Compensation Fund of the Non-commercial Partnership "Sakhalin Regional Association of Constructors".
- 1.2. The provisions hereof apply to the Partnership and all its Members.
- 1.3. These Regulations are developed in accordance with the current Law of the Russian Federation and the Articles of association of the Partnership.

2. TERMS, DEFINITIONS AND ABBREVIATIONS

Administration – administrative and management instrument of the Partnership, consisting of the structural subdivisions (departments, services), formed and headed by the **Chief Executive Officer**.

Chief Executive Officer – sole executive body of the Partnership

Compensation Fund – compensation fund of the Partnership

General Meeting – the general meeting of the members of the Partnership, the supreme management body of the Partnership

Partnership - Non-commercial Partnership "Sakhalin Regional Association of Constructors"

Direction – standing collective body of the Partnership Administration.

3. REGULATORY DOCUMENTS

- 3.1. These Regulations are designed in accordance with the requirements of the following documents:
 - Town-Planning Code of the Russian Federation №190-FZ of 29.12.2004
 - Federal Law "On Non-commercial organizations" № 7-FZ of 12.01.1996
 - Federal Law "On Self-regulating organizations" № 315-FZ of 01.12.2007
 - Federal Law "On amendment of the Town-Planning Code of the Russian Federation and certain legislative acts of the Russian Federation" №148-FZ of 22.07.2008
 - Articles of association of the Partnership
 - "Regulations on the property responsibility of the Members of Non-commercial Partnership "Sakhalin Regional Association of Constructors " (IIP-02-09)

4. GENERAL PROVISIONS

- 4.1. Compensation Fund – is the ring-fenced assets, which are the property of the Partnership. Compensation Fund originally is formed at the account of the Partnership Members dues in monetary form exclusively.
- 4.2. Compensation Fund is formed with the purpose of property liability provision for the Partnership Members on the obligations accrued as the result of infliction of the harm caused by the work faults during construction, reconstruction, capital repairing of

objects, concerning which the Partnership Members obtained the Work Competence Certificate for the kind(s) of work, issued by the Partnership.

- 4.3. Within the limits of the Compensation Fund the Partnership is held vicariously liable for the obligations of its Members, accrued in the result of infliction of the harm in the cases, provided by the cl. 4.2 hereof. The Partnership is held vicariously liable as mentioned above in relation to the person, which at the moment of undertaking of such work had the Work Competence Certificate for the relevant kind of work issued by the Partnership.
- 4.4. The Partnership obligations, including the obligation of compensation for the harm caused to the Partnership Member, can't be collected from the property of the Compensation Fund

5. THE PROCEDURE OF FORMING OF THE COMPENSATIONS FUND

- 5.1. Compensation Fund is formed by transfer of dues received from the Partnership Members. For the forming of the Compensation Fund the separate current account of the Partnership is opened, which is used by the Members for transferring cash to the Compensation Fund.
- 5.2. Additional source for the forming of the Compensation Fund is the interest, obtained from the Compensation Fund money investing.
- 5.3. When a legal entity (individual business) enters into the Partnership membership, it is obliged within 3 (three) working days after the Direction decision notification on admission of the mentioned entity as the Partnership member is received to fully pay the due to the Compensation Fund.
- 5.4. For the entities, which are the Partnership Members at the date of these Regulations entering into effect, the term of paying dues to the Compensation Fund is not later than May, 20, 2009.
- 5.5. The due amount to the Compensation Fund for each Partnership Member is stipulated by the Articles of association and is 300000 (thirty thousand) rubles.
- 5.6. It is not acceptable to free the Partnership Member from the obligation to pay the due to the Compensation Fund, and even at the account of its claims to the Partnership.

6. INVESTMENT OF THE COMPENSATIONS FUND MEANS

- 6.1. Means of the Compensation Fund may be floated:
- 6.1.1. to the current account of the Partnership up to the creation of special current account of the Partnership with the designated purpose for Compensation Fund transactions.
 - 6.1.2. to the special current account of the Partnership with the designated purpose for Compensation Fund transactions;
 - 6.1.3. to the bank deposit account of the Partnership;
 - 6.1.4. invested to the assets via management companies.
- 6.2. Other floating of means of the Partnership Compensation Fund, including bank accounts of the Partnership Members and securities of the Partnership Members.

- 6.3. At the investment of means of the Compensation Fund via management companies or at the bank deposit accounts, it is obligatory to provide the ability of repayment for the Partnership the invested funds in cash within 10 (ten) working days on the Partnership request.
- 6.4. When the decision about funds of the Compensation Fund is made, in order to provide means safety, increase and investing, the floatation of such means is made via management companies under the Trust Agreement for the Compensation Fund means between the Partnership and management companies, selected by tender.
- 6.5. The control of management companies in the issues of limitations for the Compensation Fund means flotation and investment, regulations of such flotation and requirements to the investment, as well as in the issues of the Compensation Fund means investment, set by the current Law and the Investment Declaration, accepted by the Partnership is implemented by the specialized depository on the grounds of the service agreement of the specialized depository.
- 6.6. The management company is obliged to undertake all necessary actions to prevent the breach of the requirements of flotation of the Compensation Fund means, provided by the current Law, and is obliged to make the Agreement with the specialized depository, which the Partnership has the Service Agreement of the specialized depository made with.
- 6.7. All cases of breach of requirements to the Compensation Fund means floatation, set by the current Law and accepted by the Partnership Investment Declaration are to be informed to the Partnership and the authorized federal institution, governing the self-regulating organizations activity in the field of civil construction by the specialized depository.
- 6.8. Interest, obtained from the floatation and investment of the Compensation Fund means is transferred for the replenishment of the Compensation Fund and covering costs, connected with the provision of the required terms of the Compensation Fund means investment.
- 6.9. The requirements to the objectives of the Compensation Fund means investment, its content and structure are determined by the Investment Declaration, approved by the general Meeting under the introduction of the Chief Executive Officer.
- 6.10. The Partnership makes the agreements with the management companies and the specialized depository, selected under the tender, held in accordance with the terms and procedure set by these Regulations and "Regulations on the procedure of the tender on selection of the management company and the specialized depository".
- 6.11. The management company selection tender is open and is held due to:
- 6.11.1. the termination of the service agreement of the management company,
 - 6.11.2. cancellation of trust agreement between the Partnership and the management company for the Compensation Fund means,
 - 6.11.3. decision on the floatation of the Compensation Fund means with the purpose of increase and investment.
- 6.12. The specialized depository selection tender is open and is held due to:
- 6.12.1. the termination of the service agreement of the specialized depository,

6.12.2. the cancelation of the service agreement of the specialized depository according to the established procedure.

7. PAYMENTS FROM THE COMPENSATION FUND

7.1. After the status of self regulating organization was received it is not accepted to make payments from the Compensation Fund apart from the issues as follow:

7.1.1. return of paid by mistake means to the Partnership Member;

7.1.2. floating of the Compensation Fund means in accordance with the clause 6 hereof;

7.1.3. payments in case of the Partnership vicarious liability occurrence in the cases provided in the cl. 4.2 hereof.

7.2. Before the status of self regulating organization was received it is not accepted to make payments from the Compensation Fund apart from the issues as follow:

7.2.1. return of paid by mistake means to the Partnership Member;

7.2.2. floating of the Compensation Fund means in accordance with the clause 6 hereof;

7.2.3. return of the due paid to the Compensation Fund to the Partnership Member at the cancellation of its membership in the Partnership.

7.3. The compensation for the harm caused by the work faults made at construction, reconstruction, capital repairing of objects of civil construction, is paid by the entity having performed such work. The vicariously liability for the harm caused as the result of the faults is held by the Partnership within the limits of the Compensation Fund in relation to the entity, which at the moment of undertaking of such work had the Work Competence Certificate issued by the Partnership, following the procedure set by the Law and the documents of the Partnership.

7.4. In case of the harm caused by the faults in work which affect the safety of capital construction projects, and if the entity has the policy of liability insurance, for the harm caused by the faults in work, the mentioned harm is compensated by the means, obtained under such policy and by means of the entity, engaged in such work. At that, the payment from the Compensation Fund is made under the following terms:

7.4.1. means, obtained under the liability insurance policy is not enough for compensation of the harm caused;

7.4.2. the entity, engaged in the work, which affects the safety of capital construction projects, refused to satisfy the harm compensation requirements, or the Customer or the third party didn't get the response from it on the harm compensation requirement within the reasonable time.

7.5. The grounds for the payment from the Compensation Fund, created in accordance with the current Law and the Articles of association of the Partnership are:

7.5.1. the decision of the Partnership Direction under the provisions set in cls. 7.1.1, 7.1 2, 7.2.1, 7.2.2, 7.2.3 hereof.

7.5.2. the decision of justice operators, courts of general jurisdiction, arbitration courts, reference tribunals, particularly the decisions of Permanent Common

Court of Arbitration, on the proceedings in the case, aroused in relation to the compensations (harm compensations, other payments) to the indemnitees as the result of the mentioned faults, made by the Partnership Members;

- 7.6. The Common Court of Arbitration decision, valid decisions of justice operators, courts of general jurisdiction, arbitration courts are the ground for the decision of the Partnership Direction on the payment from the Compensation Fund at the Partnership vicarious liability occurrence following the procedure set by the current Law.
- 7.7. At receipt by the Partnership the compensation payment statement, in accordance with the clause 7.1.3 hereof, such statement is considered at the near meeting of the Disciplinary Committee. At the Partnership Direction meeting the Chief Executive Office presents the reference on the Compensation Fund volume and its compliance with the requirements of the current Law if the statement is satisfied. The applicant is notified about the decision in written by the Chief Executive Officer.
- 7.8. The Partnership Direction makes the decision on the payments from the Compensation Fund, following the recommendations of the Disciplinary Committee and the Chief Executive Officer and in compliance with the cl. 7.7 hereof, at the near meeting after the receipt of such recommendations. The payments from the Compensation Fund are paid on the grounds of the resolution of the Chief Executive Officer, issued in compliance with the Direction decision.
- 7.9. Within 10 (ten) working days from the day of the decision on the payment from the Compensation Fund made by the Direction or by the judicial authority, the Chief Executive Officer provides the relevant payment in the amount of free (not floated and not invested via management companies) means, present at the Compensation Fund, as well as takes all reasonable actions for receiving means, needed to pay the rest part of the compensation, if the said means were invested via management companies.
- 7.10. To receive the cash from the Compensation Fund in case, provided by the cls. 7.1.1 and 7.2.1 hereof the Partnership Member applies to the Chief Executive Officer with the written request to return means, transferred to the Compensation Fund by mistake. The request should contain the explanation of the transfer mistake.
- 7.11. The Chief Executive Officer considers the request within 5 (five) working days and makes the decision:
- 7.11.1. either to refuse to return the transferred means;
- 7.11.2. or that the request is reasonable and it is necessary to satisfy it.
- 7.12. If the Chief Executive Officer makes the decision stipulated in the cl. 7.11.1 hereof, the applicant is notified about the decision within three days in writing. The notification contains the reasoned grounds of the refusal.
- 7.13. If the Chief Executive Officer makes the decision stipulated in the cl. 7.11.2 hereof, the Chief Executive Officer introduces the issue on the payment from the Compensation Fund to the near Partnership Direction meeting. The payment is made within 10 (ten) working days after the relevant decision made by the Direction.

- 7.14. To receive the cash from the Compensation Fund in case, provided by the cl. 7.2.3 hereof the Partnership Member applies to the Chief Executive Officer with the written request to return means from the Compensation Fund in connection with the cancellation of its membership in the Partnership.
- 7.15. The chief Executive Officer notifies the Direction about the mentioned issue and the request received is considered at the near meeting of the Direction, where the decision is made:
- 7.15.1. either to refuse to return the transferred means;
- 7.15.2. or to satisfy the request.
- 7.16. If the decision, stipulated in cl. 7.15.2., is made, the payment is made within 10 (ten) working days after the relevant decision made by the Direction. If the decision stipulated in cl. 7.15.1 is made, the applicant is notified in writing about it within three days. The notification contains the reasoned grounds of the refusal.

8. REPLENISHMENT OF THE COMPENSATION FUND

- 8.1. If any payments are made from the Compensation Fund, the Member or the former Member of the Partnership which is reliable for the harm caused by the work faults of construction, reconstruction, capital repairing of objects of capital civil construction as well as other members of the Partnership should pay dues to the Compensation Fund with the purpose of Fund replenishment following the procedure and in the amount set by the Articles of association of the Partnership and the Regulations on the Property Liability of the Members, but not less than 30000000 (thirty million) rubles within 2 (two) month from the day of the mentioned payment.
- 8.2. The means of the Compensation Fund paid in accordance with the clause 7.1.3 hereof are to be replenished at the account of the responsible Partnership Member (former Member).
- 8.3. Without delay, if such payment was performed, the Chief Executive Officer presents to the responsible entity the requirement to replenish the Compensation Fund and undertakes all necessary actions to recover the relevant amount and even through the courts.
- 8.4. If there is a danger of the Compensation Fund volume decrease below set by the Law and the Articles of association level, the Chief Executive Officer informs the Partnership Direction on the issue.
- 8.5. If the volume of the Compensation Fund decrease is lower the minimal, the Chief Executive Officer introduces the offer to the Partnership Direction to replenish the Compensation Fund at the account of the Partnership Members' dues. The said due of each Partnership Member is calculated in equal parts as quotient from the division of sum, necessary to be replenished at the Compensation Fund up to the stated minimal level to the number of the Partnership Members at the day of the decision on the Compensation Fund replenishment.
- 8.6. The decision on the dues to the Compensation Fund with the purpose of its replenishment up to the set volume is made by the Partnership Direction. The Partnership Direction decision shall contain:
- 1) the reason of the Compensation Fund volume decrease lower the minimal;

- 2) the amount of the additional due to the Compensation Fund for each Partnership Member;
- 3) the term of the dues paying into the Compensation Fund;
- 4) the preventive means against gathering additional dues to the Partnership Compensation Fund.

9. CONTROL OF THE COMPENSATION FUND STATE

- 9.1. The state of the Compensation Fund is controlled by the Chief Executive Officer.
- 9.2. The data on the current volume of the Compensation Fund is published at the Partnership site and is renewed according to the changes in the Compensation Fund volume.
- 9.3. If the Compensation Fund volume is decreased below the minimal level or if there is a danger of such decrease, the Chief Executive Officer shall inform the Partnership Direction on the issue.

10. MANAGEMENT BY THIS DOCUMENT

- 10.1. These Regulations are accepted (approved) at the General Meeting of the Partnership Members by the majority present at the General Meeting of the Partnership Members.
- 10.2. These Regulations enter into effect from the moment of their acceptance (approval) by the General Meeting.
- 10.3. The Controlled Copy of these Regulations is stored at the Administration.
- 10.4. When Regulations are accepted (approved), as well as when the amendments are made, the document is to be published at the site of the Partnership within 3 (three) days from the day of acceptance.

11. THE LIST OF AMENDMENTS REGISTRATION

Revision №	Date of revision approval	The amendment content
0	20.02.2009	The primary revision

The Head of the Direction of Non-Commercial Enterprise "Sakhalinstroy" _____ Zalpin A.R
L.S.