

APPROVED

by Minutes No.13 of
the Board of Directors of PIK Group
dated April 28, 2006

BYLAW on Insider Information of PIK Group

1. General Provisions

- 1.1. The present Bylaw on the use of information about the activity of PIK Group (hereinafter referred to as the “Company”), securities of the Company and transactions with them, which is not publicly available and which in the case of disclosure may cause significant influence on the market value of securities of the Company (the “Insider Information”) (hereinafter referred to as the “Bylaw”) is approved in accordance with the current legislation of the Russian Federation, federal regulations on the securities market, the Charter of the Company and other bylaws of the Company.
- 1.2. The present Bylaw is aimed at preventing the unauthorized use of the Insider Information about the activity of the Company and Securities trading performed with the use of such Insider Information and includes:
 - definition of the Insider Information;
 - Insider Information protection measures;
 - procedure of the use of the Insider Information;
 - liability for the unlawful use and disposal of the Insider Information.
- 1.3. The Persons having control over the Insider Information should not perform Transactions with Securities during the period of their control over the Insider Information about the activity of the Company and its Securities, nor should they do so after distribution of the Insider Information during the “Waiting Period” which is defined as the period of time required for the market to respond to the publicly distributed Insider Information equal to 48 hours since the moment of its distribution, if different time period is not stipulated by the current legislation, subordinate and local norms and regulations, rules of international law or business practice. Moreover, except for cases provided for by the present Bylaw, other bylaws of the Company or agreements with the Company, any direct or indirect transfer of the Insider Information to third parties who can perform Transactions with Securities based on such information shall be prohibited.

The control over the observance of the norms of the current legislation of the Russian Federation and federal regulations on the securities market, as well as special requirements provided for by the bylaws of the Company for preventing the conflict of interests and limiting the unlawful use of the Insider Information, by management bodies, executives and employees of the Company is performed on the regular basis by the Economic Expertise Department which reports on such activity to the senior management of the Company.

2. Terms and Definitions

For the purposes of the present Bylaw the terms shall have the following meanings:

- 2.1. **“Insider Information”** is used in relation to the material information about the activity of the Company and/or legal entities being under direct or indirect control of the Company, as well as the information about Securities and transactions with them which is unknown to third parties (is not publicly available) and which in case of disclosure may cause significant influence on the market value of the Securities.

The information is considered “material” when there is a significant probability that an investor will deem such information important when making a decision on acquisition, sale or conservation of Securities, or when such information may cause significant influence on the market value of Securities. The material information can be of positive or negative nature and may refer to any aspect of economic activity of the Company and/or legal entities being under direct or indirect control of the Company, and to any type of Securities.

- 2.2. **“Persons having control over the Insider Information”** is used in relation to the following persons having control over the Insider Information:

- members of the Board of Directors of the Company and/or legal entities being under direct or indirect control of the Company;
- President and Chairman of the Management Board of the Company and/or legal entities being under direct or indirect control of the Company;
- members of the Management Board of the Company and/or legal entities being under direct or indirect control of the Company;
- deputies of the Chairman of the Management Board which are not members of the Management Board of the Company and/or legal entities being under direct or indirect control of the Company;

- the auditor of the Company and/or legal entities being under direct or indirect control of the Company;
 - chief accountant of the Company and/or legal entities being under direct or indirect control of the Company, heads of structural subdivisions of the Company and/or legal entities being under direct or indirect control of the Company, heads of branches and representative offices of the Company and/or legal entities being under direct or indirect control of the Company and other executives and employees of the Company and/or legal entities being under direct or indirect control of the Company which have access to the Insider Information due to their employment, business and other professional duties, including under a civil law contract basis, in relation to the Company or legal entities being under direct or indirect control of the Company;
 - members of the Board of Directors and the collegial executive body, the sole executive body, the chief accountant and other executives and employees of the managing company, if functions of the sole executive body of the Company and/or legal entities being under direct or indirect control of the Company are delegated to the managing company;
 - shareholders of the Company having the right of access to the documents of the Company which contain the Insider Information;
 - other individuals and legal entities which have access to the Insider Information including temporarily appointed abovementioned persons, auditors, legal, financial and other consultants, the registrar, the depositary, professional participants of the securities market and other persons which have the right of access to the Insider Information under a law, other regulatory act and position descriptions or other bylaws of the Company adopted in accordance with them (including the Charter, bylaws, regulations, orders and ordinances), as well as on the basis of an employment agreement or a civil law contract with the Company or a legal entity being under direct or indirect control of the Company or in relation with the ownership of the Company's shares.
- 2.3. **“Infringers”** is used in relation to the Persons having control over the Insider Information which have infringed the requirements stipulated by the current legislation of the Russian Federation, the present Bylaw, other bylaws of the Company or agreements with the Company.
- 2.4. **“Insider Information Addressee”** means a person which have received the access to the Insider Information not for the reasons indicated in cl. 2.2 of the present Bylaw, including family members of the Persons having control over

the Insider Information (if applicable) and persons which have received access to the Insider Information as a result of wrongful act of Infringers or other Insider Information Addressees.

- 2.5. **“Transactions with Securities”** is used in relation to any transactions with Securities made in one’s own name or on behalf of any other person by a representative, an agent, a trustee or other mediator, or by any other person. The term **“Transactions with Securities”** does not cover placement of options for acquisition of the shares of the Company which the Company upon the resolution of the General Meeting of Shareholders or the resolution of the Board of Directors of the Company places for the members of the Board of Directors of the Company, the employees of the Company, the employees of legal entities being under direct or indirect control of the Company and other persons.
- 2.6. **“Securities”** is used in relation to the shares of the Company (unless otherwise specified in the present Bylaw), options for such shares, bonds and other equity securities of the Company including equity securities convertible into securities of the Company, derivative securities including depositary receipts and promissory notes of the Company, and includes all the abovementioned securities of legal entities being under direct or indirect control of the Company.
- 2.7. **“Use of Insider Information”** means any actions with the use of or based on the Insider Information performed by the Persons having control over the Insider Information and by the Insider Information Addressees.

3. Insider Information Coverage

3.1. The Insider Information includes:

3.1.1. financial and economic, accounting, production or other information of actual or potential commercial value due to being unknown to third parties, which cannot be lawfully freely accessed and which is specifically protected by the Company in accordance with the requirements of the current legislation and federal regulations on the securities market, the present Bylaw and other bylaws of the Company till its disclosure in accordance with the legislation of the Russian Federation including the following information:

- financial statements and accountancy documents of the Company;
- estimates in relation to future earnings, profit or loss of the Company;
- reports of independent valuers;

- significant changes in financial results of the activity of the Company;
- information about replacement of the auditor of the Company;
- actions of government agencies and competing companies in relation to the Company;
- significant changes in membership of major shareholders of the Company;
- changes in membership of management bodies of the Company (excluding changes in the membership of shareholders of the Company);
- information about participation of the Company in legal proceedings;
- significant changes in value of assets and liabilities of the Company;
- information about restructuring of the Company;
- information about execution of or cancellation of any material agreements and other transactions of the Company;
- information about planned issues (additional issues) of Securities;
- information about planned buy-out or acquisition of shares of the Company;
- information about the amount of dividends recommended by the Board of Directors (a body which performs functions of the Board of Directors) of the Company;
- information about default on liabilities of the Company or insolvency of the Company;
- other information about significant events in financial and economic activity of the Company.

3.1.2. the information (in addition to the information specified in cl. 3.1.1 of the present Bylaw) to be disclosed in accordance with the legislation of the Russian Federation on securities market and federal regulations on securities market till its disclosure in accordance with the procedure established by federal regulations on securities market and Bylaw on Information Policy of the Company;

3.1.3. other information about activity of the Company, Securities and transactions with them which is not publicly available and may in case of disclosure cause significant influence on the market value of the Securities.

- 3.2. The Insider Information also includes all the abovementioned information in relation to legal entities being under direct or indirect control of the Company.
- 3.3. The abovementioned information regarding the past, future and prospective events also refers to the Insider Information.
- 3.4. The information is considered publicly available when it is widely distributed by the means that make it available for any interested person. Spreading of rumors, even if true and reproduced by mass media, is not considered real public distribution.

4. Measures for Insider Information Protection

- 4.1. The Company is entitled to use special measures for protection of the Insider Information from unauthorized use. Such measures are introduced in order:
 - 4.1.1. to provide control over the activity of the Persons having control over the Insider Information, on the basis of restrictions for use and disposal of the Insider Information;
 - 4.1.2. to provide compliance with the procedure of use and disposal of the Insider Information including exclusion of unlawful use of the Insider Information by the Persons having control over the Insider Information;
 - 4.1.3. to promote credibility level of the Company for investors and contractors.
- 4.2. Measures for the Insider Information protection which may be used by the Company include:
 - 4.2.1. establishment of access control for specific premises occupied by the Company (including during non-business days);
 - 4.2.2. registration of the Persons having control over the Insider Information;
 - 4.2.3. marking of tangible media (documents) containing the Insider Information with the “Confidential” or “Strictly Confidential” label with indication of full name and address of the Company; the documents with “Confidential” or “Strictly Confidential” label may be provided only for persons who have the right of access to such Insider Information.
 - 4.2.4. provision of rights of access or restriction of rights of access to the Insider Information on an employment agreement basis for employees of the Company and on a civil law contract basis for contractors;

- 4.2.5. obtaining of commitment letters from employees and contractors of the Company on nondisclosure of the Insider and other confidential information;
- 4.2.6. provision of access to the Insider Information and other confidential information only in certain places;
- 4.2.7. timely shredding of all not-to-be-stored documents which may contain the Insider Information;
- 4.2.8. introduction of procedures for protection of work places and places for storage of documents from free access and watching;
- 4.2.9. use of protection systems for information and engineering networks which prevent loss of information and an unauthorized access to the information including through communication channels;
- 4.2.10. other measures proposed by the Economic Expertise Department of the Company upon agreement with the senior management of the Company aimed at restriction of access to the Insider Information.

5. Procedure of Use of Insider Information

- 5.1. The Lawful Use of the Insider Information takes place when the Insider Information is used for the benefit of the Company, for ensuring of production and economic, financial and other types of activity of the Company in accordance with the current legislation, subordinate legislation, the Charter of the Company and position descriptions adopted in accordance with them or other bylaws of the Company (bylaws, regulations, orders, instructions and other internal documents of the Company), as well as based on an agreement with the Company.

The Unlawful Use of the Insider Information means any Use of the Insider Information performed with the infringement of conditions specified in the first paragraph of cl. 5.1. of the present Bylaw, including the Use of the Insider Information for the benefit of the Persons having control over the Insider Information, Insider Information Addressees and third parties including (without limitation): transactions with Securities; recommendations to third parties on acquisition, sale, conservation of Securities of the Company; delivery of the Insider Information to third parties for a consideration or without a consideration; publishing or distribution of the Insider Information by any other means.

In the event of any doubts in legality of use of the Insider Information, the person having control over Insider Information shall refrain from use and delivery of the Insider Information and promptly refer to the Economic Expertise Department of the Company for clarification.

The decision on delivery of materials containing the Insider Information to the Information Policy Department for their subsequent delivery to mass media or for the use during conferences, exhibitions, fairs, placement in corporate editions, advertising materials and in other forms of public presentations shall be made by the head of a structural subdivision upon approval of one of the members of the Board of Directors of the Company only.

5.2. The use and protection of the Insider Information within labour relations

5.2.1. For the purposes of the Insider Information protection the Company shall:

- provide for duties to observe the procedure of use of the Insider Information and responsibility for infringement of these regulations in employment agreements;
- let an employee, who needs to have access to the Insider Information to perform his employment duties, read and understand the present Bylaw against acknowledgment;
- let an employee read and understand the regime of use of the Insider Information set by the Company in relation to him and measures of responsibility for its infringement against acknowledgement;
- create conditions for an employee necessary for his observance of the regime of use of the Insider Information set by the Company;
- apply specific liability measures to the Infringers and claim damages incurred by the Company as a result of the infringement by the said persons of the regime of use of the Insider Information (including through the courts);
- perform other actions aimed at securing the procedure of use of the Insider Information.

5.2.2. Access of an employee to the Insider Information is performed with his consent, unless otherwise provided by his employment duties.

5.2.3. For the purposes of protection of the confidentiality of the Insider Information an employee of the Company shall:

- observe the regime of use of the Insider Information set by the Company;
- not disclose the Insider Information of the Company or use this information for personal advantage without the consent of the Company;

- not disclose the Insider Information of the Company for 5 (five) years since the termination of the employment agreement or for a longer period provided for by the employment agreement or any other agreement between an employee and the Company;
- deliver all the tangible media with the Insider Information being in his disposal to the Company upon termination or cancellation of the employment agreement or at any time on demand of the Company, and confirm in written the fact of shredding of all the Insider Information from all the data media.

5.2.4. If an employee is found guilty in disclosure of the Insider Information of which he became aware of in a result of his employment duties, such employee shall indemnify the losses incurred by the Company.

The Company is entitled to claim indemnification of damage incurred to it by a person who terminated employment with it, if such person is found guilty in disclosure of the Insider Information, the access to which this person received in relation with performance of his employment duties, if such disclosure happened during the time period specified according to cl. 5.2.3 of the present Bylaw.

5.2.5. The losses shall not be indemnified by an employee or by a person who terminated employment with the Company, if disclosure of the Insider Information was caused by force majeure or extreme necessity circumstances.

5.3. The use and protection of the Insider Information within civil law relations.

5.3.1. Relations between the Company and its contractor with regard to use and protection of the Insider Information are governed by the applicable legislation and the agreement between the Company and its contractor.

5.3.2. The agreement shall specify conditions of use and protection of the Insider Information including the case of restructuring or liquidation of one on the parties of the agreement in accordance with the civil legislation, as well as the contractor's liability to indemnify losses caused by its disclosure of this information despite the agreement.

5.3.3. The contractor shall promptly inform the Company of any disclosure or threat of disclosure, unlawful acquisition or use of the Insider Information by third parties which was allowed by the contractor or it became aware of.

5.3.4. The contractor cannot disclose the Insider Information before the expiration of the agreement and in its sole discretion cease protecting its confidentiality, unless otherwise provided by the agreement.

5.3.5. The contractor that failed to comply with the conditions of use and protection of the Insider Information delivered under the agreement shall indemnify losses incurred by the Company, unless otherwise provided by the agreement.

6. Other Restrictions on Transactions with Securities

Persons having control over the Insider Information should refrain from execution of Transactions with Securities related to trading transactions of expressly aggressive or speculating nature including “put” or “call” option acquisition transactions or issue/acquisition of such options.

7. Liability for Unlawful Use and Disposal of Insider Information

7.1. According to Art. 71 of the Federal Law “About Joint Stock Companies”, the Charter of the Company and other bylaws of the Company governing activity of management bodies of the Company, the Members of the Board of Directors, the members of the Management Board, President of the Company (in the event if functions of the sole executive body of the Company are imposed on the managing company, also members of the board of directors and the collegial executive body, the sole executive body of the managing company) when exercising their rights and performing their duties should act honestly and reasonably for the benefit of the Company.

The said persons shall be liable for losses incurred by the Company due to their wrongful acts (acts of omission) in accordance with the legislation of the Russian Federation.

7.2. Disciplinary measures including termination of employment may apply against Infringers which are currently employed by the Company; decision on such measures shall be made in accordance with the current legislation of the Russian Federation and bylaws of the Company.

7.3. The Infringers shall be liable for losses (actual damage and loss of profit) incurred by the Company due to their wrongful acts (acts of omission) as a result of their Unlawful Use and Disposal of the Insider Information.

7.4. The Infringers may be found administratively and criminally liable in accordance with the provisions of the Code of Administrative Offences of the Russian Federation and the Criminal Code of the Russian Federation.

7.5. In cases provided for by generally accepted norms of international law and treaties where the Russian Federation is a participant, the Infringers may be held liable according to norms of international law and the applicable foreign law.