

REGULATIONS ON DISCLOSURE OF THE INSIDE INFORMATION

1. Introduction

- 1.1. These Regulations set out the sequence and list of actions to be taken by members of the Disclosure Committee (the "**Committee**") when considering the nature and timing of any disclosure of inside information that relates to OJSC PIK Group (the "**Company**") in accordance with the laws of the Russian Federation, the laws of the UK (and in particular the Financial Services and Markets Act 2000), the requirements of the Financial Services Authority (FSA) and the London Stock Exchange (LSE), including, the FSA Listing Rules ("**LR**") and Disclosure and Transparency Rules 2 (the "**DTR 2**"), the Admission and Disclosure Standards and the International Financial Reporting Standards (IFRS), hereinafter referred to as the "**Requirements**", as well as the Charter of the Company, any of the Management Board's resolutions, internal documents of the Company and these Regulations, hereinafter referred to as the "**Internal Documents of the Company**".
- 1.2. For the purposes of these Regulations, the term "Company" should be taken to include all affiliated and subsidiary entities over whose management decisions the Company has control. A list of such entities is given in the "List of Affiliates and Subsidiaries of OJSC PIK Group" for the purposes of establishing control over communications about the material facts relating to and disclosure of inside information approved from time to time by the Committee.
- 1.3. For the purposes of these Regulations, Inside Information shall be taken to refer to any information that:
 - 1.3.1. relates, directly and/or indirectly to the Company; that is to say that general information about the real estate development market in Russia or general economic conditions as a whole will likely not constitute Inside Information for which disclosure is required;
 - 1.3.2. is of a specific, precise and clear nature and content; the information is likely to be specific and precise if it indicates circumstances and events that already exist or may reasonably be expected to come into existence, and such information is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances and events on the price of the Company's securities or their derivatives;
 - 1.3.3. is not public or has not entered the public domain (including the data constituting a commercial, official, bank or other legally protected secret). Information which is generally publicly available may not be the Inside Information. However, the fact that information became publicly available through a leak or otherwise other than as a result of an RIS disclosure, does not necessarily mean that such information is not Inside Information; and
 - 1.3.4. is price sensitive; that is to say the information is such that it is likely to have a significant effect on the price of the Company's securities or their derivatives. The term "price sensitive" refers to information, the content and

nature of which is such that a reasonable investor would be likely to use it as in making an investment decision when trying to achieve the maximum economic profit for himself. Information about the following may often be of a type that amounts to Inside Information:

- a) assets and liabilities of the Company;
- b) the conduct of business by the Company or expected conduct of the business;
- c) the financial position of the Company;
- d) a business line of the Company;
- e) major new spheres of business development of the Company;
- f) any change in the veracity or applicability of information earlier disclosed in the market.

It should be borne in mind that the significance of the information in question will vary widely from issuer to issuer, depending on a variety of factors such as the issuer's size, recent developments and the market sentiment about the issuer and the sector in which it operates. Further, no numeric definition can be given as to what a significant change in a price of securities is, and a "one size fits all" numeric definition is not appropriate. It is necessary to assess any relevant information in question in light of all the circumstances, including the relative effect of such information in comparison with all business operations of the Company in the aggregate, the assets of the Company, as well as the credibility of the source, and other market variables.

1.4. Although a determination about whether information should be considered inside Information or not must take into account all of the relevant factors, the following parameters may be used in order to give an initial indication as to whether or not the importance of the information is sufficiently material. Consider whether the information relates:

- to circumstances that have had or can be reasonably expected to have an impact upon the Company's cash flow that exceeds the Financial Threshold;
- to the conclusion, amendment or termination of any contract by the Company for a sum exceeding the Financial Threshold or for the development of real estate of over 150,000 sqm of floorspace;
- to the threat or inception of any process by any governmental authority with relation to variation or revocation of any license or construction permit held by the Company or in relation to the nationalization or confiscation of any land owned or leased by the Company;
- to the filing or potential filing of claims or the issuance of orders against or in favour of the Company under administrative or civil laws for sums exceeding the Financial Threshold, including any challenge or threatened challenge to the Company's ownership or leasehold rights in any property or development, provided that Financial Threshold is triggered;
- to any incident relating to any of the operations of the Company which may be reasonably likely to result in the loss of a sum exceeding the Financial Threshold;
- to the occurrence of any event that materially prevents or interferes, or is reasonably likely to materially prevent or interfere, with the general operations or business of the Company, or the planned development of any project, provided that Financial Threshold is triggered.

- to any transaction or series of transactions that would involve a transfer of more than 10% of the voting rights in the Company;
- to the establishment of any joint ventures, alliances or arrangements on concerted actions with any non-affiliated parties;
- to any material operational accidents that have occurred during the Company's operations, or to any labour disputes, threatened or otherwise with threatened liability in excess of the Financial Threshold;
- to any default or cross-default whether capable of remedy or not under any material contract; and
- to any other matter that would have or would be reasonably likely to have a material impact upon the price of the Company's securities.

For these purposes, the “**Financial Threshold**” shall be RUR 600 million (approx. USD 20 million).

- 1.5. The provisions of these Regulations shall be binding on all members of the Committee.

2. Procedure for Approval and Disclosure of Insider Information

- 2.1. In the event that information arises that falls within the “Criteria for the Communication of Information about Material Facts” approved from time to time by the Committee, the Disclosure Officer of the Company's relevant Subdivisions or the Disclosure Officer of the relevant Material Subsidiary shall report it to the Disclosure Officer of the Committee who will examine the received information and notify the Chairman of the Committee about the occurred events or circumstance that match the conditions for their disclosure in accordance with the Requirements and Internal Documents of the Company.
- 2.2. As and when necessary, the Chairman of the Committee shall call a meeting of the Committee in accordance with the Regulations of the Disclosure Committee of OJSC PIK Group.
- 2.3. The relevant information received by the Disclosure Officer of the Committee shall be discussed at the Committee meeting and an appropriate decision shall be made as to whether it amounts to inside Information and if so whether it shall be disclosed or not.
- 2.4. The Committee shall discuss any announcement that is deemed necessary in relation to the relevant Inside Information in relation to which the decision of disclosure has been taken.
- 2.5. Based on the results of such discussion, the Department for Public Relations (PR Department) shall prepare a proposed form for the RIS announcement in English and submit it to the Department for Investor Relations (IR Department) for its approval. At the same time, such RIS announcement shall be translated into Russian.
- 2.6. Subsequently, the text of such RIS announcement shall be sent to one of the members of the Committee, the identity of whom shall be as follow:
 - 2.6.1. in the event that the information relates to the operating activities of the Company, the RIS announcement shall be submitted to the First Vice President of the Company for his/her preliminary approval.
 - 2.6.2. in the event that information relates to the financial activities of the Company, the RIS announcement shall be submitted to the Vice President for Economy and Finances – Financial Director of the Company for his/her preliminary approval.

- 2.6.3. in the event that information relates to the legal matters, the RIS announcement shall be submitted to the Vice President for Legal Matters of the Company for his/her preliminary approval.
- 2.7. Following any required alterations to the RIS announcement, it shall be circulated to the remaining members of the Committee for their approval or disapproval. The Committee shall consider such announcement and its release as soon as possible.
- 2.8. After the English and Russian versions of the RIS announcement are approved by the Committee, they shall be forwarded to the IR Department, which will disseminate the English version of such announcement through the Regulatory News Service of the London Stock exchange. In addition, the PR Department shall posts the RIS announcement on the corporate website of the Company (in both Russian and English).
- 2.9. All RIS announcements, as well as any materials on which they are based, and the materials used for their writing, including advices and memorandums of external consultants shall be stored on the server of the Company in IR and PR files.