

Non-binding translation

**APPROVED BY
Resolution of the Board of Directors
of OJSC “Company “M.video”
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**REGULATIONS ON INSIDER INFORMATION
OF
OPEN JOINT STOCK COMPANY
“Company “M.video”**

**Moscow
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CONTENTS

- 1. GENERAL PROVISIONS**
- 2. TERMS AND DEFINITIONS**
- 3. DATA RELATING TO INSIDER INFORMATION**
- 4. BASIC DUTIES OF PERSONS POSSESSING INSIDER INFORMATION**
- 5. DISCLOSURE BY INSIDERS OF INFORMATION ON TRANSACTIONS WITH COMPANY'S SECURITIES**
- 6. COMPANY'S DUTY ON DISCLOSURE OF INSIDER INFORMATION**
- 7. DUTIES ON OBSERVING OFFICIAL (PROFESSIONAL) SECRETS REGARDING INSIDER INFORMATION**
- 8. MEASURES AIMED AT PROTECTION OF INSIDER INFORMATION**
- 9. PROCEDURE OF USING INSIDER INFORMATION**

1. GENERAL PROVISIONS

1.1. In accordance with the Civil Code of the Russian Federation, Federal Law “On Joint Stock Companies”, other regulatory legislative acts of the Russian Federation, Corporate Governance Code and Charter of OJSC “Company “M.video” (hereinafter the “Company”) these Regulations establish a procedure for the use of information regarding the Company's activities, securities and transactions therewith, which is not available to the public, and disclosure of which may affect the market value of the Company's securities, a procedure for making transactions with the use of Insider Information, a procedure of disclosure of Insider Information in the securities market, and information on Insiders' transactions with securities.

1.2. These Regulations area aimed at providing:

- the established procedure of pricing in regard to the Company's securities;
- protection of rights and legitimate interests of the Company's shareholders and other persons when entering into transactions with the Company's securities;
- control of Insiders' activities;
- preventing manipulation of the Company's securities' prices.

2. TERMS AND DEFINITIONS

2.1. Terms and definitions used in these regulations shall be used in the meaning they are used in the laws of the Russian Federation on joint stock companies and securities unless otherwise is stipulated by these Regulations.

2.2. For the purposes of these Regulations, the following terms and definitions shall be used:

"Insider Information" means information on the Company's activities, securities and transactions, acquisition activities, pending legal actions, settlements of litigation or arbitration, taxation issues, discussions with regulatory or other government bodies therewith, which is not available to the public (is unknown to third persons), and disclosure of which may affect the market value of the Company's securities, and which extends special privileges to the persons having it as compared with other persons;

"Insider" means a person authorized to access to Insider Information in virtue of his / her official or another position on the basis of the law, another regulatory legal acts, Charter, job description or another internal document of the Company, as well as on the basis of a contract with the Company. Insiders are the persons holding the following positions:

- members of the Board of Directors, collective executive body of the Company, Internal Audit Commission of the Company, person exercising functions of a sole executive body of the Company;
- persons performing for the Company job or other professional duties including those on the basis of a civil law contract by virtue of which they have access to Insider Information;
- Company's Auditor or employees of the auditing company having access to the Company's information;
- professional participant of the securities market keeping the register of holders of the Company's registered securities;
- Company's appraiser;
- persons signing a prospectus of the Company's securities;

- persons, who by virtue of their official or another position regarding the Insider being a legal entity, are authorized to have access to Insider Information, which have the above-said Insider being a legal entity;
 - consultants;
 - employees of the Company who receive the information from internal Company sources including, paper, meetings, discussions or by virtue of unintentional means such as overhearing conversations;
 - contractors to the Company who have access to confidential information;
 - a person working for a contractor who has access to confidential information;
 - other individuals or legal entities authorized to have access to the Insider Information;
- "Insider Securities"** mean securities of the Company and its subsidiaries and dependent companies regarding which the Insider possess Insider Information;
- "Securities"** are any right to a publicly traded certificate which give the holder the right to exercise ownership in the Company; securities may also be known as options, restricted shares or convertible shares. For the purpose of this document bonds, CLN's, debt instruments and derivatives also will be considered as securities.
- "Persons possessing Insider Information"** mean persons who effectively possess Insider Information (both lawfully and unlawfully);
- "Manipulation of the Company's Securities' prices"** means actions performed to create semblance of rising in and / or declining in the rates and / or trading activity in the Company's securities market relating to the existing price level and / or existing trading activity in the Company's securities market with the purpose of inducing investors to sell or purchase the Company's securities, including:
- distribution of misleading or inadequate information;
 - making transactions with securities during trading sessions of stock exchanges and other trade institutors in the securities market as the result of which remains the same holder of such securities;
 - simultaneously giving orders on purchasing and selling securities at the prices having substantial deviation from current market prices on similar transactions;
 - agreement of two or several participants of trading or their representatives on purchase (sell) of securities at the prices having substantial deviation from current market prices on similar transactions;
- "Time of information disclosure"** means publishing of information subject to disclosure in accordance with the laws of the Russian Federation and / or internal documents of the Company.

3. DATA RELATING TO INSIDER INFORMATION

3.1. Insider information includes:

- 3.1.1. financial and economic, business accounting, production-related or other information having effective or potential commercial value by virtue of the fact that it is unknown to third persons, to which there is no free access on a lawful basis, and regarding which the Company has introduced protection measures, in compliance with the requirements of the applicable laws and regulatory legal acts of the federal body of executive authority for the securities market, these Regulations and other internal documents of the Company, until the time of disclosing it in accordance with the laws of the Russian Federation, including the following information:
 - financial statements and documents of the Company's book records;
 - forecasts regarding future income, profits and losses of the Company;

- independent appraisers' reports;
 - considerable changes in financial results of the Company's activities;
 - data on changing the Company's auditor;
 - actions of state authorities and competing organizations in regard to the Company;
 - significant changes in the composition of the Company's major shareholders;
 - changes in the composition of the Company's managing bodies (with the exception of changes in the composition of the Company's shareholders);
 - information on the Company's participation in court proceedings;
 - substantial changes in cost of the Company's assets and liabilities;
 - information on the Company's reorganization;
 - data on making or canceling by the Company its essential contracts and other transactions;
 - pending legal action or arbitration;
 - settlement of legal action or arbitration;
 - taxation issues;
 - potential merger or acquisition activity;
 - potential divestiture issues of all or parts of the business;
 - announcements for any purpose;
 - information on planned issuances (additional issuances) of the Company's securities;
 - information on planned repurchase or purchase of the Company's shares;
 - data on the size of the dividends recommended by the Board of Director of the Company;
 - information on a default on the Company's liabilities or the Company's bankruptcy;
- other data on significant events in the Company's financial and economic activities.

3.1.2. the information other than the above-mentioned information listed in paragraph 2.2.1. of this article subject to disclosure in accordance with the laws of the Russian Federation on the securities market, regulatory acts of the federal body of executive authority for the securities market, by the laws of other states, in accordance with requirements of international organizations and regulations of foreign stock exchanges, prior to the time of disclosing it according to the procedure established by the laws of the Russian Federation, regulatory legal acts of the federal body of executive authority for the securities market, by the Regulations on the Information Policy of the Company, by the laws of other states, by the requirements of international organizations and regulations of foreign stock exchanges;

3.1.3. other information on the Company's activities, the Company's securities and transactions with them, which is not public information, and disclosure of which may influence the market value of the Company's securities.

3.2. The above-mentioned information concerning not only the actual events, but also the future and probable events shall also be considered Insider Information.

3.3. Information is regarded public, if it is widely spread by the means official Company communication is posted on a Company web-site, given to and reported electronically or in print by a newspaper or regulatory agency, or if verbal assertions are made to a group by conference call or in public where the invitees were given prior notice of an announcement and where journalists or the interested

parties were not restricted from listening to the announcement. Dissemination of rumors, even if they are true and reproduced in mass media, shall not be considered effective public distribution.

4. BASIC DUTIES OF PERSONS POSSESSING INSIDER INFORMATION

4.1. Persons possessing Insider Information may not:

- make (or charge any persons to make) transactions with Insider Securities in their interests or in the interests of third persons;
- disclose to other persons or make available for third persons Insider Information or information on the basis of it, with the exception of cases contemplated by the laws and / or internal documents of the Company;
- give other persons recommendations based on Insider Information on making or non-making transactions with Insider Securities.

4.2. Contracts to be made by the Company with Insiders must set forth Insiders' Duties provided by this article. Contracts entered into by the Company with Insiders being legal entities must contain conditions on the obligation of the above-mentioned persons to furnish the Company with:

- a list of persons who shall be given access to Insider Information; or a confirmation that the party to the contract by its Code of Conduct does not allow its employees to trade in shares of the Company, after the date of signing the contract;
- amendments and addenda to the above-said list;
- confirmation of the fact that the persons on the above-mentioned list have undertaken the commitments provided by this paragraph.

4.3. Insiders shall disclose to the Company information on the Company's securities possessed by them according to the following order:

- members of the Board of Directors, collective executive body, Revision Commission of the Company, a person exercising functions of the sole executive body of the Company – within the term ending not later than seven business days from the date of electing (appointing) to a corresponding body of the Company;
- persons performing for the Company official or other professional duties including those on the basis of a civil law contract, by virtue of which they have authorized to have access to Insider Information
 - within the term ending not later than seven business days from the time of making by them a respective contract;
- the Company's auditor – when nominating him / her for the position of the Company's auditor according to the procedure provided by the Company's Charter;
- a professional participant of the securities market keeping the register of holders of the registered securities of the Company – within the term ending not later than seven business days from the time of making by him / her an agreement on keeping the register of holders of the Company's registered shares;
- persons, who by virtue of his / her official or another position regarding the Insider being a legal entity, are authorized to have access to Insider Information, which has the above-said Insider being a legal entity – within the term ending not later than seven business days from the time of making by them a respective contract;
- members of the immediate family of the Insider, including spouse, children, parents, persons under his/her custody or trusteeship, if these persons live in the same house as the Insider. The declaration will form part of the declaration of the Insider.

5. DISCLOSURE BY INSIDERS OF INFORMATION ON TRANSACTIONS WITH THE COMPANY'S SECURITIES

- 5.1. Insiders must disclose to the Company information on their ownership of the securities of the Company and transactions with securities of the Company.
- 5.2. The above-said duty shall extend to any transactions with the Company's securities where the Insider is a party to, a beneficiary, an intermediary, or a representative. Such transactions include, but not limited to:
- Purchase of shares;
 - Sales of shares, including short-sales;
 - Gifts of shares;
 - Pledging on using shares as security for any purpose;
 - Derivative transactions;
 - Debt and debt instruments;
 - Bonds;
 - Credit linked notes CLN's.
- 5.3. The above-mentioned information shall be furnished to the Company in writing within the term ending not later than seven working days from the date of making the transaction. It doesn't apply to sales of shares executed by the members of the Board of Directors, Executive Board, Revision Commission and sole executive body who must inform the Company of their sales of shares of the Company five days prior to the date of sale. Such information shall include:
- type of the transaction;
 - date of making the transaction;
 - person (persons) being a party to, a beneficiary (beneficiaries), an intermediary, and / or a representative on the transaction;
 - price of the transaction;
 - subject of the transaction (including the size, nominal value, if any, class and category (type) of securities);
 - name of the stock exchange, if the transaction has been made during stock exchange trading session.
- 5.4. Transactions that are received subject to gifts, inheritance, foreclosure on loans or other debt instruments will be subject to disclosure within 7 days.
- 5.5. Transactions which are due to Company share dividends, stock splits or other Company actions (exercising under share option schemes or other compensation related programs) will be subject to disclosure within 7 days.
- 5.6. Transactions that are due to share swaps with other companies that the insider owns, due to merger, restructuring, purchase or sale will be subject to disclosure within 7 days.
- 5.7. For all transactions which are not covered above and where the purchase or sale is initiated by the insider, the insider must advise the Company of the transaction, and receive written permission from the Company's Chief Legal Officer in advance of the transaction. The amount of time between the transactions will be determined based upon the circumstances and the insider, but it is required that the insider enter into a contract to buy or sell the shares at a future date at the market price on that date. For the Chief Legal Officer to trade she/he will be subject to receiving written agreement from the Company's Chief Executive Officer.
- The insider may stop the transaction at any time, but may not delay it. Any changes to the timing will be considered two transactions, one stopping the existing and a second setting up a new transaction (with the second requiring new agreement from the Chief Legal Officer). The insider must give information to the Chief Legal Officer as to the reason to terminate the transaction. Each instance of a change made by an insider

will be reported to the Board of Directors so they will determine if amendments to these regulations are necessary.

6. COMPANY'S DUTY ON DISCLOSURE OF INSIDER INFORMATION

The Company must disclose the Insider Information in the cases, to the extent and within the term stipulated by regulatory legal acts of the Russian Federation, the Company's Charter and Regulations on the Information Policy of the Company.

7. DUTIES ON OBSERVING OFFICIAL (PROFESSIONAL) SECRETS REGARDING INSIDER INFORMATION

Persons possessing the Insider Information by virtue of their official position (or another professional position) must observe their official secret (another professional secret) regarding the Insider Information received by them. The requirement on observance of official secret (another professional secret) shall also be applied to the Insiders who have terminated discharging their official or any other employment duties until the time when the data received by them cease to have the features of Insider Information, such period not to exceed one year. The above-mentioned persons are entitled to disclose Insider Information exclusively in the cases and according to the procedure prescribed by the contracts with them or by the applicable laws.

8. MEASURES AIMED AT PROTECTION OF INSIDER INFORMATION

8.1. The Company is empowered to apply special measures aimed at protection of Insider Information from unlawful usage. The above-said measures shall be applied to:

- provide control of the activities of the persons possessing Insider Information on the basis of the established restrictions for the use and disposition of Insider Information;
- provide observance of the procedure for the use and disposition of Insider Information, also through ruling-out of unlawful usage of Insider Information by the persons possessing Insider Information not in the interests of the Company;
- increase investors' and counterparts' level of confidence to the Company.

8.2. The measures aimed at protection of Insider Information, which may be established by the Company, include:

- establishment of access mode to some premises roomed by the Company (also on non-business days);
- registration of persons possessing Insider Information;
- putting on material carriers (documents) containing Insider Information, the label "Private & Confidential", "Confidential" or "Strictly confidential" with indication of full title and Company's registered office; documents labeled "Confidential" or "Strictly confidential" may be furnished only to the persons having the right of access to such Insider Information;
- access to Insider Information may be authorized or restriction of access to the Insider Information may be imposed on the Company's employee based on labor contracts and on counterparts based on civil law contracts;
- receiving from the Company's employees and counterparts written letters of commitment not to disclose Insider and any other confidential information;
- authorization of access to Insider Information and other confidential information only in specific places;

- timely destruction of all the documents not subject to keeping, which can contain Insider Information;
- implementation of procedures for protection of job places and places of keeping the documents from unimpeded access and watching;
- use of systems intended for protection of information and technical systems, which secure from losses of information and unauthorized access to information, also via communication channels;
- other measures aimed at restriction of access to Insider Information proposed by the body (or business subdivision) of the Company the terms of reference of which embrace carrying-out of internal control - as agreed upon with the sole executive body of the Company.

9. PROCEDURE FOR THE USE OF INSIDER INFORMATION

9.1. Lawful use of Insider Information shall have place in the cases when Insider Information is applied in the interests of the Company, for provision of production and commercial, financial and other types of activities of the Company in compliance with the existing applicable laws, other regulatory legal acts, Charter of the Company, also by job descriptions adopted in accordance with them, or other internal documents of the Company (regulations, rules, orders, instructions and other internal documents of the Company), as well as based on an agreement with the Company.

9.2. Unlawful use of Insider Information means any use of Insider Information made with infringement of the conditions stipulated in paragraph 1 of this article, including use of Insider Information in private interests of the persons possessing Insider Information, and third persons including (but not limiting to):

- making transactions with securities;
- recommendations to third persons on purchase, sale and retaining of the Company's securities;
- disclosure of Insider Information to third persons for a consideration or without it; and
- publishing or distribution of Insider Information in any other ways.

9.3. For the purposes of protection of Insider Information, the Company must:

- against receipt, make familiar the employee, whose access to the Insider Information is necessary for executing his job duties, with these Regulations;
- against receipt, make familiar the employee with the mode of using the Insider Information established by the Company for him / her, and with responsibility for infringing it;
- arrange for the employee necessary conditions to observe by him / her the mode of using the Insider Information established by the Company;
- make other measures aimed at ensuring the procedure of using the Insider Information.

10. RESTRICTIONS ON TRADING (SO CALLED “CLOSED WINDOW”)

10.1. The Company will define periods when insiders will be restricted from trading securities for any reason, other than to fulfill obligations entered to in advance (see p.5.7, provided that the transaction was entered into before the “closed window” and provided there is no regulatory restriction).

10.1.1. The periods of time will be determined by the Company at each instance but as a minimum it must be at least 14 days prior to the

publication of any yearly or interim financial report on financial statements.

10.1.2. The restriction will end at the later of 12:00 (noon) on the day of, or 2 (two) hours after the announcement is made, published or put onto the web-site.

10.1.3. The Company will issue guidelines or “Rules for insiders to inform people who live in the same household on closed periods”. Each insider will be trained in these procedures and will sign a declaration of understanding and agreement with these Rules.

10.2. The Company will issue an order indicating that there is a closed window and the timing and distribute it through normal procedures used to inform employees and staff. It is not necessary to personally inform each insider.