

Approved by  
the Board of Directors  
of Open Joint Stock Company  
"Company "M.video"  
on 07 December 2011  
Minutes No.58 dated 08 December 2011

Procedure  
of access to insider information of Open Joint Stock Company "Company M.video",  
protection of confidentiality thereof and control over observation of Federal law No.  
224-FZ "On preventing improper use of insider information and manipulation of market  
and amending some legislation of the Russian Federation"

Moscow  
2011

## 1. General provisions

1.1. This procedure (hereinafter referred to as the **Procedure**) of access to insider information of Open Joint Stock Company "Company M.video" (hereinafter referred to as **OJSC "Company M.video"** or the **Company**), protection of confidentiality thereof and control over observation of Federal law No. 224-FZ "On preventing improper use of insider information and manipulation of market and amending some legislation of the Russian Federation" (hereinafter referred to as the **Market Abuse Law**) has been developed in accordance with the Market Abuse Law and other regulations of the Russian Federation in respect of introduction, amendment and termination of procedures of access to insider information, protection of confidentiality thereof and control over observation of the Market Abuse Law.

1.2. The Procedure is aimed at regulation of use of insider information and includes:

- definition of terms "insider information" and "insider";
- procedure of use of insider information and an insider's duties;
- rules of protecting confidentiality of insider information from improper use thereof.

## 2. Basic terms

The basic terms used in this Procedure and definitions thereof are as follows:

**Insider information** means an accurate and specific information, not disseminated or furnished (including information considered to be commercial, service, banking secrets, communication secrets (as regards information of mail transfer of money) and other secrets protected by law), dissemination or making available of which can affect significantly the prices of financial instruments of OJSC "Company M.video" (including information relating to its subsidiaries and/or dependent companies having the attributes described in Article 4 of the Market Abuse Law) and which is included into the respective list of insider information specified in Article 3 of the Market Abuse Law.

**Insider information List** means categories of information which is Insider Information of OJSC "Company M.video".

**Insider** means a person having access to the Insider Information.

**Dissemination of information** means any acts:

- a) aimed at receipt of information by an indefinite number of persons or transfer of information to an indefinite number of persons, including disclosure thereof under securities legislation of the Russian Federation;
- b) connected with publishing information in the mass media, including electronic, information and telecommunication networks, access to which is not limited by certain number of person (including Internet);
- c) connected with dissemination of information through electronic, information and telecommunication networks, access to which is not limited by certain number of person (including Internet).

**Generally Available Information** means generally known information and other information, access to which is not limited.

**Financial Instrument of OJSC "Company M.video"** means ordinary shares of the Company and other securities which may be issued by the Company from time to time, and admitted to trading (or per which an application for admission to trading is made) on a stock exchanges in Russia, and other financial instruments as defined in Federal law No. 39-FZ dated 22 April 1996 "On securities market", the price of which depends on the price of securities of the Company.

**Company's employees** means persons who are employed under employment and/or civil law contracts, or any other legal basis, by the Company regardless of the duration of the employment.

### **3. Insider information of OJSC "Company M.video"**

3.1. Under the Market Abuse Law, OJSC "Company M.video" develops its own Insider Information List.

3.2. The Insider Information List shall be executed in accordance with the regulation of federal executive authority responsible for the financial markets containing an exhaustive list of Insider Information. The Insider Information List of OJSC "Company M.video" shall be approved by the Board of Directors of the Company and shall be disclosed through Internet on the official web site of OJSC "Company M.video" ([www.mvideo.ru](http://www.mvideo.ru)).

3.3. The Insider Information does not include:

3.3.1. information becoming accessible to an unlimited number of persons, particularly as a result of its dissemination;

3.3.2. researches, forecasts and assessments based on generally available information in respect of financial instruments, foreign currency and/or goods, as well as recommendations and/or proposals regarding operations with financial instruments, foreign currency and/or goods;

3.3.3. information (and/or data based on it) which is provided by the Company (and/or person(s) engaged by the Company) to potential buyers of the Company's securities, or which is used by the Company (and/or person(s) engaged by the Company) to issue recommendation or to otherwise induce potential buyers to acquire the respective securities in connection with a placement (arrangement of placement) of the Company's securities and/or offering (arrangement of offering) inside or outside of the Russian Federation, including by way of offering the securities of a foreign issuer certifying the rights in respect of the Company's securities, provided that potential buyers are notified that such information (data) shall not be used by them other than for taking decision on acquisition of the securities being placed (offered).

3.4. Insider information disclosed or published unlawfully in the mass media must be promptly disclosed by the Company in accordance with the law.

### **4. Insiders**

4.1. A list of persons considered to be insiders is determined by Market Abuse Law.

- 4.2. The Insiders of OJSC "Company M.video" include the following persons:
- 4.2.1. members of the Board of Directors of OJSC "Company M.video";
  - 4.2.2. General Director of OJSC "Company M.video";
  - 4.2.3. members of the Revision Commission (Internal Auditor) of OJSC "Company M.video"
  - 4.2.4. persons having an access to the Insider Information of OJSC "Company M.video" under contracts, including, but not limited to:
    - outside auditors (auditor entities) of OJSC "Company M.video";
    - appraisers of OJSC "Company M.video" (legal entities having employment contracts with appraisers);
    - professional participants of the securities market;
    - credit institutions;
    - insurance organizations.
  - 4.2.5. information agencies which disclose or furnish information of OJSC "Company M.video";
  - 4.2.6. rating agencies that assign ratings to OJSC "Company M.video", and its securities;
  - 4.2.7. individuals having access to the Insider Information of OJSC "Company M.video" under employment and/or civil law contracts entered with them;
  - 4.2.8. persons holding at least 25 per cent of votes in the supreme governing body of OJSC "Company M.video", and the persons having an access, because of their shareholding in the charter capital of OJSC "Company M.video", to the Insider Information under the federal laws or the incorporation documents.

4.3. The Company shall form and maintain a list of its insiders (the **Insiders' List**). Maintaining the Insiders' List of OJSC "Company M.video" is a duty of a compliance officer who is responsible for the control over compliance with the Market Abuse Law and the regulations approved thereunder (hereinafter referred to as the **Compliance officer**).

The Compliance officer is appointed and dismissed by the General Director upon the approval of the Board of Directors of OJSC "Company M.video" and shall report to the Board of Directors of the Company. The Insiders' List of OJSC "Company M.video" shall be kept in accordance with the list of categories of persons referred to in paragraph 4.2 of this Procedure except for persons mentioned in 4.2.8, who are not included into the Insiders' List.

4.4. The persons included in the Insiders' List must be notified on their inclusion in and exclusion from such list, as well as on the respective requirements of the Market Abuse Law by the Compliance officer in accordance with the FSFM Decree No.11-3/pz-n dated 21 January 2011. The Insiders – employees of the Company must acknowledge to the Company that they understand their rights and duties in connection with their inclusion into such list (as per the form enclosed as Annex 1 to this Procedure).

The Company shall be obliged to submit the Insiders' List to exchanges on which financial instruments of the Company are traded, in accordance with the procedures stipulated by the regulation of the relevant federal executive authority responsible for the financial markets and regulations of the relevant exchange.

4.5. The Insiders' List of OJSC "Company M.video" shall be provided to the relevant federal executive authority responsible for the financial markets upon its request.

4.6. Insiders of OJSC "Company M.video" included into the Insiders' List shall notify OJSC "Company M.video" and the FSFM of Russia on their operations with Financial Instruments of OJSC "Company M.video" in accordance with the FSFM Decree No.11-3/pz-n dated 21 January 2011 (the form of such notification is enclosed as Annex 2). The notices of Insiders of OJSC "Company M.video" shall be sent within 10 (ten) business days of completion of the respective operation with securities of OJSC "Company M.video" (i) to the address of the Company for the attention of the Compliance Officer, and (ii) to the Federal Service for Financial Markets of Russia in accordance with its Decree mentioned above.

## **5. Limitations on use of Insider information**

5.1. The use of the Insider Information is prohibited:

- for carrying out operations with Financial Instruments, foreign currency and/or goods to which the Insider Information relates, at one's expense or at the expense of a third person, except information relating to performance of operations of purchase or sale of financial instruments, foreign currency and/or goods under a matured obligation, if such obligation is resulting from an operation carried out before the date such person has obtained the Insider Information;
- by transfer to another person, except the cases such information is transferred to a person included into the Insiders' List, in connection with performance of duties set by the federal laws, or in connection with performance of employment duties or performance of a contract;
- by issuing recommendations to third persons, obliging or otherwise inducing them to purchase or sell financial instruments, foreign currency and/or goods.

5.2. Any acts considered market manipulation under the Market Abuse Law are prohibited.

5.3. Providing the Insider information for publishing to the editorial office of a mass media entity, its editor-in-chief, reporter or other employee thereof, or publishing such information in the mass media is not a violation of the prohibition set by paragraph 5.1 of this Procedure. And providing such information for publishing or publishing thereof shall not relieve from responsibility for unlawful obtaining, use, or disclosure of information considered to be the state, tax, commercial, service, banking secret, or communication secret (as regards information of mail transfer of money) and other secrets protected by law, and observation of the duty to disclose or provide the Insider Information.

## **6. Procedure of access to Insider information**

6.1. The Company's employees will have access to certain Insider Information to the extent necessary for them to carry out their duties.

6.2. The Compliance officer of OJSC "Company M.video" shall develop a list of positions which should have right of access certain Insider Information. This list of positions shall be approved by the CFO of the Company. Employment contracts (or supplementary agreements to employment contracts) or civil-law contracts providing for the employee's duty to avoid improper use of the Insider information shall be entered into with the Company's employees included into the list. However, the Market Abuse Law and this Procedure will apply to all employees actually in possession of

Insider Information, notwithstanding inclusion of those provisions into employment agreements.

6.3. Members of the Board of Directors, the General Director and members of the Revision Commission shall have the right to access any Insider Information in order to perform their professional responsibilities.

6.4. The scope of Insider Information made available to other persons shall be determined by the CFO and the Compliance officer of the Company.

## **7. Rules of protecting confidentiality of Insider Information**

7.1. The requirements of this Procedure shall be performed by all Insiders of OJSC "Company M.video", and the Company's employees.

7.2. The persons having an access to the Insider Information, and the persons obtaining an access to the Insider Information under Section 6 of this Procedure shall:

- ensure protection of confidentiality of the Insider Information;
- if the status of the person having an access to the Insider Information is lost, all the media containing the Insider Information, which are under their control, shall be surrendered to OJSC "Company M.video";
- the Compliance officer or the CFO of the Company shall be promptly notified of a loss or shortage of documents, or files containing the Insider Information, keys of safe boxes/premises of archives used for keeping documents containing the Insider Information, passes, computer passwords or of the cases of unauthorized access to the Insider Information.

7.3. OJSC "Company M.video" shall ensure proper organizational and technical conditions for observation of the prescribed confidentiality procedures by the persons having an access to the Insider Information.

7.4. In order to protect confidentiality of the Insider information, OJSC "Company M.video" shall be entitled to:

- determine a list of information considered to be the Insider Information;
- keep record of the persons provided an access to the Insider information and/or the persons to whom such information was made available or transferred;
- regulate use of the Insider information by employees under employment contracts and by counterparties under civil law agreements;
- prevent transfer of the Insider Information to any third person in violation of the Market Abuse Law, or regulations approved thereunder and under this Procedure;
- determine the rules of using documents containing the Insider Information;
- determine the procedures of meetings and negotiations, during which the Insider Information is discussed;
- limit an access to the Insider Information by setting the procedures of dealing with such information and control over observation of such procedures.

7.5. The Company's employees shall inform their immediate superior and the Compliance officer of the Company of any facts known to them regarding:

- the Insider Information of OJSC "Company M.video" not accessible to them within their duties, but obtained by them, particularly from other persons;

- improper use of the Insider Information of OJSC "Company M.video", including use for the own interests by the Company's employees, Insiders of the Company and their relatives.

## **8. Disclosure of Insider Information**

8.1. The Insider Information of the Company shall be disclosed in the cases, in accordance with the procedures and within the time limits stipulated by regulations of the federal executive authority responsible for the financial markets.

8.2. If after disclosure or providing the Insider Information the data included into such information are changed, such information shall be promptly disclosed in the same manner or provided not later than the next business day of the date such changes have or should have become known.

## **9. Final provisions**

9.1. The persons violating this Procedure shall be liable under the existing laws of the Russian Federation.

9.2. This Procedure, as well as amendments and additions thereto, shall be approved by resolution of the Board of Directors, and remains subject to regular revisions to ensure its compliance with the legislation requirements, corporate governance best practices and specifics of the Company's business.

9.3. If as a result of a change in legislation and regulations of the Russian Federation some provisions of this Procedure are in conflict with them, such provisions shall become invalid. Until this Procedure is amended, the Company, the Company's employees and other persons referred to in this Procedure, shall follow the effective provisions of the applicable legislation and regulations.

## ANNEX 1

### Form for confirmation by Company's employees included in the Insider list of OJSC "Company "M.video"

I, [*full name and position of the employee*] hereby confirm that I have read and understood my rights and responsibilities in connection with insider information in respect of OJSC "Company "M.video" which may be available to me, and my inclusion into the list of insiders of OJSC "Company "M.video" as of [*date*].

I understand the restriction applicable to dealing with the OJSC "Company "M.video"'s securities and financial instruments.

I understand the sanctions applicable for improper use of Insider information.

I have read and understood the Procedure of access to insider information of the OJSC "Company "M.video", protection of confidentiality thereof and control over observation of Federal law No. 224-FZ "On preventing improper use of insider information and manipulation of market, amending some legislation of the Russian Federation" and undertake to comply with the requirements established therein.

*Signature*

*Date*



## ANNEX 2

### Notification of the transactions with Financial Instruments of OJSC "Company M.video"

1. Full name of the insider – physical person / Full corporate name of the insider – legal entity	
2. Type and requisites of the identification document of the insider – physical person / INN, OGRN of the insider – legal entity	
3. Place of registration of the insider – physical person / Location of the insider – legal entity	
4. Full corporate name of the entity in which Insiders list the insider is included	
5. Date of the operation	
6. Type of the transaction (operation)	
7. Value of the transaction (operation)	
8. Place of the execution of the transaction (name of the exchange or over-the-counter market)	
9. Type, category, series of the securities	
10. Full corporate name of the issuer of the securities	
11. State registration number of the issue of the securities	
12. Price per share (for all transactions with the securities except repurchase transactions)	
13. Price of purchase and sale of one share under the repurchase agreement (for repurchase agreements)	
14. Number of shares	
15. Type of the agreement being a financial derivative	
16. Name of the derivative agreement on the particular exchange	
17. Price of one derivative agreement (option price)	
18. Number of derivative agreements	
19. Strike price of the derivative agreement	

Date

Signature

[Full name]