

APPROVED BY
THE BOARD OF DIRECTORS OF
PIK GROUP
MINUTES No. 3 DATED AUGUST 01, 2011.

CODE OF ETHICS OF PIK GROUP

LIST OF CONTENTS

I. Introduction	3
II. Terms and Definitions	3
III. Ethical Values of PIK Group	3
IV. Basic Ethical Principles.....	4
Employees	4
Relations with Third Parties and Clients	5
Relations with State Authorities	6
Restrictions in Use of Cash.....	7
Health and Safety	7
Environmental Safety and Protection	7
Political Activity and Charity	8
Gifts and Entertainment	8
Effectiveness, Control and Reporting	9
V. Compliance with the Code	9
Contact Details.....	10

I. Introduction

The Code of Ethics of PIK Group (hereinafter referred to as the “Code”) is a collection of ethical standards and rules of conduct, which the Employees of PIK Group are recommended to abide by in course of performance of employment duties.

The purpose of the Code is to identify the Company’s corporate values, standards and rules of behavior of the Employees, to promote understanding by the Employees of their role in achievement of the Company’s strategic goals.

The provisions of the Code shall apply to the Employees of PIK Group, its subsidiary and dependent companies.

II. Terms and Definitions

PIK Group / Company – PIK Group and all its subsidiary and dependent companies.

Conflict of interests – a situation when personal interests of an Employee within the framework of performance of their employment duties is contradictory with the Company’s interests.

Employee – an individual which has labour relations with the Company under an employment agreement.

III. Ethical Values of PIK Group

PIK Group’s values:

- **Respect** for personal rights and interests of our Employees, requirements of clients and cooperation terms offered by our business partners and the society.
- **Honesty** in relations and providing any information required for our work.
- **Effectiveness** as a stable achievement of the best possible results in everything we do.
- **Courage** to reject unacceptable things and undertake the responsibility for consequences of our decisions.
- **Care for our Employees** as demonstrated by our efforts to protect them from any harm or threat to their life and health.

- **Trust in our Employees** that allows to delegate powers with respect to making decisions and their implementation.

Observance of these values allows us to support and develop the corporate culture required for achievement of the highest results in all our business aspirations. Our values are reflected in our success. We do not compromise our values for profit-making. We consider such values as a connecting link of all our business areas and assume that the same is true in our relations with business partners.

IV. Basic Ethical Principles

For the purposes of realization of its ethical principles, the Company has developed and observes ethical principles with respect to the following areas:

EMPLOYEES

The Company in relations with the Employees shall do as follows:

- comply with all the requirements of the labour legislation and the terms of the employment agreement;
- respect personal liberty and human rights;
- support and respect human rights declared at the international level;
- provide everyone with equal opportunities and not allow discrimination in the area of labour and employment;
- stand for liquidation of all forms of forced and compulsory labour;
- create conditions favorable for professional development of the Employees;
- not retain children's labour in all business areas;
- keep confidentiality and ensure guarantees of protection of personal data of the Employees;
- support freedom of association and real recognition of the right to execution of collective bargaining agreements.

Employees in relations with the Company shall do as follows:

- in course of performance of employment duties, act solely in the best interests of the Company and avoid any conflict of interests;
- when making decisions on behalf of the Company, not consider any additional benefit to themselves, close relatives or business partners;
- not effect transactions with securities on the basis of insider information;
- not accept gifts and services that may be interpreted as a bribe from third parties;
- not pay anyone to retain or to get business or to receive favorable treatment;
- report to the Ethics Officer on any offered gifts or decisions that may involve other business or financial interests.

RELATIONS WITH THIRD PARTIES AND CLIENTS

The Company shall do as follows:

- be aimed to creation of mutually profitable relations with third parties and mutual respect;
- be guided by requirements of its clients and seek to ensure high quality of its products and services;
- always fulfill its obligations and expect the same from its partners;
- always make sure that payments are made to real suppliers in course of business dealings and reflect the market value of the services rendered;
- operate in compliance with the laws on money laundering;
- resist all forms of corruption, including blackmail and bribery;
- conduct business with such partners only which are involved in lawful business and have legal sources of financing;
- wholly rejects unlawful payments and unethical ways of influence on its partners or competitors;
- seek to expand business only on the basis of fair competition and merit;
- support the society's efforts in fighting bribery and corruption.

RELATIONS WITH STATE AUTHORITIES

The Company shall do as follows:

- seek to create and keep stable official relations with state authorities in accordance with the provisions of the applicable legislation;
- not seek in any way and prohibit its employees to exert illegal influence on decisions of state authorities or their representative or officers;
- comply with all the relevant laws and requirements and adhere to both the letter and the spirit of the law;
- pay taxes on time and in full;
- not participate directly or indirectly in the work of political parties;
- not make, offer and allow to make payments in the form of cash or other values and not provide any benefits to public or government officials to exert influence on making decisions by such persons and employees;
- not make, offer and allow to make payments in the form of cash or other values to third parties if there are grounds to assume that such payments will be passed to a public or government official to exert influence on their decision making.

RESTRICTIONS IN USE OF CASH

The Company shall do as follows:

- not use cash in any business transactions, except for minor payments within the scope of ordinary business conduct;
- under no circumstances pay cash for charity, gifts or entertainment;
- compensate costs of goods, services or other minor cash payments incurred or made by the Employees, if such costs are evidenced by cashier's receipts or other evidences of payment receipt by third parties.

HEALTH AND SAFETY

The Company:

- recognizes the priority of life and health of the Employees of PIK Group;
- values human life and health above financial and business results;
- does everything to avoid accidents and industrial injuries;
- considers optimizing and perfection of occupation safety systems to be a key priority of PIK Group.

ENVIRONMENTAL SAFETY AND PROTECTION

The Company:

- considers environmental protection to be an obligatory condition of successful operation and development of its business;
- supports an approach for ecological issues based on the precaution principle;
- exercises initiatives aimed at increase of the responsibility for the environment condition;
- assists to development and dissemination of environmentally safe technologies;
- operates in compliance with the applicable legislation regarding environmental protection;
- seeks to use energy and resources in course of its operation at the most efficiency to preserve the environment for future generations.

POLITICAL ACTIVITY AND CHARITY

Political activity:

- The Company and its Employees are prohibited from making political contributions or engaging in political activities, if the purpose is to retain or expand the Company's business.

Charity:

- The Company and its Employees are prohibited from making charitable contributions, if the purpose is to retain or expand the Company's business;
- however, in order to maintain a stable society, the Company seeks to provide charitable assistance to distressed persons and organizations that operate in the following key areas:
 - younger generation – children and youth;
 - sport – promotion of healthy lifestyle;
 - respect for veterans;
 - the future depends on us – environment protection.

GIFTS AND ENTERTAINMENT

Gifts, services and hospitality expenses may be provided at the expense of PIK Group or accepted from a competitor, an individual or a company which has business relations with PIK Group or desires to create such, subject to meeting the following criteria:

- a gift complies with the generally accepted business practice;
- a gift is delivered without the intention to exert influence or as a remuneration to any person in connection with the activity of PIK Group;
- gifts may not be expressed in a monetary form;
- gifts represent souvenirs, tickets to sport events or entertainments and have a reasonable value;
- gifts are expressed in non-monetary form, delivered in connection with any special occasion (a wedding, a birthday, etc.) and have a reasonable value under these circumstances.

EFFECTIVENESS, CONTROL AND REPORTING

The Company:

- seeks to use the available resources at the most efficiency;

- takes account of risks related to its operation and manages such risks in order to achieve the goals as set by its shareholders;
- adheres to the transparency principle and high standards of planning, control and reporting;
- seeks to ensure preservation of its assets.

V. Compliance with the Code

Any Employee of the Company shall comply with the requirements of the Code and bear responsibility for its ethical behavior. In case of revelation of a breach of the provisions of this Code by the Employees, the Company reserves the right to take disciplinary sanctions against a person in breach.

The Company shall ensure that any Employees familiarize themselves with this Code through its placement on the internal website.

Any Employee of the Company shall inform the Ethics Officer or a person to whom he/she is subordinate of any actual or potential breaches of the requirements of the Code that he/she is aware of. The Company's Employees shall also keep track of evidences of corruption activity.

The Company's Employees may at any time request the Ethics Officer to clarify any arising issues.

CONTACT DETAILS:

You may also ask any questions with respect to the Code of Ethics and its application or provide information about any revealed breaches to the Ethics Officer of PIK Group – the Corporate Secretary of PIK Group.

Tel. +7 (495) 505 97 33

Address: Corporate Secretary's Office, bldg. 1, 19 BARRIKADNAYA STREET, Moscow, 123242, Russian Federation.

e-mail: ethics@pik.ru