

Code of Ethics

Code Sections

1. Values of the Company

In the course of its activity Wimm-Bill-Dann Foods (WBD) pursues the principles of fairness, decency, ethics and integrity.

Consumers are the main value for WBD. The core target of the Company is to justify the confidence of its consumers, be the leader providing quality products to its consumers, continuously enhancing and renewing the product portfolio based on the requirements of its consumers.

In its work the Company aims for the results that would meet the expectations of its core shareholders and investors.

The Company's employees are one of the main values for WBD. The Company endeavors to create conditions for its employees providing for the growth in their prosperity and opportunities for professional and personal development.

2. Conflict of Interest

WBD respects the right of its employees to manage their personal time at their own discretion. However, the involvement in any activities that constitute or may constitute a conflict with the interests of the Company is unacceptable. The Company's employees are expected to avoid all situations that may involve, or appear to involve, a conflict of interest.

Following are the examples of a "conflict of interest":

- Other work or activity that may disturb the employee from performing his/her duties in WBD.
- Financial interest in companies-clients, suppliers, competitors, etc.
- Business operations on behalf of WBD with companies being in the financial interest of the employee's relatives.
- Close relatives working in the same department of WBD, when the close relatives indicated are under direct subordination.
- Use of the Company's internal information and property for personal interests or for the interests of third parties

3. Protection of Property and Information

WBD employees must properly use and save the Company's property, as well as the property of its customers, suppliers and business partners. This refers to all the Company's property, including equipment, materials, finished goods, real estate, as well as intellectual property and commercial information.

Protection of commercial information is of prime importance. Illegal use or distribution of information related to the Company's plans, strategy, financial indicators, executed or planned contracts and agreements, new products or brands launch or any other information, which might affect the Company or prevent it from getting the expected profit, is unacceptable.

- Communications with mass media, investors and analysts are conducted only by the duly authorized employees of the Company.
- The disclosure of information on the Company's activities within the scope of the employee's duties and responsibilities must be agreed with the line management.

All documents, developed by WBD employees, are the property of WBD and are considered confidential.

The employees must avoid any discussions with third parties, including relatives, of the aspects of the Company's activities, the disclosure of information on which may give rise to negative implications, including for the Company's business reputation.

The Company's employees must take all necessary steps to protect personal information relating to WBD employees, suppliers, customers and investors. The disclosure of such information is prohibited and is possible only within the scope of the current legislation.

Any illegal use of financial assets (for personal needs, for business needs, but without an appropriate permission) is qualified as fraud.

4. Product Safety and Quality

- WBD complies with all quality and technical production standards applicable in the countries the Company operates in.
- WBD introduces and maintains necessary quality control measures and prevents unsafe and low quality products getting into the market.
- WBD informs the consumers on all properties, features and consumption conditions of the product.
- WBD in every way prevents the publication of knowingly false promotional information on the products.
- WBD continuously increase the quality of its products and endeavors its products to comply with stricter quality standards as compared to those applied in the countries the Company operates in.

WBD reveals and investigates all cases of breaching consumer rights in relation to the product and cases of causing harm to consumers' life and health.

5. Personal Dealing Policies

WBD employees are allowed to purchase or sell WBD securities provided that an appropriate permission is obtained from the Management Board of the Company, as the Company's employees may have access to confidential data on the Company's activities.

It is prohibited to disclose information to third parties, which may affect investors' purchase and sale decisions.

The issues related to operations with the securities of WBD and other companies, having business relations with WBD, are regulated not only by the Russian legislation, but also by the legislation of other countries, in particular, by the legislation of the USA. Should any questions or doubt arise in connection with these rules, it is necessary to contact WBD Legal Department.

6. Timely and Comprehensive Reporting

In the course of record keeping and financial statements preparation WBD employees must:

- Comply with all legislative rules and internal regulations in the course of financial statements and other business information preparation.
- Prevent knowingly false or misleading information from getting into the financial statements or other business documents.
- Follow up the compliance of accounting records with the physical existence of assets.
- Abstain from purposeful and deliberate concealment of negative information from the management, which might contribute to the falsification of accounts.
- Cooperate with external and internal auditors in the scope of authority provided.
- Consult, without fail, the line management on all issues relating to the accuracy of financial and tax accounting or other operations.

7. Ethical Principles Regulating Employee and Society Relations

- WBD is a company of equal opportunities. This means that employment, salary, training, career development depend entirely on business qualities, qualifications, knowledge and skills of the employees. It is unacceptable for any employee to discriminate against another employee on the basis of national origin, race, sex, age, religious creed, and marital status and on other bases.
- The Company's major principle for developing employee relations is based on respect to the employees and their self-esteem.
- On the working places in WBD it is prohibited:
 - a) to consume alcoholic beverages during working hours, except festive occasions and cultural-mass events;
 - b) to store and consume narcotic drugs, except cases determined by medical prescription;
 - c) to store and consume toxic substances or other banned substances or products;
 - d) to store firearms, cold arms, and other items withdrawn from circulation.

- WBD shall make every effort in order to ensure its employees' occupational health and safety.
- WBD undertakes to create healthy and safe working conditions for all its employees.
- WBD strictly observes all legislative rules for labor safety.
- WBD makes its aim to inform its every employee on internal safety rules and norms and requires the employees to strictly observe them.

WBD fully understands its responsibility to the society, consumers, investors, employees and other stakeholders. WBD is seeking to advocate a healthy life-style. As one of its priority areas of activity, WBD organizes social actions, provides support for education programs and sponsorship to vulnerable population groups.

8. Third Party Relations

- Standards for customer and supplier relations

WBD aims for relations with suppliers and customers based on fairness, decency, and independency, being governed by the interests of the Company.

Concluding any contracts or agreements on behalf of WBD, employees must avoid any actions that might affect the Company's business reputation.

Decisions by the Company's employees on cooperation with one or another supplier must be governed by such criteria as price, time, quality, reliability and reputation of the supplier, compliance of the supplier with legal rules and tax legislation.

The employees shall, without delay, inform the appropriate officers of the Company whenever approached by a third party for the purpose of bribery or other propositions with a criminal intent.

- Gifts

WBD employees must not accept valuable business gifts costing over \$100, as such gifts might effect the employee's decisions and look like a bribe.

Taking such gifts must be agreed with the employee's line manager. Any such gift, unless approved by the senior management, must be either sent back or passed to the Company.

- Side income

Taking by WBD employees of any forms of side income other than salary (gifts, remuneration, compensation, offerings, etc) received in connection with the performance of their duties and responsibilities is strictly forbidden. Primarily, this relates to relations with current or potential suppliers, customers, business partners, advisors, any other individuals or organizations, willing to enter into business relations with WBD.

- Personal enrichment

It is strictly forbidden for WBD employees to provide services (perform works) to third parties during working hours or with the use of WBD property for the purposes of personal enrichment.

9. Competition

WBD is committed to free and open competition, following the rule that it is possible to achieve economic success and, at the same time, adhere to fair competition. WBD does not accept any activity, which may lead to the abuse of dominant position at the market, as, for example, agreements for the purpose of price-fixing or other sales conditions.

In its work WBD is governed by a strict compliance with all provisions of antitrust legislation, both Russian and of other countries WBD operates in.

10. Law Compliance

- WBD in its operations is governed by the strict compliance with legislation and prohibits its employees from performing any activity contradicting the current laws.
- As an economic entity, WBD abstains from participating in any actions aimed, directly or indirectly, at artificial limitation of competition, collusion, discrimination of various categories of consumers or producers.
- WBD unalterably prohibits the execution by its employees, on behalf of the Company, of any agreements, aimed at artificial limitation of competition, collusion, discrimination of various categories of consumers or producers.
- WBD strictly complies with all restrictions of export-import and customs legislation in all countries the Company operates in.
- WBD abstains from entering into business relations with any organizations and individuals involved in unfair and illegal business activities.
- WBD strictly fulfills its obligations on timely tax and other mandatory budget payments.
- WBD meets the environmental obligations undertaken.
- WBD strictly complies with and requires its employees to strictly comply with safety and environmental standards, applied in the countries the Company operates in.

11. Code Violation Implications (Possible implications for the Company, implications for the employees).

Non-fulfillment of the provisions of the present Code may result in deterioration of WBD business reputation, its financial status and position in the market.

A number of disciplinary actions for violating this Code's provisions are applied by WBD. Depending on the nature and details of violation, actions of various severity levels may be

applied, from warning for insignificant violations to dismissal, in case violations are connected with embezzlement, abuse of trust or a number of violations is committed by the employee.

12. How and Whom to Contact in Case of Code Violations Noticed

WBD employees, aware of (or having actual reason to assume) violations of this Code or current legislation, relating to the Company's operations, committed or being prepared, must, without delay, inform an appropriate officer of the Company thereof.

In order to timely reveal all cases of breaching internal regulations and rules, and safety regulations, as well as to prevent and suppress all kinds of illegal activities and disloyal conduct, the Company establishes a special communication line to be used by all its employees. The line functioning is based on the following principles:

- Anonymity (within legislative limitations)
- Due response to the information received
- The employees should not be afraid to communicate information, which, in their opinion, is significant in terms of suppressing any illegal or unauthorized actions, cases, involving discrimination and breach of their own rights and the rights of other employees.

13. How and Whom to Contact for Clarifications on Particular Code Provisions and Case Consultations

In case of doubts with regard to interpretation of certain provisions of the Code, the employee should approach his/her immediate supervisor or an appropriate officer of the Company responsible for the ethical program.

Questions and Answers

Question: Does the management of the Company really believe that the employees must pursue the principles and values described in the Code even if such a demeanor affects the business and profit of the Company?

Answer: Yes. Practicing the standards of ethics and maintaining the Company's business reputation outweigh short-term financial considerations. Performing our activity in accordance with the principles described in this Code, fairness, compliance with the legislation are the basis of our activity and provide, in the long term, for success and profitability of WBD.

Question: A company-supplier, working with your department, offered a job for your wife. Would there be any grounds for a conflict of interest?

Answer: Yes, this may serve an example of circumstances that would give rise to a conflict of interest, as the present situation may be considered as the acceptance of a veiled bribe from the company-supplier.

Question: Your spouse is a co-owner of a small private company, supplying stationery to WBD. Would this be a conflict of interest and should you inform the appropriate officers thereof?

Answer: Personally you may not be involved in purchasing stationery for the Company, however, to avoid misapprehension, you should inform the management or appropriate officers about such a situation. It may be the case that relations between WBD and the supplier will remain unchanged after the situation is considered.

Question: A vacant manager position appeared in the department and you were assigned to select qualified candidates to fill it. One of the members of SBU management team proposed a candidacy of his/her relative to fill this position. What should be done in such a situation?

Answer: The situation is a rather delicate one. You may consider the candidacy of the relative of the SBU director together with other candidates provided that following conditions are observed: 1. A relative meets requirements of this position and has necessary qualifications. 2. A person selecting candidates should be aware of kinship relations with one of the directors. 3. This director should not participate in the settlement of the issue regarding employment of this or that candidate. 4. A person who is subordinate to or dependent on this director should not make a decision on employment. 5. If this relative is employed, this director should not oversee the relative's employment duties, neither directly nor indirectly, and under no circumstances this director could influence the amount of compensation his relative receives.

Question: Would this be a conflict of interest when WBD employee invests in a company, which cooperates with WBD?

Answer: Investments in shares of a large well-known listed company would not be a conflict of interest in case the volume of its business with WBD does not impact total capitalization of this company. However, investing in companies, working with WBD or willing to work with it, for which an agreement with WBD is material, is defined within the scope of a conflict of interest definition and would violate the provisions of the present Code.

Question: An employee applies for a bank credit and needs to provide the bank with copies of certain documents urgently by the end of the working day. May he use a corporate fax for this purpose?

Answer: Sometimes it is acceptable, within reasonable limits, to use corporate telephones, faxes, copies, computers and e-mail for personal needs. However, this should not lead to abusive misuse. Misuse of such facilities may result in disciplinary responsibility.

Question: The Company's employee is an owner of a small number of WBD shares and he/she is going to sell them. The amount of transaction is insignificant and by no means would impact the Company's capitalization. Does he/she have the right to do this?

Answer: Yes, the employee may sell his/her stake. To do this, certain conditions must be observed. When employed, he/she must report on owning WBD shares. The Company, in

its turn, would provide him/her with an internal policy, clarifying the time the employees, owning WBD shares, may sell or purchase their stakes.

Question: What should be your reaction if one of the employees, in your presence, comments or remarks in an offensive manner, for example, about the nationality of a person or a group of people?

Answer: It's not an easy question. The best way of behavior in such a situation is to demonstrate the Code of Ethics in action. You should not sustain such conversations. Try to change the topic of conversation, and, if possible, talk to this employee face to face and point out the unacceptability of such comments. If such offensive comments were made in the presence of a line manager, his/her direct duty is to talk to this subordinate employee for such situations never occur again.

Question: You work in the Human Resources Department. Your former chief, who left the Company a few years ago, gave you a telephone call and asked to give him/her postal addresses of some of his/her former colleagues to send them greeting cards. Do you have the right to provide him/her with such information?

Answer: No, such information is confidential. You may suggest passing his/her telephone number and message to the former colleagues, so that they can contact him/her themselves.

Question: Your received a telephone call from an employee of a company-competitor, whom you know well from the previous place of employment, and he/she informed you that his/her company planned a 5-10% price increase for some of their products. Then he asked you whether WBD was planning to increase its prices, and if yes, what would be the increase? May you share such information?

Answer: No, you should not discuss price issues with representatives of competitors. You should inform your management about such a call.

Question: Your counteragent on the occasion of closing some significant transaction, which you directly participated in, offers you a valuable gift. It is very difficult to reject the gift, as this would be considered a serious offense. Is it possible to accept such a gift?

Answer: As a refusal, taking into consideration the national spirit of a country the counteragent came from, could virtually affect the relations of WBD with this company, it is essential to find a proper way out of this situation. At that, you should not personalize the gift, as it has a direct relation to WBD, but not to a particular employee. It is recommended in such a situation to accept the gift, but you should inform the counteragent that the gift would be passed to the Company's Protocol Department.