

Comparison of the rules of corporate governance developed by the New York Stock Exchange and Wimm-Bill-Dann's corporate governance practices.

| NYSE Corporate Governance Rules for U.S. companies | WBD's Corporate Governance Practices |
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| Majority of independent directors. (Section 303A.01 and 02) | Our Board of Directors is comprised of the majority of independent directors meeting NYSE's definition of independence (Section 303A.01 and 02) |
| Non-management directors must meet at regular scheduled executive sessions without management. (Section 303A.03) | Our non-management board members are free to meet without management. |
| Listed companies must have a nominating/ corporate governance and a compensation committee, each composed entirely of independent directors and having a written charter specifying the committee's purpose and responsibilities, as well as annual performance evaluation of the committee. (Section 303A.04 and 05) | <p>In June 2007, our Board of Directors formed a Corporate Governance Committee. This committee functions pursuant to bylaws approved by the Board of Directors specifying the committee's purpose, duties and responsibilities. It is composed of two independent directors and one non-independent director. According to the bylaws, the Corporate Governance Committee was established to assist the Board of Directors in performing its functions in the following areas: compliance with the principles of corporate governance; development of the principles of corporate governance; evaluation of the independence of the members of the Board of Directors; determination of the best ways of interaction of the Board of Directors and /or its members with officers and employees. According to the bylaws, the Corporate Governance Committee shall meet not less than once during each fiscal quarter. See also "Item 6. Directors and Senior Management—C. Board Practices—Board of Directors Committees—Corporate Governance Committee."</p> <p>We also have a Personnel and Compensation Committee comprised of one independent director, who is the head of the committee, and two non-independent directors. This committee functions pursuant to bylaws approved by the Board of Directors specifying the committee's purpose, duties and responsibilities. According to the bylaws, the Personnel and Compensation Committee is tasked with assisting in the selection of Board of Directors candidates. Its members also assist the Management Board in formulating and implementing: a uniform personnel policy for all of our subsidiaries; a personnel appraisal, rotation, dismissal, education and training policy and administrative accounting standards; a remuneration and compensation policy, as well as other incentive programs (stock option and pension plans, social programs); and a corporate ethics and communications policy. See also "Item 6. Directors and Senior Management—C. Board Practices—Board of Directors Committees—Personnel and Compensation Committee."</p> |
| Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act. (Section 303A.06) | Our Audit Committee satisfies the requirements of Rule 10A-3 under the Exchange Act. Our shareholders appoint our independent auditors for purposes of verifying our financial and business activities in accordance with Russian legal acts at our Annual General Meeting as required by Russian law. This practice is not in violation of Rule 10A-3. |
| Audit committee must have a minimum of three | Our Audit Committee consists of three members and |

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| <p>members and have a written charter specifying the committee's purpose, an annual performance evaluation and its duties and responsibilities. (Section 303A.07(a) and (c))</p> | <p>functions pursuant to written bylaws, approved by the Board of Directors, specifying the committee's purpose, an annual performance evaluation, its duties and responsibilities. All committee members are independent directors according to Rule 10A-3.</p> |
| <p>Listed companies must have an internal audit function. (Section 303A.07(d))</p> | <p>As required by Russian law, we have a Revision Commission that verifies the accuracy of our financial reporting under Russian law and generally supervises our financial activity. The members of our Revision Commission are nominated by our Shareholders and/or the Board of Directors and elected by our Shareholders for a term of one year. A director may not simultaneously be a member of the Revision Commission. We also have an Internal Audit and Control Service which reports to the chief financial officer and performs its functions in accordance with formally approved bylaws. The bylaws set forth the indirect subordination of the Internal Audit and Control Service to the Audit committee. The Internal Audit and Control Service is responsible for:</p> <ul style="list-style-type: none"> • Carrying out audits of the divisions of the Company; • Creating and implementing a single corporate procedure for assessing the internal control system and components thereof; • Optimizing the internal control system and components thereof; and • Creating and implementing our system of internal controls over financial reporting in an effort to comply with Section 404 of the Sarbanes-Oxley Act of 2002 <p>The Internal Audit and Control Service meets with the Audit Committee to discuss issues related to the functioning of the internal controls system, development of rules and procedures for business risks assessment and coordination.</p> |
| <p>Shareholders must be given the opportunity to vote on all equity remuneration plans and material revisions. (Section 303A.08)</p> | <p>Under Russian law, such approval from shareholders is not required, and our compensation plans are currently approved by the Board of Directors.</p> |
| <p>Listed companies must adopt and disclose corporate governance guidelines.</p> | <p>Our corporate governance guidelines are consistent with what is required under Russian law and are set forth in our Corporate Governance Code, which was approved by our Board of Directors and is posted on our website.</p> |
| <p>Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. (Section 303A.10)</p> | <p>We have adopted and posted on our website a Code of Ethics that applies to our employees, including our chief executive officer, chief financial officer and chief accounting officer or controller, or persons performing similar functions. No waivers of the Code of Ethics have been granted.</p> |