

APPROVED
in a new wording by an annual
general shareholders' meeting
of JSC Acron
on May 27, 2005

REGULATIONS
for the Board of Administration of JSC Acron

1. General

- 1.1. The Board of Administration shall be a collegial executive body of Open Joint Stock Company Acron, hereinafter referred to as “the Company”, which carries out management of its current activity within the limits of its competence stipulated by the Russian Federation legislation in force, the Company’s Charter and the present Regulations (hereinafter – the Regulations).
- 1.2. The main objective of the Board of Administration shall be efficient management of the Company for the purpose of increasing the profit derived by the Company.

2. Members of the Board of Administration

- 2.1. The Board of Administration of the Company consists of 5 (five) persons (the Chairman and members of the Board of Administration).
- 2.2. The Board of Administration shall be headed by the Chairman of the Board of Administration, whose functions shall be exercised by the President (General Director) appointed and dismissed by the Board of Directors. Members of the Board of Administration shall be elected by the Board of Directors as advised by the President (General Director) as per the procedure stipulated by the Company’s Charter and the present Regulations.
One or several Deputies Chairman of the Board of Administration shall be appointed from among members of the Board of Administration by the Chairman of the Board of Administration.
In case of appointment of more than one Deputy Chairman of the Board of Administration one of them shall be elected as the First Deputy Chairman of the Board of Administration.
- 2.3. The persons elected as members of the Board of Administration shall acquire their powers upon the adoption by the Board of Directors of a resolution on election of members of the Board of Administration.
- 2.4. In case of termination of the powers of a member of the Board of Administration before the appointed time, his/her powers shall be deemed terminated upon the adoption by the Board of Directors of a resolution on termination before the appointed time of powers of a member (members) of the Board of Administration.

3. Rights, obligations and responsibility of members of the Board of Administration

- 3.1. Rights and obligations (competence) of members of the Board of Administration regarding management of the Company’s current activity shall be determined by the Russian Federation legislation in force, the present Regulations and the agreement concluded between each of them and the Company. The agreement on behalf of the Company shall be signed by the Chairman of the Board of Directors or the person authorized by the Board of Directors. The Board of Directors shall be entitled to terminate at any time this agreement with members (member) of the Board of Administration and terminate their (his/her) powers.
- 3.2. The agreements entered into between the Company and members of the Board of Administration shall determine the rights, obligations and responsibility of members of the Board of Administration before the Company, the form, order, terms of payment for labor and provided social benefits.

3.3. Members of the Board of Administration shall act for the benefit of the Company in good faith and reasonably, be loyal to the Company.

3.4. Members of the Board of Administration shall be responsible before the Company for the losses incurred to the Company by their acta rea (inaction), if other grounds of responsibility are not determined by federal laws.

4. Competence of the Board of Administration

4.1. The following issues shall be within the competence of the Board of Administration:

- 1) considering and drawing-up recommendations on the main issues of the current economic activity of the Company;
- 2) coordinating fulfillment of resolutions of a general shareholders' meeting and the Board of Directors of the Company;
- 3) preparing information, materials and suggestions on the issues proposed to the Board of Directors and a general shareholders' meeting;
- 4) approving perspective plans of the Company's operation, including business plans of the Company;
- 5) forming the production program and determining production volumes;
- 6) considering and drawing-up recommendations on organizing new productions, reconstructions and technical re-equipment;
- 7) considering and drawing-up recommendations on organizing fulfillment of the Company's social development program;
- 8) providing for systematic improvement of labor conditions, living conditions, leisure facilities, medical services for the Company's employees and their families, improvement of the Company's social development as a whole;
- 9) coordinating the work of organization departments and their effective interaction;
- 10) product quality control, providing for activities aimed at its improvement;
- 11) recruitment;
- 12) adoption of resolutions in accordance with its competence on other issues proposed to the Board of Administration by the President (General Director) or other members of the Board of Administration.

5. Chairman of the Board of Administration

5.1. The President (General Director), being a sole executive body of the Company, shall carry out direct management of the current Company's activity.

The President (General Director) shall exercise functions of the Chairman of the Board of Administration and shall be vested with all necessary powers to carry out direct management of the Company's activity in accordance with the legislation in force and the Company's Charter.

In outgoing and internal documents of the Company the sole executive body of the Company shall be referred to as:

- the President (General Director);
- the President;
- the General Director.

The said denominations of the sole executive body shall be equivalent.

5.2. The powers of the President (General Director) shall arise upon adoption by the Board of Directors of the Company of a resolution to appoint the President (General Director) and

shall terminate upon adoption by the Board of Directors of the Company of the resolution to terminate the powers of the President (General Director).

- 5.3. Should the President (General Director) temporarily fail to exercise his/her functions, the person appointed acting President (General Director) of the Company shall exercise his/her functions.

Acting President (General Director) shall be appointed by the order of the President (General Director) and shall act on behalf of the Company within the term and limits of the powers determined by the corresponding order of the President (General Director) and a power of attorney issued on behalf of the Company by the President (General Director).

In case of an objective impossibility to appoint acting President (General Director) by the President (General Director) himself/herself, acting President (General Director) shall be appointed by a resolution of the Board of Directors and act on behalf of the Company within the term and within the limits of the powers determined by the corresponding resolution of the Board of Directors.

- 5.4. Rights and obligations of the President (General Director) shall be determined by the legislation of the Russian Federation, the Company's Charter, the present Regulations and the agreement entered into between the Company and the President (General Director). The Board of Directors shall be entitled to terminate at any time the agreement with the President (General Director) and terminate his/her powers.

- 5.5. The agreement entered into between the Company and the President (General Director) shall determine the rights, obligations and responsibility of the President (General Director) before the Company, the form, order, terms of payment for labour and provided social benefits, labour organization terms, agreement term, dismissal conditions.

- 5.6. The President (General Director) shall be obliged to act for the benefit of the Company in good faith and reasonably, be loyal to the Company.

- 5.7. The President (General Director) shall be responsible before the Company for the losses incurred to the Company by their acta rea (inaction), if other grounds of responsibility are not determined by federal laws.

- 5.8. The issues relating to the management of the current activity of the Company shall be referred to the competence of the President (General Director), except the issues referred to the competence of a general shareholders' meeting, the Board of Directors and the Board of Administration of the Company.

In particular, the President (General Director) within his/her competence shall:

- 1) represent the Company's interests and act without a power of attorney on behalf of the Company;
- 2) dispose of monetary funds and other property of the Company, taking into account provisions of the legislation in force and the Company's Charter;
- 3) have the primary authority to sign financial and payment documents;
- 4) make transactions on behalf of the Company, taking into account provisions of the legislation in force and the Company's Charter;
- 5) carry out effective management of production and direct management of the Board of Administration;
- 6) organize the work and effective interaction of the Company's organization departments;
- 7) issue powers of attorney;
- 8) organize book-keeping and accounting of the Company;

- 9) approve duty regulations, issue orders, give instructions binding for all the Company's employees except in the cases stipulated by the Company's Charter;
- 10) approve the staff, employ and dismiss the Company's employees, enter into labour agreements with the Company's employees, apply incentive measures and impose penalties upon them;
- 11) organize and provide for fulfillment of resolutions of a general shareholders' meeting, the Board of Directors and the Board of Administration of the Company;
- 12) provide for timely publishing of the data on the Company's activity in accordance with the requirements of the Russian Federation legislation in force;
- 13) provide for information disclosure in accordance with the requirements of legal acts of the Russian Federation;
- 14) ensure provision of information upon request of members of the Board of Directors, the Board of Administration and shareholders of the Company;
- 15) present to the Board of Directors candidates for their appointment as members of the Board of Administration;
- 16) appoint Deputies Chairman of the Board of Administration;
- 17) organize keeping documents of meetings of the Board of Administration;
- 18) perform other actions necessary for achieving the Company's goals and provision of its normal operation, in accordance with the legislation in force and the Company's Charter except the issues referred to the competence of a general shareholders' meeting, the Board of Directors and the Board of Administration of the Company.

6. Rules of procedure of a meeting of the Board of Administration of the Company

- 6.1. The Board of Administration shall adopt resolutions on the issues within its competence at its meetings or by means of an absentee vote.
- 6.2. Meetings of the Board of Administration shall be convened by the President (General Director) or acting President (General Director) when necessary.
- 6.3. The Secretary of the Board of Administration appointed by a resolution of the Board of Administration shall organize and provide for preparation and holding of meetings of the Board of Administration, take minutes of meetings, control the fulfillment of resolutions of the Board of Administration, as well as fulfill other duties in accordance with the orders and instructions of the Chairman of the Board of Administration.
- 6.4. Issues proposed by the President (General Director), the Chairman of the Board of Directors, members of the Board of Directors and members of the Board of Administration shall be solved at meetings of the Board of Administration.
- 6.5. Meetings of the Board of Administration shall be presided over by the Chairman of the Board of Administration – President (General Director), and in case of his/her absence – acting President (General Director).
- 6.6. A meeting of the Board of Administration shall be legally qualified (have quorum), if not less than a half of the elected members of the Board of Administration participate in it. When determining the quorum presence and the voting results at a meeting of the Board of Administration a written opinion of a member of the Board of Administration who is absent at a meeting on items on the agenda shall be taken into account.
In the case when the quantity of members of the Board of Administration is less than the quantity making the said quorum, the powers of members of the Board of Administration shall terminate.

6.7. All resolutions at a meeting of the Board of Administration shall be adopted by a majority of votes of members of the Board of Administration, participating in a meeting of the Board of Administration.

When voting at meetings of the Board of Administration each member of the Board of Administration shall possess one vote. The transfer of the right to vote by one member of the Board of Administration to another member, as well as other persons shall not be allowed. In case of an equality of votes of members of the Board of Administration the vote of the Chairman of the Board of Administration shall be decisive.

6.8. The Board of Administration can adopt resolutions by absentee vote.

To adopt a resolution by absentee vote the Secretary of the Board of Administration upon the instruction of the Chairman of the Board of Administration shall forward to members of the Board of Administration a questionnaire with a draft resolution and voting options on this item, as well as other materials required to adopt a resolution.

Within not later than 2 days after receipt of the questionnaire members of the Board of Administration shall sign it and forward it with their voting option to the Secretary of the Board of Administration. When tallying the results of absentee vote the questionnaires received not later than the deadline for admission of questionnaires indicated in the questionnaire shall be taken into account.

To adopt a resolution by absentee vote the majority of the elected members of the Board of Administration shall participate in the voting.

A resolution by absentee vote shall be deemed adopted by the Board of Administration, if the majority of members of the Board of Administration who took part in the absentee vote voted for its adoption.

According to the voting results, the Secretary of the Board of Administration shall execute the minutes, which shall be signed by the Chairman of the Board of Administration.

Within 5 business days upon signing by the Chairman of the Board of Administration of the minutes of the meeting of the Board of Administration held in the form of an absentee vote, the Secretary of the Board of Administration shall notify members of the Board of Directors of the adopted resolutions.

7. Final provisions

7.1. The Regulations for the Board of Administration, as well as alterations and addenda hereto, shall be approved by a general shareholders' meeting upon presentation of the Board of Directors of the Company.

7.2. Notifications, notices, questionnaires and other materials subject in the cases stipulated hereby to forwarding to members of the Board of Administration, shall be submitted to members of the Board of Administration by means of post, telegraph, teletype, telephone, electronic or other communication means, allowing to determine with certainty that the corresponding documents have been sent by the Secretary of the Board of Administration.