

**APPROVED**

by Resolution of Acron's Board of Directors

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**ACRON CODE OF BUSINESS CONDUCT**

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## MESSAGE FROM ACRON'S CHIEF EXECUTIVE OFFICER

Acron's operations are based on the highest standards of business ethics. The Company's relationships with its employees, business partners, the government and the community are built on integrity, mutual respect, fairness and a comprehensive anti-corruption policy. The Company is fully aware of its responsibility to all parties concerned for ensuring the integrity and legality of its operations, and takes an active stand in fighting corruption.

A company's reputation is formed by the people who work there. Each employee of Acron, in addition to significantly contributing to the Company's development, is also a representative of the Company, and ensures its sound reputation and trust among its business partners, the government and the community. Acron supports and develops corporate values aimed at transparent and legal operation, where any manifestation of corruption is unacceptable. The Company helps its employees perform their work in accordance with business practices and universal ethical standards.

Acron's team unites several thousand people, each a unique individual with his or her own views, philosophy and values. Moreover, employees of the Company and of its subsidiaries operating worldwide every day face specific issues of cultural, social and economic business conduct in other countries. Acron's Code of Business Conduct is based on generally accepted international ethical standards, which makes its requirements universal for any country and realistic for any employee.

The Code comprises standards for a trustworthy and responsible business which are fully observed by the Company. The Code is intended to become a guide for effective and honest business operation and a reliable aid in solving complicated ethical matters. The main task of the Code is to develop an efficient system of interaction both inside and outside the Company.

Acron expects from its employees both diligent compliance with the Code's recommendations and a truly respectful attitude towards their colleagues and the Company's partners. Mutual trust, integrity and compliance with business ethics standards guarantee Acron's success and sustainable development.

Vladimir Kunitsky  
CEO, Acron

## 1. SCOPE OF THE CODE OF BUSINESS CONDUCT

The Code of Business Conducts (“Code”) comprises basic regulations recommended for all employees of Acron (“Acron”, or “Company”). This document gives an overview of standards of conduct consistent with the Company’s ethical values. Acron’s subsidiaries and affiliates also observe similar principles.

Employees must know and abide by the Code’s provisions regardless of their position in the Company. The Code outlays fundamental principles of corporate ethics, and the Company’s employees are fully responsible for their daily observation.

Any employee violating the provisions of the Code may be held liable in accordance with the law.

### **Awareness of and Compliance with the Code by Acron’s Employees**

1. All new employees shall be briefed on the Code’s requirements.
2. All employees responsible for dealing with government authorities and business partners shall have an additional briefing on the norms of ethical conduct.
3. If an employee has any questions about the Code’s application or has any doubts about whether his or her actions comply with the Code, he or she shall address an immediate superior or the Ethics Commission.

### **Ethics Commission**

Acron’s Ethics Commission (“Commission”) performs the following functions:

- Consulting, training and informing employees on various issues of the Code’s application;
- Preventing and detecting cases of the Code’s violation and handling claims by employees or any other interested parties related to such violations;
- Assessing the risks of corporate ethics violation; developing and implementing preventive measures;
- Monitoring fulfilment of instructions aimed at remedying such violations.

The day-to-day administration of the Commission is carried out by the Chairman of the Commission. Acron’s line managers and other employees are to provide assistance to the Commission when necessary.

In matters of anti-bribery, twice a year the Commission submits to the Strategic Planning and Corporate Governance Committee of the Board of Directors a report on the Code violations, the results of analysis and assessment of the anti-corruption system, anti-corruption events, additional training and briefing programmes. Based on the data received, the Committee submits recommendations to the Board of Directors.

Any employee may contact the Ethics Commission to ask questions concerning the Code’s observation or to report any violations thereof:

- By hotline: phone +7(495)705-94-94, fax +7(495)705-94-95
- By email: [hot-line@acron.ru](mailto:hot-line@acron.ru)
- By post: Acron’s Ethics Commission, World Trade Centre, 12, Krasnopresnenskaya Naberezhnaya, Moscow 123610, Russia

Employees are guaranteed confidentiality and an unbiased and fair attitude when they appeal to the Commission. Members of the Commission shall observe strict confidentiality towards individuals reporting to the Commission and may not transfer such individuals' personal data to any other Company officials.

Acron guarantees that the Commission will do everything possible to ensure a prompt response to any claim or inquiry.

## **2. ANTI-BRIBERY**

According to Russian legislation, corruption is defined as public and commercial bribery or abuse of authority.

Facilitating corruption is a serious crime, the responsibility for which is borne both by individual employees and by the Company. Charges of corruption might cause significant harm to Acron's reputation and business.

Proactive anti-bribery measures are a key principle of Acron's operations. The Company guarantees implementation of and compliance with necessary procedures that ensure its operations in any country of the world are in line with the principles of transparency, honesty and justice.

### **Acron's Anti-Bribery Strategy**

1. Acron's employees are required to observe all principles described in the Code. The Company ensures necessary knowledge of all provisions and principles of the Code, arranges additional training for employees, and seeks cooperation only with those partners who follow similar business standards.
2. The Ethics Commission conducts regular evaluation of compliance with the Code in order to detect and prevent any violations and to develop proper recommendations to the Board of Directors when necessary.
3. The existing classification of bribery risks is aimed at preventing situations that may be characterized as corruption.
4. The Company's employees shall report to the Ethics Commission about any violation of the law or the Code's provisions. The Company guarantees confidentiality and an unbiased and fair attitude towards any of its employees.

### **Risk Assessment**

Acron has established a system of classification and assessment of bribery risks. The system allows the Company's authorised employees to pre-assess possible risks and make adequate decisions about possible cooperation with certain parties.

### **Classification of Bribery Risks**

1. Government Bodies. Acron's activity is controlled and regulated by various government bodies in Russia and abroad. Corruption in government institutions might give rise to unjustified restrictions for the Company's day-to-day operations, investment projects, entering new markets or might create other obstacles for the Company's business. Acron has developed procedures of communication between its employees and government agencies. The Company undertakes to fight any attempts by government

agencies to engage in extortion or impose any unreasonable conditions or payments. Employees are prohibited from making any offers to representatives of government bodies that may be seen as corruption.

For more details on the Company's anti-bribery policy in relationships with government bodies, see "Relationships with Government Bodies."

2. Business partners. Acron cooperates with a large number of business partners – suppliers of raw materials and equipment, buyers of goods, contractors, competitors and industry partners. In addition to causing direct losses, dishonest acts by any partners may damage the Company's reputation.

To avoid any such risks, Acron carefully chooses its counterparts, adheres to principles of fair competition and closely monitors all activities of its partners that might adversely affect the Company.

For more details about anti-bribery policy in relationships with partners see "Relationships with Partners."

3. Employees. Acron's performance is directly dependant on how diligently the Company's employees fulfil their duties. Employees' unawareness, misunderstanding or disregarding of legislative requirements or ethical principles might have a negative effect on the Company's business and reputation.

Acron undertakes to develop a system of anti-bribery measures, which will include implementation of high ethical standards in the Company's day-to-day operations.

For detailed recommendations for employees on Company anti-bribery policy, please see the Sections "Corporate Control System," "Relationships with Government Bodies," and "Relationships with Partners."

### **Relationships with Government Bodies**

Acron seeks productive relationships with government institutions in all areas of its operation. To strictly observe the law, performing obligations with due care and diligence will ensure a fair and unbiased attitude from the government.

*Acron's employees dealing with government bodies shall:*

1. Observe current legislation.
2. Serve the Company's interests.
3. Provide complete and true information about the Company in accordance with the law.
4. Deal with government authorities within their powers and duties.

*Acron's employees dealing with government authorities shall not:*

1. Misinform authorised government representatives or interfere with their collection of information if carried out in accordance with the current legislation.
2. Directly or indirectly attempt to influence the decisions of government representatives.

*For the purpose of preventing bribery employees shall not:*

1. Offer, promise or deliver financial or other benefits to government officials for the purpose of inducing them to perform certain functions.
2. Accept proposals from government officials concerning their remuneration for prompt decisions or any other similar proposals.

Many countries have tight restrictions related to remuneration of civil servants, and it is important to follow these restrictions closely.

### **Relationships with Business Partners**

Acron seeks long term and mutually beneficial relations with its business partners – suppliers of raw materials and equipment, buyers of goods, contractors, competitors and industry partners.

To ensure its effective performance, the Company carefully chooses reliable business partners and guarantees an unbiased approach to the selection process. The Company's relationships with partners are based on honesty, justice, respect for the legal interests of the parties, and on maintaining confidentiality and complying with the law and provisions of the Code.

### **Integrated Assessment of Business Partners**

The Company's system of integrated assessment of business partners is built on the principles of feasibility and adequacy. Acron always attempts to choose partners who follow similar principles of business ethics.

Integrated assessment includes a full-scale study of a company's operations, experience, the expertise of its employees, feedback from its partners and competitors, its financial status and other aspects. The Company's specialists conduct an assessment on the basis of information provided by such partners, as well as information from independent sources.

Acron selects its suppliers of raw materials and equipment, contractors and buyers by relying on various factors: prices for goods and services, terms and conditions of cooperation, reliability and positive references. Acron's authorised units conduct expert evaluation of contracts and terms and conditions of cooperation in order to promote the Company's interests. First and foremost, the Company focuses on verifying those partners who act on its behalf and whose dishonest behaviour might adversely impact the Company's reputation in future.

In large transactions for the purchase and sale of assets or incorporation of joint ventures, Acron conducts due diligence of its partners involving employees from various departments and independent advisors to obtain the most comprehensive picture of existing risks.

### **Gifts and Entertainment**

The exchange of gifts and participation in entertainment events are all integral elements of creating and maintaining good business relationships. However, gifts should never influence decision making or bind Acron or its employees. Expensive gifts may be considered as public or commercial bribery, which may significantly damage the Company's business or reputation.

In relationships with third parties, it is recommended to present and accept the following types of gifts:

1. Promotional items;
2. Personal gifts on official, professional and other traditional holidays and celebrations;
3. A gift of gratitude for rendered services or professional achievements.

The cost of a gift is not to exceed the amounts stipulated by applicable law.

Acron's employees may participate in or invite representatives of the Company's business partners to the following events:

1. Occasional breakfasts, lunches and dinners with business partners;
2. Entertainment events and seminars related to professional or commercial activity;
3. Sports and cultural events.

Expenses incurred in connection with participation in such events or with invitation to such events are to be reasonable.

All expenses related to gifts and events shall duly be reflected in accounting records as entertainment expenses.

The list of restrictions concerning gifts is not exhaustive. Employees are to make their own evaluations of gifts and entertainment events using the following parameters:

- Whether the giver intends to show a common sign of respect or gives rise to unacceptable obligations
- Whether the gift is modest and acceptable or makes the situation uncomfortable for the receiver
- Whether the receiver can freely and without reservation inform his or her manager or colleagues about the gift
- Whether accepting the gift is legal

If an employee has any doubts about whether it is reasonable to accept a gift or participate in an event, he or she is to address his or her manager or the Ethics Commission. Employee must also take any necessary measures to reject gifts or invitations that do not meet the above parameters. If it is not convenient to reject a gift or impossible to return it, the gift is to be delivered to the Ethics Commission, which will determine further actions.

### **Competition**

In its business operations, Acron pursues the principles of free and fair competition with other market participants. It is forbidden to enter into any agreements with representatives of other companies aiming at non-competition, division of markets or any other illegal arrangements. The Company uses only honest and legal practices to obtain necessary information on market conditions and the situation in the industry, as well as information about potential partners or competitors.

Acron's employees must avoid harsh or disrespectful statements about competitors or groundless critics of their goods and services.

### **Corporate Control System**

Acron has an internal anti-bribery system that targets several areas.

1. Acron's Code of Business Conduct contains basic provisions that are to be met by the Company's employees.
2. Employees whose duties include contacts with government authorities and business partners undergo a set of trainings that provide additional consultation on anti-bribery measures with the participation of competent authorised parties.

3. The Company's management guarantees that it will provide confidentiality, an unbiased attitude and careful attention to any employee who appeals to his or her immediate superior or to the Ethics Commission.
4. Heads of departments and the Ethics Commission shall make reasonable efforts to monitor and control compliance with the Code's requirements by employees and business partners.
5. The Ethics Commission occasionally conducts analysis and assessment of the effectiveness of the anti-bribery system, submits necessary recommendations and ensures their implementation. At least twice a year, the Ethics Commission submits a report on the operation of the anti-corruption system to the Strategic Planning and Corporate Governance Committee of the Board of Directors, which in turn give appropriate recommendations to the Board of Directors.

#### **4. RELATIONSHIPS WITH EMPLOYEES**

The Company's success is primarily the result of productive work performed by a strong-knit team of professionals. Acron strictly observes constitutional, labour and social rights, takes care of employees' health and safety and provides them equal opportunities for professional growth. The Company aims at maintaining a strong corporate spirit and guarantees fair remuneration to every employee.

##### **Fundamental Principles of Acron's Relations with Employees**

1. Company's relationships with employees are based on mutual respect, trust and honesty.
2. The Company does not tolerate any discrimination against employees.
3. The Company is interested in employees' professional growth and provides broad opportunities for their education and development.
4. The Company's business is based on stringent standards of workplace safety, an efficient system for minimizing industrial risks, and an extensive employee health care system.

##### **Mutual Respect and Exercise of Rights and Obligations of the Parties**

Acron works hard to develop a positive atmosphere at the Company and comprehensively promotes high ethical standards in employees' relationships. The Company respects and observes the personal, political, social, economic and cultural rights of its employees.

##### *The Company's employees must:*

1. Respect the dignity, life, rights and freedoms of their colleagues; be polite, honest and open with each other.
2. Try to uphold the team spirit and share their professional experience with colleagues.
3. Respect the Company's business interests and fulfil their obligations with due care and diligence.
4. When dealing with the personal data of other employees, use this information for the designated purpose only and protect employees' confidentiality in accordance with the law.

##### *The Company's employees may not:*

1. Behave in an aggressive or insulting manner.
2. Stalk, harass or put pressure on their colleagues in any way.



3. Commit actions that may damage the Company's reputation.
4. Violate the norms of the Company's internal documents.

### **Encouraging Employees' Development and Providing Equal Opportunities**

Acron appreciates each employee's contribution to the Company's development. Acron creates the conditions for each employee to fulfil his or her potential and to encourage professional and personal growth. The Company will not tolerate any discrimination on the grounds of race, age, gender, or other protected status. Decisions on employment or promotion are made solely on the basis of an individual's qualification and work achievements.

*The Company's employees should:*

1. Provide equal opportunities for their colleagues to participate in the work process.
2. As heads of departments, rely only upon employees' professional qualities when deciding on promotions.
3. Strive to develop their own professional skills and motivate their colleagues to do the same.

*The Company's employees should not:*

1. Allow any racial, gender, age or other discrimination against their colleagues.
2. Allow protectionism in employment or job promotion.
3. Hinder their colleagues' professional development.

### **Employee Safety and Health Care, Industrial Security**

Acron provides safe working conditions at all its facilities and minimises emergency or accident hazards. The Company closely observes the norms of the work safety agreement that is executed annually between the employer and employees. The Company's employees who work at manufacturing facilities are fully supplied with certified working clothes, special footwear, personal protective equipment and healthy, nutritious meals.

*The Company's employees should:*

1. Know and follow instructions established by state and corporate documents on workplace safety.
2. Comply with key industrial practices and improve their knowledge of workplace safety.

Heads of the Company's departments are to monitor employees' observance of the Code's regulations in terms of professional conduct and workplace safety, and to model appropriate conduct. Managers are to demonstrate a high level of expertise and competence, maintain an unbiased attitude towards any employee, take into account and encourage the individual achievements of their subordinates, and uphold the Company's positive business standing.

## 5. COMPANY'S ASSETS

Acron makes every effort to protect its tangible, intellectual and financial assets. All the Company's assets and resources are to be used efficiently and exclusively for business purposes. The Company is strongly committed to the principles of transparency and reliability of information about its operations and assets.

### **Protection of the Company's Property**

Tangible and intangible assets are the basis for the Company's operations. Acron's employees must use the Company's property and assets with due care and in an efficient manner, and take personal responsibility for the protection of its intellectual property.

*The Company's employees should:*

1. Use the Company's property with due care and efficiency.
2. Maintain confidentiality of any information that may negatively impact the Company's operations if disclosed.
3. When using the Company's property, fulfil all applicable requirements of corporate documents.

### **Reliable and Complete Documentation and Reporting**

Acron's employees must be committed to reflecting complete and accurate information in the Company's reporting and documents, their timely publication and availability to all interested parties.

*The Company's employees should:*

1. Accurately and objectively reflect information in the Company's reporting.
2. Responsibly observe legislation and fulfil obligations to any interested party in terms of accurate and complete presentation of information about the Company.
3. Prepare all corporate documents in accordance with universal standards and corporate requirements.
4. Use corporate information exclusively for intended purposes.

*The Company's employees should not:*

1. Falsify or misrepresent information about the Company's operations in any documents or reporting.
2. Intentionally disguise facts about the Company's activities that are subject to public disclosure.
3. Disclose to third parties or make improper use of the Company's internal confidential documents.

## 6. INFORMATION DISCLOSURE, MAINTAINING CONFIDENTIALITY AND USE OF INSIDE INFORMATION

Acron is a public company and is obliged to disclose a wide range of information to a large number of interested parties, including shareholders and investors, government authorities, business partners, media and other parties. Certain statements on behalf of the Company can significantly impact prices on the Company's securities and its business.

### Main Principles of Acron's Disclosure

- Compliance with existing legislation on information disclosure.
- Timely disclosure of true and accurate information.
- Ensuring free access to information subject to disclosure.

Only Acron's authorised officials may make public disclosure of information.

### Trade Secrets

Acron's employees, in accordance with their positions, have access to the Company's trade secrets, the disclosure of which might cause severe harm to the Company. Each employee is obliged to keep such information confidential and report to authorised officials any cases of the receipt, misuse or abuse of such information both inside and outside the Company. In the event of termination of employment, employees remain responsible for non-disclosure of information that is deemed a trade secret under the law.

### Use of Inside Information

Acron undertakes to prevent the unlawful use of inside information in transactions with the Company's securities in accordance with the Acron Regulation on Inside Information.

Holders of inside information may not use inside information in ways or for purposes that contradict the Acron Regulation on Inside Information. This includes, but is not limited to, the following:

1. Disclosure (disclosure, transfer, submission) of inside information to persons who do not have access to such information, unless such disclosure, transfer or submission is required by Russian law, the Company's articles of incorporation or bylaws, decisions of its authorised governing bodies, or in cases when the holder of the inside information is duly performing his or her job and other duties;
2. Use of inside information for personal gain or to benefit a third party;
3. Use of inside information to effect transactions with shares and other securities of the Company and/or its subsidiaries and affiliates, and performing other legal actions that the law associates with certain legal implications;
4. Giving recommendations to third parties on the basis of inside information regarding transactions with shares and other securities of the Company and/or its subsidiaries or affiliates, effecting any other transactions with the Company or performing other legally significant actions that the law or any other legal instrument associates with legal implications, or inducing others to such transactions or performance.

## 7. CONFLICTS OF INTEREST

Acron has due regard for the privacy of its employees.

The Company's employees are to avoid any situations that might lead to a conflict of interest and subsequently bring down the level of loyalty and fair attitude towards the Company.

*A conflict of interest might occur if:*

1. An employee has a part-time job or works as an advisor in a company that is a competitor or a business partner of Acron.
2. An employee is on the Board of Directors or any other governing body of a company that is a competitor or a business partner of Acron.
3. A member of an employee's family provides services or works for a company that is a competitor or a business partner of Acron.
4. An employee or the members of his or her family own more than 20% shares (interest) in the authorised capital of a company that is a competitor or a business partner of Acron.

*If a conflict of interest occurs, it is necessary to:*

- Inform the immediate manager and/or the Ethics Commission about any circumstances that might be regarded as triggering a conflict of interest.
- If holding several positions, try not to make any decisions on a conflict of interest before receiving instructions from the managers; remain unbiased, professional and objective, and act exclusively for the Company's benefit.
- Not to use information obtained through work in the Company while performing duties for another position in prejudice of the Company's interests.

## 8. SOCIAL RESPONSIBILITY

Acron is aware of its responsibility towards the community for maintaining a favourable environmental, economic and social environment in the areas of its operation. The Company's environmental, social and charity policy is aimed at developing long term partnerships with residents in the regions of the Company's operations and with the community as a whole.

### **Environmental Protection**

Acron accepts its duty to preserve a favourable environment and create safe living conditions in the areas where it operates. The Company seeks to minimize the risks of environmental impact and takes serious measures to improve the environmental safety of its manufacturing and conserve natural resources.

*For the purpose of protecting the environment the Company:*

1. Closely complies with environmental legislation.
2. Pursues the principles of effective and reasonable use of natural resources.

*The Company's employees should not:*

1. Start work before becoming acquainted with environmental norms and requirements, if required by their duties.
2. Conceal or ignore any deviations in work from environmental norms.

### **Social Aid and Charity in Regions of Operation**

Acron takes an active part in the social and economic development of the regions where the Company operates. The most effective way to partner with the community is to implement comprehensive social, healthcare, science and culture development programmes. Committed to charity, the Company develops its own charity programmes, participates in various charity events and provides specific aid to those in need. The Company has a system for selecting aid project recipients.

*The Company's employees are to:*

1. Consider in good faith all inquiries for beneficial aid coming to the Company or invitations to implement social programmes in areas of the Company's operation.
2. While participating in the Company's social or charity programmes, follow the approved system for selecting recipients and observe the principles of maximum transparency and best use of funds.
3. Respect the culture and business practices of the regions where the Company operates.
4. Inform the immediate manager about interactions with non-governmental organisations in regions of the Company's operation and about participation in charity events.

*The Company's employees should not:*

1. Participate on behalf of the Company in the implementation of social programmes or charity events, if this violates current legislation or the Code's requirements.
2. Cooperate on behalf of the Company with NGO's or charity funds, if this conflicts with the Company's business interests or may damage its reputation.