

APPROVED:
General Manager of
«PROTON-ELECTROTEX» JSC
_____ **A.Y.Semyonov**

CODE OF CORPORATE ETHICS
of «PROTON-ELECTROTEX» Joint-Stock Company
(«PROTON-ELECTROTEX» JSC)

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1. General Provisions

1.1 Code of corporate ethics of «PROTON-ELECTROTEX» JSC (hereinafter – the “Code”) establishes the basic moral and ethic standards, business principles and rules of conduct, formed on the basis of corporate values which must be brought into effect in the day-to-day activity of «PROTON-ELECTROTEX» JSC (hereinafter – the “company”), promote the development of the company and achievement of the set goals; establishes the standards of professional conduct of the company’s employees, which are appropriate for a highly professional world-class company’s activity in relations with colleagues, clients and society.

1.2 The Code is a body of principles, accepted and shared by every employee of the company on his own free will and regardless of the level of seniority and binding on all of the employees in their everyday lives.

1.3 The Code obliges every company’s employee to bear responsibility voluntarily and carry out professional activities so that it serves the cause of the company.

1.4 The Code guides the employees in conflict situations, situations of ethic uncertainty and other circumstances of moral choice, serves as a means of social control of morals and professional conduct of the employee.

1.5 The main objective of the Code is defining the standards of performance and conduct of the employees for achieving the efficiency and comfort in working relations striving for financial stability and improvement of the company’s image.

2. The Company’s Mission.

To produce goods and provide services of the world-class quality, meeting the consumers’ demands to the fullest extent. To add value to everything we do. We strive for adding value to our relations with clients, employees, suppliers, partners, and finally the society, which we are a part of.

3. Ethic Principles and Standards of the Company.

Ethic principles and standards of the company are based on respecting the rule of law and law observance, it regulates internal and external relations, deployment of company resources, behavior in situations connected with conflict of interest.

4. The Main Corporate Values of the Company

4.1 The employees of «PROTON-ELECTROTEX» JSC comprise one team of professionals united by common idea, whose opinion and individuality are a separate

company value. Working for in the company, every employee can employ his talents and succeed owing to the support of the colleagues.

4.2 The company's activity is aimed at continuous perfection of the production methods, searching for cost-effective decisions to reach the results of the highest quality.

4.3 The company builds the relations with its employees based on the principles of loner-cooperation, mutual respect and performance of mutual obligations.

4.4 The company provides the employees with a possibility for professional advancement and development.

4.5 The company builds the relations with consumers, business partners, competitors, representatives of governmental and municipal authorities based on principles of good faith, honesty, professionalism, mutual trust and respect.

4.6 The company strives for creating long-term relations based on high standards of production activity, performance of mutual obligations, openness and flexibility, interchange of experience, mutual support, implication of all the employees into the company's success.

4.7 The company is responsible for answering the requirements connected with safety, health care and environmental protection.

4.8 The basic principles of the company in staff relations correspond to the universal principles and those approved of by the state:

- respect of human dignity;
- freedom of personal development;
- inadmissibility of discrimination or giving preference by reason of social origin, religious commitment, nationality, sex, sexual orientation, age.
- guarantee of exercitation of the employee's rights by him;
- guarantee of full awareness of the area and scope of responsibility and also the role of the working position in the work process and maintenance management;
- right of every employee for a working position answering his intellectual and psychophysical abilities;
- right for reeducation and professional improvement within the company's compass;
- establishment of area of accountability and responsibility of every employee of the company in such a way that there is a possibility of devolution to alius and also the employee's autonomy for the benefit of increase in satisfaction with work.

5. External relations

Relations with clients, business partners, competitors are built on the basis of

principles of partnership and mutual respect. Honest conduct of business is a basis for all our dealings and relations:

- We always perform our obligations and expect it from our partners.
- We are interested in sustainable development of our company and our partners' companies (organizations).
- We commit to long-term partnership and suppose that the relations with business partners, based on respect, trust, honesty and fairness, are of paramount importance for our success.
- We are about the demands of our customers, clients and we guarantee high quality of our production and services, stability and predictability.
- We value our reputation, strictly comply with the norms and rules of business ethic and law.
- We suppose that our business partners also maintain high ethic standards.
- We consider cultural differences of countries and communities in taking decisions and conducting business.
- We compete honestly. We don't accept and make illicit payments. We don't employ unethical or unfair levers on our partners or competitors as well as we do not resort to threatening of employing them.
- We promise to observe the laws and regulations on countering legalization of proceeds from crime to the full extent. We cooperate with those clients and partners which have a good reputation and are engaged in legal production activity. Establishing relations with a new business partner we make an appropriate inspection to make sure that he meets the specified criteria.
- We lend full support to the external auditors of the company.
- The heads and employees of the company always provide exact information to the external auditors of the company. None of the heads and employees of the company takes direct or indirect actions which can affect, mislead or deceive the external auditors of the company.
- We hail participation of the company employees and their family members in the social initiatives of the company and create the necessary conditions for this.
- We strive for building and maintaining healthy, meaningful and open interests, not provoking the conflict of interests and relations with state bodies and representatives of the governmental authorities built on a legal basis.

6. Internal relations

The company values its employees – it is their activity that is a passport to success – and expects high standards of business conduct and professional achievements from them.

– We respect personal liberty, human rights and dignity; we treat the employees trustfully and offer equal opportunities for everyone. The company shall not tolerate any discrimination or oppression at the work place or any behavior in respect of the employees that can be interpreted as insulting or unacceptable by the majority of people.

– The company always performs its obligations to the employees and employees comply with their obligations to the company.

– The company doesn't use child or forced labor.

– We hail leadership as an ability to take decisions at all levels. The necessary powers are delegated to every employee, from each of which taking personal responsibility for the fulfillment of the set tasks is expected.

– We always communicate openly, encourage feedback, important for our work and every employee can approach any of the company managers with a proposal on activity improving.

– We endeavor to act in such a way that our close, personal, friendly relations and sib do not interfere with realization of the principle of equal possibilities, our making viable solutions and protection of confidential information.

– The company creates the environment for professional progress of the employees. The professional progress is aimed at improvement of performance quality and attainment of the set goals.

7. Codes of conduct of the company's employees

7.1 «PROTON-ELECTROTEX» JSC is a result-oriented manufacturing commercial venture. The company performance depends on maintaining the internal order of working time by the employees, of high-quality performance of the office duties. The company activity is based on high-quality work of all its employees, that's why they correlate their goals with the goals of the company.

7.2 The company's employee realizes the importance of his activity in the company.

7.3 The company's employee fulfills the tasks with good faith, in due time and in a quality manner; he is exacting to himself and the quality of the work on hand.

7.4 The company's employee keeps his working place tidy and in order, complies with a style of business attire, observes the amenity, standard of speech in business and society.

7.5 The company's employee shows reasonable initiative in developing personal and professional abilities, strives for continuous perfection of the level of his professional development.

7.6 The company's employee is a company's representative always and

everywhere so he pays attention to appearance.

7.7 Gifts and hospitality expenditures can be accepted by the company's employee from an individual or an enterprise the company is in business relations with or is eager to establish such relations and on conditions that they meet the following criterion:

- they comply with the accepted business practice and do not violate the applicable laws and ethic standards;
- their cost is trifling;
- the revealing of the fact of gifts and services being provided won't embarrass the company or the company's employees.

7.8 The company's employees do not let themselves to criticize the company in the presence of outsiders because it discredits the company and sustains considerable damage to it.

7.9 The company's employee is guided with the principle, stimulating his development, which runs as follows: «The knowledge is precious only when being shared with colleagues, when they work for the employee, collective, and »

7.10 The company's employees conduct exclude the following actions: abuse of official position, bribery, abuse of authority, corrupt commercial practices or any other illegal use of official capacity by an individual notwithstanding the legitimate interests of society and company for the purpose of gaining money, values, other property or services for himself or third parties or providing such profit to a specified individual by other individuals..

7.11 The company's employees bear criminal, administrative, civil and disciplinary liability for corrupt practices in accordance with legislation of Russian Federation.

8. Confidentiality and Commercial Secret Requirements

8.1 The company's employees care about the good will and image of the company not only during working hours but when being outside the company as well.

8.2 The company's employees act for the benefit of their company, not any other, and give their professional abilities and knowledge to it.

8.3 The salary in the company is individual and depends on the skill level and workmanship of the employee. The company's employees are not obliged to inform other employees about their salary. In defining the fee earnings the management considers the performance and degree of usefulness of the work on hand, the reference to the salary level of other employees of the company can not serve as a ground for the increase in the official salaries.

8.4 The company doesn't intrude into the private life of its employees, in the way of spending their free time, however the company's employee follows the rule that he represents the company always and everywhere.

8.5 The company's employees keep the commercial secret of the company and bear liability for its disclosure.

9. Principles of Relations in Collective

9.1 All business units of the company operate in unity of effort. The objectives of the company can be attained in case all the company's employees apply all the acquired experience and knowledge for the benefit of the company. The employees of the business units must exchange the necessary information and ideas. If a situation of conflict of interest occurs or competition, the company's interests must be the priority in decision making.

9.2 Work in a team means that every employee takes an active part, shares responsibility and treats colleagues in a friendly way, creates a basis for getting occupational satisfaction.

9.3 High labor capacity is a premise to reliability and company development, preservation of work positions. Each business unit is aware of being a component in organizational and production and commercial system of the company.

9.4 Every business unit of the company is responsible for its activity, the development prospects of the unit and company on the whole, however compartment and closure within the interests of one unit is inadmissible. Collective work upon the implementation of the idea can't be effective if every employee does only what he considers important and necessary and will be pursuing his own objectives.

9.5 Every company employee performing his obligations at his work position contributes to the common cause. Individual efforts and initiatives are of equal importance as collective, experienced employees are always ready to give support and assistance to less experienced employees at that.

9.6 The company's employees analyze day-to-day operations of the business unit regularly in order to be able to bring to light the causes of mistakes and avoid the fallout in future. If, in spite of precautionary measures taken, the mistake was made nevertheless, the unit's employees tend to correct it immediately.

9.7 Different opinions and conflict of interests among the members of the group are a part of company's life. In settling the disputes in the company in each specific case the ways out are discussed.

9.8 The company is interested in eliminating the prepossession between the employees and managers based barely on personal impressions and establishing the relations between them built on fair basis, considering contribution to the common cause. If conflicts can not be settled every employee can address himself to the superior manager.

10. Deployment of Resources

10.1 The company trusts its employees and provides with all the necessary resources. We employ the resources efficiently and for achieving the set goals.

10.2 We encourage regard for the company's property and assets.

10.3 We do not misuse our official capacity, assets, information and resources of the company for personal advantage.

10.4 We strive to use working hours of our's and of our colleagues and business partners efficiently.

10.5 The information is provided for those who need it for work. Along with that the information can not be forwarded to the individuals who are not intended to have it. The company's employees bear responsibility for the values and assets of the company, in particular for confidential and patented information and third parties (clients, suppliers, business partners), in respect of which the company must observe the condition of confidentiality and bear responsibility for the extent of its use.

10.6 The employees must maintain confidentiality of information received in the course of their professional activity. The questions considering commercial or confidential information can be discussed with members of one's family or friends (or any other individuals, not employed by the company) only in case this information can be received from the sources open for general public..

11 Efficiency and Profitability

The company aims at producing goods which meet the demands of our customers and clients, working up new markets, increasing production capacities, introducing new technologies. Everything that the company does must be useful to people, reliable, quality and safe.

– Every employee must see his objectives clearly and their interconnection with the objectives of his business unit and company on the whole.

– We are always ready for changes and new requirements of the environment.

– We are constantly perfecting our operational processes and procedures, struggling with unfounded bureaucracy, improving productiveness and efficiency.

– We strive for sequence in our decisions and actions.

– We analyze the risks connected with our activity and are constantly minimizing them.

– We are constantly searching for the opportunities for the involved resources optimization and always take them.

12 Health Care, Industrial Safety and Protection of the Environment

We value human life and we set human health prior to economical results and production achievements. Safety is a top objective, internal necessity and the most important component of the company's activity:

– We encourage behavior that promotes gaining in health of the employees and members of their families. We are constantly developing educational, organizational

and ecological activity to cushion the risks accompanying our work.

– We do our best to eliminate the cases of operating trouble, industrial injuries and ecological accidents.

– We strive for complying with the officially accepted norms and requirements on health care, industrial safety and protection of environment.

– We develop and apply resource-conscious production technologies and gradually decrease the influence on the environmental stress and health effects, develop and perfect the systems of labor safety and environmental protection

– Every company's employee must:

- Be aware of the risks accompanying his activity and affecting his health and security and health of the others;
- Realize personal responsibility for his own life and health of the others;
- Encourage safe conduct of his colleagues, family and relatives, leading by example;
- Observe all the necessary safety standards and ecological requirements, applied to his activity, and realize possible impact of the established procedures on the environment.;
- Improve personal performance, initiate and apply advanced approaches to production and environmental risks management ;
- Deploy natural resources economically, treat nature with due care, realizing its uniqueness and necessity to preserve to for future generations.

13 Responsibility of the Employees for Non-Compliance with the Code

13.1 Failure to comply with the provisions of the Code leads to the following measures to be taken on the employee:

- notice;
- public reprimand;
- pleading to the corresponding officials of the company about temporal or constant restrictions of the employee's professional activity;
- expressing professional mistrust towards the employee.

13.2 The specified measures do not substitute for the administrative, criminal and civil responsibility which every employee bears in case violations of the present Code provisions correspond to the applicable law violations.

Technical Manager

A.V. Stavtsev

**Deputy Director General in charge of Mechanical Manufacturing
A.I.Ushakov**

Deputy Director in charge of Quality

I.M. Tyurina

Senior Accountant

T.M.Silayeva

Head of Sales and Marketing Department

V.A.Polyantsev

**Head of External Economic Relations Department
I.B.Borisova**

Head of Procurement Department

A.N.Yegortsev

Expert on Legal Questions

O.N. Belova

**Prepared:
HR Manager**

I.V. Soroka
tel. 44-04-16