

APPROVED

by Resolution of the Extraordinary General Meeting of
Shareholders of
Joint Stock Company SITRONICS

Minutes No. 11
of 30 October 2006

**Regulation
on the Audit Commission of
Joint Stock Company
SITRONICS**

**Moscow
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1. General

- 1.1. This Regulation on the Audit Commission (hereinafter the "Regulation") has been approved in accordance with the laws of the Russian Federation and the Charter of JSC SITRONICS (hereinafter the "Company") and establishes the procedures of the Audit Commission.
- 1.2. The Audit Commission is a control body monitoring the Company's financial and business activities.
- 1.3. The competence of the Audit Commission shall be determined by the Federal Law on Joint Stock Companies and the Company's Charter.
- 1.4. The Audit Commission in its activities shall be guided by current laws, the Company's Charter, this Regulation, and other internal documents of the Company.
- 1.5. Members of the Audit Commission in their activities shall be guided exclusively by the interests of the Company and its shareholders (inter alia, this means that information on the Company's activities, securities of the Company, and transactions in securities of the Company that is unavailable to the general public and the disclosure of which could have a significant effect on the market value of the securities of the Company, as well as other information constituting an official or commercial secret, should be used solely in the interests of the Company and in compliance with its internal documents).

2. Composition of the Audit Commission. Chairman of the Audit Commission

- 2.1. The Audit Commission shall be composed of no less than 3 (three) members, who shall be elected in accordance with the Federal Law on Joint Stock Companies and the Company's Charter. Members of the Audit Commission may not concurrently be members of the Company's Board of Directors or counting commission or hold the position of individual executive body (President) or Chief Accountant of the Company.
- 2.2. At its first meeting the Audit Commission shall by a majority vote of its members elect a Chairman of the Audit Commission from among its members.
The Audit Commission may at any time elect a new Chairman of the Audit Commission by a majority vote of its members.
- 2.3. The Chairman of the Audit Commission shall:
 - organize the work of the Audit Commission;
 - call and hold meetings of the Audit Commission;
 - represent the Audit Commission at meetings of the Board of Directors and at the General Meeting of Shareholders of the Company;
 - sign the documents of the Audit Commission (including internal audit and review reports and audit opinions on the annual reports and annual financial statements); and
 - perform other functions provided by current laws, the Company's Charter, this Regulation, and other internal documents of the Company.
- 2.4. In the absence of the Chairman of the Audit Commission his/her functions shall be performed by a member of the Audit Commission by a resolution adopted by a majority vote of its members attending the meeting.

3. Powers of the Audit Commission

- 3.1. The Audit Commission:
 - shall adopt a resolution to conduct and perform a review of the Company's financial and business activities with respect to its performance over the year, and at any time on the initiative of the Audit Commission, by resolution of the General Meeting of Shareholders or Board of Directors, or at the request of shareholders holding in the aggregate at least 10% (ten percent) of the voting shares of the Company;
 - shall in a timely fashion communicate the results of completed reviews to the General Meeting of Shareholders, the Board of Directors, and the Company's individual executive body in the form of internal audit and review reports;
 - may require that management bodies, officers, and employees of the Company provide any required documents on the Company's financial and business activities;
 - may require oral and written explanations from members of the Company's management bodies and other officers and employees of the Company on matters relating to the Company's financial and economic activities;

- under a power of attorney and by agreement with the respective institutions, obtain information from bank and other credit institutions regarding amounts of funds in the Company's accounts and obtain statements and required information from officers for the purpose of conducting reviews;
- may submit issues to the Board of Directors and the General Meeting of Shareholders for consideration; and
- may request the calling of a meeting of the Board of Directors or an extraordinary General Meeting of Shareholders when violations revealed in the Company's production, business, financial, or other activities or threats to the Company's interests require decisions on matters within the competence of those bodies.

4. Audit procedure

- 4.1. A review of the Company's financial and business activities shall be conducted with respect to its performance over the year.
The Audit Commission shall submit to the Board of Directors an opinion based on its annual review of the Company's financial and business activities.
- 4.2. A review of the Company's financial and business activities shall also be conducted at any time on the initiative of the Audit Commission, by resolution of the General Meeting of Shareholders or the Board of Directors, or at the request of shareholders holding in the aggregate at least 10% (ten percent) of the voting shares of the Company.
A request for a review shall be sent to the Company addressed to the Chairman of the Audit Commission.
- 4.3. When conducting reviews the Audit Commission shall study all available documents and materials relating to the subject matter of the review.
- 4.4. Based on a review of the Company's financial and business activities the Audit Commission shall prepare and approve an opinion.
- 4.5. The initiators of a review of the Company's financial and business activities may withdraw their request by submitting a written notice to the Audit Commission at any time before the Audit Commission adopts a resolution to conduct the review.

5. Meetings and resolutions of the Audit Commission

- 5.1. A meeting of the Audit Commission shall be called prior to the start of every review and on its findings, and at any time as necessary.
- 5.2. Meetings of the Audit Commission shall be called by the Chairman of the Audit Commission on his/her own initiative or at the request of Members of the Audit Commission or persons entitled to request an extraordinary review of the Company's financial and business activities.
- 5.3. Meetings of the Audit Commission may be held in direct or remote form.
- 5.4. In decision making each member of the Audit Commission shall have one vote. Resolutions of the Audit Commission (including resolutions approving an opinion based on a review of the Company's financial and business activities) shall be adopted by a majority vote of the members of the Audit Commission.
- 5.5. Decisions of the Audit Commission shall be formally recorded in the minutes of the relevant meeting of the Audit Commission, which shall include:
 - the date, time, and place of the meeting (or the date of remote voting);
 - a list of the members of the Audit Commission who participated in the meeting (or in remote voting);
 - the matters put to a vote and the results of voting thereon (indicating the votes of each member of the Audit Commission who participated in the meeting); and
 - the resolutions adopted.
 Reports, opinions, and other materials prepared by the Audit Commission shall be attached to the minutes.
- 5.6. A member of the Audit Commission who disagrees with a resolution of the Audit Commission may require that his/her dissenting opinion be included in the minutes of the relevant meeting and communicated to the Company's management bodies and/or shareholders.

6. Compensation and reimbursements to members of the Audit Commission

- 6.1. By resolution of the General Meeting of Shareholders, the members of the Audit Commission during their term of office may receive compensation and/or reimbursements for expenses associated with their performance of their duties. The amounts of such compensation and reimbursements shall be established by resolution of the General Meeting of Shareholders.

7. Concluding provisions

- 7.1. The requirements of this Regulation are binding upon the Company, its shareholders, the members of the Board of Directors, the Company's individual executive body, the members of the Audit Commission, and the other officers and employees of the Company.
- 7.2. This Regulation and all amendments and supplements hereto shall be approved by the General Meeting of Shareholders by a majority vote of the shareholders participating in the respective meeting. If changes to current laws cause individual articles of this Regulation to become contrary to such laws, such articles shall be inoperative and the provisions of law shall prevail. Articles of this Regulation that are contrary to current laws shall not affect the legal validity of the other articles hereof, and the Company shall make every effort to replace the inoperative articles with new articles that are not contrary to the law.
- 7.3. In case of any inconsistency between this Regulation and the Company's Charter, the Company's Charter shall prevail.