

APPROVED

Extraordinary Meeting General of
Shareholders of OJSC "NLMK"

Minutes № 20

Date: December, 3rd, 2004

**Regulations on Audit Commission Members' Remuneration and Compensation, OJSC
"NLMK"**

1. These Regulations have been elaborated in accordance with the Federal Law "On Joint Stock Companies" and "NLMK's Audit Commission" Regulations and determine the amount and order of remuneration and compensation payments to the members of NLMK (hereinafter "Company") Audit Commission.
2. Remuneration Payments.
 - 2.1 For participation in Audit Commission sessions in the form of personal presence, the remuneration is paid to the members of the Audit Commission for each session in the amount of Company's employees' average monthly salary for the latest 2 (two) months prior to the month the remuneration is paid out.
 - 2.2 For participation in each inspection (revision) of Company's financial and economic activities in accordance with the approved inspection plan, the member of the Audit Commission is paid remuneration in the amount of Company's employees' average monthly salary for the latest 2 (two) months prior to the month the remuneration is paid out.
 - 2.3 The amount of remunerations paid to the Chairman of the Audit Commission according to clause 2.1 and clause 2.2 of the Regulations increases by 50%.
 - 2.4 The total amount of remuneration for the Chairman of the Auditing Commission paid in accordance with clause 2.1, clause 2.2, and clause 2.3 of the Regulations cannot exceed 50% of the amount of the year-end bonus of Company's Board of Directors member.
 - 2.5 Remunerations specified in clause 2.1, clause 2.2, and clause 2.3 are paid out once during the period of the Auditing Commission operation paid over NLMK's counter within 30 (thirty) days after the approval of Company's annual report by General Meeting of Shareholders.
 - 2.6 The members not participating in sessions and inspections regardless of any reasons are not remunerated.
 - 2.7 Remunerations are paid out on the basis of the Certificate on remuneration amounts for the members of the Audit Commission according to the attached form (Appendix № 1 to the Regulations) signed by the Chairman of the Audit Commission, agreed with Audit Committee and approved by the Chairman of Company's Board of Directors, provided to Company's accounts department.
3. Compensation Payments.
 - 3.1 The Auditing Commission member's expenses arising from his participation in Audit Commission session and conducting of any inspection are reimbursed according to travel expenses compensation norms in force at the moment the session is held, approved by

Company's organizational and administrative documents. In case there are no such norms approved in the above order, travel expenses compensation norms determined by the current legislation of the Russian Federation apply.

3.2 Compensations are paid out by the Company within 30 (thirty) days after the Audit Commission member's presentation of his travel expenses report approved by the Chairman of the Audit Commission together with documents confirming the expenses incurred.

Appendix № 1 "Certificate on remuneration amounts for the members of NLMK Auditing Commission".