

APPROVED
By the General Meeting of Shareholders
of the Open Joint Stock Company
“Novolipetsk Steel”

Minutes of Meeting #30

05 June 2009

PROVISION
On the Board of Directors
of the Open Joint Stock Company “Novolipetsk Steel”
(Restated)

Lipetsk, 2009

These Regulations govern the procedures of the Board of Directors of the Open Joint Stock Company "Novolipetsk Steel" (hereinafter "Company").

1. General provisions

1.1. The Board of Directors provides the general administration of the activities of the Company within the procedure stipulated in the Charter of the Company and these Regulations, with the exception of the issues referred to the competence of the General Meeting of Shareholders by the Federal law "On Joint Stock Companies".

1.2. The issues referred to the competence of the Board of Directors of the Company shall be determined by the Federal law "On Joint Stock Companies" and the Charter of the Company.

1.3. The activities of the Board of Directors of the Company are governed by the legislature of the Russian Federation, by the Charter of the Company and by the resolutions of the General Meeting of Shareholders adopted within the competence of the said administrative body.

2. Composition of the Board of Directors

2.1. Members of the Board of Directors shall be the individuals elected at the General Meeting of Shareholders of the Company, whose candidatures were nominated (proposed) for election in the Board of Directors by shareholders and/or by the Board of Directors within the procedure stipulated in the Federal law "On Joint Stock Companies", the Charter of the Company and these Regulations.

2.2. The size of the Board of Directors shall be determined by the Charter of the Company.

2.3. The Company is interested that the Board of Directors includes at least three independent directors.

2.4. The persons elected to the Board of Directors may be re-elected without limitation of terms.

2.5. The Chairman of the Board of Directors shall be elected by members of the Board of Directors from among them by a majority of votes of the total number (the number in the list) of the members of the Board of Directors of the Company.

2.6. The office of Deputy Chairman of the Board of Directors may be established in the Board of Directors, provided that such Deputy Chairman shall be elected from among members of the Board of Directors as proposed by the Chairman of the Board of Directors by a majority of votes given by the members of the Board of Directors present at the meeting of the Board of Directors.

2.7. The Board of Directors shall approve the Corporate Secretary (secretary of the Board of Directors of the Company) acting in accordance with the provisions of art.10 of these Regulations as proposed by the Chairman of the Board of Directors.

2.8. Members of the collegial executive body of the Company may not amount to more than one fourth of the Board of Directors, provided that the said body is formed in accordance with the Federal Law "On Joint Stock Companies" and/or the Charter of the Company.

2.9. The President (Chairman of the Management Board) of the Company may not hold the office of the Chairman of the Board of Directors of the Company. Members of the Board of Directors of the Company may not be members of the Audit or Counting Commission of the Company.

2.10. The Board of Directors may, if necessary, form commissions and committees comprised of its members, employees of the Company and/or other persons involved in order to consider and prepare certain issues referred to the competence of the Board of Directors, involve certain specialists and consultants in the activities of the Board by making contracts with such specialists and consultants and establish new bodies accountable to the Board of Directors.

3. Competence of the Board of Directors

3.1. The objectives of the Board of Directors of the Company are to provide maximum profit and increase the assets of the Company, protect the rights and lawful interests of shareholders, provide

permanent control over executive bodies of the Company, provide the completeness, reliability and objectivity of public information concerning the Company.

3.2. The Board of Directors shall comply with the following principles in order to reach its objectives:

- exclusion of restrictions of shareholders' lawful rights to participation in the management of the Company;
- providing the balance of interests of different shareholders' groups and maximum objectivity of decisions of the Board of Directors in the interests of all shareholders of the Company;
- making decisions on the base of reliable information on activities of the Company.

3.3. Any inherent ambiguity in the provisions of the applicable legislation shall be interpreted by the Board of Directors so as to extend the rights and lawful interests of shareholders. In case certain directors have any doubts or differences concerning the administration of the Company, the said doubts and differences shall be reflected in the minutes of meetings of the Board of Directors.

3.4. Competence of the Board of Directors shall be determined by the Charter of the Company. In order to reach its purposes the Board of Directors shall, within the framework of its competence:

- arrange the performance of resolutions passed by the General meeting of shareholders;
- estimate the political, financial and other risks affecting the activities of the Company as well as activities of the subsidiaries and associates and other legal entities in which the Company is the founder, participant or a member;
- determine the approaches to investments and participation in other organizations;
- estimate the results of the activity of the Company and its bodies;
- determine the dividend payment conditions;
- elaborate the systems and methods of material stimulation of the Company's employees;
- provide the disclosure of information on the Company;
- provide the supervision over the executive bodies of the Company;
- provide the compliance of the Company with the legislation in force;
- define criteria of materiality of the subsidiaries and associates and other legal entities in which the Company is the founder, participant or a member for decision-making concerning the issues that fall into scope of competence of the Management Board;
- provide the compliance with the principles of corporate governance.

3.5. A member of the Board of Directors is entitled to:

- request any information (documents and materials) from the officers and employees of the Company within the procedure stipulated in these Regulations;
- receive remuneration for the performance of his/her duties and compensation of the costs arising in connection with performance of duties of the Board of Directors within the procedure provided by the General Meeting of Shareholders of the Company;
- consider the minutes of meetings of the Board of Directors and other collegial bodies of the Company and obtain copies of such minutes;
- initiate consideration of issues by the Board of Directors, demand for inclusion of a member's special opinion on the issues included in the agenda of the meeting of the Board of Directors in the minutes of the meeting of the Board of Directors.

3.6. A member of the Board of Directors shall:

- be loyal to the Company;
- act within his competence, reasonably, in good faith and in the interests of all shareholders and the Company;
- neither disclose nor use in his own interests or in the interests of third parties the insider information;
- participate in the meetings of the board of Directors;
- participate in adoption of resolutions of the Board of Directors by way of voting upon the issues included in the agenda;
- make reasonable decisions;

- consider all necessary information (materials), make investigations and provide all members of the Board of Directors with any information relevant to resolutions discussed;
- estimate political, financial and other risks and other negative consequences in the course of decision-making;
- participate in evaluation of projects and programmes proposed by the Board of Directors;
- provide the Board of Directors with information on intended transactions in which such member may be an interested party;
- report on sale or purchase of the Company’s securities;
- report to other members of the Board of Directors on any non-compliances by employees of the Company (including the officers of the Company) with the legal acts, the Charter or internal provisions and rules of the Company of which such member is aware;
- promptly make the Company aware of changes in his status or personal information, including: combining offices in the administration bodies of other organizations, possible conflicts of interests in case of participation in the companies competing with the Company, circumstances affecting the independence of the director.

3.7. Activities of the Board of Directors shall be permanent and not limited to participation in adoption of resolutions of the Board of Directors.

3.8. The Corporate Secretary shall be responsible for the storage of the resolutions and minutes of the Board of Directors and immediately upon the request of the Board of Directors provide certified copies of the said documents.

3.9. The President (Chairman of the Management Board) of the Company, members of the Management Board and other officers of the Company shall provide full information on activity of the Company, access to documents and possibility to copy such documents upon the request of a member of the Board of Directors, the Corporate Secretary.

4. Committees

4.1. The Board of Directors shall establish the following permanent committees to deal with certain tasks of the Company:

- The Strategic Planning Committee;
- The Personnel, Remunerations and Social Policy Committee;
- The Audit Committee.

4.2. The Committees are consulting bodies of the Board of Directors; they may not act on behalf of the Board of Directors and have no authorities. The tasks and procedures of forming and activities of each Committee shall be determined by the appropriate internal documents of the Company subject to approval by the Board of Directors and binding for all subdivisions and officers of the Company.

4.3. Each of the said committees shall be headed by a member of the Board of Directors appointed by the Board of Directors of the Company. The Chairman of a committee shall usually be an independent member of the Board of Directors. One and the same member of the Board of Directors may not be a member in more than two committees.

4.4. The Chairman of each committee shall determine and agree upon the committee periodicity and duration of meetings of the appropriate committee and the agenda of its meetings with other members.

5. Independent members of the Board of Directors

5.1. The Company is interested in no less than 3 (three) independent directors to be members in the Board of Directors of the Company. Independent directors shall be independent from officers of the Company and its affiliated persons and shall not have any other relationships with the Company which would affect the independence of their decisions.

5.2. “Independent director” shall mean a person who:

- (1) have not been an officer (manager) or employee of the Company or an officer (manager) or employee of the Company's managing company within the last 3 years;
- (2) is not an officer of other company in which any of the Company's officers is a member of the Committee of the Board of Directors on Personnel and Remunerations;
- (3) is not an affiliated person of a manager or officer of the Company's managing organization;
- (4) is not an affiliated person of the Company;
- (5) is not a party to an agreement with the Company under which it may acquire property (receive money) with the value of 10 or more per cent of the total annual income of that person, except the remuneration for participation in the Board of Directors;
- (6) is not a large counterpart of the Company (a counterpart is considered to be large in case the total amount of transactions between such counterpart and the Company is 10 or more per cent of the book value of the Company's assets);
- (7) has declared in public way its status as an independent director;
- (8) shall immediately inform the Company in case of circumstances impeding an independent director to correspond to the status of an independent director;
- (9) has the required qualification;
- (10) has a good reputation;
- (11) participates in the Board of Directors of the Company in good faith;
- (12) is not a representative State.

5.3. A member of the Board of Directors of the Company may not be considered an independent director upon expiration of a 5-year term within which he continuously performed his duties.

6. Term of powers of the Board of Directors

6.1. Members of the Board of Directors shall be elected by the General Meeting of Shareholders under the procedure stipulated in the Federal law "On Joint Stock Companies" and the Charter of the Company, for the term which durates until the next annual General Meeting of Shareholders. In case the General Meeting of Shareholders was not held within the terms stipulated in the Federal law "On joint-stock companies" and the Charter of the Company, powers of the Board of Directors shall terminate, except the powers on preparation, summons and holding the annual General Meeting of Shareholders.

6.2. In case members of the Board of Directors are elected by the extraordinary General Meeting of Shareholders of the Company, their powers shall terminate from the moment of election of the new Board of Directors at the annual General Meeting of Shareholders within the procedure stipulated in the Law and the Charter of the Company.

7. Nomination of candidates to the Board of Directors

7.1. Shareholder(s) possessing no less than 2 per cent of voting shares of the Company may nominate candidates to the Board of Directors of the Company for election at the annual General Meeting of Shareholders of the Company, provided that the number of such candidates does not exceed the number of members in the appropriate body at the date of nomination. Such nominations shall be received by the Company no later than 60 days upon the end of a financial year, unless the greater term is stipulated in the Charter of the Company. If the proposed agenda of the extraordinary General Meeting of Shareholders includes election of members of the Board of Directors, shareholder(s) of the Company possessing together no less than 2 per cent of voting shares of the Company may nominate candidates to be elected to the Board of Directors of the Company, provided that the number of such candidates does not exceed the number of members in the Board of Directors of the Company. Such nominations shall be received by the Company no later than 30 days before the date of the Extraordinary General Shareholders Meeting, unless the greater term is stipulated in the Charter of the Company.

7.2. Nomination of candidates to the Board of Directors shall be executed by shareholder(s) by means of the appropriate proposal in writing to be submitted to the Corporate Secretary of the Company or sent by registered mail at the address of the Company.

7.3. The proposal on nomination of candidates in the Board of Directors (including self nomination) shall include:

- last name, first name, patronymics and the details of the identification document (series and (or) number of the document, the date and place of issue, the ***issuing*** authority), age, education, office held at the moment of nomination, information on whether the candidate is the single-person executive body, a member of the Management Board, an officer of the Company, number and category (class) of shares held by the candidate (in case the candidate is a shareholder of the Company);
- last name, first name, patronymics or name of the shareholder(s) nominating the candidate, number and category (class) of shares held by them.

7.4. The proposal shall be signed by the shareholder or his proxy (attorney).

7.4.1. In case the proposal on nomination of a candidate to the Board of Directors is signed by the shareholder's attorney, such proposal shall be accompanied by the power of attorney or its notarized copy.

7.4.2. In case the proposal on nomination of candidates to the Board of Directors is submitted by corporate shareholder(s), the signature of an attorney of legal entity acting without power of attorney according to the powers provided by the Charter or other constitutive document may be affixed by the seal of the said legal entity. In this case powers of a person acting on behalf of a corporate shareholder shall be confirmed within the procedure provided by the applicable legislation of the Russian Federation.

7.4.3. The proposal on nomination of candidates shall be accompanied by consents of candidates to the Board of Directors of the Company to hold the office of a member of the Board of Directors.

7.5. All documents submitted by shareholders for the purposes of nomination of candidates in the Board of Directors of the Company shall be in Russian or be accompanied by notarized translations to Russian.

7.6. The Board of Directors shall consider the received proposals and decide on inclusion of candidates nominated by shareholders in the list of candidates for election in the Board of Directors or on refusal of such inclusion within 5 working days from the end of the term for submission of proposals stipulated in the Charter of the Company.

7.7. Resolution on refusal to include the nominated candidates in the list of candidates may be passed by the Board of Directors in the following cases:

- shareholder(s) fail to comply with the terms provided for submission of proposals by the Charter of the Company and these Regulations;
- shareholder(s) do not hold the number of voting shares of the Company stipulated by the Charter of the Company and these Regulations;
- the proposal does not comply with the requirements stipulated in clauses 7.2 - 7.5 of these Regulations;

7.8. Motivated resolution of the Board of Directors of the Company rejecting the proposal to put a candidate on the list of nominees to the Board of Directors the Company shall be sent to shareholder(s) who have submitted the proposal within 3 working days from the date of its passing.

7.9. In case shareholder(s) of the Company claim the summons of the extraordinary General Meeting of Shareholders with the agenda including the issue of election in the Board of Directors of the Company, the Board of Directors shall simultaneously with passing the resolution on the summons of such extraordinary General Meeting of Shareholders inform shareholders of the procedure for nomination of candidates to the Board of Directors, including the following conditions:

7.9.1. Proposals on nomination of candidates in the Board of Directors of the Company to be elected at the extraordinary General Meeting of Shareholders shall be submitted by shareholders entitled to nominate candidates in the Board of Directors at the annual General Meeting of Shareholders in accordance with the provisions of the Federal law "On Joint Stock Companies" and the Charter of the Company.

7.9.2. Proposals on nomination of candidates in the Board of Directors of the Company to be elected at the extraordinary General Meeting of Shareholders shall be received by the Company no less than 30 days prior to the date of the extraordinary general meeting of shareholders;

7.9.3. Statements of shareholders containing proposals on nomination of candidates to the Board of Directors of the Company are considered submitted in case of compliance with the procedure provided by cl.7.2 of these Regulations prior to the last day of the term provided by clause 7.9.2 of these Regulations. Proposals received by the Company after the said date are not accounted by the Board of Directors in approval of the list of candidates for election in the Board of Directors.

7.10. The Board of Directors of the Company shall consider the proposals of shareholders on nomination of candidates to the Board of Directors received in proper time and decide upon such proposals within 5 working days upon expiration of the term prescribed for submission of proposals.

7.11. Shareholder(s) who have nominated candidates in the Board of Directors of the Company may revoke their proposals in respect of certain candidates before resolution is passed by the Board of Directors on approval of the list of candidates for election to the Board of Directors. Challenge of candidates nominated to the Board of Directors of the Company by other shareholders is not allowed.

8. Election to the Board of Directors

8.1. Members of the Board of Directors are elected by cumulative voting at the General Meeting of Shareholders. For the purposes of cumulative voting each voting share of the Company shall provide the same number of votes equal to the total number of members in the Board of Directors stipulated in the Charter of the Company.

8.2. A shareholder may give all votes upon the shares held by him for one candidate or distribute them among several candidates nominated to the Board of Directors of the Company.

8.3. The candidates who have polled a majority of votes within the size of the Board of Directors stipulated in the Charter of the Company are considered elected in the Board of Directors of the Company.

8.4. Candidate nominated to the Board of Directors of the Company may claim revocation of his candidature prior to the beginning of voting upon the appropriate issue by submitting the application in writing to the Presidium of the General Meeting of Shareholders, provided that such application shall be announced to the shareholders of the Company present at the meeting. Submission of this application shall not cause exclusion of the candidate from the voting ballot for election in the Board of Directors of the Company and does not affect the results of voting upon this issue.

8.5. In case the candidate is elected to the Board of Directors he shall within 15 days from the date of publishing the results of the voting provide to the Corporate Secretary in writing the following information: passport details (date and place of birth, series and number of passport, place of residence), information on offices held by him for the last 5 years, office held at the moment of election, nature of relationships with the Company, possession of the Company's securities, membership in Boards of Directors or holding offices in other legal entities, information on relationships with affiliated persons and large counterparts of the Company, contact telephone number and the address for sending correspondence.

8.6. Members of the Board of Directors shall inform the Corporate Secretary of sale or purchase of the Company's securities.

9. Chairman of the Board of Directors

9.1. The Chairman of the Board of Directors of the Company shall be elected by members of the Board of Directors of the Company from among them by a simple majority of total number of votes in the Board of Directors, unless otherwise stipulated in the Charter of the Company.

9.2. Members of the Board of Directors may at any time re-elect its Chairman by a majority of votes of members in the Board of Directors.

9.3. The person performing the duties of the single-person executive body of the Company may not simultaneously be the Chairman of the Board of Directors of the Company.

9.4. The Chairman of the Board of Directors arranges its work, calls meetings of the Board of Directors and presides at such meetings, provides keeping minutes at the meetings arranges passing resolutions by means of absentee voting and presides at the General Meeting of Shareholders, unless otherwise stipulated in the Charter of the Company.

9.5. The Chairman of the Board of Directors or other authorized person concludes contracts on behalf of the Company with the President (Chairman of the Management Board) and members of the Management Board of the Company within the procedure stipulated the Federal law "On Joint Stock Companies" and the Charter of the Company.

9.6. In the absence of the Chairman of the Board of Directors, his duties shall be performed by the deputy Chairman or by a member of the Board of Directors in accordance with the resolution of the Board of Directors adopted by a simple majority of votes given by members of the Board of Directors present at the meeting.

9.7. The Chairman of the Board of Directors may not delegate his powers to another person.

10. Corporate Secretary

10.1. The Board of Directors of the Company shall approve the Corporate Secretary of the Company as advised by the Chairman of the Board of Directors by a simple majority of votes from the total number of votes in the Board of Directors.

10.2. The Corporate Secretary of the Company may be the person who is not a member of the Board of Directors. In this case the Company shall conclude a contract with the appointed person providing the liability for disclosure of confidential information on activities of the Company of which the secretary becomes aware.

10.3. The Corporate Secretary who is not a member of the Board of Directors shall perform his duties until the new secretary is appointed or the term of the contract expires.

10.4. The Board of Directors may at any time appoint (early terminate the powers of) the Corporate Secretary.

10.5. The Corporate Secretary shall:

- assist the Chairman of the Board of Directors in the convening and holding of meetings of the Board of Directors;
- arrange keeping minutes at the meetings of the Board of Directors;
- provide accounting and keep incoming documentation and copies of outgoing documentation of the Board of Directors;
- give prior notices of meetings of the Board of Directors to members of the Board of Directors;
- send to members of the Board of Directors materials and drafts documents upon the issues included in the agenda of the forthcoming meeting and the interrogation lists for passing resolutions of the Board of Directors by absentee voting;
- keep minutes and materials of meetings of the Board of Directors and minutes upon the results of absentee voting;
- provide access to excerpts from minutes of meetings of the Board of Directors upon request of members of the Board of Directors or other authorized bodies and officers;
- keep interrogation lists sent to the Board of Directors for passing resolutions of the Board of Directors by ballot (absentee voting).

10.6. The Corporate Secretary shall also provide preparation for and holding of the General Meeting of Shareholders in accordance with the requirements of the applicable legislation, the Charter and internal documents of the Company on the base of resolution on holding the General Meeting of Shareholders. For these purposes the Corporate Secretary shall:

- provide drafting the list of persons entitled to participate in the General Meeting of Shareholders;
- provide the proper notification of persons entitled to participate in the General Meeting of Shareholders about the General Meeting;
- arrange preparation and sending (delivery) of voting ballots;
- arrange preparation of materials to be submitted to the General Meeting of Shareholders, provide access to such materials, submit copies of appropriate documents upon the request of interested persons;
- arrange collection of executed voting ballots received by the Company and promptly transfer them to the Counting Commission;
- provide compliance with the registration procedures for members of the General Meeting of Shareholders;
- arrange keeping minutes of the General Meeting of Shareholders and drafting the report on the results of voting at the General Meeting;
- arrange notification of persons included in the list of persons entitled to participate in the General Meeting of Shareholders of the report on the results of voting at the General Meeting of Shareholders;
- answer questions of participants of the General Meeting connected with the procedure of such meetings and settle conflicts connected with the procedure of the General Meeting of Shareholders.

10.7. The Corporate Secretary is entitled to:

- request information and documents from shareholders, members of the Board of Directors, officers of the Company;
- involve managers and specialists of the Company in preparation of materials for meetings of the Board of Directors and the General Meeting of Shareholders.

10.8. The Corporate Secretary may receive remuneration for performance of his duties and/or reimbursement of expenses that he incurs performing his duties of the Corporate Secretary upon the resolution of the Board of Directors of the Company. The amount of such remunerations and reimbursement of expenses and procedure of their payment shall be determined by resolution of the Board of Directors.

10.9. The person performing the duties of the single-person executive body of the Company may not simultaneously be the Corporate Secretary.

11. Remuneration of members of the Board of Directors and reimbursement of expenses incurred by them in performing their duties

11.1. Members of the Board of Directors during performance of their duties may receive remuneration and reimbursement of the expenses arising in connection with exercising their powers of members of the Board of Directors of the Company.

11.2. The rate, conditions and procedure of remuneration payment and expenses refund to the Board of Directors members are established by the Regulations on the Board of Directors members' remuneration approved by General Meeting of Shareholders.

12. Termination of powers of members of the Board of Directors

12.1. Powers of members of the Board of Directors shall be terminated from the moment of election of the new Board of Directors by the General Meeting of Shareholders.

12.2. Powers of members of the Board of Directors of the Company may be early terminated at any time by resolution of the General Meeting of Shareholders of the Company. Such resolution may be adopted by the General Meeting of Shareholders of the Company in respect of all members of the Board of Directors only. The election of the new Board of Directors shall be carried out simultaneously with passing the resolution by the General Meeting of Shareholders on early termination of powers of members of the Board of Directors.

12.3. In case the size of the Board of Directors becomes less than a half of the size provided by the Charter of the Company, the Company shall convoke the extraordinary General Meeting of Shareholders for election of the new Board of Directors. Remaining members of the Board of Directors of the Company may only pass the resolution on the convening of such extraordinary General Meeting of Shareholders.

13. Main provisions regarding the meetings and decision-making procedure of the Board of Directors of the Company

13.1. Meetings of the Board of Directors shall be convoked by the Chairman of the Board of Directors in accordance with the annual Plan of meetings approved by him.

13.2. Meetings of the Board of Directors shall be usually held at the location of the Company at: 2, pl. Metallurgov, Lipetsk, 398040, Russian Federation, main office of the OJSC "NLMK", at the location of the Representation office of the Company in Moscow at: Moscow, Kotelnicheskaya nab., 1/15, building B 6. The Chairman of the Board of Directors may determine other place for the certain meeting of the Board of Directors during the summons of the meeting of the Board of Directors.

13.3. The agenda of the forthcoming meeting of the Board of Directors shall be approved by the Chairman of the Board of Directors of the Company. The draft agenda for the meeting of the Board of Directors shall be prepared by the Corporate Secretary of the Company with respect to proposals (requests) received from members of the Board of Directors, the President (Chairman of the Management Board) and/or the Management Board, Audit Commission, the Auditor of the Company or shareholders of the Company.

13.4. Unscheduled meetings of the Board of Directors of the Company shall be convoked by the Chairman of the Board of Directors at his own discretion, upon request of a member of the Board of Directors, the Audit Commission or the Auditor of the Company, the executive body of the Company or shareholders holding more than 5 per cent of the Company's voting shares.

13.5. Unscheduled meeting of the Board of Directors of the Company shall be called by the Chairman of the Board of Directors within 15 days from the date of receipt of the appropriate written request by the Company from the abovementioned persons containing formulations of issues proposed for discussing at the meeting of the Board of Directors and the grounds for arising such issues.

13.6. The agenda of the meeting of the Board of Directors summoned by the Chairman of the Board of Directors of the Company upon the request of a member of the Board of Directors, the Revision Commission, the Auditor of the Company or the executive body of the Company shall include the issues proposed by the said persons or bodies and other issues included at the discretion by the Chairman of the Board of Directors of the Company and referred to the competence of the Board of Directors in accordance with the Federal law "On Joint Stock Companies" and the Charter of the Company.

13.7. Notices of the place, date, time and agenda of meetings of the Board of Directors shall be sent to each member of the Board of Directors by registered mail or by wire at the addresses specified by members of the Board of Directors. The said notices shall be sent to the members of the Board of Directors no later than 7 calendar days prior to the date of the appropriate meeting of the Board of Directors. In case the meeting of the Board of Directors is summoned to consider the issue on the convening of the extraordinary general Meeting of Shareholders, notices of the meeting of the Board of Directors shall be sent by facsimile no later than 2 days prior to the date of the Board of Directors meeting. A member of the Board of Directors shall inform the Company of his mailing address and contact phone numbers. In case the Company has no information on the mailing address and contact

telephone numbers of a member, the Chairman of the Board of Directors or other persons summoning the meeting shall not be held responsible for noticing this member of the meeting of the Board of Directors.

13.8. The Corporate Secretary of the Company may send the notices to members of the Board of Directors by facsimile on telephone (fax) numbers specified by members of the Board of Directors as contact telephone numbers simultaneously with sending such notices by mail or by wire.

13.9. Members of the Board of Directors may request for consideration the information (materials) regarding the agenda to be submitted by the Corporate Secretary for the next meeting of the Board of Directors; such information (materials) shall be sent to members of the Board of Directors simultaneously with the notices of meetings. Such consideration of materials may also be provided without limitation of time (within a working day) in the premises used by the Corporate Secretary for these purposes at the location of the Company.

13.10. In case the issues put to consideration of the Board of Directors are confidential (e.g., contracts or draft contracts containing the condition on confidentiality to which the Company is a party), members of the Board of Directors shall give the promise in writing to the Company not to disclose the confidential information of which they become aware of before obtaining the appropriate documents. In case of refusal by a member of the Board of Directors of the Company to give the said promise on nondisclosure of confidential information, the Corporate Secretary may reject the request of such member on providing a document for consideration.

13.11. Members of the Board of Directors shall personally participate in the work of this body. Transfer of vote by a member of the Board of Directors to other persons, including other members of the Board of Directors, is not allowed.

13.12. A member of the Board of Director not present at the meeting of the Board of Directors shall notice the Chairman of the Board of Directors of his absence in good time.

13.13. A member of the Board of Directors not present at the meeting of the Board of Directors may submit to the Chairman of the Board of Directors in good time a resolution in writing on the issues included in the agenda of the meeting of the Board of Directors.

13.14. The quorum for the meeting of the board of Directors is a half of elected members of the Board of Directors. In determining the quorum the members shall be accounted who are present at the meeting of the Board of Directors or have submitted to the Chairman of the Board of Directors a resolution in writing on the issues included in the agenda prior to the beginning of the meeting of the Board of Directors in accordance with the clause 33.5 of the Charter of the Company and the clause 13.13 of these Regulations.

13.15. Resolutions at meetings of the Board of Directors shall be adopted by means of open voting by simple majority of members of the Board of Directors present at the meeting, unless otherwise stipulated in this Charter and the Federal law "On Joint Stock Companies".

13.16. Each member of the Board of Directors has one vote at the meetings of the Board of Directors. Transfer of vote by a member of the Board of Directors to another member of the Board of Directors is not allowed.

13.17. Voting of members of the Board of Directors upon the issues included in the agenda shall be executed by the voting list upon the issues included in the agenda which shall be signed by all members present at the meeting of the Board of Directors.

13.18. Members of the Board of Directors who vote against the resolution on the issue put to a vote may submit to the Corporate Secretary their opinion in writing on that issue within two consecutive days from the date of the meeting which shall be attached to the minutes of the meeting of the Board of Directors.

13.19. The Chairman of the Board of Directors may decide on holding the meeting of the Board of Directors in the form of a video conference by means of electronic on line information exchange systems.

13.19.1. In course of preparing the meeting of the Board of Directors held in the form of a video conference the Chairman of the Board of Directors shall sign and provide delivery to members of

the Board of Directors of notices of holding the meeting in the form of a video conference including:

- date and place of the meeting held in the form of a video conference;
- places provided with the appropriate equipment for information exchange and recording of the meeting;
- the list of issues included in the agenda of the meeting.

13.19.2. Meeting of the Board of Directors held in the form of a video conference shall be recorded on the electronic media (video tape, video disc etc.)

13.19.3. The place of the meeting of the Board of Directors held in the form of a video conference is deemed to be the studio of the presiding person in which the recording on the electronic medium is provided, such electronic media to be attached to the minutes of the meeting.

13.19.4. Issues containing confidential information (commercial secrecy) of the Company shall not be discussed or considered at the meeting of the Board of Directors held in the form of a video conference.

13.19.5. Resolutions of the Board of Directors passed as a result of voting upon the issues included in the agenda which are recorded on the electronic media with the recording of the meeting are accounted in drafting the minutes of the meeting of the Board of Directors.

13.19.6. The minutes of the Board of Directors held in the form of a video conference shall be submitted to members of the Board of Directors within the prescribed procedure. The electronic medium with the recording of the meeting shall be attached to the minutes of that meeting.

13.20. In case of the meeting of the Board of Directors held in the form of a video conference resolution of the Board of Directors is considered passed if supported by a majority of elected members of the Board of Directors.

13.21. Meetings of the Board of Directors may be held by absentee voting (by ballot) at the discretion of the Chairman of the Board of Directors. In case the meeting of the Board of Directors is called at the discretion of the persons named in 33.3 of the Charter of the Company and 13.4 of these Regulations, the form of the meeting of the Board of Directors may be determined by the persons who have initiated the convening of the meeting of the Board of Directors.

13.21.1. Resolution of the Chairman of the Board of Directors on holding the meeting by ballot shall contain:

- formulation of the issues included in the agenda;
- formulations of draft resolutions upon the issues included in the agenda;
- the form of the voting ballot;
- the list of information (materials) to be provided to members of the Board of Directors;
- the date of sending the ballots to members of the Board of Directors;
- the date and address for receipt of voting ballots.

13.21.2. The Chairman of the Board of Directors shall decide on holding the meeting by absentee voting (by ballot) within 5 consecutive days from the moment when he receives the duly executed request from the persons named in the clause 33.3 of the Charter of the Company.

13.21.3. Resolution on absentee voting adopted by the Chairman of the Board of Directors, voting ballots and other information (materials) to be provided to members of the Board of Directors shall be sent at the addresses of the said members by registered mail with return receipt requested or delivered personally to members of the Board of Directors against receipt no later than the date determined for providing the voting ballots to members of the Board of Directors. In case of sending the documents by registered mail the date of actual delivery to members of the Board of Directors shall be determined according to the date specified in the return receipt for the said correspondence.

13.21.4. The date for receipt of ballots (written opinions) sent in order to determine the results of the absentee voting in the course of passing resolutions by the Board of Directors may not be

earlier than 5 and later than 15 consecutive days from the date of sending ballots to members of the Board of Directors.

13.21.5. The date for receipt of the ballot (written opinion) from a member of the Board of Directors in the course of passing resolutions by absentee voting shall be determined according to the date of the post stamp on sending the registered mail with the return receipt requested by which executed ballots are sent at the address of the Board of Directors, or according to the date of actual delivery of the ballots at the address specified for receipt of ballots.

13.21.6. Members of the Board of Directors are considered present at the meeting of the Board of Directors held in the form of absentee voting in case their ballots were sent by mail or delivered at the address specified for receipt of ballots no later than the determined deadline for receipt of ballots.

13.21.7. The Corporate Secretary of the Company shall draft the minutes upon the results of the absentee voting within 3 days to which all ballots received from members of the Board of Director within the prescribed term shall be attached. Resolutions passed by the Board of Directors by absentee voting shall be announced to members of the Board of Directors within the procedure provided by these Regulations and within 5 consecutive days from the date of signing the appropriate minutes by the Chairman of the Board of Directors.

13.21.8. Resolution of the Board of Directors adopted at the meeting of the Board of Directors comes into force from the date at which the results of the voting upon the appropriate issue are announced.

13.21.9. Resolution of the Board of Directors is considered adopted by absentee voting in case it was supported by a majority of elected members of the Board of Directors.

14. Minutes of meetings of the Board of Directors

14.1. The minutes of meetings of the Board of Directors shall be kept by the Corporate Secretary or other person appointed by the Corporate Secretary. The minutes of a meeting of the Board of Directors shall be executed no later than 3 days from the date of the meeting.

14.2. The minutes of the meeting of the Board of Directors shall include:

- place and date of the meeting;
- names of persons present at the meeting;
- the agenda of the meeting;
- the issues put to a vote and the results of voting upon such issues;
- the resolutions passed.

14.3. The minutes of the meeting of the Board of Director shall be signed by the member presiding at the meeting who is responsible for the accuracy of the minutes and by the Corporate Secretary and affixed by the seal of the Board of Directors of the Company.

14.4. Voting lists upon the issues included in the agenda, written resolutions received from members of the Board of Directors within the procedure provided by the Charter of the Company, voting ballots and other documents to be provided by members of the Board of Directors according to these Regulations shall be attached and/or filed to the minutes of meetings of the Board of Directors.

14.5. The Company shall keep the minutes specified in 14.4 at the location of its executive body or in other place determined by the Board of Directors of the Company. The Corporate Secretary of the Company is responsible for keeping the said documents and materials.

15. Relationships with other management and control bodies of the Company

15.1. Resolutions passed by the General Meeting of Shareholders of the Company within the competence of this supreme management body determined by the Federal law "On Joint Stock Companies" and the Charter of the Company are binding for the Board of Directors.

15.2. The Board of Directors shall be represented before other management and/or control bodies of the Company by the Chairman of the Board of Directors or by other person duly authorized by

resolution of the Board of Directors and acting by the power of attorney signed by the Chairman of the Board of Directors.

15.3. Members (member) of the Board of Directors who have the opinion other than the agreed position of the Board of Directors upon any issue referred to the competence of the Board of Directors may set forth their arguments and announce their opinion to shareholders at the General Meeting of Shareholders of the Company.

15.4. Member of the Board of Directors who is disagree with any resolution passed by the Board of Directors may not argue or comment that resolution of the Board of Directors in mass media until that resolution of the Board of Directors is recognized as invalid by legal procedure.

15.5. The President (Chairman of the Management Board) of the Company, members of the Management Board of the Company and heads of subdivisions of the Company shall promptly provide complete and reliable information upon requests by members of the Board of Directors concerning the issues included in the agenda of the meeting of the Board of Directors. In this case the information requested shall be provided to the Corporate Secretary to be announced by him to the member of the Board of Directors who has applied with such request.

16. Responsibility of members of the Board of Directors

16.1. Members of the Board of Directors shall exercise their rights and perform their duties for the benefit of the Company, reasonably and in good faith.

16.2. Members of the Board of Directors bear full material responsibility before the Company for direct actual loss and recover damages incurred to the Company by their guilty actions (omissions), unless other grounds and measure of responsibility are stipulated in federal laws. However, members of the Board of Directors shall not be held responsible who voted against the resolution which had caused such damages to the Company or did not participate in that voting.

16.3. Ordinary course of business and other circumstances significant for the case may be taken into account in determining the grounds of responsibility and the amount of loss (damages).

16.4. The Company or shareholder possessing no less than 1 per cent of ordinary distributed shares of the Company may apply to the court with the claim against a member of the Board of Directors on recovery of damages incurred to the Company in the case provided by 16.2 of these Regulations.

17. Approval and amendments of the Regulations on the Board of Directors

17.1. The Regulations on the Board of Directors is subject to approval by the General Meeting of Shareholders of the Company and is binding for all members of the Board of Directors.

17.2. These Regulations may be amended and/or added or approved as amended by the General Meeting of Shareholders.

17.3. In case certain provisions of these Regulations become contradicting to any amendments made in the applicable legislation of the Russian Federation, such provisions of the Regulations shall not be applied; in this case members of the Board of Directors shall act in accordance with the applicable legislation of the Russian Federation and the provisions of the Charter of the Company.