

APPROVED
By the General Meeting of
Shareholders of the Open Joint Stock Company
“Novolipetsk Steel”
Minutes #30
05 June, 2009

REGULATIONS ON THE MANAGEMENT BOARD
of the Open Joint Stock Company
“Novolipetsk Steel”
(Restated)

Lipetsk, 2009

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These Regulations comply with the Civil Code of the Russian Federation, Federal law “On Joint Stock Companies” and the Charter of the Open Joint Stock Company “Novolipetsk Steel” (hereinafter “Company”) and governs the procedures of the Management Board of the Company.

1. General provisions

1.1. The Management Board is the collegial executive body of the Company; it acts in accordance with the Charter of the Company and these Regulations subject to approval by the General Meeting of Shareholders of the Company.

The exclusive competence of the Management Board shall be determined by the Charter of the Company and these Regulations

1.2. The Chairman of the Management Board is the President of the Company.

1.3. The Management Board shall act in accordance with the applicable legislation of the Russian Federation, the Charter of the Company, these Regulations and resolutions adopted by the General Meeting of shareholders and the Board of Directors.

2. Objectives and principles of the Management Board

2.1. The objective of the Management Board is to ensure the efficient operation of the Company.

2.2. In order to reach its objective the Management Board shall comply with the following principles:

- prompt and most objective decision-making in the interests of the Company and its shareholders;
- fair, prompt and effective performance of resolutions passed by the General Meeting of Shareholders and the Board of Directors of the Company;
- cooperation with trade union organizations of the Company’s employees in order to account the interests of employees;
- cooperation with governmental bodies and local authorities for the most socially significant issues.

3. Competence of the Management Board

Competence of the Management Board includes:

3.1. Elaboration and submission, for the Board of Directors’ approval, of the development framework, long-term plans and principal programmes of the Company operation, including the Company’s budget and investment programmes, as well as preparation of reports on their performance, along with the development and approval of the current plans of the Company’s operation;

3.2. Setup of interaction procedures, including approval of the corresponding instructions, regulations, etc., with the Company’s subsidiaries, associates and other legal entities, in which the Company is a shareholder, founder or a member;

3.3. Appointment of the Company’s representatives to participate in the shareholders' meetings of subsidiaries, associates and other legal entities, in which the Company is a shareholder, founder or a member and also approval of agenda voting instructions for such representatives;

3.4. Approval of suggestions to the agenda of meetings, sessions of the senior management of the subsidiaries, associates and other legal entities, in which the Company is a shareholder, founder or a member, list of nominees to the management and control bodies and also approval of a list of nominees for the management and control bodies;

3.5. Determination of stand (including in the form of recommendations or opinions) on the issues to be considered by the managerial bodies of the subsidiaries, associates and other legal entities, in which the Company is a shareholder, founder or a member, related to the approval of their budgets, principal lines of development, management structure and other issues significant for the Company;

3.6. Recommendations submission to the Board of Directors on approval of major transactions and/or of interested-party transactions to be considered by the Board of Directors in line with its competence;

3.7. Recommendations submission to the Board of Directors as regards priority lines of the Company’s operation, including elaboration and submission for consideration by the Board of Directors of development concepts of subsidiaries, associates and other legal entities, in which the

Company is a shareholder, a founder or a member;

3.8. Approval of transactions with the Company's assets, if the amount of transaction or the cost of the subject asset exceeds 10% of the book value of the Company's assets as at the last reporting date (excluding transactions concluded in the normal course of business).

3.9. Deciding on the Company's participation in other organizations and on cessation thereof, (except for organizations subject to decisions of the General Shareholders meeting or Board of Directors as per the Company Charter).

Powers of the Management Board described in clauses 3.2, 3.3, 3.4, 3.5 and 3.7 above shall be exercised in relation to the subsidiaries, associates and other legal entities, in which the Company is a shareholder, founder or a member. The criteria of materiality are to be defined by the Board of Directors.

4. Composition and procedure of forming the Management Board

4.1. The Management Board is formed in accordance with the Charter of the Company. The structure and quantitative composition of the Management Board shall be approved by the Board of Directors as advised by the President (the Chairman of the Management Board). The list of persons – members of the Management Board is approved by the Board of Directors from the list of candidates proposed by the President (Chairman of the Management Board). In case the candidates proposed by the President (Chairman of the Management Board) are rejected by the Board of Directors, the President (Chairman of the Management Board) has the right to re-nominate the candidates to form the Management Board. The Board of Directors has the right to independently approve other persons as Management Board members in case the candidates proposed by the President (Chairman of the Management Board) were rejected twice.

4.2. The President (Chairman of the Management Board) organizes Management Board activities and ensures timely decision-making.

In absence of the President (Chairman of the Management Board) his duties shall be performed by his deputy to be appointed by the Board of Directors.

4.3. Within the Management Board structural units shall be formed. Regulations defining among other things the scope of competence of the said units shall be approved by the Board of Directors of the Company.

4.4. The Management Board might include members of the Management Board with an advisory vote right concerning the issues considered by the Management Board.

4.5. To assist the activities of the Management Board there may be formed a Secretariat. The head of the Secretariat shall appoint a secretary to keep records of the Management Board meetings.

4.6. Members of the Management Board shall perform their duties until a new Management Board structure is approved and/or the membership of the Management Board is changed.

4.7. Contract with each member of the Management Board shall be concluded on behalf of the Company by the Chairman of the Board of Directors or by a person appointed by him and may be terminated at any time by resolution of the Board of Directors in accordance with the current applicable legislation of the Russian Federation.

4.8. Members of the Management Board may not be members of the Audit Commission and/or Counting Commission of the Company.

5. Procedure of meetings and passing resolutions of the Management Board

5.1. The meetings of the Management Board shall be summoned as required. Meetings of the Management Board shall be summoned by the President (Chairman of the Management Board) at his discretion or upon the request of a member of the Management Board or upon request of the Board of Directors, Auditor or Audit Commission of the Company.

The President (Chairman of the Management Board) and in his absence his/her deputy is to convoke and hold the meeting of the Management Board within 10 days from receipt date the corresponding request.

5.2. The agenda of the forthcoming meeting of the Management Board shall be approved by the President (Chairman of the Management Board) or, in his absence – by his/her deputy. The draft agenda of the Management Board meeting shall be made up by the Management Board Secretariat

with respect to the suggestions received from members of the Management Board.

5.3. Members of the Management Board shall be notified of the place, date, time and agenda of the meeting of the Management Board by the Management Board Secretariat at minimum 3 days' notice. Meetings of the Management Board shall be held at the place determined by the person convoking the meeting of the Management Board.

5.4. Members of the Management Board may review the information (materials) on the issues included in the agenda submitted by the Secretariat of the Management Board before the meeting.

5.5. The quorum for passing resolutions at the meeting of the Management Board shall be constituted by no less than a half of the Management Board members present at such meeting. To determine the quorum the Management Board members personally present at the meeting and those who have submitted to the President (Chairman of the Management Board) their written opinions on the agenda issues prior to the meeting shall be taken into account. Advisory vote of a Board member shall be considered neither when passing resolutions by the Company Board, nor when determining the quorum.

5.6. The Management Board meetings shall be presided by the President (Chairman of the Management Board) or, in his absence, his/her deputy. In the absence of both the President (Chairman of the Management Board) and the person acting as the President (Chairman of the Management Board), one of members of the Management Board shall preside in accordance with the resolution adopted by the Management Board.

5.7. Each member of the Management Board shall have one vote for the purposes of passing resolutions at the meetings of the Management Board. Transfer of a vote by a member of the Management Board to another person, including another member of the Management Board, is not allowed. Resolutions at the meetings of the Management Board shall be passed by a simple majority of votes (more than a half of members present at the meeting). The vote of the person presiding the meeting of the Management Board is casting vote.

5.8. Members of the Management Board shall be present at the meetings of the Management Board. In case a member of the Management Board is unable to participate in the meeting of the Management Board, such member shall give the appropriate prior notice to the President (Chairman of the Management Board).

5.9. Voting shall be open and roll call. The opinion of each present member of the Management Board shall be reflected in the minutes of the meeting of the Management Board. In case a part of members of the Management Board are not present at the meeting, absent members may participate in the voting by submitting their written opinions on the agenda issues of the Management Board meeting (by ballot).

5.10. The Secretary of the meeting shall keep minutes (records) of the Management Board meetings. Minutes of a Management Board meeting shall be made up within three working days from the date of such meeting or the deadline for receipt of ballots, if the resolution of the Management Board is to be passed by absentee voting.

The minutes of the meeting shall specify:

- place and date of the meeting;
- persons participating in the meeting (either personally present, or those who submitted their opinions in writing as per the procedure described herein);
- the agenda of the meeting;
- issues put to a vote and the results of voting upon such issues;
- resolutions passed.

The minutes of the meeting of the Management Board shall be signed by a person presiding at the meeting, responsible for correctness of the minutes and certified by the Secretary of the Management Board meeting.

5.11. Voting lists (voting ballots) on the agenda items, written opinions of members of the Management Board and other documents received hereunder shall be attached and/or filed to minutes of meetings of the Management Board or to minutes of resolutions of the Management Board passed by absentee voting (by ballot).

5.12. Minutes of meetings of the Management Board and minutes of the Management Board resolutions passed by absentee voting shall be kept at the principal office of the Company according

to the procedure and within the terms stipulated in the applicable legislation of the Russian Federation.

5.13. Resolutions of the Management Board may be adopted by absentee voting (by ballot) without holding a meeting. Resolution on absentee voting shall be passed by the Chairman of the Management Board. Voting ballots and other information (materials) shall be delivered directly to the Management Board members against receipt no later than 3 days prior to the voting ballots acceptance deadline, or sent by registered mail no later than 7 days prior to the date for ballots acceptance. Delivery of ballots against receipt and acceptance of the voting ballots shall be done by the Secretariat of the Management Board at the place and as per the procedure and terms stipulated in the resolution of the President (Chairman of the Management Board) on absentee voting.

5.14. Those Management Board Members whose ballots have been submitted at the ballot acceptance desk not later than the specified deadline for the voting ballots acceptance shall be deemed participants of the voting performed by ballot.

6. Requirements to the Management Board members. Responsibilities of the Management Board Members.

6.1. Members of the Management Board shall act in the interests of the Company and perform their duties and exercise their rights in respect of the Company reasonably and in good faith.

6.2. Members of the Management Board shall submit an appropriate application in the name of the President (Chairman of the Management Board) of the Company, stating their direct or indirect participation in other companies, at a month's notice from the date of their candidatures approval by the Company Board of Directors.

6.3. Members of the Management Board shall provide the Board of Directors of the Company, the Audit Commission and the Auditor of the Company with information regarding:

- legal entities in which they hold 20 or more per cent of voting shares (interests, stocks) either solely or jointly with their affiliated parties;
- legal entities in which they hold offices in management bodies;
- actual or intended transactions of the Company of which they are aware and in which they may be considered interested.

6.4. In case a member of the Management Board is interested in a transaction to which the Company is or intends to be a party, or the interests of the said member otherwise contradict with the interests of the Company in respect of an actual or intended transaction, such member shall inform the Board of Directors, the Audit Commission and the Auditor of the Company in writing thereof prior to passing the resolution on such a transaction.

6.5. Members of the Management Board may not participate in organizations competing with the Company during the term of their office.

6.6. Members of the Management Board may combine their offices with those in management bodies of other organizations only upon the Board of Directors' consent.

6.7. Members of the Management Board may perform their duties under their labour agreements and/or civil contracts in other organizations only upon consent of the Management Board.

6.8. Members of the Management Board shall inform the Board of Directors of the Company of the Company's securities held by them and sale and/or purchase thereof.

6.9. Members of the Management Board shall bear full material responsibility for direct actual loss and recover all damages incurred to the Company by their culpable actions (omissions).

In this case members of the Management Board who had voted against the resolution which caused such damages to the Company or did not participate in that voting shall not be held responsible before the Company.

In case several members of the Management Board of the Company are responsible before the Company, they shall bear joint responsibility.

Members of the Management Board shall be held disciplinary liable for actions or negligence that caused damage to the Company through their failure to perform their duties. Prosecution of the

President (Chairman of the Management Board) or members of the Management of the Board is subject to the Board of Directors' decision.

6.10. The President (Chairman of the Management Board) of the Company and members of the Company Management Board shall promptly provide complete and reliable information upon the requests of members of the Board of Directors regarding the agenda issues of the Board of Directors meeting. The requested information shall be provided to the Corporate Secretary to further submit it to the member of the Board of Directors who has made such request.

7. Remuneration of members of the Management Board and reimbursement of the expenses arising in connection with performance of their duties

7.1. Members of the Management Board within their office period shall be entitled to remuneration and reimbursement of the expenses arising in connection with their functioning as members of the Company Management Board.

7.2. Conditions and procedures of such remunerations shall be determined in the contracts to be concluded with members of the Management Board, in accordance with the Regulations on remuneration of members of the Company Management Board as approved by the Board of Directors of the Company and as advised by the Committee on personnel and remunerations.

8. Approval and amendments to the Regulations

8.1. These Regulations binding for all members of the Management Board, any new revisions, amendments and/or additions hereto are subject to approval by the General Shareholders Meeting in accordance with the Federal law "On Joint Stock Companies".

8.2. In case certain provisions of these Regulations become contradicting to any amendments made to any applicable legislation of the Russian Federation, such provisions of the Regulations shall become void; in this case members of the Board of Directors shall act in accordance with the applicable legislation of the Russian Federation until these Regulations are amended.