

APPROVED BY
Decision of the Annual General
Shareholders' Meeting of the OJSC MMK
dated May 24, 2013, # 36

Chairman of the Meeting:

(V.F. Rashnikov)

CHARTER
OF THE MAGNITOGORSK IRON AND STEEL WORKS
OPEN JOINT STOCK COMPANY

City of Magnitogorsk

CONTENT

CHARTER	1
Article 1	3
Name and Address of the Company	3
Article 2	3
Legal Status of the Company	3
Article 3	4
Goals and Types of the Company's Activity	4
Article 4	5
The Company's shares. The Company's Authorized Capital	5
Article 5	7
Rights of the Shareholders	7
Article 6	7
The Company's Shareholders' Register	7
Article 7	8
Funds and Dividends of the Company	8
Article 8	9
Bonds and Other Securities of the Company	9
Article 9	9
Management of the Company	9
Article 10	9
General Shareholders' Meeting	9
Article 11	15
The Company's Board of Directors	15
Article 12	22
Chairman of the Board of Directors	22
Article 13	24
Collective executive body – the Management Board of the Company	24
Article 14	24
General Director, the Individual Executive Body of the Company	24
Article 15	27
The Company's Corporate Secretary	27
Article 16	28
Supervision of the Company's Financial and Business Activities	28
Article 17	30
Responsibilities of the Members of the Company's Governing Bodies	30
Article 18	30
The Company's Branches and Representative Offices	30
Article 19	30
Keeping of Documents of the Company. Information on the Company.	30
Article 20	31
Reorganization or Liquidation of the Company	31

The Magnitogorsk Iron and Steel Works Open Joint Stock Company (hereinafter referred to as the “Company”) was founded pursuant to Decree # 721 of the President of the Russian Federation “On Organizational Measures for the Transformation of State Enterprises and Voluntary Associations of State Enterprises into Joint Stock Companies” of July 1, 1992.

In its activities the Company is guided by the Civil Code of the Russian Federation, the Federal Law “On Joint Stock Companies” (hereinafter referred to as “the Law”), other legislative enactments of the Russian Federation, this Charter, and the Company’s internal regulations.

Article 1

NAME AND ADDRESS OF THE COMPANY

1.1 The full official name of the Company shall be as follows:

- in Russian: Открытое Акционерное Общество “Магнитогорский металлургический комбинат”;
- in English: Open Joint Stock Company Magnitogorsk Iron and Steel Works.

1.2. The abbreviated name of the Company shall be as follows:

- in Russian: ОАО ММК
- in English: OJSC ММК.

1.3. Address of the Company:

455000, Челябинская область, г.Магнитогорск, ул. Кирова, 93 (Ul. Kirova 93, Magnitogorsk, Chelyabinsk Region, 455000, Russia).

Article 2

LEGAL STATUS OF THE COMPANY

2.1 The Company is a legal entity which owns separate property entered in the Company’s independent balance sheet, and can, on its own behalf, acquire and exercise property and personal non-property rights, assume liabilities and obligations and act as a plaintiff or a defendant in court.

The Company can open bank accounts on the territory of the Russian Federation and beyond.

The Company has its own round seal with the full official name and address of the Company in the Russian language.

The Company has seals, stamps and letterhead forms with its name, logo, duly registered trade mark and other means of visual identification.

2.2 As of the moment of foundation, the founder of the Company was the State Committee of the Russian Federation for State Property Management.

2.3 The Company is responsible for its obligations with all its property.

The shareholders do not answer for the Company’s obligations and bear the risk of losses in connection with the Company’s activity to the extent of their shares’ value.

The Company does not answer for the shareholders’ obligations.

2.4 The Company is the successor and assignee of the state-owned enterprise which bore the name of the V.I. Lenin Magnitogorsk Iron and Steel Works.

Article 3

GOALS AND TYPES OF THE COMPANY'S ACTIVITY

3.1 The main goal of the Company's activity is the gaining of profit.

The Company's strategic objective is to maintain its long-term competitiveness on the world rolled steel markets.

3.2 The main activities of the Company are as follows:

- metallurgical production, including production of pig iron, steel, semi-finished products (billets) for re-rolling, production of hot rolled long and flat steel products, production of cold rolled flat steel products without and with protective coatings, etc.;
- production of coke;
- chemical products production, including production of industrial gases, nitrogen compounds, other main organic chemical substances and other chemical products;
- mining operations, including iron ore open-cast mining, mining of limestone, clay and other minerals, beneficiation and preparation of ore materials for reprocessing and consumption and their sale;
- geological exploration, geophysical and geochemical works in the field of sub-soil resources studying;
- treatment of ferrous and non-ferrous metal scrap, wholesale of scrap;
- production and sale of finished metal articles;
- generation, transmission and distribution of electric power, steam and hot water, including among others thermal electric power stations and industrial isolated generation plants; activities on securing operability of electrical and heat-supply networks; purification and distribution of water; activities on disposal and treatment of sewage and solid wastes;
- construction activities;
- operation of industrial rail-way transportation;
- storage and warehousing of cargos, management of cargo transportation;
- activities in the area of communications, including telephone communications, documentary telecommunications and other telecommunications;
- protection of state secrets;
- carrying out activities related to use of state secret information;
- real estate operations, lease of machinery and equipment;
- implementation of investment activities;
- services of industrial and non-industrial nature, including social services, to companies, organizations and individual persons;
- foreign economic and trade activity;

- other activities not prohibited by Federal laws.

3.3 The Company has civil rights and responsibilities necessary for carrying out any activities not prohibited by Federal laws.

Certain activities established by federal laws may only be carried out by the Company under a special authorization (license). If the terms and conditions of obtaining a special authorization (license) for a certain activity include a requirement that such an activity be implemented on an exclusive basis, then the Company, for the duration of the validity of such special authorization (license), shall not be entitled to carry out any other activities, with the exception of those set out in such special authorization (license) and associated therewith.

3.4 The Company shall provide information on its activities through the Magnitogorsky Metall and Magnitogorsky Rabochiy dailies, through the Company's TV channel TV-IN as well as through placing documents and information in electronic format on its Internet Web site www.mmk.ru.

Article 4

THE COMPANY'S SHARES. THE COMPANY'S AUTHORIZED CAPITAL

4.1 The authorized capital of the Company is 11,174,330,000 (eleven billion one hundred seventy four million three hundred and thirty thousand) rubles.

4.2 The authorized capital of the Company is comprised of the par value of 11,174,330,000 (eleven billion one hundred seventy four million three hundred and thirty thousand) ordinary registered shares with a par value of 1 ruble each.

4.3 The number of the Company's placed shares is 11,174,330,000 (eleven billion one hundred seventy four million three hundred and thirty thousand) ordinary registered shares.

Shares are securities issued by the Company and establishing the right of their owners (shareholders) to a part of the Company's profit in the form of dividend, to participation in the management and to a part of property left after the liquidation of the Company.

The Company shall place ordinary shares and be entitled to place preferred shares of one or several types. The total par value of preferred shares shall not exceed 25% of the Company's authorized capital.

4.4 The Company shall be entitled to place, in addition to the ordinary shares already placed, ordinary shares in the quantity of 26,299,840,577 shares (declared shares), with a par value of 1 (one) ruble. Declared ordinary shares shall grant the same rights as placed ordinary shares.

4.5 The Company's authorized capital shall determine the minimum amount of the Company's assets securing the rights of its creditors.

4.6 The formation of the authorized capital, the procedure, form and terms of the shares' payment during the initial placement are determined in the Privatization Plan.

4.7 The authorized capital of the Company can be increased by raising the shares' nominal value or by placing additional shares.

4.8 A decision regarding an increase of the Company's authorized capital by raising the shares' nominal value shall be taken by the General Shareholders' Meeting.

Increase of the Company's authorized capital by raising the shares' nominal value shall only be effected through contributing the Company's property assets.

4.9 A decision regarding an increase of the Company's authorized capital by placing additional shares shall be taken by the Company's Board of Directors if not otherwise provided for by the Law.

4.10 The decision regarding an increase of the Company's authorized capital by placing additional shares shall include the following:

- the number of additional ordinary and preferred shares of each type to be placed within the limits of the declared quantities for each type (category) of shares;
- the method of shares' placement;
- the placement price of additional shares placed by subscription, or the procedure for determining thereof (including while exercising a preferential right for acquiring additional shares), or the indication that such price or procedure for determining thereof shall be established by the Company's Board of Directors not later than the start date for the placement of shares; the form of payment for additional shares placed by subscription;

The decision regarding an increase of the Company's authorized capital by placing additional shares may include other terms and conditions for the placement thereof.

The placement price for additional shares or the procedure for determining thereof shall be established in accordance with Article 77 of the Law.

4.11 Amendments and additions to the Company's Charter, including amendments related to the increase of the Company's authorized capital, shall be made following placement of the Company's shares and based on the decision of the General Shareholders' Meeting or the Company's Board of Directors on such increase and on a registered report on the shares' issue results, or, if the shares' issue procedure prescribed by federal laws does not require state registration of such a report, based on an excerpt from the state securities' register. When increased by placement of additional shares, the authorized capital shall be increased by the sum of the aggregate par value of the additional shares placed, while the number of declared shares of the relevant categories and types shall be reduced by the number of placed additional shares of certain categories and types.

4.12. The Company may, and in cases provided for by the Law, must decrease its authorized capital.

The Company's authorized capital may be decreased by reducing the shares' par value or their total number, inter alia, through buying back a part of shares, in cases provided for by the Law.

Amendments and additions to the Company's Charter shall be made following the placement of the Company's shares based on a decision of the General Shareholders' Meeting regarding a decrease of the authorized capital by decreasing the shares' par value and on a registered report on the shares' issue results, or, if the shares' issue procedure prescribed by federal laws does not require state registration of such a report, based on an excerpt from the state securities' register.

Amendments and additions to the Company's Charter related to the decrease of the Company's authorized capital by means of acquisition of the Company's shares for the purpose of their cancellation, shall be made based on a decision of the General Shareholders' Meeting on such decrease and a report on the shares' cancellation results approved by the Company's Board of Directors.

Amendments and additions to the Company's Charter related to the decrease of the Company's authorized capital by means of cancellation of the Company's own shares as provided for by the Law, shall be made based on a decision of the General Shareholders' Meeting on such a decrease and a report on the shares' cancellation results approved by the Company's Board of Directors. In such cases the Company's authorized capital shall be decreased by the amount of the cancelled shares' par value.

4.13 By decision of the General Shareholders' Meeting the Company shall be entitled to consolidate placed shares by converting two or more shares into one new share of the same category (type), with relevant amendments introduced in the Company's Charter concerning the

par value and the quantity of the Company's placed and declared shares of the corresponding category (type).

4.14 By decision of the General Shareholders' Meeting the Company shall be entitled to split shares by converting one share into two or more shares of the same category (type).

Relevant amendments shall be introduced in the Company's Charter concerning the par value and the quantity of the Company's placed and declared shares of the corresponding category (type).

4.15 By decision of the Board of Directors the Company shall be entitled to acquire its placed shares in accordance with p.2 of Article 72 of the Law.

4.16 Acquisition of more than 30 percent of the voting shares of the Company is effected pursuant to the requirements set out in Chapter XI.1 of the Law.

4.17 The Board of Directors (members of the Board of Directors) of the Company and the individual executive bodies of the Company (members of such bodies) shall be prohibited in the event of acquisition of major shareholding to take any actions aimed at protection of the interests of these bodies (members of these bodies) and worsening the condition of shareholders in comparison with the existing condition (in particular, the Board of Directors shall be prohibited prior to the contemplated date of acquisition of shares to adopt resolutions on issue of additional shares, securities which can be converted into shares, or securities which provide the right of acquisition of the shares of the Company).

Article 5

RIGHTS OF THE SHAREHOLDERS

5.1 All ordinary shares of the Company grant an equal scope of rights to their holders.

5.2. Holders of the Company's ordinary shares, in accordance with the Law and this Charter, have the right to participate in General Shareholders' Meetings with the right of vote on all matters within the meeting's competence, receive dividends or a part of the Company's property at its liquidation.

5.3 Holders of the Company's ordinary shares have other rights and obligations as provided for by the applicable laws of the Russian Federation and the Company's Charter.

Article 6

THE COMPANY'S SHAREHOLDERS' REGISTER

6.1 The Company's shareholders' register shall contain information on all registered persons, the number and category (type) of shares entered in the name of each registered person, and other information as prescribed by the laws of the Russian Federation.

6.2. The Company shall arrange for the Company's shareholders' register to be maintained and kept in accordance with the Russian Federation laws. The Company shall entrust the maintenance and keeping of the shareholders' register to a registrar.

Having entrusted the maintenance and keeping of the shareholders' register to the registrar shall not release the Company from the responsibility therefor.

6.3. The person entered in the Company's shareholders' register shall give prompt notice to the Company's registrar of any changes in such person's details. Should such a person fail to provide such information, the Company and the registrar shall be exempt from any responsibility for the losses incurred in connection therewith.

6.4. Entries in the shareholders' register shall be made at the request of a shareholder, a nominee shareholder or other persons as provided for by the Law, not later than three days from the date of presentation of documents set out in the relevant laws of the Russian Federation. Such laws may provide for a shorter period of making such entries in the register.

6.5. At the request of a shareholder or a nominee shareholder, as confirmation of their right to the shares, the Company's registrar shall issue a relevant statement from the Company's shareholders' register which statement shall not be deemed a security.

Article 7

FUNDS AND DIVIDENDS OF THE COMPANY

7.1 The Company shall independently determine the spheres and the procedure of using the net profit in accordance with this Charter.

7.2. The Company shall set up a reserve fund in the amount of 5% of the authorized capital. The reserve fund shall be formed by mandatory annual deductions in the amount of 5% of the net profit until reaching the pre-determined amount.

The reserve fund of the Company is intended for covering losses, redemption of the Company's bonds and buy-back of the Company's shares if no other means are available.

The reserve fund cannot be used for other purposes.

7.3 The Company may, basing on the results for the first quarter or the first six or nine months of the financial year and/or results for the entire financial year take decisions (declare) to pay dividends on the placed shares, unless the Law provides otherwise. Decision on payment (declaration) of dividends for the first quarter or the first six or nine months of the financial year shall be made within three months from the end of the respective period.

7.4. The source of dividend payment shall be the Company's profit after taxes (the Company's net profit). The Company's net profit shall be determined on the basis of the Company's accounting reports.

7.5. Decisions regarding payment (declaration) of dividends shall be taken by the General Shareholders' Meeting. Such decision shall determine the amount of dividends for each category or type of shares, the form of payment thereof and the procedure for the payment of dividends in nonmonetary form, the date for determining persons that are entitled to receive dividends. With that the decision as to the date for determining persons that are entitled to receive dividends shall be taken only upon the suggestion of the Company's Board of Directors.

The amount of dividends shall not be higher than that recommended by the Company's Board of Directors.

Payment of dividends shall be made by transfer of funds to the shareholder's bank account specified in such shareholder's (registree's) questionnaire in the Company shareholders' register. On instructions of a shareholder who is a physical person, payment can be made by postal order to the address shown in the registree's questionnaire in the register, with the postal costs being for the shareholder's account and paid out of the dividends due, or in cash through the Company's cash office (as per passport details shown in the registree's questionnaire). The general shareholder's meeting may decide on a different procedure for payment of dividends.

7.6. The period of dividend payment, the date for determining persons that are entitled to receive dividends and other terms for dividend payment shall be defined by law.

7.7. Dividends shall not be calculated on shares on the Company's balance sheet.

7.8. Payment of dividend shall be made either by an agent entity or the Company itself.

7.9 In cases provided for by the Law the Company shall not be entitled to take the decision on payment (declaration) of dividends on shares or to pay dividends declared.

Article 8

BONDS AND OTHER SECURITIES OF THE COMPANY

8.1 The Company shall be entitled to issue and place bonds and other securities as provided for by the applicable laws of the Russian Federation.

Placement of bonds, shares or other securities by the Company shall be made by decision of the Company's Board of Directors.

The Company's placement of bonds convertible into shares, or other securities convertible into shares, shall be made by decision of the Company's Board of Directors.

The placement of bonds, redeemable by the Company's placed shares, shall be made by decision of the Company's Board of Directors.

The decision as to the placement of bonds, redeemable by the Company's placed shares, shall be taken in accordance with the rules provided in second and third paragraphs of article 33 of the Law.

Article 9

MANAGEMENT OF THE COMPANY

9.1 The governing bodies of the Company are:

- the General Shareholders' Meeting of the Company;
- the Board of Directors of the Company;
- Executive bodies comprising:
 - a) the collective executive body – the Management Board of the Company
 - b) the individual executive body – the General Director of the Company

9.2 The competence, rights, obligations, responsibilities, the procedure for calling and conducting meetings of the Company's management bodies are determined by the applicable laws of the Russian Federation, this Charter and the Company's internal regulations.

Article 10

GENERAL SHAREHOLDERS' MEETING

10.1 The supreme managing body of the Company is the general meeting of its shareholders.

10.2 The annual meeting of the shareholders shall be held not earlier than two months and not later than six months after the end of the financial year.

The Annual General Shareholders' Meeting shall take decisions regarding the election of the Company's Board of Directors, Internal Audit Committee, approval of the Company's Auditor, matters stated in subparagraph 11 of p. 1 of Article 48 of the Law and may also decide on other matters within its competence.

10.3 The following matters shall be within the competence of the general meeting of the shareholders:

- 10.3.1 amendments and additions to the Charter of the Company or approval of the revised Charter, except as otherwise provided for by the Law;
- 10.3.2 reorganization of the Company;
- 10.3.3 liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;
- 10.3.4 determination of the Board of Directors' composition, election of its members and early termination of their mandate;
- 10.3.5 setting the amount of remuneration and compensation to be paid to the members of the Board of Directors;
- 10.3.6 determination of the quantity, par value, categories (types) of declared shares and the rights granted by such shares;
- 10.3.7 increase of the Company's authorized capital by raising the shares' par value;
- 10.3.8 increase of the Company's authorized capital by placing additional shares within the quantity of declared shares, by closed subscription;
- 10.3.9 increase of the Company's authorized capital by placing, by closed subscription, of additional shares within the quantity of declared shares ;
- 10.3.9. increase of the Company's authorized capital by placing, by open subscription, of ordinary shares accounting for over 25% of the ordinary shares placed earlier;
- 10.3.10 reduction of the authorized capital of the Company by decreasing the shares' par value, acquisition by the Company of a part of shares for the purpose of reducing their total number, or by cancellation of the shares acquired or bought back by the Company;
- 10.3.11 constitution of the individual executive body (the General Director) and early termination of its mandate;
- 10.3.12 adoption of a decision regarding transfer of the authority of the individual executive body of the Company to a managing entity or a manager;
- 10.3.13 election of the members of the Internal Audit Committee and early termination of their mandate;
- 10.3.14 setting the amount of remuneration or compensation to be paid to the members of the Internal Audit Committee;
- 10.3.15 approval of the Company's Auditor;
- 10.3.16 adoption of a decision regarding payment (declaration) of dividend according to the results of the first quarter, first six or nine months of the financial year;
- 10.3.17 approval of the Company's annual financial statements and accounting reports, including profit and loss accounts, and distribution of the Company's profit (including payment (declaration) of dividends, with the exception of profit distributed as dividend after the first quarter, first six or nine months of the financial year) and losses of the Company after the end of the financial year;
- 10.3.18 determination of the procedure for conducting the Company's General Shareholders' Meeting;
- 10.3.19 share splitting and consolidation;
- 10.3.20 decisions on approval of transactions as provided for by Art.83 of the Law;
- 10.3.21 decisions on approval of large-scale transactions as provided for by Art.79 of the Law;

10.3.22 acquisition by the Company of placed shares as provided for by the Law;

10.3.23 decisions on participation in financial and industrial groups, associations and other conglomerations of business entities;

10.3.24 approval of internal regulations governing the activities of the Company's bodies;

10.3.25 decisions on filing a petition for delisting of the Company's shares and (or) securities convertible into its shares;

10.3.26 decisions on other matters as provided for by the Law.

10.4. Matters within the competence of the shareholders' general meeting cannot be referred for decision to the executive body of the Company.

Matters within the competence of the shareholders' general meeting cannot be referred for decision to the Company's Board of Directors, except as provided for by the Law.

10.5. The general shareholders' meeting shall have no right to consider or decide matters not referred to its competence by the Law.

The general shareholders' meeting shall have no right to take decisions on matters not included in its agenda, or to change the agenda.

10.6 Decisions of the general shareholders' meeting on matters put to the vote shall be adopted by the majority of the holders of the Company's voting shares taking part in the meeting, except as otherwise provided for by the Law.

Decisions on matters specified in paragraphs 10.3.1-10.3.3, 10.3.6, 10.3.8 - 10.3.9, 10.3.21-10.3.22 and 10.3.25 shall be adopted by 3/4 of the Company's voting shares' holders present at the general shareholders' meeting.

Decisions on matters specified in paragraphs 10.3.2, 10.3.7-10.3.9, 10.3.12, 10.3.14, 10.3.19-10.3.24 shall be adopted by the general shareholders' meeting only if proposed by the Company's Board of Directors.

Decision on the matter specified in paragraph 10.3.25 shall become effective provided that the total number of shares, requested to be bought-back, shall not exceed the number of shares that the Company may buy-back considering the limits specified in paragraph 5 of article 76 of the Law. 10.7 A notification on holding a general shareholders' meeting shall be issued not later than 30 days prior to the date of the meeting, In cases provided for by pp. 2 and 8 of Article 53 of the Law, notification regarding an extraordinary general shareholders' meeting shall be made not later than 70 days prior to the date of the meeting.

Within above periods the notification on holding a general shareholders' meeting shall be published in periodic printed publications - the Magnitogorskiy Rabochiy and Magnitogorskiy Metall daily newspapers, as well as on Internet site www.mmk.ru

The Company may also additionally inform its shareholders about a general meeting through other mass media (television, radio).

10.8 The notification regarding the general shareholders' meeting shall state the following:

10.8.1 the Company's full name and address;

10.8.2 form of the general shareholders' meeting (attendance or absentee voting);

10.8.3 date, place and time of the general meeting and a postal address for sending completed ballots, or, in case of absentee voting, the deadline for receiving voting ballots and the address to which completed ballots are to be sent;

10.8.4 time of the beginning of registration of persons taking part in the general meeting;

10.8.5 person to whom a shareholder may turn in case the Company violates the registration procedure;

10.8.6 date of making the list of persons entitled to participate in the general shareholders' meeting;

10.8.7 agenda of the general meeting;

10.8.8 procedure for familiarizing shareholders with information (materials) to be furnished during preparation for the general shareholders' meeting, and an address (es) at which such information (materials) can be made available.

10.8.9 other information as provided for by applicable laws.

10.9 During preparation for the general shareholders' meeting the Company's Board of Directors shall determine:

10.9.1 the form of the general shareholders' meeting (meeting by attendance or absentee voting);

10.9.2 date, place and time of the general meeting and a postal address for sending completed ballots, or, in case of absentee voting, the deadline for receiving voting ballots and the address to which completed ballots are to be sent;

10.9.3 date of making the list of persons entitled to participate in the general shareholders' meeting;

10.9.4 agenda of the general meeting;

10.9.5 procedure of notifying shareholders of the general meeting;

10.9.6 list of information (materials) to be furnished to shareholders during preparation for the general meeting and the procedure of furnishing thereof;

10.9.7 the form and the text of the voting ballot;

10.9.8 time of the beginning of registration of persons taking part in the general meeting.

The procedure for preparing for and conducting the general shareholders' meeting shall be set in accordance with the Law, this Charter, the Regulations on the General Shareholders' Meeting of OJSC MMK and by the normative legal acts of the Federal executive body on financial markets.

10.10 Shareholders (a shareholder) of the Company who own(s) at least 2 per cent of the Company's voting shares, shall be entitled to propose items for inclusion in the agenda of the general meeting and nominate candidates for the Board of Directors and the Audit Committee of the Company whose number shall not exceed the number of members of these bodies, and nominate a candidate for the position of the individual executive body).

Such proposals must be received by the Company not later than 40 days after the end of the financial year.

10.10.1 In the event when the proposed agenda of the extraordinary general shareholders' meeting includes the item on election of the Board of Director's of the Company shareholders (shareholder) of the Company who own at least 2 per cent of the Company's voting shares, shall be entitled to propose candidates for election to the Board of Director's of the Company, whose number shall not exceed the number of members of the Board of Director's of the Company.

The proposals mentioned in this sub-paragraph must be received by the Company not later than 45 days prior to the date of the extraordinary general shareholders' meeting.

10.11 Proposals of items for inclusion in the agenda of the annual general meeting and nomination proposals shall be made in written form and sent by post to the address of the

Company indicated in p.1.3 of this Charter or delivered by hand against signature to the Company's division responsible for receipt of written correspondence addressed to the Company.

10.11.1 Proposals of items for inclusion in the agenda of the annual general shareholders' meeting and nomination proposals shall specify the name(s) of the shareholder(s) making the proposal and the number and category of shares owned by them and shall be signed by shareholder(s).

10.11.2 Proposals of items for inclusion in the agenda of the general shareholders' meeting shall contain the wording of each item proposed. Proposals of items for inclusion in the agenda of the general shareholders' meeting may contain the wording of a decision for each item/

10.11.3 Proposals for nomination to the Board of Directors, the Audit Committee and to the position of the individual executive body of the Company shall specify:

- the name and details of the document (series, #, date and place of issue and the name of the issuing authority) identifying each proposed candidate,
- the name of the body for election to which he/she is nominated,
- information on age of the candidate (date of birth),
- information on education of the candidate,
- information on the positions held by the candidate during 5 preceding years, including positions held by the candidate in managing bodies of other legal entities (stating the full name of such legal entities and the date of assuming the corresponding office)
- information on the number of shares of the Company held by the candidate,
- other information on the candidate as required by the Company's internal documents.
- information on the number of shares of the Company held by the candidate.

Attached to proposals nominating candidates to the Company's Board of Directors, Audit Committee and the individual executive body, shall be written consents of the candidates to stand for the positions in question.

The Company pursuant to the legislation of the RF in force and according to the internal regulations shall take steps for nomination to the Company's Board of Directors of the candidates that meet the criteria for independent directors.

10.12 The Board of Directors shall not be entitled to make amendments in the wordings of items proposed for inclusion in the agenda of the general meeting, or draft decisions on such items.

In addition to items proposed for inclusion in the agenda of the general meeting by shareholders, or in case in absence of such proposals, or absence or insufficient number of candidates nominated by shareholders for constituting the relevant bodies, the Board of Directors shall be entitled to include items in the agenda or nominate candidates at its own discretion

10.13 The Company's Board of Directors shall review the proposals received and take decisions on their inclusion in the agenda of the general meeting or refusal to do so not later than five days after the expiry of the term specified in p.10.10 of this Charter. Items proposed by shareholder(s) shall be included in the agenda of the general meeting, and candidates nominated shall be included in the ballot lists for election to the Company's relevant bodies, with the exception of cases where:

- the shareholder(s) did not meet the deadline stipulated in p.10.10 hereof;

- the shareholder(s) do not own the number of the Company's voting shares required by p. 10.10 hereof;
- the proposal does not meet the requirements of p. 10.11 hereof; or
- the item proposed for inclusion in the agenda is not within the competence of the general shareholders' meeting, or does not conform to the requirements of the Law or other legislative enactments of the Russian Federation.

10.14 A well-founded decision of the Board of Directors of the Company refusing to include a proposed item in the agenda of the annual general meeting or to include a proposed candidate in the ballot lists for election to the relevant bodies of the Company shall be forwarded to the shareholder(s), who has (have) submitted the proposal, not later than 3 days after such decision is made.

In the event of the decision of the Board of Directors of the Company refusing to include a proposed item in the agenda of the annual general shareholders' meeting or to include a proposed candidate in the ballot lists for election to the relevant body of the Company, or in the event of divergence by the Board of Directors from taking such a decision the shareholder may take legal action asking the court to compel the Company to include a proposed item in the agenda of the annual general shareholders' meeting or to include a proposed candidate in the ballot lists for election to the relevant body of the Company.

10.15 A general shareholders' meeting shall be legally constituted (have the quorum) if it is attended by shareholders owning more than a half of the Company's placed voting shares.

In the event if by the time of the beginning of the general meeting there is no quorum on any of the issues included in the meeting's agenda, the meeting shall be adjourned for not more than 2 hours.

Deemed to have taken part in the general meeting shall be those shareholders who have registered for the meeting, and those shareholders whose ballots are received at least two days prior to the date of the meeting.

10.16 Voting at the General Shareholders' Meeting shall be effected according to the principle: "one voting share of the Company = one vote", except for cases of cumulative voting as provided for by the Law.

10.17 All meetings with the exception of the annual general meeting shall be extraordinary.

10.18 An extraordinary general meeting of the shareholders can be held by decision of the Board of Directors based on its own initiative, at the request of the internal Audit Committee, the Company's Auditor or at the request of shareholders (a shareholder) who own(s) not less than 10% of the Company's voting shares as of the date of the request.

10.19 A decision of the general shareholders' meeting may be taken without holding a meeting (i.e. joint presence of shareholders for discussing the agenda's issues and taking decisions on matters put to the vote) by absentee voting.

A general shareholders' meeting whose agenda includes such issues as election of the Company's Board of Directors, the internal Audit Committee, approval of the Company's Auditor, and issues set out in subparagraph 11 of paragraph 1 of Article 48 of the Law, cannot be held in the form of absentee voting.

Absentee voting on issues of the general meeting's agenda shall be held only by ballots prepared in accordance with the requirements of Article 60 of the Law and normative legal acts of the Federal executive body on financial markets.

In case of holding a general shareholders' meeting in the form of absentee voting, ballots shall be sent to persons indicated in the list of persons entitled to participation in general shareholders' meeting, not later than 30 days prior to the date of the meeting.

Ballots shall be sent by registered mail.

10.20 The Company's Corporate Secretary shall be the Secretary of the Shareholders' General Meeting. In case of his/her absence, refusal or incapacity to perform the functions of the Shareholders' General Meeting's Secretary, the Secretary shall be appointed by the Board of Directors.

10.21 The Company's Registrar shall act as the Counting Committee.

In discharging its functions of the Counting Committee, the Registrar shall be guided by the Law, this Charter, the Company's internal regulations and the agreement between the Registrar and the Company.

Article 11

THE COMPANY'S BOARD OF DIRECTORS

11.1 The Board of Directors of the Company has the overall responsibility of managing the Company, with the exception of matters which are referred by this Charter to the exclusive competence of the General Shareholders' Meeting, and also monitors fulfillment by the Company's executive bodies of resolutions adopted by the Shareholders' General Meeting or by the Board of Directors.

11.2 The Board of Directors shall consist of 10 members.

11.3 Members of the Board of Directors are elected by the annual general meeting of the shareholders in accordance with the procedure provided for by the Law, Article 10 of this Charter and the Regulations of the Board of Directors of OJSC MMK, for a term until the next annual general shareholders' meeting. If such an annual general meeting is not held within the time frame established in paragraph 1 of Article 47 of the Law, the Company's Board of Directors' authority shall expire except to the extent required for the preparation, convening and conducting of the annual general meeting.

11.4 Persons elected to the Board of Directors, may be re-elected an indefinite number of times. Only a physical person can be elected to the Board of Directors. A member of the Company's Board of Directors need not be a shareholder of the Company.

11.5 Independent, executive and non-executive directors may be elected to the Company's Board of Directors.

11.6 For the purposes of this Charter the following members of the Board of Directors shall be deemed to be independent directors:

11.6.1 members who at the moment of election or for a term of five years prior to it are not or have not been employees of the Company or the companies of the Group;

11.6.2 members who do not have or have not had in the course of the last 3 years material commercial relations with the Company directly or as its partner, shareholder, member of the managing bodies of the organization, which had such commercial relations with the Company;

11.6.3 members who do not receive or who have not received additional remuneration from the Company except for the remuneration paid to the members of the Board of Directors; members who do not participate in option program(s) of the Company or in remuneration scheme based on the results of activity of the Company; members who are not members of the Company's pension fund (pension programs).

11.6.4 members who are not closely related (spouses, parents, children, full and half siblings, adoptive parents and adoptees) with any of the members of the Board of Directors of the Company or executive bodies of the Company.

11.6.5 members who do not participate together with other members of the Board of Directors of the Company in the Boards of Directors of other Companies and who do not have similar significant relations with other members of the Board of Directors of the Company through participation in managing bodies of other companies.

11.6.6 members who do not form part of the Board of Directors of the Company more than 9 years from the date of their initial election to this position.

For the purposes of interested party transactions, a definition of the independent director contained in Article 83 of the Law shall apply.

11.7 Independent directors should refrain from taking actions which might result in loss of independent status.

If, as a result of any event, an independent director ceases to meet the criteria for independent directors, he/she shall notify the Company's Board of Directors of such a loss of the independent status within five business days from the occurrence of such an event.

11.8 For the purposes of this Charter, executive directors shall be deemed to be those members of the Board of Directors who constitute members of the collective executive body – the Management Board of the Company and the Company's Individual Executive Body (the General Director of the Company) or who hold employment relations with the Company.

11.9 The person performing the functions of the individual executive body shall not at the same time be the Chairman of the Company's Board of Directors. The members of the collective executive bodies of the Company cannot constitute more than one fourth of the members of the Board of Directors of the Company

11.10 For the purposes of this Charter, non-executive directors shall be deemed to be those members of the Board of Directors who are not members of the collective executive body – the Management Board of the Company and members of the Company's the Individual Executive Body (the General Director of the Company) or who do not hold employment relations with the Company.

11.11 Members of the Board of Directors shall be elected by cumulative voting.

In cumulative voting, the number of votes belonging to one shareholder is multiplied by the number of persons to be elected to the Board of Directors, and the shareholder is entitled to give all his/her votes calculated in the above fashion, to one candidate or distribute them among two or more candidates. Candidates who have received the largest number of votes shall be deemed elected to the Board of Directors

The general shareholders' meeting may pass a decision on early termination of the authority of all the members of the Board of Directors.

11.12 By decision of the General Shareholders' Meeting, members of the Board of Directors, during their term of office, may receive remuneration and/or compensation of costs associated with the discharge of their duties. The size of such remuneration and compensations shall be established by the General Shareholders' Meeting.

11.13 The following matters shall be within the competence of the Board of Directors:

11.13.1 determination of priorities of the activity of the Company and companies of the Group;

11.13.2 approval of long-term plans, programs, policies and main guidelines of activity of the Company and companies of the Group, amendment of the above documents, control of implementation thereof in the areas of:

- investment activity;
- innovative activity;
- integration activity;
- production activities;
- improvement of quality management system, industrial safety and labor protection system;
- raising and use of funds (including credit policy, policy for execution of loan agreements and guarantees);
- increase of the value of assets and capitalization level;
- determination of main guidelines for sales and purchases;
- property management;
- corporate governance;
- human resources management, management structure, incentives and salaries' policy, motivating for career development and establishing of the management pool;
- social policy;
- environmental policy;
- management of the companies of the Group (including non-profit organizations);
- investor relations;
- and other directions in accordance with the Plan of Activities of the Board of Directors of the Company.

11.13.3 increase of the Company's authorized capital by the placement of additional shares of the Company within the number and categories of declared shares through contributing the Company's property assets, whereby the placement is carried out by distribution among the Company's shareholders.

11.13.4 increase of the Company's authorized capital by the placement of additional ordinary shares of the Company's within the number and categories of declared shares through open subscription in an amount of 25% or less of the previously placed ordinary shares of the Company;

11.13.5 increase of the Company's authorized capital by the placement of additional preferred shares of the Company's within the number of this category of declared shares through open subscription;

11.13.6 decisions on issue and placement of the Company's bonds and other issued securities as provided for by the Law;

11.13.7 decisions regarding placement of bonds convertible into shares, or other securities convertible into shares;

11.13.8 decisions regarding the placement of bonds redeemable by the Company's placed shares;

11.13.9 decisions regarding use of securities in financial and economic activities of the Company;

11.13.10 decisions regarding determination of the price (monetary valuation) of property, price of placement or the procedure for determination thereof and repurchase prices of issued securities in cases provided for by the Law;

11.13.11 decisions regarding acquisition of shares placed by the Company in accordance with Paragraph 2 of Article 72 of the Law;

- 11.13.12 decisions regarding acquisition of shares, bonds and other securities placed by the Company as provided for by the Law;
- 11.13.13 approval of option programs of the Company and corporate key efficiency indices;
- 11.13.14 approval of the decision regarding issue (additional issue) by the Company of securities and offering circular for securities;
- 11.13.15 approval of the report on results of issue (additional issue) by the Company of securities and offering circular for securities;
- 11.13.16 decisions regarding disposition of shares held by the Company;
- 11.13.17 approval of reports on the cancelation of the Company's shares;
- 11.13.18 approval of reports on the results of the shareholders' claims regarding buy-back of the Company's shares owned by such shareholders;
- 11.13.19 approval of reports on the results of acquisition of the Company's shares;
- 11.13.20 decisions regarding filing a petition for the listing of shares and other securities convertible into shares;
- 11.13.21 use of the reserve fund and other funds set up by the Company;
- 11.13.22 formation of the collective executive body – the Management Board of the Company and early termination of the powers thereof, approval of number and identities of the members of the Management Board and allocation of functional duties to the members;
- 11.13.23 decision regarding suspension of the authority of the individual executive body, the General Director, the managing entity (manager) and appointment of a provisional individual executive body of the Company;
- 11.13.24 granting consent to the participation of the person acting as the individual executive body (the General Director) and members of the collective executive body (the Management Board) in the managing bodies of other organizations;
- 11.13.25 review of reports of the Individual Executive Body (the General Director) on the current activities of the Company;
- 11.13.26 approval of large-scale transactions, as provided for by Chapter X of the Law;
- 11.13.27 approval of transactions, as provided for by Chapter XI of the Law;
- 11.13.28 decisions regarding any transactions, including transactions effected in the course of ordinary business of the Company valued at over 10% of the book value of the total Company's assets based on its accounting data as of the latest balance sheet date and decisions on transactions for disposal of immovable property regardless of the value of the transactions;
- 11.13.29 decisions on appointment of independent appraiser for determination of the market price of property in the event of putting on the agenda of the general shareholders' meeting or Board of Directors' meeting the issue for approval of concluding large-scale transactions, as provided for Chapter X of the Law;
- 11.13.30 approval of the internal documents of the Company, with the exception of those whose approval according to the Law is within the competence of the general shareholders' meeting, and other internal documents whose approval in accordance with this Charter is within the competence of the Company's executive body;
- 11.13.31 approval of the Company's Registrar and the terms and conditions of the contract therewith, as well as the cancellation of such a contract;
- 11.13.32 approval of the Company's financial and business operations plan (budget) for the financial year, control of its implementation, adoption of decision on conduct of operations

which do not fall within the Company's financial and business operations plan (budget) (non-standard operations);

11.13.33 decisions on full or partial discontinuation of production or sale of products or provision of services;

11.13.34 approval of procedures for internal control of the Company's financial and business activities, control over internal control system functioning and evaluation of the efficiency of the Company's financial business activities;

11.13.35 decisions regarding risks management, supervision of the functioning of the Company's comprehensive risks management system and analysis of the efficiency of such a system;

11.13.36 supervision of the Company's financial reporting internal controls system;

11.13.37 analysis of the efficiency of functioning of the Company's financial reporting internal control system;

11.13.38 setting up of branches and opening of representative offices of the Company, liquidation of branches and representative offices, approval of regulations relating thereto, and amending and supplementing such regulations;

11.13.39 decisions regarding participation, change in interest or discontinuation of participation in other organizations (with the exception of organizations specified in p.1.18 of Art. 48 of the Law);

11.13.40 approval of organizational structure of the Company (not lower than Directors for the spheres of activity, Chief Accountant, Chief Engineer);

11.13.41 recommendations to the individual executive body (the General Director) regarding the candidate to be appointed the head of Company's control subdivision;

11.13.42 decision on conduct of audit (inspections) of the Company's financial and business activities by the Audit Committee of the Company;

11.13.43 review of the report of the individual executive body (the General Director) of the Company with regard to fulfillment of recommendations of the Company's Audit Committee.

11.13.44 calling of annual and extraordinary general meetings of the Company's shareholders, except as provided for by paragraph 8 of Article 55 of the Law;

11.13.45 approval of the agenda of the general shareholders' meeting;

11.13.46 matters related to the preparation for and conduct of the general shareholders' meeting pursuant to Article VII of the Law, including:

- determination of the form of the general shareholders' meeting (physical attendance or absentee voting);

- determination of the date, place and time of the general shareholders' meeting and the postal address to which completed ballots are to be sent, or, in case of a general meeting held by absentee voting, the deadline for accepting the voting ballots and the postal address to which such completed ballots are to be sent;

- setting the date for making the list of shareholders entitled to participate in the general meeting;

- determination of the procedure for notifying shareholders of the general shareholders' meeting;

- determination of the list of information (materials) to be furnished to shareholders during preparation for the general meeting, and the procedure for providing thereof;

- determination of the form and text of the voting ballot;

11.13.47 recommendations to the general meeting concerning distribution of the profit, including the amount of dividend on shares and the payment procedure, and concerning losses according to the results of the financial year;

11.13.48 recommendations to the general shareholders' meeting concerning the amount of remuneration and compensation to the members of the Board of Directors of the Company;

11.13.49 recommendations to the general shareholders' meeting concerning the amount of remuneration and compensation to the members of the Company's Audit Committee and determination of the amount of payments for the services of the Company's Auditor;

11.13.50 interim approval of the Company's annual report;

11.13.51 decision on suggesting to the general shareholders' meeting to establish the date for determining the persons that are entitled to receive dividends;

11.13.52 presenting to the general shareholders' meeting for approval the issue of the Company's reorganization;

11.13.53 presenting to the general shareholders' meeting for approval the issue of the Company's liquidation and appointment of the liquidation committee;

11.13.54 presenting to the general shareholders' meeting for approval the issue of increasing the Company's authorized capital by raising the shares' par value;

11.13.55 presenting to the general shareholders' meeting for approval the issue of splitting or consolidating the Company's shares;

11.13.56 presenting to the general shareholders' meeting for approval the issue of transactions as provided for by Article 83 of the Law;

11.13.57 presenting to the general shareholders' meeting for approval the issue of concluding large-scale transactions, as provided for by Article 79 of the Law;

11.13.58 presenting to the general shareholders' meeting for approval the issue of acquisition of placed shares by the Company, as provided for by the Law;

11.13.59 presenting to the general shareholders' meeting for approval the issue of participation in industrial financial groups, associations and other conglomerations of business entities;

11.13.60 presenting to the general shareholders' meeting for approval the issue of internal documents governing the activities of the Company's bodies;

11.13.61 presenting to the general shareholders' meeting for approval the issue of the transfer of the Company's individual executive body's authority to a managing entity (manager);

11.13.62 election of the Chairman of the Board of Directors and his/her deputy;

11.13.63 appointment of the Secretary of the Board of Directors and the Company's Corporate Secretary;

11.13.64 decisions on the setting up of standing and ad hoc committees of the Board of Directors, on number and manning of the committees, such committees' chairmen, and supervision of the activities of such committees of the Board of Directors of the Company;

11.13.65 approval of the work plan of the Company's Board of Directors;

11.13.66 approval of criteria for evaluation by the Board of Directors of functioning of Board of Directors of the Company, members of the Board of Directors, committees of the Board of Directors and performance of such evaluation.

11.13.67 determination of the amounts and structure of remuneration for executive members of the Company's Board of Directors;

11.13.68 supervision of the implementation of the Board of Directors' decisions by the Company's executive bodies and review of reports of the Company's executive bodies regarding the implementation of the Board of Directors' decisions;

11.13.69 approval of the Annual Report of the Company's Board of Directors on the Company's Development in the Prioritized Spheres of Activities to be included into the Annual Report of the Company;

11.13.70 other matters as provided for the Law and this Charter.

Matters within the competence of the Board of Directors cannot be referred for decision to an executive bodies of the Company.

11.14 The quorum for holding a meeting of the Board of Directors shall be at least half of the elected Board members, provided that at least two independent directors take part in the meeting, if such members of the Board have been elected and are not deemed withdrawn from the Company's Board of Directors.

Should the number of members of the Board of Directors become less than the number required by the above quorum, the Board shall take a decision on calling an extraordinary general shareholders' meeting for electing a new Board of Directors. The authority of the remaining members of the Board of Directors shall be limited to the decision on calling such an extraordinary general shareholders' meeting.

11.15 In determining the quorum and the results of voting on the agenda issues the Board shall take into account the opinion of any Board member absent from the meeting, submitted in writing. Such a Board member shall submit his/her written opinion to the Chairman of the Board prior to the Company's Board of Directors meeting.

The Board Chairman shall announce the written opinion of such a Board member prior to voting on any issue of the meeting's agenda.

In case the Board member, who submitted his/her opinion prior to the meeting, is present at the meeting, his/her written opinion shall not be taken into account.

11.16 Meetings of the Company's Board of Directors shall be called by the Chairman at his/her own initiative, at the request of the member of the Board of Directors or Audit Committee of the Company or Company's Auditor, or the individual executive body of the Company.

The procedure for calling and conducting the Board of Directors' meetings is determined in the Regulations on the Board on Directors of OJSC MMK.

11.17 In taking decisions at a meeting of the Company's Board of Directors each Board member shall have one vote.

Decisions at a meeting of the Board of Directors shall be adopted by the majority of votes of the Board members attending the meeting, except as provided for by the Law, this Charter or the Regulations on the Board of Directors of the Company.

Decisions of the Company's Board on matters set out in subparagraphs 11.13.3. – 11.13.5, 11.13.7, 11.13.26, shall be made by a unanimous vote of all member of the Company's Board of Directors, without taking into account the votes of the retired members of the Board. Failing such a unanimous vote on the matters set out in subparagraphs 11.13.3. – 11.13.5, 11.13.7, 11.13.26, the Board may decide to refer such matters to the decision of the general shareholders' meeting. In such an event decisions on matters set out in the above mentioned subparagraphs shall be taken by the majority of the Company's voting shares' holders present at the meeting.

A decision of the Board of Directors on the matter mentioned in subparagraph 11.13.27 shall be taken by the majority of votes of independent directors not interested in the conclusion of the transaction in question.

A decision of the Board of Directors on the matter mentioned in subparagraph 11.13.23 shall be taken by a three fourths' majority of members of the Board of Directors, with the exception of the retired members of the Board.

It is prohibited to transfer votes from members of the Board of Directors to other persons, including other Board members.

In case of an equal division of votes cast, the vote of the Chairman of the Board of Directors shall be decisive in adopting a decision.

11.18 The Board of Directors may take decisions by absentee voting.

The procedure for adoption of a decision by The Company's Board of Directors by absentee voting is determined by the Regulations on the Board of Directors of OJSC MMK.

11.19 For the purpose of preliminary review and preparation of recommendations on the most critical issues to be decided upon by the Board of Directors, the Board of Directors may set up standing committees for the term of the Board's authority.

The Board of Directors may set up ad hoc committees of the Board. The Board of Directors' ad hoc committees shall be created for the term required to find a solution to a certain problem.

The procedure of the creation and activities of the standing and ad hoc committees of the Board of Directors and the rights and obligations of the committees' members shall be set out in the Regulations on the Company's Board of Directors' Committees approved by the Board of Directors.

Article 12

CHAIRMAN OF THE BOARD OF DIRECTORS

12.1 The Chairman of the Board shall organize the Board's work, call the Board's meetings and preside over them, arrange for the keeping of the meetings' minutes, and preside at General Shareholders' Meetings.

The Chairman shall be entitled to request from the individual executive body any information on the Company's activities, as provided for by the internal documents of the Company, necessary for the organization of the Board of Directors' work. The individual executive body shall provide such requested information to the Chairman.

12.2 The Chairman of the Company's Board of Directors shall be a member of the Board of Directors elected by the other elected members of the Board by the majority of the votes of those present at a Board meeting.

The Board can at any time elect a new chairman by a three fourths majority of the votes of the elected Board members.

12.3 The Deputy of the Chairman of the Company's Board of Directors shall be a member of the Board of Directors elected by the other elected members of the Board by the majority of the votes of those present at a Board meeting.

The Board can at any time elect a new Deputy of the Chairman by the majority of the votes of the elected members present at a Board meeting.

12.4 A contract shall be signed with the Chairman of the Company's Board of Directors. On behalf of the Company the contract shall be signed by the Deputy of the Chairman of the Board of Directors or the person authorized by the Board of Directors of the Company.

Article 13

COLLECTIVE EXECUTIVE BODY – THE MANAGEMENT BOARD OF THE COMPANY

13.1 The collective executive body – the Management Board of the Company shall direct day-to-day activities of the Company in accordance with its competence defined by this Charter.

The Management Board shall be accountable to the Company's Board of Directors and the General Shareholders' Meeting.

13.2 The Management Board shall be constituted by decision of the Company's Board of Directors. The authority of the former Management Board shall be terminated from the moment of constituting a new Management Board. The number, names and duties of the Management Board members shall be approved by the Board of Directors as advised by the General Director of the Company.

Members of the Management Board are appointed by the Board of Directors for an indefinite term and can be re-elected an indefinite number of times.

13.3 The Board of Directors may at any moment take a decision on early termination of the authority of all members of the Management Board and on forming a new Management Board of the Company.

The authority of the members of the Management Board shall be terminated as of the moment of formation of the new Management Board of the Company by the Company's Board of Directors.

The termination of a member's authority shall not entail his/her dismissal from the relevant position within the Company.

13.4 The Management Board shall be guided by this Charter and the Regulations on the Collective Executive Body of OJSC MMK (the Management Board) approved by the General Shareholders' Meeting of the Company.

13.5 The following shall be within the competence of the Management Board:

13.5.1 review of financial and business operations plan (budget) of the Group, companies of the Group and non-profit organizations (private organizations, autonomous non-profit organizations), projection of financial and economic indicators for MMK's Group;

13.5.2 analysis of fulfillment of financial and business operations plan (budget) of the Group, companies of the Group and non-profit organizations (private organizations, autonomous non-profit organizations) and attainment of financial and economic indicators for MMK's Group;

13.5.3 review of interim (monthly, quarterly, half-yearly) and annual reports of the individual executive bodies (the directors) of organizations on performance in the production, business, and financial spheres of the companies of the Group and non-profit organizations (private organizations, autonomous non-profit organizations);

13.5.4 approval of representatives of the Company in the companies of the Group, in the companies with participation of the Group which do not form part of the MMK Group, in private organizations of the Company, as advised by the individual executive body - General Director of the Company;

13.5.5 approval of instructions to the representatives of the Company in the companies of the Group, in the companies with participation of the Group which do not form part of the MMK Group, in private organizations of the Company in relation to making a decision at the general meetings of shareholders (participants, members, etc.) and by the Board of Directors on the issues of approval of the charters (amendment of the charters) of organizations, formation of the management bodies of the companies and early termination of the authority thereof,

reorganization, liquidation, participation in other organizations, change in participatory interest or termination of such participation, approval (performance) of transactions in accordance with articles 79, 83 of the Law and articles 45, 46 of the Federal Law “On Limited Liability Companies”, except for transactions with OJSC MMK;

13.5.6 approval of the Company's Management Board's work plan.

The General Director of the Company shall be entitled to refer to the Management Board's consideration such matters as are within the General Director's competence.

13.6 The quorum for a meeting of the Management Board shall be at least half of the elected Board members.

Should the Company's Management Board members become fewer than the number required for the quorum, the Company's Board of Directors shall rule on forming a new Management Board of the Company.

13.7 Decisions at the Management Board meetings shall be taken by the majority of the votes of the Management Board members present at a given meeting.

In deciding matters at the Management Board meeting each member of the Board shall have one vote. In the event of equality of votes of the members of the Management Board the vote of the Chairman of the Management Board shall be decisive.

It is prohibited for any member of the Management Board to transfer his/her vote to other persons, including other members of the Management Board.

In determining the quorum and the results of voting on the issues of a meeting's agenda it is allowed to take into account votes of the Management Board's members absent from the meeting who have presented completed and signed forms of individual voting to the Secretary of the Management Board prior to the commencement of a meeting.

13.8 The timeframe and procedure for calling and conducting meetings of the Company's Management Board and the procedure for adopting decisions shall be determined by the Regulations on the Collective Executive Body of OJSC MMK (the Management Board).

13.9 Meetings of the Management Board of the Company shall be organized by a person exercising the functions of the Company's individual executive body, i.e. the General Director, who will sign all the documents on behalf of the Company and the minutes of the Management Board meetings and act on behalf of the Company without a power of attorney in accordance with the decisions of the Company's Management Board taken within its competence.

13.10 Members of the Management Board may combine their functions with managing positions in other organizations only with consent of the Company's Board of Directors.

Article 14

GENERAL DIRECTOR, THE INDIVIDUAL EXECUTIVE BODY OF THE COMPANY

14.1 The day-to-day activities of the Company shall be directed by the Company's individual executive body, the General Director.

14.2 The General Director shall be elected (appointed) by the general meeting of the Company shareholders for a term of five years and may be re-elected an indefinite number of times.

The position of the General Director may be filled by a citizen of the Russian Federation (not necessarily a shareholder of the Company), not divested by law of the right to hold certain offices or practice certain activities, who has at least a 5-years' record of employment in a managing position.

The Company's shareholder(s) who in their totality own(s) not less than 2% of the Company's voting shares, not later than 40 days following the end of the financial year

preceding the year in which the term of office of the active General Director expires, shall be entitled to nominate a candidate for the position of the General Director.

14.3 By decision of the general shareholders' meeting the authority of the Company's individual executive body may be transferred, on a contractual basis, to a commercial organization (managing entity) or an individual entrepreneur (manager).

The decision on the transfer of the authority of the Company's individual executive body to a managing entity or a manager can be taken by the general shareholders' meeting only if proposed by the Company's Board of Directors.

The Company having delegated the powers vested in its individual executive body to the managing entity or to the manager exercises civil rights and assumes civil obligations through such managing entity or such manager in accordance with the first sub-paragraph of paragraph 1 of Article 53 of the Civil Code of the Russian Federation.

In the event of delegation of the powers vested in the Company's individual executive body to the managing entity or to the manager, the managing entity or the manager shall be prohibited to perform analogous functions in organization which is in competition with the Company.

14.4 The constitution of the individual executive body of the Company, the General Director, and early termination or suspension of its authority shall be effected as provided for by the Law, this Charter and the Regulations on the Individual Executive Body (the General Director) of OJSC MMK.

14.5 The competence of the General Director of the Company shall include all issues related to the direction of the day-to-day activities of the Company, with the exception of issues referred to the competence of the Company's General Shareholders' Meeting, Board of Directors and the collective executive body – the Management Board of the Company.

The General Director shall, in accordance with his/her competence or decisions taken by the general shareholders' meeting or by the Board of Directors and the Management Board:

14.5.1 act on behalf of the Company without a power of attorney, represent the Company before federal and local government bodies, enterprises and organizations, open and close settlement and other types of accounts in banks;

14.5.2 issue powers of attorney on behalf of the Company, including powers of attorney for signing individual retirement insurance records, personal employment records, information on salaries/wages (remuneration), income and accrued insurance premiums of insured persons;

14.5.3 provide for the implementation of decisions of general shareholders' meetings, the Board of Directors, the Management Board of the Company;

14.5.4 sign the Company's financial documents;

14.5.5 organize the keeping of accounts and making of reports in the Company;

14.5.6 present to the Company's Board of Directors for approval the Company's organizational structure (not lower than Directors for the spheres of activity, Chief Accountant, Chief Engineer);

14.5.7 approve the Company's staffing schedules according to the organizational structure, hire, discharge, or provide incentives to the Company's employees, as well as apply disciplinary measures to them;

14.5.8 issue orders and instructions regarding the activities of the Company;

14.5.9 present to the Company's Management Board for approval the Company's representatives in companies of the Group, companies with participation of the capital of the Company that are not members of the Group and private organizations of the Company;

14.5.10 draft the Company's financial and business operations plan (budget) for the next year and present it for approval to the Company's Board of Directors;

14.5.11 make transactions on the Company's behalf, where decision making on conclusion of such transaction is not referred to the competence of other governing bodies of the Company ;

14.5.12 in accordance with decisions of the Board of Directors, use the funds and reserves set up by the Company;

14.5.13 present annual reports to the Board of Directors of the Company for preliminary approval;

14.5.14 control and ensure rational and economical use of material, labour and financial resources;

14.5.15 ensure creation of favourable and safe working conditions for the Company's employees and compliance with environmental legislation;

14.5.16 ensure the drafting, conclusion and execution of the Company's collective agreements;

14.5.17 determine the composition and scope of information constituting the Company's commercial secrets and the procedure for its protection;

14.4.18 take decisions regarding policy-making in quality assurance, environmental policy, industrial safety and labor protection policy, risk management policy;

14.4.19 appoint persons responsible for the quality management system, environmental management system, risk management system, industrial safety and labor protection management system and delegate to such persons the required authority;

14.5.20 ensure organization of citizens' conscription in accordance with the Constitution of the Russian Federation, Federal laws "On Military Duty and Military Service", "On Defense", "On Mobilization Preparation and Mobilization in the Russian Federation", and the Regulations on Military Conscription approved by the Russian Federation Government's resolution;

14.5.21 ensure organization and implementation of civil defense actions, actions to prevent emergencies, creation and maintenance of accumulated stocks, individual and collective protection means and facilities and civil defense property, and training of personnel for action in emergencies arising in the Company-controlled territory and facilities;

14.5.22 ensure organization of protection of information constituting state secrets, inter alia, in case of reorganization or liquidation of the Company;

14.5.23 organize meetings of the Management Board, perform the functions of its chairman and sign minutes of the Company's Management Board's meetings;

14.5.24 present to the Company's Board of Directors for approval the list of the members of the Management Board of the Company and distribution of duties thereof;

14.5. 25 take decisions on other matters not referred to the competence of the Company's Shareholders' General Meeting or to the competence of the Board of Directors and the Management Board of the Company.

14.6 The General Director may be a member of the Company's Board of Directors.

14.7 The General Director shall be accountable to the Company's Board of Directors and the General Shareholders' Meeting.

14.8 In case of a temporary absence of the General Director his/her functions shall be performed by a person appointed by an order of the General Director. Such a person acting as the

General Director shall act in accordance with the competence set out in paragraph 14.5 hereof, and shall have the right to issue powers of attorney on the Company's behalf and preside over the Company's Management Board meetings.

14.9 The rights and obligations of the individual executive body, the General Director, or a managing entity or a manager, as the case may be, with respect to directing day-to-day activities of the Company are determined by the Law, other legislative enactments of the Russian Federation, This Charter and the contract signed by the General Director, a managing entity or a manager with the Company. Such a contract shall be signed on behalf of the Company by the Chairman of the Company's Board of Directors or a person authorized by the Board of Directors.

14.10 The Company's General Shareholders' Meeting can, at any moment, take a decision on early termination of the authority of the Company's individual executive body (the General Director), the managing entity of the manager.

14.11 Should the individual executive body (the General Director), or the managing entity (manager) of the Company prove unable to discharge their functions, the Company's Board of Directors shall be entitled to rule on constituting a provisional individual executive body (the General Director) and on holding an extraordinary general shareholders' meeting for deciding the issue of early termination of the authority of the General Director's or the managing entity (manager) and constitution of a new individual executive body or transfer of the authority of the General Director to a managing entity (manager).

The Company's Board of Directors shall be entitled to suspend the authority of the individual executive body, the General Director, or the managing entity/manager. Simultaneously with such a decision the Board of Directors shall rule on constituting a provisional individual executive body (the General Director) and on holding an extraordinary general shareholders' meeting for deciding the issue of early termination of the authority of the General Director or the managing entity/manager and constitution of a new individual executive body (the General Director) or transfer of the General Director's authority to a managing entity/manager.

Such decisions shall be taken by three fourths of the votes of the Company's Board Directors, without counting the votes of the retired Board members.

The provisional individual executive body of the Company shall exercise direction of the Company's day-to-day activities within the competence of the individual executive body.

Article 15

THE COMPANY'S CORPORATE SECRETARY

15.1 For the purpose of ensuring compliance of the Company's bodies and officers with procedural requirements securing the implementation of the Company shareholders' rights and interests, including the right of access to the Company's information, the Board of Directors shall, on an annual basis, appoint a Corporate Secretary of the Company.

15.2 When appointing a corporate secretary of the Company, the Board of Directors shall make a comprehensive evaluation of a candidate's ability to perform the functions of the Company's secretary, including the candidate's educational background (a degree in law or economics), his or her performance record and professional qualities.

The Company's Corporate Secretary must have knowledge and expertise necessary for performing the functions corresponding to such a position, and enjoy trust of the Company's shareholders and Board of Directors.

15.3 The Board of Directors can at any time terminate the authority of the Corporate Secretary and appoint a new corporate secretary.

15.4 The functions of the Corporate Secretary shall be determined by the Regulations on the Corporate Secretary of the OJSC MMK approved by the Company's Board of Directors.

15.5 In performing his/her functions the Company's Corporate Secretary shall be guided by the applicable laws of the Russian Federation, this Charter, the Company's internal documents, organizational/management documents and/or other regulatory documents of the Company, decisions of the general shareholders' meeting or of the Board of Directors.

15.6 The Company's Corporate Secretary shall ensure:

15.6.1 preparation and conduct of general shareholders' meetings in accordance with the applicable laws of the Russian Federation, this Charter or internal documents of the Company, organizational/management documents and/or other regulatory documents of the Company, based on a decision regarding the holding of a general shareholders' meeting of the Company;

15.6.2 compliance with requirements for the procedure of keeping and disclosing (provision) of the Company's information, set out in the applicable laws of the Russian Federation, this Charter, the Company's internal documents, organizational/management documents and/or other regulatory documents of the Company;

15.6.3 proper and timely review of the Company's shareholders' inquiries or requests and settlement of any conflicts related to the violation of the shareholders' rights;

The Company's bodies and officers shall assist the Corporate Secretary in performing his/her functions.

15.7 In discharging his/her duties, the Company's Corporate Secretary shall:

15.7.1 comply with the applicable laws of the Russian Federation, this Charter, the Company's internal documents, organizational/management documents and/or other regulatory documents of the Company and perform his/her functions with due care and in good faith;

15.7.2 uphold the interests of the Company's shareholders in deciding any arising matters.

Article 16

SUPERVISION OF THE COMPANY'S FINANCIAL AND BUSINESS ACTIVITIES

16.1 Control of the Company's financial and economic activities shall be performed by the Audit Committee of the Company and an external auditor. The Audit Committee of the Company shall act in accordance with this Charter of the Company and the Regulations on the Company's Audit Committee approved by the General Shareholders' Meeting.

16.2 Members of the Audit Committee shall be elected at an annual general meeting of the shareholders as provided for by the Law, Article 10 of this Charter and the Regulations on the Audit Committee of the Company, for a term until the next annual general shareholders' meeting, and can be reelected an indefinite number of times. Members of the Audit Committee shall act on a permanent basis.

16.3. The Audit Committee shall consist of 4 members.

16.4 A member of the Audit Committee can be a person who has a qualification required for solving problems faced by the Audit Committee. Members of the Audit Committee shall not at the same time be members of the Company's Board of Directors or hold positions in other governing bodies of the Company or entities competing with the Company.

16.5 Early termination of the authority of a member of the Audit Committee can be effected on the grounds provided for by the Russian Federation laws.

16.6 For the purpose of control of the Company's financial and business activities the Audit Committee shall have within its competence verification of authenticity of accounting in the Company.

16.7 To achieve its goal, the Audit Committee shall audit (perform inspections of) the Company's financial and business activities after each financial year or at any time on its own initiative, by the decision of the general shareholders' meeting, the Company's Board of Directors, or at the request of any shareholder(s) owning a total of at least 10% of the Company's voting shares.

A schedule of audits of the Company's financial and economic activity by the Audit Committee shall be drawn up at the first meeting of the Audit Committee.

16.8 At the request of the Company's Audit Committee, officers holding positions in the Company's management bodies shall be obliged to provide documents on the Company's financial and business activities.

16.9 For the purpose of audits the Audit Committee can bring in independent experts, auditors and other specialists. The Company's officers shall not obstruct the activity of such experts and auditors or refuse to sign auditing and inspection contracts with them.

16.10 The Company's Auditor shall be an individual or an auditing organization not sharing any property interests with the Company or its shareholders. The Auditor shall inspect the financial and business activities of the Company in accordance with the laws of the Russian Federation based on a contract signed with the Auditor. Such a contract shall be signed by the General Director on behalf of the Company.

The Company's Auditor shall be approved by the General Shareholders' Meeting. The fee for the Auditor's services shall be determined by the Company's Board of Directors.

16.11 Based on the results of the audit of the Company's financial and business activity the Audit Committee or the Auditor of the Company shall draft an opinion containing:

- a confirmation of the correctness of the information contained in the reports and other financial documents of the Company;
- information on instances of violation of the procedures of accounting and financial reporting established by the Russian laws, and violation of Russian laws in conducting the financial and business activities.

The opinion on the audit results shall be sent to the Company's Board of Directors not later than 30 days prior to the date of the annual general shareholders' meeting.

16.12 For the purpose of internal supervision of the Company's financial and business operations (including the implementation of the Company's financial and business operations plan) by the Company's management bodies and divisions, provision of independent evaluation of the internal control and risk management system, control over construction and functioning of the Company's internal control system, enforcement in the Company of coordination procedures for non-standard operations and for handling other tasks the Company has established the control division which is independent from the executive body of the Company.

The Head of the control division of the Company shall be appointed by the individual executive body of the Company in accordance with the legislation in force on the recommendation of the Company's Board of Directors.

The Head of the control division of the Company shall report to the Company's Board of Directors on the issues of internal control at least once a year.

Article 17

RESPONSIBILITIES OF THE MEMBERS OF THE COMPANY'S GOVERNING BODIES.

17.1. In the exercise of their rights and discharge of their duties, members of the Board of Directors, members of the Management Board, the General Director of the Company, as well as the managing entity/manager, shall act in the interests of the Company, reasonably and in good faith.

17.2. Members of the Board of Directors, members of the Management Board, the General Director, the provisional individual executive body, as well as the managing entity/ manager, shall bear responsibility to the Company in accordance with the applicable laws of the Russian Federation.

17.3 Members of the Board of Directors, members of the Management Board, the General Director, the provisional individual executive body, as well as the managing entity/ manager, shall, in a timely manner, provide the Company with information required to be disclosed in accordance with the applicable laws of the Russian Federation.

17.4 Members of the Board of Directors, members of the Management Board, the General Director, the provisional individual executive body, as well as the managing entity/ manager, shall disclose information on their holding securities of the Company or its subsidiary (affiliated) companies, as well as on purchase and/or sale of such securities.

17.5 Members of the Board of Directors, members of the Management Board, the General Director, the provisional individual executive body, as well as the managing entity/manager, shall be responsible for maintaining confidentiality in respect of the Company's commercial information and information for internal use received by them, as provided for by the applicable Russian laws.

Article 18

THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES

18.1 The establishment of branches and representative offices on the territory of the Russian Federation and abroad is governed by the applicable Russian laws.

The establishment of branches and representative offices beyond the territory of the Russian Federation shall also be governed by the laws of the foreign country where such branches or representative offices are established, to the extent that the Russian Federation international treaties do not provide otherwise.

Article 19

KEEPING OF DOCUMENTS OF THE COMPANY. INFORMATION ON THE COMPANY.

19.1 The Company shall keep the documents as provided for by Article 89.1 of the Law at the offices of its executive body according to the procedures and terms set out by the federal body of executive authority for securities market.

19.2 The Company shall provide to the shareholders access to the documents listed in Article 89.1 of the Law within the periods and according to the procedures provided for by this Charter and by regulatory legal acts of the federal body of executive authority for securities market and by the internal documents of the Company.

The request for familiarization with the documents or for furnishing copies of the documents shall be sent to the Company's Corporate Secretary in written form together with the extract from the register of shareholders (from depot account) stating the name of the requested

document, name (denomination) of the shareholder, place of registration (location) and other contact details of the shareholder.

The documents shall be furnished to the shareholders pursuant to the procedure provided for by the internal documents of the Company. Copies of the documents shall be furnished to the shareholders upon prepayment. Payment collected by the Company for copies of the documents may not exceed the cost of manufacturing thereof, including postage expenditures and notarization costs, if applicable.

19.3 The Company is obliged to disclose the following information:

- the Company's annual report, annual financial statements;
- a prospectus of the Company's securities' as provided for by the Russian Federation applicable laws;
- notification regarding a General Shareholders' Meeting as provided for by the Law;
- lists of the Company's affiliated persons;
- other information as determined by the Federal executive authority for the securities market.

Article 20

REORGANIZATION OR LIQUIDATION OF THE COMPANY

20.1. The Company may be re-organized or liquidated voluntarily by decision of the General Shareholders' Meeting or on other grounds as provided for by Russian Federation laws.

