

**APPROVED:**

**by the Board of Directors  
of JSC CZP  
Minutes of the Board of Directors Meeting (no number)  
dated June 1, 2006**

## **REGULATIONS ON THE INFORMATION POLICY**

**of Joint-Stock Company**

**Chelyabinsk Zinc Plant**

**Chelyabinsk, 2006**

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## **1. GENERAL PROVISIONS**

1.1 The Regulations on the Information Policy (the “Regulations”) of Joint-Stock Company Chelyabinsk Zinc Plant (the “Company”) have been developed pursuant to applicable legislation of the Russian Federation, the listing rules of Russian and foreign stock exchanges, the Company’s Code of Corporate Governance, and other Company by-laws.

1.2 The goal of the Company’s information policy is to more fully meet the information needs of shareholders, potential investors, and securities market professionals (hereinafter “Interested Parties) in accurate information about the Company and its business.

1.3 The Company’s information policy is aimed at maximizing the rights of shareholders to information vital for helping them make informed investment and management decisions, and at protecting confidential information about the Company, the disclosure of which could harm the Company or the Company’s shareholders.

## **2. BASIC PRINCIPLES OF THE COMPANY’S INFORMATION POLICY**

2.1 The main principles of the Company’s information policy include the availability of information resources on a regular and timely basis, accessibility, completeness and reliability, balance, equality, protection and integrity.

2.2 The principle of availability on a regular basis means that the Company intends to make information about the Company available to Interested Parties using the means of communication at its disposal.

2.3 The principle of availability on a timely basis means that the Company intends to inform Interested Parties of vital events and facts having a bearing on their interests and the Company’s business as quickly as possible.

2.4 The principle of accessibility means that important information about the Company will be made available freely and conveniently to Interested Parties.

2.5 The principle of reliability means that the Company intends to provide Interested Parties with information that is true and will endeavor to ensure that any information that is circulated is neither false nor misleading.

2.6 The principle of completeness means that the Company intends to provide sufficient information about itself in order that Interested Parties may form a fully informed opinion on the matter at hand.

2.7 The principle of balance means that the Company is aiming for a reasonable balance between openness and transparency on the one hand, and confidentiality on the other. In this context a reasonable balance can be achieved by aiming to give full effect to the rights of shareholders to information while strictly guarding the interests of shareholders by restricting access to valuable commercial and other sensitive information.

2.8 The principle of equality means that the Company respects the equal right of all shareholders to have access to information, subject to the provisions of Russian law.

2.9 The principle of protection and integrity means that the Company will use all methods and means available under Russian law to protect potentially classifiable state information, as well as confidential commercial and proprietary Company information.

### 3. PUBLIC DISCLOSURE OF INFORMATION

3.1 Content of information for public disclosure by the Company pursuant to the requirements of applicable Russian law, and arising from the Company's obligations in connection with the listing of Company securities on stock exchanges.

In accordance with the norms and requirements of applicable law the Company shall be required to publicly disclose the following information:

- Quarterly reports as an issuer of issued securities;
- Company annual reports;
- Annual financial statements of the Company;
- Details of material facts (events, actions) concerning the financial and business activities of the Company, (including, but not limited to, information on: reorganization of the Company; subsidiaries and dependent companies of the Company; the circumstances leading to a one-off rise or fall in the value of the Company's assets by more than 10 per cent, the circumstances leading to a one-off rise (fall) in Company net profits or net losses by more than 10 per cent; Company transactions with a value of or in respect of property valued at 10 per cent or more of the value of the Company's assets as of the date of the transaction; the issue of securities by the Company; declared/paid income on the Company's securities; resolutions adopted by general meetings; resolutions of the authorized body of the Company on issuing issued securities);
- Details that could have a material impact on the value of Company securities (including, but not limited to: expiration of the term of office of the sole and/or members of the collective executive body of the Company; initiation of bankruptcy proceedings and/or one of the bankruptcy procedures in respect of the Company and/or one of its subsidiaries or dependent companies by the arbitration court; conclusion of a listing agreement between the Company and a stock exchange; listing or de-listing of the Company's securities on a stock exchange; the Company obtaining the consent of the federal executive body for securities markets for trading and/or offering Company securities outside the Russian Federation);
- A list of the Company's affiliates;
- Company securities prospectuses (additional issues of securities);
- Notices of state registration of an issue (additional issue) of securities;
- The Charter, amendments and addenda thereto, regulations and procedures governing the activities of the Company's management bodies, the General Shareholders' Meeting, the Board of Directors, the Management Board and all amendments and addenda thereto;
- Any other information, the disclosure of which is mandatory under applicable Russian law.

3.2 Obligations of the Company concerning additional disclosure of information on its activities

The Company shall prepare and disclose the following information on its activities (in addition to that prescribed under Russian law or arising from the obligations of the Company in connection with the trading of its securities on stock exchanges):

- principles of corporate governance of the Company;
- Company strategy and development projects;
- composition of the Board of Directors of the Company, including details of changes thereto during the reporting year, and details of members of the Board of Directors, including short CVs;
- Details of the General Director of the Company and members of the Management Board, including short CVs;
- Current information on the Company's production, financial, business and corporate activities;
- Important events and results of Company operations and activities;
- Company social policy;
- The Company's environmental activities;

- Statements by the General Director and the Chairman of the Board of Directors of the Company in the mass media, Company press releases.

### 3.3 Procedure and methods of public disclosure of information

3.3.1 Disclosure of information by the Company shall meet the requirements sets forth in applicable Russian law as to the scope, method and form of disclosure (including disclosure through authorized agency news wire services; publication in the mass media; inclusion on the Company web site ([www.zinc.ru](http://www.zinc.ru)), etc.)

3.3.2 In recognition of the right of shareholders to information, and to ensure the timeliness and accessibility of vital information, the Company shall use the following information communication methods:

- delivery (forwarding) of documents (hard copy);
- provision of information on disk (as prescribed by the law);
- information disclosure through the mass media;
- the Company web site;
- public speeches and meetings with groups and individuals who are Interested Parties in the Company.

3.3.3 Mandatory disclosure of information shall be effected pursuant to applicable Russian law and the Company's obligations in connection with the trading of Company securities on stock exchanges regularly and by the deadlines set forth in such legislation and the respective obligations.

3.3.4 The Company shall routinely schedule regular meetings with Interested Parties to announce important events in the life of the Company, and to discuss the ideas and opinions of such persons on material issues relating to the development and activities of the Company (including during preparation for securities offerings of the Company).

3.3.5 The Company shall publish the most important notices and materials on its web site ([www.zinc.ru](http://www.zinc.ru)), and shall publish brochures and booklets for dissemination, as required.

3.3.6 In offering its securities the Company shall disclose information on the reasons behind such share offering, and the persons intending to acquire the offered shares, including a major shareholding (if such details are available).

## **4. PROVISION OF INFORMATION TO SHAREHOLDERS**

4.1 Information shall be made available to shareholders by the Company Secretary, who shall be responsible for liaison with Company shareholders.

4.2 Documents shall be made available to shareholders for familiarization upon a written request therefor made out in optional form to the General Director of the Company. The request should contain the full name of the applicant (for legal entities the name in full and registered address), number of shares held by the applicant and the name of the requested document.

4.3 Documents and copies thereof will only be made available after it has been confirmed that the applicant owns Company shares.

4.4 Documents shall be made available by the Company in the offices of the executive body of the Company (at: 24 Sverdlovsky Trakt, Chelyabinsk, 454008, Russian Federation) within seven days after the respective request has been made. At the request of any person entitled to access to the documents the Company shall make available thereto copies of such documents (including by post, by registered certified letter). Any fee charged by the Company for such copies may not exceed the cost of producing such copies.

4.5 The list of documents and materials to be furnished to shareholders to decide matters tabled at a general shareholders' meeting shall be approved annually by the Board of Directors of the Company. In particular, this list should include:

- annual report of the Company;
- annual financial statements, including profit and loss accounts;
- recommendations of the Board of Directors on distribution of Company profits, including payment of dividends, and the rationale behind each such recommendation;
- opinion of the Audit Commission of the Company;
- report of the Company auditor on the annual audit of the financial and business activities of the Company;
- evaluation of the Company auditor's report prepared by the Audit Committee;
- details of nominees to positions on the Board of Directors and audit commission of the Company;
- details of nominees to the position of Company auditor.

4.6 In the event that the agenda for an annual general shareholders' meeting includes an item on restructuring of the Company, shareholders shall be provided with the following documents in addition to those prescribed by law:

- Reasons for restructuring of the Company,
- Quarterly reports prepared no later than 6 months prior to the date of the meeting at which the item on restructuring is considered, if the meeting is held more than 6 months after the end of the last financial year.

4.7 The content of the annual report presented to shareholders for the annual general shareholders' meeting shall comply with the requirements of applicable legislation of the Russian Federation governing the procedure for preparing, convening and holding shareholders' meetings.

4.8 The annual report shall be signed by the General Director of the Company and the chief accountant following provisional approval by the Board of Directors. Should any member of the Board of Directors disagree with the information contained in the annual report, such member shall set forth his/her objections in writing (submit a minority report). The minority report shall be presented to Company shareholders together with the annual report.

## **5. INFORMATION CONSTITUTING CONFIDENTIAL COMMERCIAL OR PROPRIETARY INFORMATION**

5.1 Information constituting confidential commercial information of the Company shall include scientific and technical, technological, production, financial, commercial and other information that has actual or potential commercial value by virtue of its being unknown to third parties and to which there is no public access and in respect of which the Company as the owner thereof has introduced restricted access.

5.2 The Company in the person of the General Director and various divisions of the Company responsible for information security shall take comprehensive measures to ensure the confidentiality of information, establish the procedure for access thereto and determine the list of commercially classified Company information, keeping in mind a reasonable balance between openness of the Company and the need not to damage Company interests.

5.3 The list of commercially classified Company information or proprietary information, and procedures for working with such information shall be set forth in the Company by-laws.

5.4 The employment contract with officers and employees of the Company must include provisions on non-disclosure of confidential information.

## **6. INSIDER INFORMATION**

6.1 Insider information is defined as material information about the Company's operations, shares and other securities of the Company and transactions therewith that is not available to the general public and disclosure of which could materially affect the market value of shares and other securities of the Company.

6.1.1 Illegal use of such information could inflict material damage on Company shareholders and lead to considerable adverse effects for the financial position of the Company and its business reputation.

6.2 Such information is:

- Directly related to the Company and/or subsidiaries of the Company, and to the business prospects of the Company and/or subsidiaries of the Company;
- Specific and precise in nature;
- Not generally available to the public;
- If published likely to have a considerable impact on the yield or price of any Company securities.

6.3 Insider information shall also include any information subject to disclosure pursuant to applicable Russian legislation and the Company by-laws prior to the disclosure thereof in the event that such disclosure could have a material impact on the market value of shares and other securities of the Company.

6.4 Material information shall be deemed to be information, facts and data on the Company's operations or Company securities, or on any subsidiary of the Company, in relation to which there is considerable likelihood that a reasonable investor would deem such information important in making a decision to acquire, dispose of or keep any security, or in the event that such information, facts or data could have a significant impact on the market value of the security.

6.5 Bearers of insider information (insiders) are deemed to be shareholders, members of the Board of Directors, members of Committees established by the Board of Directors, the General Director and members of the Management Board of the Company, members of the Audit Commission, heads and employees of divisions of the Company who, by virtue of their duties, possess documents, information and data that have not been published or publicly disclosed and that may, if published or disclosed, have a material impact on the value of Company securities.

6.6 Bearers of insider information shall also be other individuals and/or legal entities with access to insider information pursuant to civil contracts (auditors, specialized depositaries, securities market professionals).

6.7 Bearers of insider information may also be deemed to be other individuals and/or legal entities who have, either legitimately or otherwise, gained access to insider information.

## **7. USE OF INSIDER INFORMATION**

7.1 Insiders shall be prohibited from disclosing insider information available to them or information based on insider information.

7.2 Persons with access to insider information must not use such insider information either in their personal interests or in the interests of third parties, including any actions involving insider information for purposes that come into conflict with the aims of the Company or its subsidiaries or dependent companies and that could cause loss and/or damage to the above companies, including (but not limited to):

- Transactions with any Company securities based on insider information;
- Illegal transfer to third parties of insider information or information based on insider information or the provision of access thereto;
- Advice to third parties on any securities transaction based on insider information;
- Other publication or dissemination of insider information.

7.3 Any persons specified in Clauses 6.4-6.6 hereunder who disclose insider information shall be liable under applicable Russian law.

7.4 Employment contracts signed by officers and employees of the Company shall include an undertaking not to disclose insider information.

## **8. DISCLOSURE OF INFORMATION BY COMPANY REPRESENTATIVES**

8.1 Taking into account the opinion of the Board of Directors the Chairman of the Board of Directors shall officially comment and provide clarifications on resolutions adopted by the Board of Directors, and shall put forward the point of view of the Board of Directors on matters considered by the Board of Directors.

8.2 The Chairman of the Board of Directors may delegate his/her authority set forth in Clause 8.1 hereunder to members of the Board of Directors.

8.3 The Chairmen of Committees established by the Board of Directors may inform Interested Parties of resolutions adopted at Committee meetings and provide comments thereon.

## **9. RESPONSIBILITY FOR ENSURING COMPLIANCE WITH THE REGULATIONS**

9.1 Responsibility for ensuring compliance with the provisions of applicable Russian law and the special requirements laid down by the Company by-laws to prevent any conflict of interests and limit abuses in the use of insider information among employees and divisions of the Company shall rest with:

- the Chairman of the Board of Directors in respect of members of the Board of Directors and the General Director;
- the Chairman of the Board of Directors in respect of members of the Management Board;
- the General Director in respect of other officers and employees of the Company.

## **10. PROCEDURES FOR APPROVING AND AMENDING THE REGULATIONS**

10.1 These Regulations and any amendments or additions thereto shall be approved by the Board of Directors of the Company by a simple majority of votes of the members thereof present at the meeting or taking part in an absentee ballot.

10.2 Any additions and amendments to these Regulations shall be made on the proposal of the Company Secretary, members of the Board of Directors of the Company, the Company auditor, the Company's audit commission, or the person undertaking the responsibilities of sole executive body of the Company (including a management organization or general manager).

10.3 In the event that certain sections of these Regulations come into conflict with Russian legislation and/or regulatory acts as a result of changes thereto, such sections shall become inoperative, and until the Regulations are amended the Company shall be governed by Russian law and regulatory acts.