

APPROVED BY
the Decision of the Annual General
Shareholders' Meeting of the OJSC MMK
dated April 22, 2005
15

Chairman of the Meeting:

(V.N.Yegorov)

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

City of Magnitogorsk

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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 Organisational 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”.

The abbreviated name of the Company shall be as follows:

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

1.2 Address of the Company:

455000, Челябинская область, г.Магнитогорск, ул.Кирова, 93 (Ul.Kirova 93, Magnitogorsk, Chelyabinsk Region, 455002, 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 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.

3.2 The main activities of the Company are as follows:

- ore mining;
- preparation of ore materials for reprocessing and consumption and their sale;
- production and sale of ferrous metals' products;
- production and sale of machine-building products;
- stocking and sale of ferrous and non-ferrous metal scrap;
- development of R&D products and their sale;
- implementation of investment projects;
- production and sale of consumer goods;
- industrial, housing and utilities construction and construction services;
- production and sale of construction materials and structures and recycling of wastes';
- production, processing and sale of agricultural products;
- paid services of industrial and non-industrial nature to companies, organizations, establishments and the population;
- foreign economic and trade activity;
- medical assistance, diagnostic and disease prevention services;
- communication services;
- carrying out activities related to use of state secret information;

other activities not prohibited by federal laws in effect.

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 the 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 publication organ of the Company is the Magnitogorsky Metall daily. The Company shall provide information on its activities through the Magnitogorsky Metall and Magnitogorsky Rabochiy dailies and through the Company's TV channel TV-IN.

Article 4

THE COMPANY'S AUTHORISED CAPITAL

4.1 The authorised capital of the Company is 10,630,221,600 (ten billion six hundred thirty million two hundred twenty one thousand and six hundred) rubles.

4.2 The authorized capital of the Company is comprised of the par value of 10,630,221,600 shares, including:

- preferred shares (type A) - 2,657,556,000, with a par value of 1 (one) ruble each;
- ordinary shares - 7,972,665,600, with a par value of 1 (one) ruble each;

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.

4.3 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.

The Company shall be entitled to place, in addition to shares already placed, ordinary shares in the quantity of 30,000,000,000 shares (declared shares), with a par value of 1 (one) ruble.

All the shares of the Company shall be registered shares.

4.4 The shareholders shall be entered in the Company's shareholders' register.

4.5 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.

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.

Entries in the shareholders' register shall be made at the request of a shareholder or a nominee shareholder within the time frame established by the Russian Federation laws. 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 is not a security.

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 determine 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;

- placement price of additional shares placed by subscription, or the procedure for determining thereof, including the placement price or the procedure of determining such placement price of additional shares to shareholders having a preferential right for acquiring such shares;
- form of payment for additional shares placed by subscription;
- other terms and conditions of placement.

4.11 Introduction of amendments and additions to the Company's Charter regarding the results of the Company's shares' placement, including amendments related to the increase of the Company's authorized capital, shall be performed 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. 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, and the declared number of shares of the relevant categories and types shall be reduced by the number of placed additional shares of such categories and types.

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

The Company's authorized capital can 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.

Introduction of amendments and additions to the Company's Charter following the placement of the Company's shares, including amendments 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 performed based on the decision of the General Shareholders' Meeting on such decrease and a registered report on the results of the shares' issue or a report on the shares' acquisition results approved by the Company's Board of Directors.

State registration of amendments in the Company's Charter related to the decrease of the Company's authorized capital, shall be performed subject to the presence of evidence of notifications to creditors as determined by p.1, Article 30, of the Law.

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).

Article 5

BONDS AND OTHER SECURITIES OF THE COMPANY

5.1 The Company shall be entitled to issue and place bonds and other securities stipulated by the Russian Federation laws on securities in effect.

Placement of bonds, shares or other securities by the Company shall be made by decision of the Company's Board of Directors, in cases provided for by the Law or this Charter.

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.

5.2. A bond certifies the right of its holder to claim redemption of the bond (i.e., payment of its par (nominal) value or nominal value and interest) at a fixed maturity.

5.3. The decision on the issue of bonds shall specify the form, dates and other terms and conditions of the bonds' redemption.

A bond shall have a nominal value. The nominal value of all bonds issued by the Company shall not exceed the amount of the Company's authorized capital or the amount of security provided to the Company by third parties for the purpose of the bonds' issue.

5.4. There may be registered bonds and bearer bonds.

When issuing registered bonds the Company shall be obliged to keep a register of holders thereof.

Lost registered bonds shall be renewed by the Company at a reasonable price. The holder of a lost bearer bond shall be reinstated in his rights by court decision in accordance with the procedural law of the Russian Federation.

5.5. The Company may place single maturity bonds or bonds with consecutive maturities according to series numbers. Bonds may be redeemed in the form of cash or other property as provided for by the decision on their issue.

The Company is entitled to place bonds secured by a charge of part of the Company's property, bonds with security provided by third parties specifically for the purpose of the issue, or unsecured bonds.

5.6. The Company may provide for a possibility of early redemption of bonds if so wished by their holders, with the decision on the bonds' issue setting out the redemption price and the earliest date on which the bonds may be presented for redemption.

Article 6

RIGHTS OF THE SHAREHOLDERS

6.1 The rights of the Company's ordinary shares' holders shall be as follows:

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

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.

6.2 Holders of the Company's preferred shares do not have the right of vote at General Shareholders Meetings, if not otherwise provided for by the Law.

The Company's preferred shares of one type grant an equal scope of rights to their holders and have the same par (nominal) value.

The rights of the holders of Type A preferred shares shall be as follows:

The holders of the Type A preferred shares shall be entitled to a fixed annual dividend. The total amount of dividend paid for each Type A preferred share shall be equal to 10% of the Company's net profit according to the results of the last financial year, divided by the number of preferred shares which account for 25% of the Company's authorized capital. If the total amount of dividend paid by the Company on all ordinary shares in any year exceeds the total amount due

as dividends on all Type A preferred shares, then the dividend to be paid on the latter kind of shares shall be increased to match the dividends paid on ordinary shares.

6.3 Preferred shares' holders are entitled to participate in General Shareholders' Meetings with the right of vote in deciding matters of the reorganization or liquidation of the Company.

Preferred Type A shares holders acquire the right of vote at a general shareholders' meeting when such a meeting must adopt a decision on the incorporation of amendments and additions in the Charter which restrict the rights of the holders of this type of shares.

The decision on introducing such amendments or additions shall be deemed adopted if votes in favour account for at least $\frac{3}{4}$ of votes of the ordinary shares' holders taking part in the general shareholders' meeting, minus votes of the preferred shares' holders whose rights are being restricted, and $\frac{3}{4}$ of votes of the Type A preferred shares' holders whose rights are being restricted.

Type A preferred shares' holders will be entitled to take part in general shareholders' meetings with a right of vote on all matters within such meetings' competence, starting from the meeting following the annual general meeting which, regardless of the reasons therefor, did not adopt a decision on payment, or adopted a decision on incomplete payment, of dividends on the said type of preferred shares. The right of such shareholders to take part in general shareholders' meetings shall terminate from the moment of the first full payment of dividend on such shares.

6.4. By decision of the General Shareholders' Meeting the Company shall be entitled to place Type A preferred shares convertible into ordinary shares. Such placement shall be made by converting Type A preferred shares into Type A preferred shares convertible into ordinary shares.

The procedure of conversion of Type A preferred shares into Type A preferred shares convertible into ordinary shares, shall be as follows.

Fifteen days after the date of the state registration of the issue of Type A preferred shares convertible into ordinary shares, Type A preferred shares shall be converted into Type A preferred shares convertible into ordinary shares. Conversion shall be made on the last day of the above period according to data recorded in the register of Type A preferred shares' holders as on that day.

On converting Type A preferred shares into Type A preferred shares convertible into ordinary shares, each Type A preferred share with a par value of 1 (one) ruble shall be converted into one Type A preferred share convertible into an ordinary share, with a par value of 1 (one) ruble.

The number of Type A preferred shares convertible into ordinary shares, shall be 2,657,556,000.

The rights of holders of Type A preferred shares convertible into ordinary shares, shall be as follows:

Within 15 days following the registration of the report on the results of the issue of Type A preferred shares convertible into ordinary shares, the Company's Board of Directors shall approve the Decision on the issue of ordinary shares placed by conversion of Type A preferred shares convertible into ordinary shares.

Holders of Type A preferred shares convertible into ordinary shares, shall be entitled to fixed dividend according to the results of the financial year and/or the first quarter, first six or nine months of the financial year. The amount paid as dividend for each Type A preferred share convertible into an ordinary share, shall be equal to 10% of the Company's net profit for the relevant accounting period (first quarter, first six or nine months of the financial year or the entire financial year) divided by the number of Type A preferred shares convertible into ordinary shares, which account for 25% of the Company's authorized capital. If the amount of dividend

paid by the Company for each ordinary share in any accounting period exceeds the amount due as dividend for each Type A preferred share convertible into an ordinary share, then the dividend to be paid on the latter kind of shares shall be increased to match the dividend paid for ordinary shares.

Holders of Type A preferred shares convertible into ordinary shares are entitled to participate in General Shareholders' Meetings with the right of vote in deciding matters of the reorganization or liquidation of the Company.

Holders of Type A preferred shares convertible into ordinary shares acquire the right of vote at a General Shareholders' Meeting when such a meeting must adopt a decision on the incorporation of amendments and additions in the Charter which restrict the rights of the holders of this type of preferred shares.

The procedure of conversion of Type A preferred shares convertible into ordinary shares, into ordinary shares shall be as follows

Fifteen days after the date of the state registration of the issue of ordinary shares placed by conversion of Type A preferred shares convertible into ordinary shares, such conversion shall take place, with each Type A preferred share convertible into an ordinary share with a par value of 1 (one) ruble, converted into an ordinary share with a par value of 1 (one) ruble. Such conversion shall take place on the last day of the above period according to data recorded in the register of holders of Type A preferred shares convertible into ordinary shares as on that day.

The number of ordinary shares placed by conversion of Type A preferred shares convertible into ordinary shares, shall be 2,657,556,000.

6.5 A person which, independently or jointly with its affiliated person or persons, has acquired 30 or more per cent of the placed ordinary shares of the Company shall be exempted from the obligation to offer to the shareholders to sell the ordinary shares in their possession to such person.

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 on 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, for the redemption of the Company's bonds and shares' buy-back if no other means are available.

The reserve fund cannot be used for other purposes.

7.3 The Company shall set up a centralized fund for investments in social and production programmes, with the size of allocations thereto to be determined by the general shareholders' meeting. The regulations on the fund shall be approved by the Company's Board of Directors.

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, including decisions regarding the amount of dividends and the form of payment thereof for each category or type of shares, shall be taken by the General Shareholders' Meeting.

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

The procedure for dividend payment shall be determined in the decision of the General Shareholders' Meeting on dividend payment.

The period of dividend payment for the first quarter or the first six or nine months of the financial year shall not be longer than 180 days from the date of the decision to pay dividend. Payment of dividend for the entire financial year shall be made within the period from the date of the decision to pay dividend until the end of the current year.

The list of persons entitled to dividend shall be made as of the date of making the list of persons entitled to participate in a general shareholders' meeting which will make a decision regarding the payment of relevant dividends. For making the list of persons entitled to dividends, nominee shareholders shall provide information on persons for whose benefit they hold the shares.

7.6. The Company shall not make a decision on (declare) payment of dividend on ordinary shares unless a decision is made on full payment of dividend for all types of preferred shares, the amount of dividend for which is set out in this Charter.

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 dividend on shares or to pay dividend declared.

Article 8

MANAGEMENT OF THE COMPANY

8.1 The managing bodies of the Company are:

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

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

Article 9

GENERAL SHAREHOLDERS' MEETING

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

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

The annual General Shareholders' Meeting takes 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 decide on other matters referred to its competence.

9.3 The following matters are within the competence of the general meeting of the shareholders:

9.3.1 amendments and additions to the Charter of the Company or approval of the revised Charter, except as otherwise provided for by the Law;

9.3.2 reorganization of the Company;

9.3.3 liquidation of the Company, appointment of the liquidation committee and approval of the interim and final liquidation balance sheets;

9.3.4 determination of the Board of Directors' composition, election of its members and early termination of their mandate;

9.3.5 setting the amount of remuneration or compensation to be paid to the members of the Board of Directors;

9.3.6 determination of the quantity, par value, categories (types) of declared shares and the rights granted by such shares;

9.3.7 increase of the Company's authorized capital by raising the shares' par value;

9.3.8 increase of the Company's authorized capital by placing additional shares within the quantity of declared shares, by closed subscription;

9.3.9 increase of the Company's authorized capital by placing, by closed subscription, of ordinary shares accounting for over 25% of the ordinary shares placed earlier;

9.3.10 reduction of the authorized capital of the Company by decreasing the shares' par value, acquisition by the Company of a part of shares with the purpose of reducing their total number, and by cancellation of the shares acquired or bought back by the Company;

9.3.11 constitution of the individual executive body (General Director) and early termination of its mandate;

9.3.12 election of the members of the Internal Audit Committee and early termination of their mandate;

9.3.13 setting the amount of remuneration or compensation to be paid to the members of the Internal Audit Committee;

9.3.14 approval of the Company's Auditor;

9.3.15 approval of 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;

9.3.16 determination of the procedure for conducting the Company's General Shareholders' Meeting;

9.3.17 share splitting and consolidation;

9.3.18 decisions on approval of transactions as provided for by Art.83 of the Law;

9.3.19 decisions on approval of large-scale transactions as provided for by Art.79 of the Law;

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

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

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

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

9.4. Matters within the competence of the shareholders' general meeting cannot be referred for decision to an 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 otherwise provided for by the Law.

9.5. 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.

9.6 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.

Decisions on matters specified in paragraphs 9.3.1-9.3.3, 9.3.6, 9.3.8, 9.3.9, 9.3.20 shall be adopted by 3/4 of the Company's voting shares' holders present at the general shareholders' meeting if not otherwise provided for by the Law.

Decisions on matters specified in paragraphs 9.3.2, 9.3.7-9.3.9, 9.3.14, 9.3.17 - 9.3.22 shall be adopted by the general shareholders' meeting only if proposed by the Company's Board of Directors.

9.7. A notification on holding a general shareholders' meeting shall be sent to each person indicated in the list of persons entitled to participate in the general shareholders' meeting, not later than 20 days prior to the meeting, by registered mail, and shall also be published in the Magnitogorsky Rabochiy and Magnitogorsky Metall daily newspapers. If the agenda of the general shareholders' meeting contains the issue of the Company's reorganization, such notification shall be sent not later than 30 days prior to the meeting.

In the case provided for by p.2 of Art.53 of the Law, notification regarding an extraordinary general shareholders' meeting shall be made not later than 50 days prior to the date of the meeting.

The Company can also additionally inform its shareholders about a general meeting through other mass media (television, radio) as well as through its Internet site www.mmk.ru.

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

9.8.1. the Company's full name and address;

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

9.8.3 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;

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

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

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

9.8.7 agenda of the general meeting;

9.8.8 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.

9.8.9 other information as provided for by laws in effect

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

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

9.9.2 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;

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

9.9.4 agenda of the general meeting;

9.9.5 procedure of informing shareholders of the holding of the general meeting;

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

9.9.7 the form and the text of the voting ballot;

9.9.8 type(s) of preferred shares whose owners have the right of vote on issues included in the agenda of the general meeting; and in case of a meeting by attendance:

9.9.9 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 laws in effect, this Charter and the Regulations on the General Shareholders' Meeting of OJSC MMK.

9.10. Shareholders of the Company who own 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.

9.11 Proposals of items for inclusion in the agenda of the annual general meeting and nomination proposals shall be made in written form, signed by the shareholder(s) and sent to the Company by registered mail or delivered to the Filing Bureau of the Company's General Affairs Administration, specifying the name(s) of the shareholder(s) making the proposal and the number and category of shares owned by them.

Proposals of items for inclusion in the agenda of the general meeting shall contain the wording of each item proposed, while nomination proposals shall specify the name of each proposed candidate, the name of the body for election to which he/she is nominated, information on age and education, on the positions held by the candidate during 5 preceding years, and other information as required by the Company's internal documents. Proposals of items for inclusion in the agenda shall also contain wordings of draft decisions on each proposed item.

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.

9.12 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

9.13 The Company's Board of Directors shall review the proposals received and take decisions on inclusion thereof 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.9.10. of this Charter. Items proposed by shareholders 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 shareholders did not meet the deadline stipulated in p.9.10. hereof;
- the shareholders do not own the number of the Company's voting shares required by p.9.10. hereof;
- the proposal does not meet the requirements of p.9.11 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

9.14 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.

9.15 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 that 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.

9.16 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.

9.17 All meetings with the exception of the annual meeting are extraordinary.

9.18 An extraordinary General Meeting of the shareholders can be held by the decision of the Board of Directors based on its own initiative, at the request of the internal Audit Committee, the Company's Auditor and 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.

9.19 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 by ballots prepared in accordance with the requirements of Article 60 of the Law.

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 20 days prior to the date of the meeting.

Ballots shall be sent by registered mail.

9.20. 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.

9.21 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 an agreement between the Registrar and the Company.

Article 10

THE BOARD OF DIRECTORS OF THE COMPANY

10.1 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 the Board of Directors..

10.2 The Board of Directors shall consist of 10 members.

10.3 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 9 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.

10.4 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.

Members of the Company's collective executive body shall not make up more than a fourth of Board of Directors. 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.

10.5 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

A decision of the general shareholders' meeting on early termination of the authority of the Board of Directors' members elected by cumulative voting can only be applied to the entire Board of Directors

10.6. 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.

10.7. The following matters are within the competence of the Board of Directors:

10.7.1 determination of priorities of the Company's activity;

10.7.2 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;

10.7.3 approval of the general shareholders' meetings' agenda;

10.7.4 setting the date for making the list of shareholders entitled to participate in the general meeting, and other matters within the competence of the Board of Directors pursuant to Article VII of the Law and related to the preparation for and conduct of the general shareholders' meeting;

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

10.7.6 increase of the Company's authorized capital by the placing 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;

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

10.7.8 issue and placing of the Company's bonds, shares and other issued securities in cases as provided for by the Law and the Company's Charter;

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

10.7.10 determination of the price (monetary valuation) of property, and of placement and repurchase prices of issued securities in cases provided for the Law;

10.7.11 acquisition of shares, bonds and other securities placed by the Company as provided for by the Law;

10.7.12 approval of the Company's organizational structure;

10.7.13 constitution of the collective executive body (Management Board) of the Company and early termination of its mandate;

10.7.14 determination of the conditions of a contract with the General Director (individual executive body) and members of the collective executive body, the Management Board;

10.7.15 decision regarding suspension of the authority of the individual executive body, the General Director, and appointment of a provisional individual executive body of the Company;

10.7.16 recommendations to the general shareholders' meeting concerning the amount of remuneration and fees to the members of the Board of Directors;

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

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

10.7.19 use of the reserve and other funds of the Company;

10.7.20 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 bodies;

10.7.21 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;

10.7.22 approval of large-scale transactions, as provided for by Chapter X of the Law;

10.7.23 approval of transactions, as provided for by Chapter XI of the Law;

10.7.24 approval of the Company's Registrar and the terms and conditions of the contract therewith, as well as the cancellation of such a contract;

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

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

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

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

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

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

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

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

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

10.7.34 setting the amount of remuneration and compensations to be paid to the Company's executive bodies;

10.7.35 interim approval of the Company's annual report;

10.7.36 approval of the Company's strategic objectives and tasks in the sphere of quality assurance;

10.7.37 approval, upon presentation by the Management Board, of the Company's financial and commercial plan (budget) for the next financial year and control of its implementation;

10.7.38 approval of proposals from the Company's executive bodies regarding full or partial discontinuation of production or sale of certain products, or provision of services;

- 10.7.39 approval of procedures for internal control of the Company's financial and business activities;
- 10.7.40 control of the risks management system's creation;
- 10.7.41 granting consent to the participation of persons constituting the individual executive body (General Director) and the collective executive body (Management Board), in the managing bodies of other organizations;
- 10.7.42 decisions regarding the Company's participation in other entities if the magnitude of the participation exceeds 2% of the entity's authorized capital or if the magnitude of the participation changes by more than 2% of the entity's authorized capital;
- 10.7.43 decisions regarding the Company's participation in not-for-profit organizations or making contributions for amounts over RUR 1 million;
- 10.7.44 appointment of the Company's representatives, upon presentation by the Company's General Director, in the Company's subsidiary, affiliated and other related entities, and discussion of reports of such representatives on such companies' activities;
- 10.7.45 approval of instructions to the Company's representatives in the subsidiary and affiliated companies for voting at the general meetings of such companies' shareholders (participants, members, etc.) with regard to changing such companies' authorized capital, constitution and early termination of the authority of such companies' executive bodies, approval, amendment or supplementing of such companies' bylaws with regard to the structure of the managing bodies, their competence as well as such companies' reorganization or liquidation;
- 10.7.46 election of the Chairman of the Board of Directors and his/her deputy;
- 10.7.47 appointment of the Secretary of the Board of Directors and the Company's Corporate Secretary;
- 10.7.48 approval of the work plan of the Company's Board of Directors;
- 10.7.49 determination of the form of the general shareholders' meeting (physical attendance or absentee voting);
- 10.7.50 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 the completed ballots are to be sent;
- 10.7.51 determination of the general shareholders meeting's agenda;
- 10.7.52 determination of the manner of notifying shareholders of the general shareholders' meeting;
- 10.7.53 determination of the list of information (materials) to be furnished to shareholders during preparation for the general meeting, and the procedure for providing thereof;
- 10.7.54 determination of the form and text of the voting ballot;
- 10.7.55 approval of the decision on an issue (additional issue) of securities, offering circulars and reports on the results of the issue (additional issue) of the Company's securities;
- 10.7.56 approval of quarterly reports on the Company's securities' issues;
- 10.7.57 approval of the Annual Report of the Company's Board of Directors on the Developments in the Prioritized Spheres of the Board's Activity;
- 10.7.58 other matters as provided for the Law and this Charter.

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

10.8 The quorum for holding a meeting of the Board of Directors shall be at least half of the elected Board members.

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.

10.9 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 Board 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.

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

10.11 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, if not otherwise 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 10.7.5. – 10.7.7, 10.7.22, shall be made by a unanimous vote of the Board, without taking into account the votes of the retired members of the Board. Failing such a unanimous vote on the above matters, 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 subparagraphs 10.7.5. – 10.7.7, 10.7.22 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 10.7.23 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 10.7.15 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 taking a decision.

When approving the terms and conditions of contracts with the General Director and members of the Management Board, the votes corresponding to the Board members who are at the same time the General Director and the Management Board members, shall not be taken into account.

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

10.13 For the purpose of preliminary review and preparation of recommendations for the Board of Directors prior to decision-making, the Board of Directors may set up standing committees for the term of the authority of the Board.

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 for 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 11

CHAIRMAN OF THE BOARD OF DIRECTORS

11.1 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.

11.2 The Chairman of the Company's Board of Directors is 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 the majority of the votes of the elected members present at a Board meeting.

11.3 The Deputy of the Chairman of the Company's Board of Directors is 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.

11.4 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.

Article 12

MANAGEMENT BOARD, THE COLLECTIVE EXECUTIVE BODY OF THE COMPANY

12.1. The collective executive body – the Management Board 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 Board of Directors and the General Shareholders' Meeting.

12.2 The Management Board shall be constituted by decision of the Board of Directors. The authority of the former Management Board shall be terminated from the moment of constituting a new Management Board.

Members of the Management Board can be re-elected an indefinite number of times. The number and names of the Management Board members shall be presented to the Board of Directors by the General Director of the Company who will also assign their duties.

The General Director of the Company shall be Chairman of the Management Board.

The Management Board shall be composed of specialists in the spheres of the Company's activity who, as a rule, shall be the Company's divisional heads.

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

12.4. The following shall be within the competence of the Management Board:

12.4.1. determination of the Company's short-term market policies;

12.4.2 decisions regarding any transactions related to the acquisition, alienation or possible alienation, directly or indirectly, by the Company of assets valued at over 2.5% of the book value of the total Company's assets based on its accounting data as of the latest balance sheet date, not referred to the competence of the Company's shareholders' general meeting or the Board of Directors;

12.4.3 organization of the implementation of decisions taken by the General Shareholders' Meeting or the Board of Directors;

12.4.4 review of issues to be discussed at the Board of Directors' meeting;

12.4.5 analysis of the Company's technological, economic and financial performance indicators, their development for the period under planning, preparation of the Company's financial and commercial plan (budget) for the next financial year and submission thereof to the Board of Directors for approval;

12.4.6 other issues as provided for the Company's Charter.

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

Should the 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.

12.6 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.

It is not allowed to transfer one's 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.

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

12.8 Meetings of the Management Board 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 Board meetings and act on

behalf of the Company without a power of attorney in accordance with the decisions of the Management Board taken within its competence.

12.9 The Management Board's meetings shall be chaired by the General Director. In the General Director's absence the functions of the Management Board's Chairman shall be performed by a person authorized to act as the General Director.

12.10 The rights and obligations of the Management Board members as regards the direction of the Company's day-to-day activities shall be determined by the Law, other laws of the Russian Federation and contracts signed by each member of the Management Board with the Company. Such contracts shall be signed on behalf of the Company by the Chairman of the Company's Board of Directors or a person authorized by the Company's Board of Directors

12.11 The Board of Directors can at any moment take a decision on early termination of the authority of the Management Board and on forming a new Management Board.

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

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

Article 13

GENERAL DIRECTOR, THE INDIVIDUAL EXECUTIVE BODY OF THE COMPANY

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

13.2. The General Director shall be elected 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

13.3. 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, Article 9 and 10 of this Charter and the Regulations on the Individual Executive Body (the General Director) of OJSC MMK.

13.4 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 or the collective executive body, the Management Board.

The General Director shall, in accordance with his/her competence or decisions of the General Shareholders' Meeting, the Board of Directors or the Management Board:

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

13.4.2 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, powers of attorney to the Company's representatives, as approved by the Board of Directors, in entities with the Company's representatives;

13.4.3 organize the implementation of decisions of general shareholders' meetings, the Board of Directors and the Management Board;

13.4.4 organize the work of the Management Board, preside over its meetings and sign minutes of the Board's meetings;

13.4.5 sign the Company's financial documents;

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

13.4.7 present the Company's organizational structure for approval to the Board of Directors,

13.4.8 approve the Company's staffing schedules in accordance with the organizational structure, hire, discharge, or provide incentives to the Company's employees, as well as apply disciplinary measures to them

13.4.9 issue orders and instructions regarding the activities of the Company

13.4.10 prepare and present for approval by the Board of Directors proposals on full or partial discontinuation of production or sale of products or provision of services;

13.4.11 present to the Board of Directors for approval lists of the Company's representatives in subsidiary, affiliated and other related companies with the Company's participation;

13.4.12 make transactions on the Company's behalf not referred to the competence of other managing bodies of the Company ;

13.4.13 take decisions on the placement of the Company's securities, with the exception of the Company's shares and bonds;

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

13.4.15 present annual reports to the Board of Directors;

13.4.16 present the list of members of the Management Board to the Board of Directors for approval;

13.4.17 distribute duties among the Management Board members;

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

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

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

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

13.4.22 ensure the preparation for and holding of general shareholders' meetings;

13.4.23 take decisions regarding policy-making in quality management;

13.4.24 appoint a person responsible for the quality management system and delegate to such a person the required authority in respect of quality management;

13.4.25 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 a resolution of the Russian Federation Government;

13.4.26 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;

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

13.4.28 take decisions on other matters as provided for by the Law and this Charter.

The General Director can refer matters within his/her competence to the Management Board for consideration.

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

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

13.7 In case of a temporary absence of the General Director his/her functions shall be performed by a person appointed by the order of the General Director. Such a person acting as the General Director shall act in accordance with the competence set out in paragraph 13.4. hereof, and shall have the right to issue powers of attorney on the Company's behalf and preside over the Management Board meetings.

13.8 The rights and obligations of the individual executive body, the General Director, as regards direction of the day-to-day activity of the Company are determined by the Law, other legislative enactments of the Russian Federation and the contract signed by the General Director 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.

13.9. The Company's General Shareholders' Meeting can, at any moment, take a decision on early termination of the authority of the Company's General Director.

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

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

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 corresponding to such a body.

Article 14

THE COMPANY'S BRANCHES AND REPRESENTATIVE OFFICES

14.1 The Company has representative offices and branches on the territory of the Russian Federation and abroad (See Annex 1)

14.2 The establishment of branches and representative offices on the territory of the Russian Federation and abroad is governed by the Russian laws in effect.

Article 15

CONTROL OF THE COMPANY'S FINANCIAL AND BUSINESS ACTIVITIES

15.1 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.

15.2 Members of the Audit Committee shall be elected at an annual general meeting of the shareholders as provided for by the Law, Article 9 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.

15.3. The Audit Committee shall consist of 3 members.

15.4 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 cannot 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.

15.5 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.

15.6 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.

15.7 To achieve the goal of its activity 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.

15.8 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.

15.9 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.

15.10 The Company's Auditor may be an individual or an auditing organization holding a relevant license and 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.

15.11 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.

Article 16

REORGANIZATION OR LIQUIDATION OF THE COMPANY

16.1. 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.

Article 17

RESPONSIBILITIES OF THE BOARD OF DIRECTORS, THE GENERAL DIRECTOR AND MEMBERS OF THE MANAGEMENT BOARD OF THE COMPANY.

17.1. In the exercise of their rights and discharge of their duties, members of the Board of Directors, the Management Board, the General Director of the Company and the provisional individual executive body shall act in the interests of the Company, reasonably and in good faith.

17.2. Members of the Board of Directors, the Management Board, the General Director and the provisional individual executive body shall bear material responsibility to the Company for the losses caused to the Company by their faulty actions or lack of action if federal laws do not establish other grounds and extent of responsibility.

Those members of the Board of Directors or the Management Board who voted against the decision which caused losses to the Company, or those who did not take part in the voting shall be exempt from responsibility.

17.3. In determining the grounds and extent of the responsibility of the members of the Board of Directors, Management Board or the General Director, normal conditions of business practice and other circumstances relevant to the case in question will be taken into account.

17.4. If, pursuant to the Law, several persons are responsible, then their responsibility towards the Company will be joint.

17.5. The Company or a shareholder (shareholders) who own(s) a total of at least 1 per cent of the Company's placed ordinary shares may file a court suit against a member of the Board of Directors or the Management Board or the General Director for reimbursement of losses caused to the Company, as provided for in p.17.2. above.

17.6. Members of the Board of Directors or the Management Board and the General Director shall promptly provide information to the Company, the disclosure of which is required by the laws of the Russian Federation.

17.7. Members of the Board of Directors, the General Director and members of the Management Board of the Company 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 Russian laws in effect.

Article 18

MANDATORY DISCLOSURE OF THE COMPANY'S INFORMATION

The Company is obliged to disclose the following information:

- the Company's annual report, balance sheet and profit and loss account;
- a prospectus of the Company's shares' issue as provided for by the Russian Federation laws in effect;
- notification regarding a General Shareholders' Meeting as provided for by the Law;
- lists of the Company's affiliated persons with the number and types of shares owned by them.
- other information as determined by Russian laws.

Annex 1

REPRESENTATIVE OFFICES

1. OJSC MMK's Representative Office in the city of Odessa

Address: Ul.Sverdlova 83-725, Odessa, Ukraine, 270012

BRANCHES

1. OJSC MMK's Branch in the Republic of Kazakhstan (Buskul Mining Administration)

Address: pos. Ogneuporny, Komsomolsky District, Kustanai Region, Kazakhstan.