

Approved by  
The General Meeting of Shareholders of  
OAO Severstal-auto  
24 December 2004  
Minutes No. \_\_\_\_\_  
of \_\_\_\_\_ 2004  
Chairman of the meeting  
\_\_\_\_\_  
(\_\_\_\_\_)

## **REGULATIONS ON THE GENERAL DIRECTOR OF OAO SEVERSTAL-AUTO**

1. The General Director of OAO Severstal-auto (hereinafter referred to as the “Company”) shall be the sole executive body of the Company.

The General Director of the Company shall be elected for a term of five years and shall be relieved of this position by the Board of Directors of the Company.

The Board of Directors shall be entitled at all times to take a decision on early termination of the General Director’s office and on the formation of a new executive body.

The General Meeting of Shareholders may decide to transfer the powers of the General Director (the sole executive body) to a management company (commercial organisation) under a contract or to an private entrepreneur (managing director).

In case the General Director’s powers are contractually transferred to a management company (commercial organisation) or private entrepreneur (managing director), the provisions of the Charter and these Regulations on the General Director shall fully apply to the said management company or private entrepreneur.

2. The rights and obligations of the General Director of the Company as regards the day-to-day running of the Company shall be regulated by the Federal Law “On joint-stock companies”, other statutory regulations of the Russian Federation and by the contract concluded between him/her and the Company. This contract shall be signed on behalf of the Company by the Chairman of the Board of Directors or by a person duly authorised by the Board of Directors.

3. The General Director, without power of attorney, shall act on behalf of the Company, including represent its interests, make transactions on behalf of the Company, approve staffing levels, issue orders and directives mandatory for execution by all employees of the Company.

4. The General Director of the Company shall ensure that the decisions of the General Meeting of Shareholders and the Board of Directors of the Company are implemented.

The General Director’s terms of reference include all matters of the day-to-day running of the Company, except matters within the terms of reference of the General Meeting of Shareholders and the Board of Directors of the Company.

The General Director shall:

- Exercise day-to-day management of the Company’s operations;
- Have the authority to sign financial instruments;
- Represent, without power of attorney, the interests of the Company both in the Russian Federation and abroad;

- Approve staffing levels, conclude labour agreements on behalf of the Company with the Company's employees, award incentives and impose punishment on the Company's employees;
- Make transactions, without power of attorney, on behalf of the Company;
- Issue powers of attorney on behalf of the Company;
- Ensure that the Company maintains book-keeping and financial reporting;
- Issue orders and directives mandatory for execution by all employees of the Company;
- Represent the interests of the Company as a shareholder (participant) of other legal entities and take all decisions as a result of this participation;
- Approve and sign foundation documents of enterprises, organisations and establishments where the Company acts as a founder, as well as sign restructuring and liquidation documents pertaining to the enterprises, organisations and establishments wherein the Company is a shareholder (participant);
- Take decisions on acquisition and disposal of shares in organisations and establishments where the Company is a shareholder (participant);
- Fulfil other functions in compliance with effective laws of the Russian Federation and the Charter of the Company.

5. The General Director can simultaneously hold positions in the governing bodies of other organisations only upon consent of the Company's Board of Directors.

6. The General Director shall seek approval by the Board of an Acting General Director for the period of the General Director's vacation or on other occasions when he/she will be out of office for a long period (in excess of three days).

7. The General Director, when exercising his/her rights and executing his/her duties, shall act in the interests of the Company, fulfil his/her rights and duties in relation to the Company in good faith and reasonably.

The General Director shall be held liable to the Company for losses inflicted on the Company through his/her faulty action (or failure to act in a due manner), if the federal law does not otherwise stipulate as regards grounds for punishment and scope of liability.

8. The General Director shall be obliged to make proper use of the information on the Company's business activities, securities and transactions with such securities, where such information is confidential and the public disclosure of which may adversely affect the market value of the Company's securities, as well as other information which represents official or commercial secrets, in the interests of the Company and in compliance with the Company's internal regulations.

The General Director shall, in a timely manner, inform the Company of his/her possession of the Company's securities and his/her acquisition and/or disposition of the Company's securities. In case the powers of the General Director (of the sole executive body) are assumed by the management company (a commercial organisation), this management company shall also duly inform the Company of whether officers of this management company own any of the Company's securities, as well as their acquisition and/or disposition of the Company's securities.

The information described in this Clause is subject to public disclosure by the Company as part of its quarterly reports of the issuer of securities, statements which may affect the market value of the Company's securities, and through other channels provided for by statutory

requirements and the requirements of the organiser of the securities market where the Company's securities are allowed for trading.

The General Director shall promptly inform the Company of any changes in the size of his/her stake in the registered capital of the Company's subsidiaries or associates and/or of any changes in the size of his/her stake in the ordinary shares of subsidiaries and associates of the Company; this information shall be subject to public disclosure on occasions and in a manner provided for by statutory requirements and the requirements of the organiser of the securities market where the Company's securities are allowed for trading.

9. The Company shall disclose the remuneration paid to the General Director as well as, if appointed, remuneration paid to the management company and its executive officers, as part of its quarterly reports of the issuer of securities, and through other channels provided for by statutory requirements and the requirements of the organiser of the securities market where the Company's securities are allowed for trading.

10. This Provision can be amended by the General Meeting of Shareholders.

11. In the event of discrepancies between the provisions of these Regulations and the requirements of Russian effective legislation, the Russian law shall prevail.