

APPROVED BY
Resolution of the Board of Directors
of OAO TMK dated June 30, 2005

**REGULATIONS
of OAO "TMK"**

(hereinafter referred to as "the Company")

for use of information on activities of the Company, on the securities of the Company and on transactions with them which is not commonly accessible and a disclosure of which can essentially influence the market value of the securities of the Company

1. General provisions

- 1.1. The present Regulations for use of the information on activities of the Company, the securities of the Company and transactions with them which is not commonly accessible and a disclosure of which can essentially influence the market value of the securities of the Company (hereinafter referred to as "the Regulations") are approved according to the current legislation of the Russian Federation, the normative legal acts of the executive authority federal body for the securities market, the rules of the admission of the securities to trading and those of listing at stock exchanges at which the securities of the Company are current, the Charter of the Company, the Regulations for information policy of the Company and other internal documents of the Company.
- 1.2. The present Regulations are directed to barring an improper use of Insider information on activities of the Company and securities trading carried out on the basis of such Insider information.
- 1.3. Persons possessing Insider information should not carry out Operations with the Securities while in possession of Insider information on activities of the Company and its Securities. Besides, except for the cases envisaged in the present Regulations, in other internal documents of the Company or in agreements concluded with the Company, it is forbidden a direct or indirect transfer of Insider information to third persons who can carry out Operations with the Securities on the basis of such information.
- 1.4. Control over observance by the managing bodies, officials and workers of the Company of the canons of the current legislation of the Russian Federation and the normative legal acts of the executive authority federal body for the securities market, as well as special requirements envisaged in the internal documents of the Company, to bar a conflict of interests and to restrict abuses of Insider information is carried out by the Auditing department of the Company.
- 1.5. The present Regulations are directed at regulating use of Insider information on activities of the Company and its securities and includes:
 - determination of Insider information;
 - measures of Insider information protection;

- procedure of Insider information use;
- responsibility for illegal use and disposal of Insider information.

2. Terms and definitions

For the purposes of the present Regulations the terms are used in the following meanings:

- 2.1. **“Insider information”** - is used in respect of essential information on activities of the Company, as well as for information on the Securities and transactions therewith which is unknown to the third persons (is not commonly accessible) and a disclosure of which can essentially influence on the market value of the Securities.

Information is “essential” if there is a significant probability that an investor will consider such information important at adoption of a decision on acquiring, sale or keeping the Securities, or in the event that such information can essentially influence on the market value of the Securities. The essential information can have a positive or a negative character and refer to any aspect of economic activities of the Company and to any kind of the Securities.

- 2.2. **“Persons possessing Insider information”** - is used in respect of the following persons who possess Insider information:

- members of the Board of directors of the Company;
- General director (a sole executive body) of the Company;
- members of the Management Board of the Company;
- deputies to the General director who are not included in a composition of the Management Board of the Company;
- members of the Internal Audit Commission of the Company;
- auditor of the Company;
- chief accountant of the Company and other officials and workers of the Company having access to Insider information because they work, render services and in general discharge their professional obligations in respect of the Company or its affiliated and dependent societies, including on the basis of a civil-law contract;
- shareholders of the Company having the right of access to the documents of the Company, containing Insider information;
- other natural and legal persons having access to Insider information, including persons temporarily discharging obligations of the above persons, auditors, legal, financial and other advisers, registry keeper, depositary and other persons.

- 2.3. **“Breakers”** - is used in respect of the Persons possessing Insider information who have broken requirements envisaged in the current legislation of the Russian Federation, the present Regulations, other internal documents of the Company or agreements with the Company.

- 2.4. **“Operations with the Securities”** - is used in respect of any transactions with securities made on its own behalf and on the instructions of other person, through a representative, agent, trust manager or other intermediary.
- 2.5. **“The Securities”** - is used in respect of the shares of the Company (if the text of the Regulations does not indicate otherwise), options for such shares, bonds, as well as in respect of other issued securities of the Company, including issued securities convertible in shares of the Company, derivative securities, including depositary receipts, as well as in respect of the shares of subsidiary companies of the Company.

3. Intelligence related to Insider information

- 3.1. The following is related to Insider information:

3.1.1. financial and economic, accounting, industrial or other information which has a real or a potential commercial because it is unknown to third persons and there is no free access to it on legal ground while the Company has taken measures directed to its protection, according to the requirements of the current legislation and the normative legal acts of the executive authority federal body for the securities market, the present Regulations and other internal documents of the Company, up to the moment of its disclosure according to the legislation of the Russian Federation, including the following information:

- accounts and documents of book keeping of the Company;
- forecasts concerning the future incomes, profits or losses of the Company;
- reports of independent appraisers;
- significant changes in financial results of activities of the Company;
- intelligence on replacement of the auditor of the Company;
- actions of state bodies and competing organizations in respect of the Company;
- significant changes in a composition of major shareholders of the Company;
- changes in a composition of the managing bodies of the Company (except for changes in a composition of the shareholders of the Company);
- information on participation of the Company in trials;
- essential changes of the assets and liabilities value of the Company;
- information on reorganization of the Company;
- intelligence on conclusion or avoidance of essential agreements and other transactions made by the Company;
- information on planned issues (additional issues) of Securities;

- information on planned redemption or acquisition of the shares of the Company;
 - intelligence on the size of dividends recommended by the Board of directors (by a body executing functions of the Board of directors) of the Company;
 - information on a default in respect of the obligations of the Company or on a bankruptcy of the Company;
 - other intelligence on essential events in financial and economic activities of the Company.
- 3.1.2. information, except for the information listed in item 3.1.1 of the present Regulations, subject to disclosure according to the legislation of the Russian Federation on the securities market and the normative acts of the executive authority federal body for the securities market, up to the moment of its disclosure according to the procedure established by the legislation of the Russian Federation, the normative legal acts of the executive authority federal body for the securities market and the Regulations for information policy of the Company;
- 3.1.3. other information on activities of the Company, the Securities and transactions therewith which is not commonly available and a disclosure of which can essentially influence the market value of the Securities.
- 3.2. At the same time the above mentioned information concerning not only occurred, but also future and reputed events, also refers to Insider information.

4. Measures directed at protection of Insider to the information

- 4.1. The Company has the right to introduce special measures directed at protection of Insider information against improper use. The above measures are introduced for:
- 4.1.1. ensuring control of activities of the Persons possessing Insider information, on the basis of the established restrictions in respect of use and disposal of Insider information;
- 4.1.2. ensuring observance of the procedure of use and disposal of Insider information, including through excluding an improper use of Insider information by the members of the Board of directors, members of the Management Board, the General director of the Company, members of the Auditing committee, the auditor, the chief accountant and other officials and workers of the Company (and in the event that the functions of the sole executive body of the Company are transferred to a managing organization, also by the members of the Board of directors and the collective executive body, the sole executive body, the members of the Auditing committee, the auditor, the chief accountant and by other officials and workers of the managing organization) and by third persons not in the interests of the Company;
- 4.1.3. raising a level of trust for the Company on the part of investors and contracting parties.

- 4.2. The measures directed at protection of Insider information which can be taken by the Company include the following:
 - 4.2.1. establishment of an access control procedure for some premises occupied by the Company (including legal holidays as well);
 - 4.2.2. putting on material carriers (documents) containing Insider information a signature stamp “Confidential” or “strictly confidential” with indication of a full name and location of the Company;
 - 4.2.3. granting the right of access or restricting the right of access to Insider information for the workers of the Company on the basis of their employment contracts and for contracting parties on the basis of civil-law contracts;
 - 4.2.4. registering the Persons possessing Insider information;
 - 4.2.5. making the workers and contracting parties of the Company take written obligations of non-disclosure of Insider and other confidential information;
 - 4.2.6. permitting access to Insider information and other confidential information only in certain premises;
 - 4.2.7. timely destructing all non stored documents, which can contain Insider information;
 - 4.2.8. introducing procedures of protection of workplaces and places of document storage against unobstructed access and supervising;
 - 4.2.9. using systems of protection of information and technical systems protecting against loss of information and non-authorized access to the information through communication channels;
 - 4.2.10. taking other measures directed at restriction of access to Insider information, proposed by the Auditing department of the Company as agreed with the General director of the Company.

5. Procedure of use of Insider information

- 5.1. The members of the Board of directors, the members of the Management Board, the General director of the Company, the members of the Auditing committee, the auditor, the chief accountant and other officials and workers of the Company (and in the event that the functions of the sole executive body of the Company are transferred to a managing organization, also the members of the Board of directors and the collective executive body, the sole executive body, the members of the Auditing committee, the auditor, the chief accountant and other officials and workers of the managing organization) are obliged to use Insider information only in the interests of the Company and according to the present Regulations and other internal documents of the Company.

Contracting parties of the Company are obliged to use known to them Insider information according to the legislation of the Russian Federation and agreements concluded with the Company.

5.2. *Use and protection of Insider information within the framework of labor relations*

5.2.1. With a view to protect Insider information the Company is obliged:

- to envisage in employment contracts obligations for observance of the procedure of Insider information use, as well as an extent of responsibility for infringement of the above procedure;
- to acquaint on receipt with the present Regulations a employee whose access to Insider information is necessary for execution of his labor duties;
- to acquaint on receipt the employee with the established for him by the Company procedure of use of Insider information and with the extent of responsibility for its infringement;
- to create for the employee conditions necessary for observance by him of the established by the Company procedure of use of Insider information;
- to apply to the Breakers the envisaged measures of responsibility, as well as to claim damages caused to the Company as a result of infringement on the part of the above persons of the procedure of Insider information use (including judicially);
- to take other steps directed at ensuring the procedure of Insider information use.

5.2.2. Access of the employee to Insider information is realized with his consent if it is not envisaged in his labor duties.

5.2.3. With a view of protecting a confidentiality of Insider information the employee of the Company is obliged:

- to discharge the procedure of Insider information use established by the Company;
- not to disclose Insider information of the Company and to not use this information for the personal purposes without its consent;
- not to disclose Insider information of the Company after the cease of the employment contract during 5 (five) years after the cease of the employment contract or during other term envisaged in the employment contract or in other agreement concluded between the employee and the Company;
- to hand over to the Company at the cease or avoidance of the employment contract all the material carriers of information containing Insider information available for use of the employee.

5.2.4. In the event that the employee is guilty of disclosure of Insider information known to him in connection with execution by him of his labor duties, the employee is obliged to reimburse the damage caused to the Company.

The Company has the right to claim reimbursement of the losses caused by the person who has ceased labour relations with it if this person is guilty of disclosure of Insider information the access to which this person obtained in connection with execution by

him of his labour duties if the disclosure of such information took place during the term established according to item 5.2.3 of the present Regulations.

5.2.5. Caused damages or losses are not reimbursed by an employee or by a person who has ceased labour relations if a disclosure of Insider information was caused by a force majeure, an emergency or non-execution by the Company of its responsibility for ensuring a procedure of Insider information use.

5.3. *Use and protection of Insider information within the framework of the civil-law relations.*

5.3.1. Relations between the Company and its contracting party as to use and protection of Insider information are regulated by the legislation of the Russian Federation and an agreement between the Company and a contracting party.

5.3.2. An agreement defines conditions of use and protection of Insider information, including for the case of reorganization or liquidation of one of the parties to the agreement according to the civil legislation, as well as a responsibility of a contracting party to compensate for damages caused by a disclosure by him of this information contrary to the agreement.

5.3.3. A contracting party is obliged immediately to inform the Company about a disclosure on his part or about a known to him fact of disclosure or about a threat of disclosure, an illegal receipt or an illegal use of Insider information by third persons.

5.3.4. A contracting party which has not ensured, according to an agreement, conditions of use and protection of Insider information, transferred by an agreement, is obliged to reimburse to the Company losses incurred, if otherwise is not stipulated by the agreement.

6. Responsibility for illegal use and disposal of Insider information

6.1. According to the article 71 of the Federal Act “On joint-stock companies”, the Charter of the Company and other internal documents of the Company regulating activities of the managing bodies of the Company, the Members of the Board of directors, the members of the Management Board, the General director of the Company (and in the event that the functions of the sole executive body of the Company are transferred to a managing organization, also the members of the Board of directors and the collective executive body, the sole executive body of the managing organization) while exercising their rights and obligations should act in the best interests of the Company honestly and reasonably.

The above persons bear responsibility to the Company for the losses caused to the Company by their actions (inactivity) according to the legislation of the Russian Federation.

6.2. Breakers—employees of the Company, who have with it labour relations, could be subject to measures of disciplinary punishment, even dismissed, which are defined according to the current legislation of the Russian Federation and internal documents of the Company.

6.3. Breakers bear responsibility to the Company for the losses (real damage and missed profit) caused to the Company by their actions (inactivity) as a result of illegal disposal and use of Insider information.

- 6.4. Breakers can suffer administrative and criminal responsibility according to canons of the Code of administrative violations of the Russian Federation and the Criminal code of the Russian Federation.