

**APPROVED:**

By Decision of the General  
Shareholders' Meeting of OJSC MMK  
dated 31.05.2019, Minutes # 54

Chairman of the Meeting

\_\_\_\_\_ V.F.Rashnikov

**REGULATIONS  
ON THE COLLECTIVE EXECUTIVE BODY –  
THE MANAGEMENT BOARD -  
OF THE MAGNITOGORSK IRON AND STEEL WORKS  
PUBLIC JOINT STOCK COMPANY**

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## **1. General Provisions**

1.1 These Regulations on the Collective Executive Body - the Management Board - of the Magnitogorsk Iron and Steel Works Public Joint Stock Company (hereinafter, "the Regulations") have been drafted in accordance with the Civil Code of the Russian Federation, the Federal Law "On Joint Stock Companies" (hereinafter, "the Law"), the PJSC MMK Charter and the Russian laws in effect.

1.2 These Regulations govern the activities of the individual executive body, the Management Board (hereinafter, "the Management Board", "the Board") of the Magnitogorsk Iron and Steel Works Public Joint Stock Company (hereinafter, "the Company"), establish the procedure of its constitution, the timeframe and the procedure for calling and conducting its meetings, procedures for adopting and implementing its decisions, and determine the rights, obligations and responsibilities of the Management Board members.

1.3 The Management Board shall direct day-to-day operations of the Company in accordance with its competence defined by the Company's Charter.

1.4 The Management Board shall be accountable to the Board of Directors and the General Shareholder's meeting.

1.5 In its activities the Management Board shall be guided by the Company's Charter and these Regulations.

1.6 The General Director of the Company shall perform the functions of the Chairman of the Management Board.

1.7 If technically possible, specialized electronic document management systems (hereinafter referred to as "EDMS") may be used for the purposes of the Management Board information support and document management.

## **2. Constitution and Membership of the Management Board**

2.1 The Management Board shall be constituted by decision of the Board of Directors of the Company. The membership of the Management Board and the distribution of duties among its members shall be approved by the Board of Directors as proposed by the General Director of the Company.

Members of the Management Board shall be appointed by the Board of Directors and can be re-appointed an indefinite number of times.

2.2 The Board of Directors can at any moment decide to terminate the authority of the Management Board and constitute a new Management Board

The authority of the former Management Board shall expire as from the moment of constituting a new Management Board.

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

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

2.4 In the absence of the Chairman of the Management Board, the functions of the Chairman of the Management Board shall be performed by one of the members of the Management Board

upon the decision of the Management Board adopted by a majority vote of members of the Management Board present at the meeting.

2.5 A secretary of the Management Board who will provide organizational, technical and informational support to the Management Board meetings and keep the meetings' minutes shall be appointed by the decision of the Management Board.

The secretary of the Board may, but need not, be a member of the Management Board.

### **3. Time Frame and Procedure for Calling, Preparing and Conducting the Management Board's Meetings**

3.1 Meetings of the Management Board shall be held at least twice a month in accordance with a work plan drawn up on an annual basis. Once approved, the work plan shall be distributed to the Board members and speakers.

3.2 Meetings of the Management Board shall be attended by its members, speakers stated in the meeting's agenda, and invited persons.

3.3 In case members of the Management Board or speakers are unable to attend a meeting they shall preliminary get their absence approved by the Chairman of the Management Board and inform the Secretary of the Management Board thereof in advance. .

Prior to the meeting, the Secretary of the Management Board shall submit a list of participants for the Chairman of the Management Board 's approval.

3.4 The Management Board's meeting may be held by means of a conference call and video-conference between members of the Management Board and persons present at the meeting, including speakers. The place of such meeting shall be the location of the majority of the members of the Management Board attending the meeting of the Management Board of the Company.

3.5 If technically possible, members of the Management Board not present at the location of the Management Board's meeting and/or persons present at the meeting, including speakers, shall be entitled to participate in the discussion of the agenda items and to vote on them remotely by means of a conference call and video-conference. Such participation shall be treated equivalent to personal presence at the meeting.

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

3.7 At its meetings the Management Board shall consider matters on the agenda approved by the Chairman of Management Board.

The agenda of the Management Board's meeting shall state the following:

- The venue, date and time of the meeting;
- The items to be discussed;
- The speaker's name;
- The speaker's job title;
- .

3.8 Letters related to matters stipulated in the work plan of the Management Board, for the purpose of getting ready to the meeting of the Management Board shall be distributed to speakers by the Secretary of the Management Board no later than 14 working days prior to the Meeting of Management Board.

3.9 Members of the Management Board are entitled to include any item in the agenda of the Management Board's meeting by submitting a written proposal to this effect to the Secretary of the Management Board 5 days prior to the meeting at the latest.

The proposal for including an item in the agenda shall contain the wording of the item, the name and job title of the speaker. Attached to the proposal shall be presentation materials (an explanatory note), a draft of the proposed decision and, if applicable, other documents (such as programs, plans, schedules, tables, diagrams, etc.).

3.10 A meeting of the Management Board can be moved to a later date by decision of the Board Chairman.

3.11 The meeting's agenda specifying the venue, date and time of the meeting shall be distributed to the Board members, speakers and invited persons at least one day in advance in an electronic form and, where technically possible, by means of EDMS.

3.12 By decision of the Management Board's Chairman the agenda can be amended or supplemented prior to the meeting.

3.13 Presentation materials (explanatory notes), drafts of proposed decisions and, if applicable, other documents (such as, programs, plans, schedules, tables, diagrams, etc.) pertaining to the agenda items shall be submitted by speakers in electronic format and hard copy to the Management Board's Secretary at least 4 days prior to the meeting.

Presentation material (explanatory note) shall briefly state information on the subject (analysis, a report on work performed, conclusions, etc.).

Management Board decision drafts shall set out a specific decision option (for example, to evaluate work done as satisfactory/unsatisfactory, to take note of certain information, to approve, etc.), persons responsible and dates of execution.

3.14 Should a speaker fail to submit documents according to Paragraph 3.13 above or submit such documents too late, the item in question may be removed from the agenda and not considered at the Management Board meeting by decision of the Board's Chairman.

3.15 The documents stated in Paragraph 3.10 above shall be distributed by the Secretary of the Management Board to the Board members in electronic form and, where technically possible, by means of EDMS on the day preceding the meeting.

3.16 At the meeting members of the Management Board shall be provided with the agenda and voting ballots.

3.17 In case a speaker on an item of the meeting's agenda is unable to attend the meeting, the meeting can hear the report of another authorized specialist on the same item.

## **4. Procedure for Adopting and Implementing Resolutions of the Management Board**

4.1 Resolutions on matters within the competence of the Management Board shall be passed at the Board meetings held in form of members' joint physical attendance taking into account individual voting ballots of the absent members, and also by absentee voting.

4.2 Resolutions shall be passed by a majority of the votes of the Management Board members who are present at the meeting (or who have provided their voting ballots).

4.3 In voting each member of the Management Board shall have one vote. In case of an equal division of votes given by the Board members, the Board Chairman shall have a casting vote.

The Management Board members cannot transfer their votes to any other person including other members of the Management Board.

4.4 Voting on agenda items at the Management Board meetings shall be open and by name. When voting members of the Management Board shall personally complete and sign their individual voting forms (Schedule 1).

If technically possible, voting at the Management Board's meetings on the agenda items may be carried out by electronic voting, including by means of EDMS, with subsequent printing out of the minutes of voting results.

4.5 In determining the quorum and the results of voting on items 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 individual voting forms and if technically possible, posted in EDMS.

4.6 A decision on holding a Board meeting by remote participation (absentee voting) shall be taken by the Chairman of the Board who shall determine the date of such a meeting and its agenda.

4.7 In case of absentee voting members of the Management Board shall send their completed and signed voting forms to the Secretary of the Board by email, to be followed by originals delivered by courier, or if technically possible post them in EDMS.

4.8 Only those members of the Management Board shall be deemed to have taken part in absentee voting whose individual voting forms have been received by the Secretary of the Board not later than the date set by the Board Chairman for such a voting.

4.9 Resolutions passed at a Management Board meeting shall be recorded in the minutes of the meeting to be drawn up by the Secretary of the Board within 3 days of the date of the meeting pursuant to the manual on records keeping adopted by the Company

4.10 The minutes of the Management Board meeting shall be signed by the Chairman of the Board who shall be responsible for the correct drafting of the minutes, and by the Secretary of the Board.

4.11 The minutes of the Management Board's meeting shall specify:

- the venue, date and time of the meeting;
- the minutes' number;
- persons attending the meeting (or those who have submitted individual voting forms in the manner prescribed in Paragraphs 4.5 and 4.8 hereof);
- the chairman and the secretary of the meeting;
- the agenda of the meeting;
- items put to the vote and the results of the voting thereon; and
- resolutions passed.

Attached to the minutes of the Management Board's meeting shall be individual voting forms related to the agenda's items, and other documents submitted for the Management Board's consideration.

If technically possible, the minutes of Management Board's meetings shall be prepared by means of EDMS, with a subsequent printing out and documentation in accordance with paragraphs 4.9 - 4.11 of these Regulations

4.12 Minutes of the Management Board meetings shall be kept by the Secretary of the Management Board in conformity with the corporate order on the keeping of the Company's documents.

4.13 At a request addressed to the Secretary of the Management Board, the Secretary shall issue an extract from the minutes of a meeting of the Management Board.

4.14 Minutes of the Management Board's meetings shall be provided to members of the Board of Directors, the Company's Auditor at their respective requests.

4.15 Execution of the Management Board's resolutions shall be supervised by the Board's Secretary.

4.16 Information on the results of execution of the Management Board's resolutions shall be made known to the Board members by the Secretary at the Board meetings at least once a quarter.

## **5. Rights and Obligations of the Management Board Members**

5.1 In the exercise of their rights and obligations the Management Board members shall be governed by Russian Federation's legislation in force, the Company's Charter and these Provisions

5.2 In the exercise of their rights and obligations the Management Board members shall act in the best interests of the Company, in good faith and reasonably.

5.3 The Management Board members are entitled to:

- propose items for inclusion in the Board meetings' agendas;
- freely express their opinion on all items of a meeting's agenda.

5.4 The Management Board members are obliged to:

- attend the Management Board meetings or submit their duly completed and signed individual voting forms as required;
- participate in passing resolutions of the Management Board by voting on agenda items.
- notify in advance of inability to participate in meetings of Management Board;
- keep confidential and not use for personal interests or third party interests any Company's confidential and insider information;
- - refrain from actions that lead or may lead to conflict between their interests and the Company's interests, and in case of conflict or appearance of such conflict immediately inform the Chairman of the Management Board;
- On the basis of Clause 82 of Law, notify the Company of commencement of some circumstances as a result of which the Management Board's member may be deemed to be interested in the Company's transaction settlement.

5.4

5.5 Members of the Management Board shall be liable to disclose information (backgrounds) of

their ownership of any securities of the Company or its subsidiary or related companies,

- the sale and/or purchase of any securities of the Company or its subsidiary or related companies;

-any settled or proposed transactions known to them in which they may be deemed to be interested parties;

- as well as other information that may affect the discharging of Management Board's member obligations and information that he or she see fit to be disclosed.

5.6 Members of the Management Board shall, within a 3-days' time of their election to the Board, furnish to the Corporate Secretary information required to be disclosed in accordance with the current Russian legislation, by completing a Management Board member questionnaire.

In case of any changes in the information stated in such a questionnaire, Board members shall, within three days of such changes having taken place, furnish the new information to the Corporate Secretary.

5.7 The Company's Corporate Secretary shall, on a quarterly basis, distribute questionnaires to members of the Management board for amendments or supplementing.

Within three days of the receipt of the questionnaire the Management Board members shall either make amendments or additions or confirm that there are no amendments or additions to be made and return the questionnaire to the Corporate Secretary.

5.8 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.

## **6. Liability of the Management Board Members**

6.1. Members of the Management Board shall be responsible to the Company in accordance with Russian laws in effect.

6.2 Members of the Management Board and persons present at a meeting of the Management Board, shall be responsible for maintaining confidentiality in respect of any commercial or information which has come to their knowledge, in accordance with Russian laws in effect.

## **7. Procedure of Approval and Amendment of the Regulations on the Company's Management Board**

7.1. These Regulations shall be approved by the Company's General Shareholders' Meeting as proposed by the Board of Directors. A resolution on the approval of the Regulations shall be adopted by a majority of the Company's voting shareholders present at the Meeting.

7.2. Motions to amend or supplement these Regulations shall be approved in the same manner as the Regulations proper.

7.3. If as a result of amendments in Russian laws in effect certain paragraphs of these Regulations come into conflict with such laws, such paragraphs shall become invalid and, pending introduction of relevant amendments in the Regulations, members of the Management Board shall be guided by the Russian laws in effect.