Regarding issue no. 3 on the agenda
of the Annual General Meeting of Shareholders of
PJSC MMK
Friday, May 30, 2025,

EXPLANATORY NOTE

Election of members of the Board of Directors of PJSC MMK.

In accordance with the Federal Law "On Joint Stock Companies", Charter and Regulations on the Board of Directors of PJSC MMK, the members of the Board of Directors shall be elected by cumulative voting for a period until the next Annual General Meeting of Shareholders of PJSC MMK and may be re-elected an unlimited number of times.

Shareholders (shareholder) holding in aggregate at least 2% of the Company's voting shares are entitled to nominate candidates to the Company's Board of Directors, whose number may not exceed the number of members of the Company's Board of Directors (10 persons for MMK PJSC).

According to the Charter, such proposals must be received by the Company no later than 60 days after the end of the reporting year.

Within the period established by the Charter, a proposal was received from a shareholder to nominate 10 candidates to the Board of Directors. The Board of Directors reviewed the proposal and included the nominated candidates in the list of candidates for voting at the Annual General Meeting of Shareholders of PJSC MMK (Minutes No. 12 dated 28.02.2025).

The Human Resources and Remuneration Committee preliminarily analyzed the current composition of the Board of Directors and the competencies required for successful implementation of the Company's strategy, and recommended requirements for candidates to be elected to the Board of Directors at MMK's Annual General Meeting of Shareholders in 2025. The Board of Directors confirmed these requirements (Minutes No. 8 dated 25.12.2024).

All proposed nominees were preliminarily reviewed by the HR and Remuneration Committee, which assessed their professional qualifications and their compliance with the independence criteria specified in MMK's Regulations on the Board of Directors.

All candidates nominated for election to the Board of Directors comply with the requirements of MMK's Charter, Regulations on MMK's Board of Directors, Russian legislation, and with the Company's objectives and corporate values. All candidates submitted their written consents to be elected to the Board of Directors of PJSC MMK.

On 15.04.2025, a written statement has been received from one of the above-mentioned candidates withdrawing his previously submitted consent to run for a member of the Board of Directors at the Annual General Meeting of Shareholders of MMK PJSC. In accordance with the Federal Law "On Joint-Stock Companies", the Charter and the Regulations on the Board of Directors of MMK PJSC, the Board of Directors included an additional candidate in the list of candidates for voting at its discretion (Minutes No. 15 dated 25.04.2025). His written statement of consent to stand for election to the Board of Directors of MMK PJSC was received, the information required by the Charter and Regulations on the Board of Directors of MMK PJSC was submitted.

In order to comply with the best corporate governance practices, the Board of Directors recommended that shareholders, when electing members of the Board of Directors at the Annual General Meeting of Shareholders of PJSC MMK, vote in favour of candidates who meet the independence criteria (Minutes No. 12 dated 28.02.2025, Minutes No. 15 dated 25.04.2025). The candidates listed on the ballot paper under the consecutive numbers meet these criteria: 4,5,6,8,10.

In case of cumulative voting, the number of votes held by each shareholder is multiplied by the number of persons to be elected to the Board of Directors (by 10), and the shareholder is entitled to give the votes thus obtained entirely for one candidate or to distribute them between two or more candidates.

Draft resolution:

To elect the following members to the Board of Directors of PJSC MMK:[1]
1, 2, 3, 4, 5, 6, 7, 8, 9*, 10, 11

Please refer to the VOTING BALLOT

**A written statement was received from the candidate listed in the voting ballot as number 9, withdrawing his consent to stand for election to the Board of Directors of MMK PJSC at the Annual General Meeting of Shareholders of MMK PJSC.*

[1] *Information shall not be disclosed or provided in accordance with the RF Government Resolution No. 1102 dated July 04, 2023 "On Peculiarities of Disclosure and Presentation of Information Subject to Disclosure and (or) Presentation under the Federal Law "On Joint Stock Companies" and the Federal Law "On the Securities Market" as its disclosure and (or) provision will lead (may lead) to the introduction of restrictive measures in relation to PJSC MMK and (or) other persons, including the introduction of new restrictive measures against a person, about whom PJSC MMK discloses (or) provides information.*