

**APPROVED**  
**by the Decision of the Annual General Shareholders' Meeting**  
**of PJSC MMK dated May31, 2019 (#54)**

**Chairman of the Meeting:**

---

**(Viktor F. Rashnikov)**

**REGULATIONS**  
**ON THE INDIVIDUAL EXECUTIVE BODY**  
**(THE GENERAL DIRECTOR)**  
**OF THE MAGNITOGORSK IRON AND STEEL WORKS**  
**PUBLIC JOINT STOCK COMPANY**

**Magnitogorsk**

## **CONTENTS:**

1. General Provisions.....	3
2. Constitution of the Company’s Individual Executive Body – the General Director.....	3
3. The General Director’s Term of Office .....	4
4. The General Director’s Obligations .....	5
5. The General Director’s Responsibility .....	5
6. Procedure of Approval and Amendment of the Regulations on the General Director of the Company.....	6

## **1. General Provisions**

1.1. These Regulations on the Individual Executive Body - the General Director - 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. (hereinafter, "the Company")

1.2. These Regulations govern the procedure of constituting the individual executive body - the General Director – of the Company (hereinafter, the "General Director of the Company"), its term of office, competence, rights and obligations and responsibility.

1.3. the General Director – of the Company (hereinafter, the "General Director") directs the day-to-day activities of the Company with the exception of matters referred to the competence of the General Shareholders' Meeting, the Board of Directors of the Company and the collective executive body - the Company's Management Board (hereinafter, "the Company's Management Board").

1.4. The rights and obligations of the General Director are defined by the Law, other legislative enactments of the Russian Federation, Charter of the Company and the contract executed by the General Director and the Company. The contract shall be signed by the Chairman of the Board of Directors on behalf of the Company or by a person authorized by the Board of Directors.

1.5. The purpose of the General Director's activity shall consist in ensuring the Company's profitability and competitiveness, its financial and economic stability and securing the shareholders' rights and social guarantees of the Company's employees.

## **2. Constitution of the Company's Individual Executive Body – the General Director**

2.1. The position of the General Director may be filled by a citizen of the Russian Federation, not divested by law of the right to hold certain offices or practice certain activities, who has a record of employment in an executive position during for at least five years.

2.2. The formation of the Individual Executive Body and early termination of his\her powers is within the competence of the General Meeting of Shareholders of the Company.

2.3. Proposals on nomination of the candidate shall be made and sent by mail to the Company's location stated in paragraph 1.3 of the Company's Charter or by delivery by hand to the Company's structural subdivision responsible for receipt of written correspondence addressed to the Company.

Proposals on nomination of the candidate shall be signed by the shareholders (shareholder) or their representatives.

2.4. The Company's shareholders (shareholder) not registered in the Company's register of shareholders is entitled to nominate a candidate for the position of General Director of the company by giving the relevant directives (instructions) to the person that takes into account their rights for shares. Such instructions (the instructions) shall be given in accordance with the provisions of the securities laws of the Russian Federation.

2.5. A proposal on nomination of the candidate to the position of General Director shall contain the following details:

2.5.1 name(s) of the nominating shareholder(s), number and type of the shares owned by them;

- 2.5.2 name and details of the document identifying each candidate proposed (series and/or number of document, date and place of issue, issuing authority),
- 2.5.3 name of the body to which he is proposed to be elected;
- 2.5.4 information of age of the candidate (date of birth);
- 2.5.5 information of the candidate's education.
- 2.5.6 details of the candidate's positions held over the last five years including positions in the executive bodies of other legal persons (stating the full name of such legal persons and dates of his entering into respective position)
- 2.5.7 number of the Company's shares owned by the candidate.

Attached to the nomination proposal shall be a written consent of the candidate to stand for the position of the Company's General Director.

2.6. Along with the candidates proposed by shareholders for election to the position of the General Director, the Company's Board of Directors shall be entitled to include candidates in the ballot list at its own discretion.

2.9. The candidate which has received the majority of the votes of the voting shares' holders participating in the meeting, shall be deemed elected (appointed) to the position of the General Director.

### **3. The Company General Director's Term of Office**

3.1. The General Director shall be elected (nominated) by the General Shareholders' Meeting for a term of 4 years and may be re-elected (re-nominated) an indefinite number of times.

If as of the expiry of four years from the beginning of the term of office of the General Director of the Company the General Director of the Company is not re-elected (re-appointed) and the functions of the Company's individual executive body are not transferred to the managing organization, the term of office of the General Director is automatically extended until the next after the date specified in this clause Annual General Shareholders' Meeting of is held.

3.2. The General Shareholders' Meeting may at any moment take a decision on early termination of the authority of the Company's individual executive body – the General Director.

3.3 Should the individual executive body – the General Director of the Company become unable to discharge its duties, the Company's Board of Directors shall be entitled to decide on constituting a temporary individual executive body – the General Director, holding an extraordinary general shareholders' meeting to rule on early termination of the authority of the General Director and constituting a new individual executive body of the Company.

3.4 The Company's Board of Directors shall be entitled to take a decision on suspending the authority of the individual executive body - the General Director. Simultaneously with such a decision the Company's Board of Directors shall adopt a decision on constituting a temporary individual executive body– the General Director of the Company and holding an extraordinary general shareholders' meeting to rule on early termination of the authority of the individual executive body - the General Director and constituting a new individual executive body - the Company' General Director.

3.5 The decisions set forth in paragraphs 3.3 & 3.4 hereof shall be adopted by three quarters of the votes of the Board of Directors, disregarding the votes of the retired members of the Board of Directors.

3.6 The temporary individual executive body of the Company shall direct the Company's day-to-day business within the competence established for the individual executive body of the Company.

3.7 In case of a temporary absence of the Company's General Director his functions shall be exercised by an acting General Director appointed by the General Director's order. Such an acting General Director shall act in accordance with the competence set forth in the Company's Charter and be entitled to grant powers of attorney on behalf of the Company and to chair the meetings of Company's Management Board.

3.8 The Company's General Director may hold concurrently positions in management bodies of other organizations only with the consent of the Company's Board of Directors.

#### **4. The Company General Director's Obligations**

4.1. The General Director, or the temporary individual executive body, shall be obliged to:

4.1.1. act in the interests of the Company, exercise his/her rights and perform his/her duties in good faith and reasonably;

4.1.2. ensure fulfillment of the Company's current and long-term plans;

4.1.3. ensure compliance of the Company's activities with law;

4.1.4. ensure the protection of confidentiality of information constituting a commercial secret of the Company and its contracting partners;

4.1.5. observe the Company's commercial secrets;

4.1.6. not to divulge or use the Company's confidential or insider information with a mercenary motive or in favor of third parties within 10 years after resignation from the Company.

4.1.7. Perform other duties imposed on him/her by law, other legal acts, Company's Charter and Contract concluded between the General Director and the Company.

4.2. On the basis of Clause 82 of Law, the General Director shall notify the Company of commencement of some circumstances as a result of which he or she may be deemed to be interested in transaction settlement :

4.3. The Company's General Director shall disclose information on the ownership of the Company's and its subsidiary (related) companies' securities as well as on sale and/purchase of the Company's and its subsidiary (related) companies' securities.

#### **5. The General Director's Responsibility**

5.1. The General Director shall be responsible for:

5.1.1. meeting the obligations entrusted to him/her, on the conditions set out in the contract signed by him/her, and in accordance with the laws of the Russian Federation in effect, the Company's Charter, internal documents and local normative acts of the Company;

5.1.2. the creation of the efficient systems of quality control , ecological management, risk management, industrial and occupational safety management and their analysis and constant perfection;

5.2. The Company's General Director shall be personally liable for compliance with the requirements of the current laws on state secrets protection and mobilization training.

5.3. The Company's General Director and the temporary individual executive body shall be fully liable for direct actual damages caused to the Company.

The Company's General Director and the temporary individual executive body shall be financially liable for losses caused to the Company by their faulty actions (lack of action), unless other grounds and scope of liability are established by federal laws.

5.4. The Company's General Director and the temporary individual executive body shall be liable to the Company and the shareholders for losses caused by their faulty actions (or lack of action) breaching the procedure of purchasing of shares of an Company stipulated in Article [XI.1](#) of the Law.

5.5. The Company or its shareholder(s) who in their totality own(s) at least 1 (one) per cent of the Company's placed ordinary shares, shall be entitled to take legal action against the General Director and the temporary individual executive body of the Company for recovery of losses caused to the Company in accordance with p.5.4. of these Regulations.

The Company or its shareholder shall be entitled to take legal action against the General Director and the temporary individual executive body of the Company for recovery of losses caused to the Company in accordance with p.5.3. of these Regulations.

## **6. Procedure of Approval and Amendment of the Regulations**

6.1. These Regulations shall be approved by the General Shareholders' Meeting of the Company at the suggestion of the Board of Directors by the majority of the Company's voting shares holders present at the Meeting.

6.2. Proposals on amendments to these Regulations shall be approved in the same manner as the Regulations proper.

6.3. If as a result of amendments in the laws of the Russian Federation certain paragraphs of these Regulations come into conflict with such laws, such paragraphs will become invalid and, pending introduction of relevant amendments in the Regulations, the General Director shall be guided by the laws in effect.