

**APPROVED BY:
Resolution of the Board of Directors
MMK PJSC
Minutes No. 10 dd. 20.12.2019**

**Chairman of the Board of Directors
of Public Joint Stock Company
Magnitogorsk Iron and Steel Works
(PJSC MMK)**

_____ **Viktor F. Rashnikov**

REGULATION

**ON THE PROCEDURE OF REMUNERATION
AND COMPENSATION OF EXPENSES
TO THE MEMBERS OF THE BOARD OF DIRECTORS
OF THE PUBLIC JOINT-STOCK COMPANY
MAGNITOGORSK IRON & STEEL WORKS**

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1 General Provisions

- 1.1 This Regulation on the procedure of remuneration and compensation of expenses of the members of the Board of Directors of Magnitogorsk Iron and Steel Works Public Joint Stock Company (hereinafter referred to as "The Regulation") has been developed in accordance with the current RF legislation, the Charter and by-laws of the Public Joint-Stock Company Magnitogorsk Iron and Steel Works (hereinafter referred to as "PJSC MMK", "Company").
- 1.2 This Regulation regulates the size and procedure of remuneration and compensation of expenses of the members of the Board of Directors of the Company during the execution of their duties.

2 Amount and procedure of remuneration and compensation of expenses to the members of the Company`s Board of Directors

- 2.1 The Committee for Nominations and Remuneration shall recommend to the Board of the Company the amount of remuneration and compensation to be paid to the members of the Board of Directors.
- 2.2. The amount of remuneration and compensation of expenses to the of the Board of Directors shall be approved in a lump sum by the general meeting of shareholders on the basis of recommendations of the Board of the Company.
- 2.3. The remuneration shall be fixed and paid to the independent and non-executive directors for the performance of duties of the members of the Board of Directors of the Company.
- 2.4. The amount of remuneration shall be determined by the contracts concluded with the independent and non-executive members of the Board of Directors of the Company in a manner provided by the Regulation on the PJSC MMK`s Board of Directors.
- 2.5. The remuneration shall be paid by the Company via bank transfer to the bank accounts of the members of the Board of Directors on a monthly basis.
- 2.6 The taxes shall be charged and withheld according to the legislation in force in the Russian Federation.
- 2.7 The deductions in favour of third parties can be made from the remuneration upon the payer's personal request.
- 2.8 The expenses related to the performance by the members of the Board of Directors of the Company of their functions shall be reimbursed in accordance with the actual expenses incurred based on documentary evidence. Such reimbursement shall be effected by the Company within 10 calendar days after presentation of the relevant documentary evidence.
- 2.9 Reimbursable expenses shall include:
 - travel to the Board of Directors Meeting Venue and back to the place of residence;
 - payment for taxi services;

- payment for communication and mail services;
- hotel accommodation charges;
- other expenses, provided for by the terms and conditions of the agreement with the member of the Board of Directors.

2.10 The Company may pay an advance fee at the written request of the member of the Board of Directors. Advances to cover expenses related to the performance of the functions of the members of the Board of Directors of the Company shall be paid based on the Board member's application with subsequent presentation of the relevant documentary evidence.

2.11 The Member of the Board of Directors may refuse in writing, in full or in part, remuneration for the performance of his(her) duties by filing an appropriate application to the Chairman of the Board of the Company and indicating the amount of remuneration and the period.

3 The Company's responsibility and disclosure of information

3.1 Any conflicts related to the payment of remuneration or compensation of expenses to the members of the Board of Directors of the Company shall be settled (resolved) in accordance with the applicable laws of the Russian Federation and the Company's by-laws.

3.2 The amount of remuneration and compensation of expenses payable to the members of the Board of Directors shall be subject to disclosure by the Company in accordance with the procedures and timeframe established by the applicable laws of the Russian Federation pertaining to disclosure of corporate information, and the Company's Charter and by-laws.