

**APPROVED**

**By the decision of the  
Extraordinary General Meeting of  
Shareholders of PJSC MMK  
dated 25.02.2019 No. 53**

**Chairman of the Meeting**

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

**AMENDMENTS AND ADDITIONS TO THE CHARTER  
OF THE PUBLIC JOINT-STOCK COMPANY  
MAGNITOGORSK IRON & STEEL WORKS  
(PJSC MMK)**

**Magnitogorsk**

1 In the second paragraph of clause 10.2 the words "Audit Commission" shall be deleted.

2 Sub-paragraph 10.3.14 of clause 10.3 of the Charter shall be deleted.

3 Sub-paragraph 10.3.15 of clause 10.3 of the Charter shall be deleted.

4 Sub-paragraphs 10.3.16 – 10.3.28 of clause 10.3 of the Charter shall be renumbered to sub-paragraphs 10.3.14 – 10.3.26.

5 Sub-paragraphs «10.3.23-10.3.24, 10.3.27» referred to in the third paragraph of clause 10.6 of the Charter, shall be renumbered to sub-paragraphs «10.3.21-10.3.22, 10.3.25».

6 In the fourth paragraph of clause 10.6 of the Charter sub-paragraph «10.3.15» shall be deleted and sub-paragraphs «10.3.21-10.3.26» shall be renumbered to sub-paragraphs «10.3.19-10.3.24».

7 In the fifth paragraph of clause 10.6 of the Charter sub-paragraph «10.3.27» shall be renumbered to sub-paragraph «10.3.25».

8 The first paragraph of clause 10.11 of the Charter shall be amended as follows:  
 "10.11 The shareholders (shareholder), being in aggregate holders of not less than 2 percent of the Company's voting shares are entitled to introduce issues into the agenda of the Annual General Meeting of shareholders and nominate candidates to the Company's Board of Directors whose number cannot exceed the number of members of the Company's Board of Directors, as well as the candidate for the position of the individual executive body".

9 Throughout the text of sub-paragraph 10.12.3 of clause 10.12 of the Charter the words "Audit Commission" and "Audit Commission of the Company" shall be deleted».

10 The second paragraph of clause 10.13 of the Charter of PJSC MMK shall be amended as follows:

"In addition to the issues proposed by the shareholders for inclusion in the agenda of the General Meeting and candidates proposed by the shareholders for the formation of corresponding body, the Board of Directors of the Company may include the issues in the agenda of the General Meeting and (or) candidates to the list of candidatures for election to the respective body of the Company at its discretion. The number of candidates proposed by the Company's Board of Directors cannot exceed the number of members of the corresponding body".

11 In clause 10.24 of the Charter the words "Audit Commission" shall be deleted.

12 In the second paragraph of clause 10.26 of the Charter the words "Audit Commission" shall be deleted.

13. Sub-paragraph 11.18.36 of clause 11.18 of the Charter shall be amended as follows:

"11.18.36 mastering the principles of and approaches to organization of the internal control system in the Company (including preparation of financial

statements) (hereinafter referred to as the internal control) by updating the internal control policy; monitoring the reliability and efficiency of the internal control system and analyzing (evaluating) the performance of the internal control system";

14 Sub-paragraph 11.18.37 of clause 11.18 of the Charter shall be amended as follows:

«11.18.37 mastering the principles of and approaches to organization of the risk management system in the Company by updating the risk management system; taking decisions on risk management issues, monitoring the reliability and efficiency of the comprehensive risk management system and analyzing (evaluating) the performance of the comprehensive risk management system;".

15 Sub-paragraphs 11.18.41, 11.18.42, 11.18.49 of clause 11.18 of the Charter shall be deleted.

16 Sub-paragraphs 11.18.38-11.18.40 of clause 11.18 of the Charter shall be renumbered to sub-paragraphs 11.18.39-11.18.41.

17 Clause 11.18 of the Charter shall be supplemented with sub-paragraph 11.18.38 in the following wording:

"11.18.38 mastering the principles of and approaches to organization of internal audit in the Company by updating the internal audit policy defining the principles, objectives and functions of the internal audit;".

18 Sub-paragraphs 11.18.43 – 11.18.48 of clause 11.18 of the Charter shall be renumbered to subparagraphs 11.18.42 – 11.18.47.

19 Sub-paragraphs 11.18.50 – 11.18.66 of clause 11.18 of the Charter shall be renumbered to sub-paragraphs 11.18.48 – 11.18.64.

20 Sub-paragraphs «11.18.46, 11.18.47, 11.18.55» referred to in sub-paragraph 11.20.4 of clause 11.20 of the Charter shall be renumbered to sub-paragraphs «11.18.45, 11.18.46, 11.18.53».

21 Sub-paragraphs «11.18.55, 11.18.56, 11.18.60» referred to in sub-paragraph 11.20.5 of clause 11.20 of the Charter shall be renumbered to sub-paragraphs «11.18.53, 11.18.54, 11.18.58».

22. In the first paragraph of clause 11.24 of the Charter the words "Audit Commission" shall be replaced by "the head of the Internal Audit Division".

23 Clause 14.3 of the Charter shall be amended as follows:

"14.3. The General Director shall be elected (appointed) by the General Meeting of Shareholders for a term of 4 years and may be re-elected (appointed) an unlimited 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 annual general meeting of shareholders following the date specified in this paragraph.

The Company's General Director shall be a citizen of the Russian Federation who is not divested of his/her right to occupy certain positions or engage in certain

activities according to the current legislation of the Russian Federation and has 5-years executive level experience”.

24. Article 16 of the Charter of Public Joint Stock Company MMK shall be amended as follows:

**"Article 16**

***Control over financial and economic activities of the Company***

16.1. The audit of financial and economic activities of the Company is carried out following the performance results of the Company during the year and at any time upon the decision of the General Meeting, Board of Directors or at the request of a shareholder (shareholders) holding in aggregate not less than 10 percent of the voting shares of the Company.

16.2. The Company's Auditor shall be the audit organization that is not connected by property interests with the Company or its shareholders. The Company's Auditor shall audit financial and economic activities of the Company in accordance with the legal acts of the Russian Federation on the basis of the contract concluded with the auditor. The contract with the auditor shall be signed on behalf of the Company by its General Director.

The Company's Auditor shall be approved by the General Meeting of Shareholders. The amount of remuneration for the auditor's services shall be determined by the Board of Directors.

16.3 Based on the results of the audit of the Company's financial and business activities, the Company's auditor shall draw up an opinion, which shall contain:

- confirmation of reliability of data contained in the reports and other financial documents of the Company;
- information on facts of violation of (financial) accounting and reporting procedures established by the legal acts of the Russian Federation and violation of legal acts of the Russian Federation when conducting financial and economic activities.

The opinion upon the results of audit of financial and economic activities of the Company for the year shall be sent to the Board of Directors not later than 30 days before the date of the Annual General Meeting of Shareholders.

16.4 To analyze (evaluate) the reliability and efficiency of the comprehensive risk management system and internal control system in the Company, the internal audit is carried out.

Organization and conducting of internal audit is carried out by the Company's Internal Audit Division.