

APPROVED BY
decision of the Board of Directors
of OJSC MMK
Minutes of the Meeting
dated 06.07.2016, No. 3
Chairman of the Board of Directors:

V.F.Rashnikov

REGULATIONS
on the Corporate Secretary
of the Magnitogorsk Iron and Steel Works
Open Joint Stock Company

City of Magnitogorsk

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1. Scope of Application

1.1. These Regulations determine the procedure of appointment of the Corporate Secretary of the Magnitogorsk Iron and Steel Works Open Joint Stock Company (OJSC MMK), his/her status, authority and competence.

2. References

2.1 These Regulations are based on the following documents:

- **Federal Law** "On Joint Stock Companies" dated 26.12.1995, # 208-FZ;
- **Federal Law** "On Counteraction to Illegitimate Use of Insider Information and Market Manipulation and on Introduction of Amendments in Certain Laws of the Russian Federation" dated 27.07.2010, # 224-FZ;
- **Corporate Governance Code** recommended for use by the Letter of the Central Bank of Russia # 06-52/2463 dated 10.04.2014;
- **Listing Rules of ZAO "MICEX"** approved by the Board of Directors of ZAO "MICEX" on 16.05.2016 (Minutes no.41), registered by the Central Bank of the Russian Federation on 31.05.2016.
- **Charter of the Magnitogorsk Iron and Steel Works Open Joint Stock Company** approved by decision of the OJSC MMK General Shareholders' Meeting on 24.05.2013;
- **Corporate Governance Code** of OJSC MMK approved by decision of the OJSC MMK Board of Directors on 21.09.2001;
- **Regulations on the Board of Directors of OJSC MMK** approved by decision of the Annual General Shareholders Meeting of the OJSC MMK on 29.05.2015;
- **Regulations on Insider Information of OJSC MMK** approved by decision of the OJSC MMK Board of Directors on 13.12.2013.

3. Terms and Definitions

3.1 The following terms are used in these Regulations:

- **The Law** – Federal Law "On countering the illegal use of insider information and market manipulation and on amending certain legislative acts of the Russian Federation" dated 27.07.2010, # 224-FZ;
- **The Charter** – the Charter of the Magnitogorsk Iron and Steel Works Open Joint Stock Company;
- **Regulations on Insider Information** - Regulations on Insider Information of OJSC MMK approved by decision of the OJSC MMK Board of Directors on 13.12.2013;
- **The Company** – the Magnitogorsk Iron and Steel Works Open Joint Stock Company (OJSC MMK);
- **The Board of Directors** – the Board of Directors of OJSC MMK;
- **The General Director** – sole executive body – The General Director of OJSC MMK;

- **The Committees** – Committees of the Board of Directors of OJSC MMK, established by decision of the OJSC MMK Board of Directors, dedicated to preliminary consideration and preparation of recommendations to the Board of Directors before making a resolution on the matters within the competence of the Board of Directors;
- **Insider Information** – precise and specific information about OJSC MMK’s operations, securities or transactions therewith, that has not been published or disclosed and whose publication or disclosure may have a material effect on the value of such securities, including information constituting corporate or commercial secrets whose protection and use are regulated by specific internal documents and bylaws of OJSC MMK.

4. General Provisions

4.1 The Company’s Corporate Secretary shall ensure effective ongoing interaction with shareholders, coordination of the Company’s actions on securing the Company shareholders' rights and interests, contributes to the effective operation of the General meeting of shareholders, the Board of Directors and its Committees.

4.2 In performing his/her functions the Company's Corporate Secretary shall be guided by the applicable laws of the Russian Federation, the Charter, the Company's internal documents, decisions of the general shareholders' meeting or the Board of Directors, and these Regulations.

4.3 For the Company’s Corporate Secretary to perform his/her duties and functions efficiently, he/she shall be assisted by a structural department of OJSC MMK whose functions, *inter alia*, shall include those falling within the competence of the Corporate Secretary.

4.4 The Company’s Corporate Secretary shall cooperate with the Company’s governing bodies and structural divisions to the extent necessary for the proper performance of his/her functions.

4.5 The Company’s governing bodies and executives of structural divisions shall assist the Corporate Secretary in discharging his/her functions.

4.6 The Corporate Secretary shall immediately inform the Chairman of the Board of Directors and General Director of the Company of all facts leading to the impossibility of performance by the Corporate Secretary of his/her functions.

5. Appointment Procedure

5.1 The Company’s Corporate Secretary is annually appointed and dismissed by the sole executive body, General Director, upon a decision adopted by a majority vote of the members of the Board of Directors participating in the meeting.

The Company’s Corporate Secretary shall act until the appointment of a new Corporate Secretary.

5.2 It is recommended to nominate a person for the position of the Company’s Corporate Secretary who meets the following requirements:

- 1) higher legal, economic or business education;
- 2) experience in the corporate governance or in a managerial position for at least of two years;

- 3) knowledge of the RF legislation in the field of corporate law, as well as other legal acts that determine the rights of shareholders and regulate the activities of the governing bodies, procedure for the issuance and circulation of securities, rules of information disclosure;
- 4) knowledge of the Charter and other documents regulating corporate relations within the Company;
- 5) knowledge of the preparation procedure and rules for convening of general meetings of shareholders and meetings of the Board of Directors (and its Committees), as well as the implementation of corporate governance procedures;
- 6) impeccable reputation, no record of convictions;
- 7) personal skills and qualities (inter-personal skills, responsibility, managerial and analytical skills);
- 8) no affiliation to the Company and its executives, no conflict of interests.

5.3 The Company's Corporate Secretary is accountable to and shall functionally report to the Board of Directors. The Corporate Secretary's administrative subordination shall be determined by the approved organizational structure of the Company.

5.4 An employment agreement shall be signed with the Corporate Secretary. The amount of remuneration to be paid to the Corporate Secretary and bonus payment provisions (conditions, procedure) shall be determined by the Board of Directors with due account for the recommendations of the Board of Directors' Committee for Nominations and Remunerations.

Unless all of the above mentioned is provided by the resolution of the Board of Directors, the terms and procedures of payment and amount of remuneration to the Corporate Secretary shall be determined in accordance with the employment agreement and Company's internal documents on remuneration.

The Company's Board of Directors with due account for the recommendations of the Committee for Nominations and Remunerations can decide to pay an additional remuneration to the Corporate Secretary based on the evaluation of the Board of Directors and Board of Directors' Committees performance, including the evaluation of organization of the Board of Directors and its Committees work and corporate governance.

6. Functions of the Company's Corporate Secretary

The Company's Corporate Secretary shall organize and initiate activities for improving the Company's system and practices of corporate governance and shall ensure:

6.1 preparation for and conduct of the Company's general shareholders' meetings, including the following:

6.1.1 preparation of the information on candidates to the Board of Directors, Internal Audit Commission and to the position of the General Director. The Corporate Secretary shall obtain the candidates' consent for nomination to the above mentioned Company's governing bodies;

6.1.2 drafting of the agenda for the general meetings of the shareholders;

6.1.3 making of the list of persons entitled to participate in the general shareholders' meeting;

6.1.4 proper notification of persons entitled to participate in the general shareholders' meeting, of such a meeting, preparation and sending of voting ballots, notification of all the members of the Board of Directors, the General Director, members of the Audit Committee and the Auditor of the Company, as well as the candidates for the election to the Company's governing bodies, regarding the general shareholders' meeting;

6.1.5 preparation of information (materials) to be provided to persons entitled to participate in the general shareholders' meeting, during preparation for such a meeting, ensuring access to information (materials) to be provided to persons entitled to participate in the general shareholders' meeting, for examination in the premises of the Company's executive body or other places whose addresses are stated in the notification of the general shareholders' meeting, or during such a meeting, certification and provision of copies of relevant documents at the request of persons entitled to participate in the general shareholders' meeting, as provided for by the applicable laws of the Russian Federation;

6.1.6 collection of completed voting ballots delivered to the Company, and their timely handing over to the Company's registrar performing the functions of the Counting Committee;

6.1.7 supervision of the procedure of registration of participants in the general shareholders' meeting, keeping of the minutes of the meeting and drawing up the minutes on the results of voting at the meeting, and prompt provision to the persons entitled to participate in the general shareholders' meeting, of the report on the results of voting at the meeting as provided for by the applicable laws of the Russian Federation and the Company's internal documents;

6.1.8 preparation of replies to questions of the members of the general meeting related to the procedures of the meeting, and taking of measures for the settlement of conflicts related to the preparation and conduct of the shareholders' meeting.

6.1.9 control over execution of the resolutions adopted by the general shareholders' meeting, including the control over the procedure and terms of dividend payments to the shareholders;

6.2. elaboration of programs for the improvement of corporate governance and introduction of amendments to the Company's internal documents to bring them in line with the legislative requirements and the best corporate governance practice;

6.3 ensure efficient work of the Company's Board of Directors and its Committees, including the following:

6.3.1 taking part in drafting the documents regulating the work of the Board of Directors and its Committees;

6.3.2 taking part in drafting the work schedules of the Board of Directors and its Committees;

6.3.3 interaction with the independent and non-executive members of the Board of Directors during preparation for the BoD's and Committees' meetings;

6.3.4 participation in the Board of Directors' and its Committees' meetings;

6.3.5 annual assessment/evaluation by the Board members (through self-evaluation) of the performance efficiency of the Board of Directors, its members and Committees in accordance with the criteria approved by the

Board of Directors' Committee on Nominations and Remunerations, or, in case of the BoD's decision to conduct an independent assessment, the Corporate Secretary shall arrange for such assessment;

6.3.6 ensure regular notification of independent members of the Board of Directors about the most significant events in financial and economic activities of the Company and its affiliated companies, as well as about other events affecting the interests of shareholders, in accordance with paragraph 2 of Article 13 of the Regulation on the Board of Directors of the Company;

6.3.7 ensure immediately notification of the Board of Directors and(or) the BoD's Committee for Nominations and Remuneration about all the identified violations of the law, as well as of the regulations of the Company's internal documents, the observance of which relates to the functions of the Corporate Secretary.

6.4 ensure the compliance with the requirements to the disclosure (provision) of information on the Company set out in the applicable Russian laws, the Charter and the Company's internal documents for the achievement of the fullest possible exercise of the shareholders' rights for receiving the information material for taking the investment and management decisions, as well as the right for protection of the information on the Issuer, disclosure of which may cause damage to the Company and its shareholders;

6.5 compliance with requirements of the current legislation in respect of the use, keeping and disclosure of insider information in accordance with the Company's Regulations on Insider Information;

6.6 maintaining the lists of insiders and providing them on the request of the organizer of trading;

6.7 keeping of documents in accordance with the applicable laws of the Russian Federation or the Company's internal documents and providing access thereto; provision and certification of copies of documents;

6.8 timely collection and submission to the Company of information on related party transactions;

6.9 interaction between the Company and its shareholders and prevention of any corporate conflicts:

6.9.1 ensure the implementation of procedures established by the law and the Company's internal documents securing the exercise of shareholders' legal rights and interests and control over their implementation;

6.9.2 ensure the proper and timely review by the Company of shareholders' inquiries and monitoring their execution;

6.9.3 ensure settlement of conflicts related to the violation of shareholders' rights;

6.10 interaction between the Company and regulatory authorities, trade arrangers, the registrar and other professional participants of securities market within the scope of its functions.

7. Rights of the Company's Corporate Secretary

The Corporate Secretary shall be entitled to:

7.1 request and receive necessary information and documents from the Company's chief executives and divisional heads;

- 7.2 within his/her functions, prepare materials for consideration by the Company's management bodies;
- 7.3 request the Company's registrar to provide clarifications regarding complaints received from shareholders, or request such information from the Company's registrar as may be required for the performance of his/her functions; supervise compliance with the applicable Russian laws in keeping the shareholders' register;
- 7.4 control over the compliance, by the managers of the Company's structural divisions and its employees, with the legislation and internal documents within the matters related to his/her functions;
- 7.5 exercise other rights provided by this Regulation and necessary to carry out the functions of the Corporate Secretary.

8. Obligations of the Company's Corporate Secretary

The Corporate Secretary shall be obliged to:

- 8.1 strictly observe the provisions and requirements of the applicable Russian laws, the Company's Charter, internal documents and these Regulations, and perform his/her duties in good faith;
- 8.2 observe the interests of the Company's shareholders in resolving any arising problems.
- 8.3 inform the Board of Directors about situations leading to violation of legal norms in the field of corporate governance, infringement of shareholder rights and development of a corporate conflict.

9. Responsibility of the Company's Corporate Secretary

9.1 The Company's Corporate Secretary shall be responsible for:

- 9.1.1 compliance with applicable Russian laws and internal work procedures;
- 9.1.2 performance of functions established by these Regulations, the Charter and the Company's internal documents;
- 9.1.3 safekeeping of the information classified as commercial secret;
- 9.1.4 timely and proper disclosure of information by the Company;
- 9.1.5 proper review of inquiries and applications of the Company's shareholders and timely settlement of conflicts;
- 9.1.6 integrity of confidential information about the Company's shareholders and their transactions;
- 9.1.7 lawful use of insider information;
- 9.1.8 accuracy, completeness and reliability of the documents submitted and certified by him/her.

9.2 The distribution of functions of the Corporate Secretary between the various structural units shall not exempt the Corporate Secretary from responsibility of compliance with corporate procedures.

10. Procedure for approval and amendment of the Regulations

10.1 These Regulations shall be approved by the Board of Directors. Decision on its approval shall be made by a majority vote of the Board members participating in the meeting of the Board of Directors.

10.2 Amendments and additions to the Regulations shall be introduced according to the same procedure as its approval.

10.3 Provided that some clauses of these Regulations may become non-conforming with the current legislation of the Russian Federation, because of legislative amendments, such clauses shall become invalid and the Corporate Secretary shall be governed by the current legislation of the Russian Federation until appropriate amendments are made to the Regulations.