

APPROVED BY
Decision of the Board of Directors
of PJSC MMK
Minutes of the Meeting no.
dated 17.07.07.2019
Chairman of the Board of Directors of
PJSC MMK
_____ **V.F.Rashnikov**

REGULATIONS
on the PJSC MMK Board of Directors' Committees

City of Magnitogorsk

Table of Contents

1. General Provisions
2. Functions of the Committee for Audit
3. Functions of the Committee for Nominations and Remuneration
4. Functions of the Committee for Strategic Planning
5. Functions of the Committee for Occupational Health, Industrial Safety and Environment
6. Procedure of the Committee's Election and Membership
7. Chairpersons of the Committees
8. Rights and Responsibilities of the Committees. Interaction of the Committees with the Company's Executive Bodies and Other Persons.
9. Dates and procedure for convening Committee meetings
10. Procedure for Committees meetings and decision-making
11. Minutes of the Committees meetings
12. Accountability of the Committees to the Board of Directors
13. Procedure for Approving and Amending the Regulations on the Committees

1. General Provisions

1.1 These Regulations on the PJSC MMK Board of Directors' Committees (hereinafter referred to as the "Regulations") were developed in accordance with the current legislation of the Russian Federation, provisions of the Corporate Governance Code recommended for use by the letter no. 06-52/2463 of the Bank of Russia dated 10.04.2014 (hereinafter referred to as "the Corporate Governance Code"), requirements of the Listing Rules of MICEX-RTS Moscow Exchange Public Joint Stock Company, the Charter of the PJSC MMK¹ (hereinafter referred to as "the Charter of PJSC MMK" or "the Company's Charter"), Regulations on the Board of Directors of PJSC MMK (hereinafter referred to as "the Regulations on the Board of Directors of PJSC MMK" or "the Regulations on the Board of Directors of the Company"). 1.2 These Regulations determine the functions of the Committees of the Board of Directors of PJSC MMK (hereinafter referred to as "the Committees"), membership and procedure for electing the Committees, procedure for convening and holding meetings of the Committees, procedure for decision-making (recommendations) and other issues related to the activities of the Committees.

1.3 Committees of the Company's Board of Directors are established for enhancing the efficiency of the Board of Directors' activity, for preliminary review and preparation of recommendations to the Board of Directors prior to adoption of decisions on the major issues referred to the competence of the Board of Directors of the Company.

1.4 The Committees are not the Company's management bodies and do not have the authority to manage the Company's affairs, act on behalf of the Company's Board of Directors and make independent rulings not related to the purpose of establishing and functioning of the Committees.

1.5 In their activities the Committees are accountable to the Board of Directors of the Company.

1.6 The Board of Directors of the Company may establish committees formed for the term of powers of the Board of Directors (standing committees).

The Board of Directors of the Company shall establish the following standing committees:

- *the Committee of the Board of Directors of PJSC MMK for Audit (Committee for Audit)* shall review the issues within the competence of the Board of Directors related to the control over the Company's financial and economic activities, including the assessment of the Company's auditor independence and absence of any conflict of interest, as well as the assessment of the quality of the audit of the Company's accounting (financial) statements, as well as control over the reliability and efficiency of the risk management and internal control system.

- *the Committee of PJSC MMK's Board of Directors for HR and Remuneration (Committee for HR and Remuneration)* shall review issues within the competence of the Board of Directors related to the Company's priority business activities with regard to the Company's HR policy, succession planning and formation of the proficient membership of the Board of Directors, executive bodies and other key executives, as well as issues related to payment of remuneration to members of the Company's management bodies and other key executives;

- *the Committee of the Board of Directors of PJSC MMK for Strategic Planning (Committee for Strategic Planning)* shall review issues within the competence of the

¹ Public Joint Stock Company Magnitogorsk Iron and Steel Works hereinafter referred to as PJSC MMK or the Company.

Board of Directors related to strategic planning, corporate governance, economy, finance, credit and dividend policy of the Company;

- *the Committee of the Board of Directors of PJSC MMK for Occupational Health, Industrial Safety and Environment (Committee for Occupational Health, Industrial Safety and Environment)* shall review issues within the competence of the Board of Directors related to occupational health, safety and environment.

1.7 The Board of Directors of the Company may establish committees of the Company's Board of Directors for a certain period necessary to address a particular objective (temporary committees). The validity period, functions and membership of the temporary committees shall be determined by the Board of Directors' decision on their establishment. The Board of Directors shall also appoint the chairpersons of the temporary committees. Other issues related to the activities of the temporary committees shall be subject to these Regulations.

2. Functions of PJSC MMK's Board of Directors Committee for Audit

2.1 For accounting (financial) and consolidated financial statements:

2.1.1 Control over completeness, accuracy and reliability of the Company's accounting (financial) and consolidated financial statements.

2.1.2 Negotiation with the General Director of the Company and the Company's Auditor of material issues and considerations in respect of the Company's accounting (financial) and/or interim consolidated financial statements (including material aspects of the accounting policy adopted by the Company).

2.1.3 Negotiation of press releases on interim consolidated financial statements of the Company.

2.1.4 Analysis of the internal audit report on the verification of the reliability of data contained in the annual report and accounting (financial) and consolidated financial statements of the Company (after 01.07.2020).

2.2 For external audit:

2.2.1 Ensuring independence and unbiased performance of external audit functions.

2.2.2 Preparation of recommendations to the Board of Directors regarding selection of a candidate to the position of external auditor of the Company from among internationally renowned independent auditors having a high professional reputation, for subsequent approval of the Auditor by the Company's General Shareholders' Meeting;

2.2.3 Adoption of a resolution on the issue "Competition-based Selection (Tender) of OJSC MMK's Auditor with Respect to Reasonability and Selection (Tender) Form and Date Approval, and Requirements (Selection Criteria) Set Forth for Participants, Taking into Account the Scope of Audit Services". Evaluating the expediency of election/re-election of the Company's external auditor, setting out the holding form, terms and conditions for competitive selection (tender) of the Company's external auditor, as well as the requirements (selection criteria) to be met by the bidders, considering the scope of audit services, including the assessment of independence, impartiality and absence of a conflict of interest of candidates for the position of the Company's auditors.

2.2.4 Supervision of the competition-based selection (tender) of the Company's Auditor, if any;

2.2.5 Preparation of recommendations to the Board of Directors regarding the size of remuneration for the services of the Company's auditor;

2.2.6 Interaction with external auditor, including supervision of the external audit, assessment of the quality of the audit and auditor's findings.

2.2.7 The Committee for Audit in conjunction with the Company's General Director, external auditor and the Chief Accountant (or with any other person responsible for the maintenance of accounting records) shall draw up a schedule of activities for the preparation of the auditor's report and define the procedures to be followed.

2.2.8 Analysis and discussion with the Company's external auditor of material issues arising in the course of the Company's independent external audit, including issues which the Company's external auditor is to discuss with the Committee for Audit in accordance with the accounting or auditing standards;

2.2.9 Discussion together with the Company's external auditor of draft surveys and statements based on the results of the audit of the Company's interim consolidated financial statements, as well as the auditor's report based on the results of the audit of the Company's accounting (financial) and consolidated financial statements for the year prior to submitting such an opinion for the consideration of the General Shareholders' Meeting;

2.2.10 Discussion with the Company's auditor of its independent status, receipt and verification of the auditor's written statement describing all the relations between the auditor and the Company, and consideration of circumstances that may affect the objectivity and independence of the Company's auditor and the absence of a conflict of interest.

2.2.11 Receipt of confirmation from the Company's auditor that the latter is in compliance with the requirement of partners' rotation;

2.2.12 Development of principles of rendering and combining audit and non-audit services by the auditor to the Company and monitoring of their observance.

2.3 For internal audit:

2.3.1 Ensuring independent and objective internal audit.

2.3.2 Preliminary review of the issues related to the improvement of principles and approaches to the arrangement of internal audit in the Company by means of updating the policy on internal audit, which defines the principles, targets, purposes and functions of internal audit.

2.3.3 Preliminary review of action plans of the Company's internal audit department.

2.3.4 Quarterly review of reports on the results of activities of the Company's internal audit department and interaction with the head of the Company's internal audit department.

2.3.5 Discussion with the head of the Company's internal audit department of the results of internal audits to assess the reliability and efficiency of the risk management and internal control system within the Company, as well as monitoring and analysis of the performance of the Company's internal audit department.

2.3.6 Consideration of existing limitations of the powers or budget to perform the internal audit, which may adversely affect the proper performance of internal audit.

2.3.7 Preliminary consideration of the candidate for the appointment (dismissal) to the position of the head of the internal audit department of the Company (to prepare a recommendation to the Company's General Director).

2.4. For risk management and internal control:

2.4.1 Preliminary consideration of issues on the improvement of principles and approaches to internal control system within the Company (including preparation of financial statements) (hereinafter referred to as "internal control") by means of updating the internal control policy.

2.4.2 Control over reliability and performance of internal control system as well as evaluation (assessment) of the efficiency of the internal control system.

2.4.3 Preliminary consideration of issues related to improvement of principles and approaches to the arrangement of risk management system within the Company by means of updating the risk management policy. Making decisions on risk management issues.

2.4.4 Control over reliability and efficiency of integrated risk management system and evaluation of the efficiency of integrated risk management system performance.

2.4.5 Assessment of compliance of the Company's activities - corporate culture and business processes of the Company, with business ethics and norms of conduct contained in the Company's Code of Conduct. Preview of the report on compliance with the Company's Code of Conduct.

2.5 For combating unfair acts of the Company's employees and third parties:

2.5.1 Control over the performance of warning system on potential fraudulent actions of the Issuer's employees (including the dishonest use of inside or confidential information) and third parties, as well as other violations in the Company's activities; control over the implementation of measures adopted by the Company's executive bodies within the framework of such a system.

2.6 The functions of the committee also include:

2.6.1 Review and preparation of recommendations for the Board of Directors regarding the approval of internal documents of the Company, except for those the approval of which is assigned by the Law² to the competence of the General Meeting of Shareholders, as well as other internal documents of the Company, approval of which is assigned by the Charter to the competence of the executive body of the Company.

2.6.2 Submission of the report on the performance of the Board of Directors' Committee over the year for consideration by the Board of Directors.

2.6.3 Other issues within the scope of the Committee's responsibilities as instructed by the Chairman of the Board of Directors.**3. Functions of PJSC MMK's Board of Directors Committee for HR and Remunerations**

3.1 With regard to the Company's HR policy, succession planning and formation of the proficient membership of the Board of Directors, executive bodies and other key executives:

3.1.1 Identification of criteria for selection of candidates to the Board of Directors (determination of the list of additional competences of the Company's Board of Directors members required for successful implementation of the Company's strategy (the "Succession Plan")) with a view to improving human resources and

² Law - Federal Law of the Russian Federation "On Joint Stock Companies" No. 208-FZ dated 26.12.1995

efficiency of the Company's Board of Directors, as well as ensuring succession of the Company's Board of Directors members.

3.1.2 Preliminary appraisal of candidates to the Company's Board of Directors for the position of the Company's General Director (from perspective of personal and professional qualities, having impeccable business and personal reputation, high moral and ethical qualities; possessing knowledge, skills and experience in various aspects of the Company's business; having sufficient time to perform their duties in full scope), including preparation of the list of potential candidates to the Board of Directors (the "Candidate Pool") and submission of relevant recommendations to the Board of Directors.

3.1.3 Preparation of recommendations to the Board of Directors with regard to proposals from shareholders on nominees to the Board of Directors and to the position of the Company's General Director and on adding of nominees into voting lists for election of the Board of Directors and the Company's General Director.

3.1.5 Preparation of recommendations to the Board of Directors regarding inclusion, at its own discretion, of candidates to the list of nominees for voting at elections to the Company's Board of Directors and to the position of the General Director (in accordance with paragraph 7 of Article 53 of the Law).

3.1.6. Preparation of recommendations to the Board of Directors for decision-making on suspension of the powers of the Company's General Director and/or a managing company (managing director), and on formation of a temporary sole executive body of the Company.

3.1.7 Preparation of recommendations to the Board of Directors on submitting the issue of delegating the powers of the Company's sole executive body to the managing company (managing director) for consideration by the General Meeting of Shareholders.

3.1.8 Interaction with the shareholders, which should not be limited by the scope of principal shareholders, in order to:

- select (nominate) candidates to the Company's Board of Directors that best meet the Company's ongoing requirements and ensure succession (candidates from the established list of "Candidate Pool");
- develop recommendations and convey them to shareholders with regard to voting for election of candidates to the Company's Board of Directors.

3.1.9 Preliminary assessment of compliance of candidates to the Board of Directors and members of the Board of Directors of the Company with the criteria of independence (making a decision on recognition of a member of the Board of Directors as an independent member).

3.1.10 Regular analysis of compliance of independent members of the Board of Directors with the independence criteria in accordance with the procedure stipulated by the Regulations on the Board of Directors of the Company.

3.1.11 Annual carrying out of the detailed formalized procedure for self-assessment or external evaluation of performance of the Board of Directors, its members and Committees and determination of prioritized spheres of activities for strengthening the membership of the Board of Directors.

Such self-assessment is held annually and external evaluation is performed at least once every three years.

3.1.12 Pre-establishment of self-assessment criteria by the members of the Board of Directors with regard to the activities of the Company's Board of Directors,

members of the Board of Directors and Committees of the Company's Board of Directors, for the purposes of approval by the Company's Board of Directors.

3.1.13 Preparation of a report on the results of self-evaluation for consideration by the Company's Board of Directors (to determine the priority areas for strengthening the HR pool and improving the efficiency of the Company's Board of Directors, as well as to ensure succession of members of the Company's Board of Directors) and for inclusion in the annual report of the Company.

3.1.14 Preparation of recommendations to the Board of Directors for making a decision on independent evaluation (external evaluation) of the efficiency of the Board of Directors, its committees and members (by external consultant), preliminary determination of criteria for such evaluation; preliminary review of the report on the results of external evaluation for consideration by the Board of Directors and inclusion in the annual report of the Company.

3.1.15 Preparation of recommendations to the Board of Directors to make a decision on the issue of formation of the Company's Management Board and early termination of its powers, approval of the number and scope of members of the Management Board, recommendations in respect of candidates to the position of a member of the Management Board, as well as distribution of their duties, planning of HR assignments, also with due regard to ensuring the succession of activities, members of the collegial executive body - the Management Board.

3.1.16 Preparation of recommendations to the Company's Board of Directors on candidates to the position of the Company's corporate secretary and other key managers of the Company.

3.1.17 Preparation of recommendations to the Board of Directors for making a decision on granting consent to participation of persons performing functions of the General Director of the Company and members of the Company's Management Board in management bodies of other companies.

3.1.18 Preparation of recommendations to the Board of Directors for making a decision on approval of the Company's organizational structure (at least with directors by areas of responsibility).

3.1.19 Preliminary review of long-term plans, programs, policies and main areas of activity of the Company and companies of the Group³, amendments to these documents, control over their implementation with respect to HR policy.

3.2 With regard to formation of an efficient remuneration system for the BoD members, executive bodies and other key managers:

3.2.1 Development and regular review of the policy on remuneration to the BoD members, follow-up control of its implementation and performance, including determination of the level and structure of remuneration for the executive BoD members of the Company.

3.2.2 Preparation of recommendations to the Company's Board of Directors regarding the amount of remuneration and (or) compensations to be paid to members of the Company's Board of Directors (to prepare recommendations to the General Meeting of Shareholders).

3.2.3 Preparation of recommendations to the Board of Directors for making a decision on approval of the Company's option plans and general corporate key performance indicators (KPI).

³ PJSC MMK Group (the Group) is a group of entities whose activities are aimed at achieving a strategic goal (except for PJSC MMK) (hereinafter referred to as "the Group").

3.2.4 Development and regular review of the policy on remuneration (salary) to the BoD members, General Director and other key officers of the Company and follow-up control of its implementation.

3.2.5 Preliminary evaluation of performance of the Management Board and General Director of the Company based on results of a year according to the remuneration policy (salary).

3.2.6 Determination of terms and conditions of early termination of the employment contracts with members of the Management Board and General Director, including all material obligations of the Company and conditions of provision thereof.

3.2.7 Development of recommendations to the Board of Directors on determining the amount of remuneration and principles of bonus payment to the Corporate Secretary.

3.2.8 Comparative analysis of and keeping members of the Board of Directors up-to-date in respect of the policy and programmes of remuneration of members of governing bodies and other key officers in other companies of the Group.

3.3 Functions of the committee also include the following:

3.3.1 Review and preparation of recommendations to the Board of Directors on approval of internal documents of the Company, except for those internal documents, approval of which is assigned by the Law to the competence of the General Meeting of Shareholders, as well as other internal documents of the Company, approval of which is assigned by the Charter to the competence of the executive body of the Company.

3.3.2 Submission of the BoD Committee's annual performance report for consideration by the Board of Directors;

3.3.3 Other issues within the scope of the Committee's functions as instructed by the Chairman of the Board of Directors.

4. Functions of the BoD Committee for Strategic Planning

4.1 Establishing strategic goals for the Company and the Group, monitoring the implementation of the Company's and Group's strategy and developing recommendations to the Board of Directors on the adjustment of the existing development strategy of the Company and the Group;

4.2 Preliminary consideration and development of recommendations on determining the priority areas of the Company's and the Group's activities.

4.3 Preliminary review and development of recommendations on approval of long-term plans, programs, policies and main areas of the Company's and the Group's activity, amendments to these documents and control of compliance therewith, as pertaining to:

- investment activities;
- innovative activities;
- integration activity;
- improvement of the quality management system;
- raising and allocation of funds (including borrowing policy, loan and guarantee policy);
- determination of the key business streams for procurement and sales;
- corporate management;
- social policy;
- management of the companies of the Group;
- investor relations;
- other spheres in accordance with the Activity Plan of the Board of Directors.

4.4 Preparation of recommendations to the Board of Directors on the Company's dividend policy, in particular:

- the amount of dividend on shares and procedure for its payment based on the results of QI, half-year and nine months of the reporting year (recommendation to the General Meeting of Shareholders);
- distribution of profit, including the amount of dividend on shares and procedure for its payment, and distribution of losses of the Company based on the results of the reporting year (recommendation to the General Meeting of Shareholders);
- setting the date on which the persons entitled to receive dividends are determined (for the General Meeting of Shareholders).

4.5 Preliminary consideration and development of recommendations to the Board of Directors on the issues of increasing the charter capital by means of the Company's placement of additional shares within the competence of the Board of Directors.

4.6 Preliminary review and development of recommendations to the Board of Directors on the following matters:

- offering of bonds and other issuable securities by the Company, except for shares;
- offering of bonds convertible into shares and other issuable securities convertible into shares in cases stipulated by the Law and the Charter;
- offering of bonds, the redemption of which may be carried out by outstanding shares of the Company;
- use of securities in the course of financial and economic activities of the Company.

4.7 Preliminary consideration and development of recommendations to the Board of Directors on the issues accompanying the securities emission procedure in accordance with the Federal Law "On Securities Market".

4.8 Preliminary consideration and development of recommendations to the Board of Directors on the issues related to:

- making a decision on determining the price (monetary value) of the assets, the price of placement or procedure of its determination and the price of redemption of securities in cases provided for by the Law;
- making a decision on the acquisition of the Company's placed shares in accordance with p.2 of Art.72 of the Law;
- making a decision on the acquisition of the Company's placed bonds or other securities in cases provided for by the Law or other federal regulations;
- making a decision on the disposition of shares held by the Company;
- approval of reports on redemption of the Company's shares;
- approval of reports on the shareholders' requests to buy back the Company's shares held by them;
- approval of the report on the results of shareholders' requests to sell the Company's shares held by them;
- approval of reports on the Company's acquisition of shares;
- making a decision on the handling of the application for listing of shares and issuable securities convertible into shares.

4.9 Preliminary review and development of recommendations to the Board of Directors on the issues of approval of financial and business plan (budget) of the Company for the financial year; making decisions on transactions beyond the financial and business plan (budget) of the Company (non-standard transactions); use of the

reserve fund and other funds of the Company; preliminary approval of the annual report of the Company.

4.10 Preliminary consideration and development of recommendations to the Board of Directors on issues related to approval of the transaction, including that made in the normal course of the Company's business, the value of which exceeds 10 % of the book value of the Company's assets, pursuant to the accounting data of its financial statements as of the latest date, and adoption of a decision on the approval of the transaction on disposition of immovable property irrespective of the transaction value; consent to entering into or subsequent approval of major transactions and interested-party transactions as well as related matters within the competence of the Board of Directors of the Company.

4.11 Preliminary consideration and development of recommendations to the Board of Directors on the issue of approval of the Company's Registrar and the terms and conditions of a contract therewith, as well as termination of such a contract.

4.12 Preliminary consideration and development of recommendations to the Board of Directors on the issue of convocation of annual and extraordinary general shareholders' meetings, with the exception of cases set out in p.8 of Article 55 of the Law and not related to the functions of other committees.;

4.13 Preliminary consideration and development of recommendations to the Board of Directors on issues related to the preparation and holding of the General Meeting of Shareholders in accordance with the provisions of Chapter VII of the Law and not referred to the functions of other Committees.

4.14 Preliminary review and development of recommendations to the Board of Directors on issues that can be adopted by the General Meeting of Shareholders only upon proposal of the Company's Board of Directors in accordance with the competence established in the Charter of the Company.

4.15 Preliminary review and development of recommendations to the Board of Directors on establishment of branches and representative offices of the Company, liquidation of branches and representative offices, approval of regulations on branches and representative offices, introduction of amendments and additions thereto.

4.16 Preliminary review and development of recommendations to the Board of Directors regarding the handling of applications for listing of the Company's shares and securities convertible into shares.

4.17 Control over implementation of the Board of Directors' decisions by the Executive Body; analysis of reports submitted by the Company's Executive Body on implementation of the Board of Directors' decisions;

4.18 Review and preparation of recommendations to the Board of Directors on the approval of the Company's internal documents, except for those the approval of which is attributed by the Law to the competence of the General Meeting of Shareholders, as well as other internal documents of the Company, approval of which is attributed by the Charter to the competence of the executive body of the Company.

4.19 Submission of the BoD Committee's annual performance report for consideration by the Board of Directors;

4.20 Other issues according to instructions of the Chairperson of the Board of Directors.

5 Functions of the BoD Committee for Occupational Health, Industrial Safety and Environment

5.1 In the area of occupational health and industrial safety:

5.1.1 Review of the Company's performance in the field of occupational safety in dynamics.

5.1.2 Review of industrial accidents and discussion of corrective actions to prevent accidents within the Company and the Group.

5.1.3 Preparation of recommendations on conducting a benchmarking analysis of the Company's performance in the field of occupational safety compared to the best international practices and considering the results of such analysis.

5.1.4 Consideration of issues related to the implementation of measures aimed at improving the occupational health and industrial safety management system according to the resolutions of the Company's Board of Directors.

5.2 In the area of environment:

5.2.1 Review of the results of the Company's activities aimed at reducing the impact on the environment in comparison with the leading Russian steel makers, review and comparison with the environmental impact indicators in foreign steel companies.

5.2.2 Consideration of the state of the atmospheric air of the city of Magnitogorsk in the dynamics of change of the aggregate Air Pollution Index (API).

5.2.3 Consideration of essential incidents (related to environmental pollution), violations or risks of failure to comply with the requirements in the field of environmental protection and discussion of remedial measures to eliminate the consequences and prevent similar incidents in the future.

5.2.4 Review of the implementation of measures and instructions in the field of environmental protection for the reporting period, as defined in the resolutions of the Board of Directors of the Company.

5.3 Functions of the committee also include the following:

5.3.1 Review and preparation of recommendations to the Board of Directors on approval of long-term plans, programs, policies and key areas of activity of the Company and the Group, amendments to these documents and control over their implementation, for the purpose of improvement of the system of industrial safety, occupational health and environmental policy.

5.3.2 Submission of the BoD Committee's annual performance report for consideration by the Board of Directors;

5.3.3 Other issues within the scope of the Committee's functions as instructed by the Chairman of the Board of Directors.

6 Procedure for Election to and Membership of the Committee

6.1 The Committees shall be set up by the decision of the Board of Directors and comprised of the Board members. The composition of the Committees and its Chairpersons shall be approved by the Board of Directors on the recommendation of the Board's Chairperson. The decision on the election of the Committees' members shall be taken by the majority of the Company's Board members taking part in the relevant meeting of the Board.

6.2 Committee for Audit and Committee for Nominations and Remuneration shall consist of independent directors (meeting the criteria of independence in accordance with the provisions of the Corporate Governance Code and Listing Rules of PJSC Moscow Exchange), and if this is not possible due to objective reasons - the majority of the members of Committee for Audit and Committee for Nominations and

Remuneration shall be independent directors, and other members of these committees may also be the members of the Board of Directors, who are not members of the Management Board and (or) is not the General Director of the Company.

6.3 A member of the Board of Directors may not serve on more than two committees of the Board, and the Board of Directors should consider the candidate's availability and time to perform his or her functions as a member of several committees.

6.4 A Chairperson of one committee may not be a Chairperson of another committee of the Board.

6.5 The Committee members may be re-elected an indefinite number of times.

6.6 By decision of the Board of Directors, the authority of members of the Committees can be subject to early termination.

8.7 A member of the Committee shall be entitled to early resignation from relevant committee by tendering a written notice to the Chairperson of the Board of Directors and the Committee's Chairperson. The authority of such a member of the Committee shall be deemed terminated, and its vote no longer counted towards the quorum or the voting results as from the date indicated in the notice, and if no date is indicated therein, as from the date of receipt of such a notice by the Board of Directors' Chairperson (or pursuant to the procedure and cases defined by par.8 of Article 5 of the Regulations on the Board of Directors of PJSC MMK).

7 Committees' Chairpersons

7.1 The activities of the Committees shall be managed by Chairpersons to be elected from among the members of the respective Committees at a meeting of the Board of Directors.

7.2.1 The Chairperson of the Committee for Nominations and Remuneration shall be elected from among independent directors. The Chairperson of the Company's Board of Directors may not be the Chairperson of the Committee for Nominations and Remuneration.

7.2.2 The Chairpersons of the Committees shall perform the following functions:

7.2.1 convene the Committee's meetings;

7.2.2 preside over the Committee's meetings. In his/her absence the Committee's members shall elect a presiding person from among the members present;

7.2.3 facilitate substantive discussions of matters during Committee meetings;

7.2.4 draw up work plans of the Committees in line with the functions of the Committees and on the basis of the Board of Directors' work plan;

7.2.5 take all measures necessary to ensure that the Committee's members are provided with sufficient information in a timely manner to enable them to take decisions (give recommendations) on a meeting's agenda;

7.2.6 represent the Committees before the Board of Directors;

7.2.7 report to the Board of Directors on a regular basis, but at least once a year, regarding the results of the performance of the Committees.

7.2.8 ensure that the minutes of the Committee's meetings are drawn up correctly and on time;

7.2.9 monitor the execution of the Committees' work plans.

7.3 Provision of administrative and technical, documentary and informative support for Committee meetings and safekeeping of minutes shall be entrusted to a specialist of the Company whose duties include supporting the activities of the Committees of the Board of Directors of the Company (Secretary of the Committees). **8. Rights and responsibilities of the Committees. Committees' Interaction with the Company's executive bodies and other persons.**

8.1 In order to perform entrusted functions, the Committees are vested with the following rights:

8.1.1 To receive complete and accurate information, as well as necessary documents for performing the functions of the Committees, from the General Director of the Company and heads of structural subdivisions, within the terms set forth in resolutions of the Committees and in accordance with the existing procedure in the Company.

The Secretary of the Committees shall ensure interaction of the Committees with the heads of the Company's structural subdivisions.

8.1.2 To involve the Company's employees, members of other Committees, as well as other persons to participate in Committee meetings.

8.1.3 To involve experts with necessary professional knowledge in the work of the Committees upon recommendation of the Committees Chairpersons and (or) Committee members.

8.1.4 To send recommendations to the Board of Directors on any matter relating to the functions of the Committees.

8.2 The Committees shall be responsible:

8.2.1 To perform the functions assigned to the Committees in accordance with the requirements of the applicable laws of the Russian Federation, the Charter and internal documents of the Company and these Regulations.

8.2.2 To inform the Board of Directors in due time about the risks that the Company may be exposed to on the matters related to the functions of the Committees.

8.2.3 Not to disclose information which constitutes a commercial secret of the Company.

8.3 If any expenses related to the activities of the Committees arise, such expenses shall be considered the expenses of the Board of Directors and shall be reimbursed in the manner provided for the reimbursement of expenses of the Board of Directors of the Company.

9 Time Frame and Procedure for Calling the Committees' Meetings

9.1 The committees' meetings shall be called by the Committee's Chairpersons in line with the work plan of a committee, but at least four times a year.

9.2 The Committees' work plans shall be formed on the basis of the approved work plan of the Board of Directors in line with the functions of the Committees.

9.3 The Committees' work plans shall be drawn up and signed by the Committees' Chairpersons.

9.4 Decisions on calling the Committees' meetings, its date, time, place and agenda, as well as the list of speakers on each issue of the agenda, shall be taken by the Chairpersons of the Committees.

9.5 Members of the Committees, members of the Board of Directors who are not members of the Committees and the Company's General Director can request the Committees' Chairpersons to consider any issue within the Committee's competence.

9.6 The Chairpersons of the Committees can call a meeting of a Committee beyond the schedule in accordance with proposals received.

9.7 If necessary, a meeting of a Committee can be adjourned as decided by a Chairperson.

10 Procedure of Conducting the Committee's Meetings and Decision-Making (giving recommendations)

10.1 The Committees' Secretary shall send to the members of the Committees a written notification regarding the holding of a corresponding meeting specifying its date, time and venue, attaching thereto information (documents) (explanatory notes, presentation materials, programs, plans, etc.), draft resolutions, voting forms and other documents, at least three days prior to the date of Committee's meeting by means of electronic e-mail message as well as, if technically possible, by means of DEDMS⁴.

10.2 The quorum for holding a committee's meeting shall be at least half of the elected members of the Committee. When determining the quorum and voting results on agenda issues, the votes of absent Committee members, who have submitted completed and signed individual voting forms to the Secretary of the Committee prior to the meeting, shall be taken into account.

10.3 Meetings of the Committees may be held by means of conference call and videoconference among members of the relevant Committee and persons present at the meeting, including speakers. Such meeting shall be deemed to be held at the location of the majority of the members of the relevant Committee attending the meeting.

10.4 If technically possible, members of the relevant Committee and/or persons invited to the meeting, including speakers, who are absent from the meeting venue shall be allowed to take part in the discussion of agenda issues and vote remotely by means of conference call and video conference calls. Such participation shall be considered equal to personal presence at the meeting.

10.5 The Chairpersons of the Committees can invite the following persons to the meetings: members of the Board of Directors, the Company's General Director, other employees of the Company possessing relevant professional knowledge and competence to discuss the issues under consideration by the relevant Committee as well as experts engaged by the Company.

10.6 Committees are entitled to hold joint meetings. In this case, the issues to be discussed simultaneously in several Committees may be considered both at joint meetings of the Committees and separately. Joint meeting of the Committees shall be held by the Chairperson of one of the Committees by agreement. If a joint meeting of the Committees is held, voting shall be held separately in each Committee.

⁴ SSED - If technically possible, for the purpose of providing information support, as well as for the purpose of document management of the Committees, a dedicated electronic document management systems may be used (hereinafter referred to as "DEDMS").

10.7 Information (materials) (presentations, explanatory notes, programs, plans, etc.), decision drafts and other documents regarding the agenda of the meeting shall be submitted by speakers to the Secretary of the relevant Committee not later than five days prior to the meeting of the Committee in electronic format and hard copy in the Russian, and, if necessary, in English, in accordance with the following requirements:

10.7.1 Information (documents) (presentations, explanatory notes, etc.) to be considered on the agenda of the meeting (for passing resolutions by absentee voting) of the Board of Directors should contain brief and concise information on the agenda of the meeting (voting) of the Board of Directors, and if so required, should include important matters and concerns that require special consideration by the Board of Directors (analysis, performance report, opinions, etc.). Preliminary information (documents) (presentations, explanatory notes, etc.) should not be voluminous and complicated.

10.7.2 Information (documents) (presentations, explanatory note, etc.) on the agenda to be considered by relevant Committee shall contain detailed information on the agenda of the Committee's meeting, and if so required, shall include important matters and concerns that require special consideration by the Committee (analysis, performance report, findings, etc.). Information (documents) (presentations, explanatory notes, etc.) should not be voluminous and complicated.

10.7.3 If the agenda of a Committee meeting contains an issue on transactions (interested party transactions, major transactions, transactions pursuant to Sub-clause 11.18.31 of the Company's Charter), preliminary information (documents) shall include information related to analysis and evaluation of risks related to such transactions.

10.7.4 The proposed draft resolution on the agenda issues of the Committees' meetings should contain an option of a resolution:

- for the issue that is not submitted for consideration by the Board of Directors, the resolution option should be indicated as follows: to recommend, take note of or instruct to submit/revise;

- for the issue that is submitted for consideration by the Board of Directors, the resolution option should contain a recommendation developed by the relevant Committee to the Board of Directors of the Company.

10.8 Resolutions (recommendations) of the Committees shall be adopted at meetings by physical attendance, with due counting of the individual voting ballots of absent members of the relevant Committee to be delivered prior to the meeting, as well as by absentee voting.

10.9 Resolutions (recommendations) at the Committees meetings shall be adopted by the majority of the relevant Committee members present at the meeting (who submitted their individual voting ballots). Each committee member shall have one vote. In case of tied vote by members of the relevant Committee, the member presiding over the meeting shall have the casting vote.

10.10 A decision on holding a meeting of a Committee in the form of absentee voting shall be taken by the Chairperson of the relevant Committee who shall determine the issues to be considered (agenda of the meeting), the date of absentee voting (the date of submission of individual voting forms), information (documents) on the issues to be considered and the deadline for submission of individual voting forms.

10.11. In case of absentee voting the completed and signed individual voting ballots shall be submitted in person to the Secretary of the relevant Committee or sent by e-mail with simultaneous sending of the original to the Company by courier and, if technically possible, shall be placed in the SSED.

10.2 Deemed to have taken part in the absentee voting shall be those members of the Committees whose individual voting ballots have been received by the Secretary of the Committees not later than the date determined by the Chairperson of the relevant Committee for holding a meeting in the form of absentee voting.

10.13 If technically possible, voting at meetings of the Committees on agenda issues may be carried out by electronic voting, including by means of SSED, with subsequent printing of voting results minutes.

11. Minutes of the Committees' Meetings

11.1 The Secretary of the Committees shall prepare minutes of meeting not later than three business days after the meeting held on the basis of mutual presence or absentee voting.

11.2 The minutes shall set out:

- date, time and venue of the meeting (or the date of absentee voting);
- persons present at the meeting (or those who have submitted their individual voting ballots);
- the meeting's agenda (or the agenda of the absentee voting);
- issues put to vote, and the results of voting thereon;
- resolutions adopted (recommendations to the Board of Directors).

11.3 Minutes of the Committees' meetings shall be signed by the Chairpersons of the Committees or by a member presiding at the meeting and the Secretary of the Committees, all of whom shall be responsible for the minutes' accuracy.

Individual ballots for voting on the agenda issues and other documents submitted for consideration of the relevant Committee shall be attached to the minutes.

11.4 If the Committee adopts a resolution with recommendations to the Board of Directors the Committee's Secretary shall submit the following documents to the Board of Directors:

- copy of the Minutes of the meeting of the Committees;
- abstracts from the Minutes of the meeting of the Committees containing recommendations on the issues of preliminary agenda of the Board of Directors' meeting;
- explanatory notes/presentation materials;
- draft resolutions of the Board of Directors;
- annexes (schedules, programs, regulations, calculations, etc).

11.5 Originals of the Minutes of the Committee's meetings shall be kept by the Committee's Secretary, who will insure their continuous keeping.

11.6 Minutes of the Committee's meetings shall be provided to members of the Committees upon their written requests.

11.7 Upon a request sent to the Committee's Secretary an abstract from the minutes of meeting shall be issued.

11.8 The Secretary of the Committees shall control the fulfillment of the Committee's resolutions.

12. Accountability of the Committees to the Board of Directors

12.1 The Committees shall submit annual reports on their performance to the Board of Directors within forty-five business days prior to the date of the Company's Annual General Shareholders' Meeting, and such reports shall be considered at the earliest meeting of the Board of Directors.

12.2 Reports shall contain information on the activities of the Committees during the year and on the Committees' performance as per their work plans. Committees' reports may contain other material information as deemed appropriate by the Committees.

12.3 The Board of Directors shall be entitled to instruct the Committees to prepare recommendations on specific issues.

12.6 At any time during the year, the Board of Directors shall be entitled, to demand that the Committees submit reports on their current activities. The deadline for drafting and submitting such reports shall be decided by the Board of Directors.

13 Procedure of Approving and Amending the Regulations on a Committee

13.1 These Regulations shall be approved by the Board of Directors. The decision on the approval shall be adopted by the majority of the Board members present at a relevant meeting of the Board.

13.2 Incorporation of amendments or supplements in the Regulations shall be governed by the same procedure as its approval.

13.3 If, as a result of changes in the applicable laws of the Russian Federation, certain paragraphs of these Regulations should come into conflict with the applicable laws, such paragraphs shall become invalid and, pending introduction of relevant changes in the Regulations, the Committees' members shall be guided by the applicable laws of the Russian Federation.