

APPROVED BY:
Decision of the OJSC MMK
Annual General Shareholders' Meeting
dated May 29, 2015, # 41

Chairman of the Meeting
(signature)
(V.F. Rashnikov)

REGULATIONS ON
THE GENERAL SHAREHOLDERS' MEETING
of the Magnitogorsk Iron and Steel Works
Open Joint Stock Company

Magnitogorsk

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1. GENERAL PROVISIONS

1.1. These Regulations on the General Shareholders' Meeting of the Magnitogorsk Iron and Steel Works Open Joint Stock Company (hereinafter, "the Regulations") have been drafted pursuant to the Civil Code of the Russian Federation, the Federal Law of the Russian Federation "On Joint Stock Companies" (hereinafter, "the Law"), the Charter of OJSC MMK, requirements of the Bank of Russia for the procedure of preparation, convening and conduct of annual general shareholders meetings and the Code of Corporate Governance recommended for use by Letter of the Central Bank of the Russian Federation # 06-52/2463 dated April 10, 2014.

1.2. These Regulations govern the procedures of preparing, convening and conducting the General Shareholders' Meeting of the Magnitogorsk Iron and Steel Works Open Joint Stock Company (hereinafter, "the Company").

1.3. The General Meeting of the Shareholders of the Company (hereinafter, "the general shareholders' meeting", "the general meeting" or "the meeting") is the supreme managing body of the Company and shall act in accordance with its competence as provided for by the Law.

1.4. The Company shall call general shareholders' meetings on an annual basis, and they shall be held not earlier than two months and not later than six months after the end of the financial year. Annual general shareholders' meetings shall take decisions regarding the election of the Company's Board of Directors, Audit Committee, approval of the Company's Auditor, approval of the annual reports and accounting reports, including profit and loss statements of the Company, and the distribution of profits, including the payment (declaration) of dividends, and losses of the Company based on the results of the financial year, and can also decide on other matters within their competence.

All general shareholders' meetings other than the annual meeting shall be extraordinary.

2. RIGHT TO PARTICIPATE IN THE GENERAL SHAREHOLDERS' MEETING

2.1. The list of persons having the right to participate in the general shareholders' meeting shall be made on a date set by the Board of Directors.

The date of making such a list shall not be set at earlier than 10 days after the date of taking the decision on the calling of the general shareholders' meeting and shall not be set at earlier than 50 or, in the case provided for by p.2 of Art.53 of the Law, 80 days prior to the date of the general meeting.

2.2. The list of persons having the right to participate in the general Shareholders' Meeting shall specify such persons' names and data necessary for their identification, the number and category (type) of shares entitling them to a vote, and the postal address to which voting ballots are to be forwarded.

2.3. The list of persons having the right to participate in the General shareholders' meeting shall be presented for review at the request of persons included in that list and having at least 1% of the votes.

Data taken from the identification documents and postal addresses of physical persons included therein shall be provided only with a consent of such persons.

At the request of any person concerned the Company shall, within three days, provide an extract from the list of persons having the right to participate in the general shareholders' meeting containing information on such a person, or a certificate that such a person has not been included in such a list.

2.4. The right of a shareholder to participate in the general meeting can be exercised personally or through a representative.

A shareholder has the right to replace his/her representative at the general meeting of shareholders at any time or to attend the general meeting of shareholders personally.

A shareholder's representative at the general meeting shall act in accordance with his authority based on a power of attorney made in writing. A power of attorney for voting shall be made in line with the requirements of pp. 4 and 5 of Art.185 of the Russian Federation Civil Code or notarized and shall contain information on the represented person and the representative (for an individual: name, and details of an identification document, such as series and number, date and place of issue and the name of the issuing body), and for a legal entity: name and data on its location).

In the event of a transfer of shares after the date of making the list of persons having the right to participate in the general shareholders' meeting, and prior to the date of the meeting, the person included in the list must issue a power of attorney for voting to the transferee or vote at the general meeting according to the transferee's instructions, if it is provided by the agreement on the transfer of shares.

3. PROPOSALS FOR THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING

3.1. Shareholders (a shareholder) of the Company who own at least 2 per cent of the Company's voting shares shall be entitled to make proposals of items for inclusion in the agenda of the general meeting and nominate candidates for the Board of Directors and the Audit Committee of the Company whose number shall not exceed the number of members of these bodies, and nominate a candidate for the position of the General Director (individual executive body). Such proposals must be received by the Company not later than 40 days after the end of the financial year.

3.1.1. In case the proposed agenda of an extraordinary general shareholders' meeting contains an item regarding the election of members of the Company's Board of Directors, shareholders or a shareholder owning at least 2 per cent of the Company's voting shares, shall be entitled to nominate candidates for election to the Company's Board of Directors whose number shall not exceed the number of members of the Board of Directors.

In case the proposed agenda of an extraordinary general shareholders' meeting contains an item regarding the formation of the Company's individual executive body and/or early termination of the term of office of such a body, shareholders or a shareholder owning at least 2 per cent of the Company's voting shares, shall be entitled to nominate a candidate for the position of the individual executive body.

Proposals referred to in this paragraph, shall be received by the Company at least 30 days prior to the date of the extraordinary general shareholders' meeting.

3.2. Proposals of items for inclusion in the agenda of the annual general meeting and nomination proposals shall be made in written form and mailed to the Company's location stated in p.1.3 of the Company's Charter, or delivered against signature to the Company's department in charge of receipt of correspondence addressed to the Company.

Proposals of items for inclusion in the agenda of the general meeting shall contain the wording of each item proposed, while nomination proposals shall specify the name of each proposed candidate, and details of his/her identification document (series and/or number of the document, date and place of issue, name of issuing body), the name of the body for election to which he/she is nominated, and other information as required by the Charter and the Company's internal

documents. Proposals of items for inclusion in the agenda shall also contain wordings of draft decisions on each proposed item.

Attached to proposals nominating candidates to the Company's Board of Directors, Audit Committee and the individual executive body, shall be written consents of the candidates to stand for the positions in question.

In case that a proposal for the agenda of the general shareholders' meeting or a demand for convening an extraordinary general meeting is signed by a shareholder's representative acting on the basis of authority provided by a power of attorney, attached to such a proposal or demand shall be such a power of attorney (or a duly certified copy thereof) issued according to the requirements of the Law.

In case that a proposal for the agenda of the general shareholders' meeting or a demand for convening an extraordinary general meeting is signed by a shareholder (or his representative) whose rights to shares are based on a depo account with a depository, attached to such a proposal shall be a statement from such a depo account.

3.3. The Company's Board of Directors shall review the proposals received and take decisions on inclusion thereof in the agenda of the general meeting or refusal to do so not later than five days after the expiry of the term specified in pp.3.1 and 3.1.1 above. The Board of Directors shall not be entitled to make amendments in the wordings of items proposed for inclusion, or draft decisions on such items.

3.4. In addition to items proposed for inclusion in the agenda of the general meeting by shareholders, or in case of absence of such proposals, or absence or insufficient number of candidates nominated by shareholders for constituting the relevant bodies, the Board of Directors shall be entitled to include items in the agenda or nominate candidates at its own discretion.

3.5. Items proposed by shareholders shall be included in the agenda of the general meeting, and candidates nominated shall be included in the ballot lists for election to the Company's relevant bodies, with the exception of cases where:

- the shareholders did not meet the deadline stipulated in pp.3.1. and 3.1.1. hereof;
- the shareholders do not own the number of the Company's voting shares required by pp.3.1. and 3.1.1. hereof;
- the proposal does not meet the requirements of p.3.2. hereof; or
- the item proposed for inclusion in the agenda is not within the competence of the general shareholders' meeting, or does not conform to the requirements of the Law or other legislative acts of the Russian Federation.

3.6. A well-founded decision of the Board of Directors of the Company refusing to include a proposed item in the agenda of the annual general meeting or to include a proposed candidate in the ballot lists for election to the relevant bodies of the Company shall be forwarded to the shareholder(s), who has (have) submitted the proposal, not later than 3 days after such decision is made.

In case of a decision of the Board of Directors of the Company refusing to include a proposed item in the agenda of the general shareholders' meeting or a proposed candidate in the ballot lists for election to the relevant bodies, or in case of the Board of Directors' evasion in taking the relevant decisions, the proposing shareholder shall be entitled to take legal action to force the Company to include a proposed item in the agenda of the general shareholders' meeting or a proposed candidate in the ballot lists for election to the relevant bodies.

4. PREPARATION FOR THE GENERAL SHAREHOLDERS' MEETING

- 4.1. During the preparation for the general shareholders' meeting Board of Directors shall:
- determine the format of the meeting (physical attendance or absentee voting);
 - set the date, time and place of the general shareholders' meeting and the postal address to which completed ballots should be sent, or, in case of absentee voting, set the deadline for acceptance of completed ballots and the address to which such ballots should be sent;
 - set the deadline for making the list of persons entitled to participate in the general shareholders' meeting;
 - determine the agenda of the general shareholders' meeting;
 - determine the procedure for informing the shareholders' of the general meeting;
 - determine the list of information (materials) to be provided to the shareholders in preparation for the general meeting, and the procedure for providing such information;
 - determine the format and text of voting ballots;
 - in case of a general shareholders meeting held by physical attendance, set the time of the beginning of registration of persons entitled to participate in such a meeting.
- 4.2. The executive body of the Company shall prepare and conduct the general shareholders' meeting in accordance with the decisions taken by the Board of Directors. The Chairman of the Board of Directors shall act as Chairman of the general meeting. In case of the Chairman's absence, his/her functions shall be performed by his/her Deputy.
- In case of absence of the Chairman of the Board of Directors and his Deputy, the functions of the Chairman of the general shareholders' meeting shall be performed by one of the Board of Directors' members chosen by the majority of the Board members present at the general shareholders' meeting.
- 4.3 The Company's Corporate Secretary shall act as the secretary of the general shareholders' meeting.

5. INFORMATION ON THE GENERAL SHAREHOLDERS' MEETING

- 5.1. A notification of the general shareholders' meeting shall be made not later than 30 days prior to the meeting. A notification of the general shareholders' meeting shall be published in the printed periodical *Magnitogorsky Rabochiy* and *Magnitogorsky Metall* daily newspapers and posted on the Internet site at the address: www.mmk.ru within the prescribed period.
- In cases provided for by clauses 2 and 8 of Article 53 of the Law the notification of an extraordinary general shareholders' meeting shall be sent at least 70 days prior to such a meeting.
- The Company can additionally notify the shareholders of the holding of the general meeting through other mass media, such as radio or TV. Information on the date of making the list of persons having the right to participate in the general shareholders meeting shall not be set at less than 7 days prior to the date of the general meeting.
- 5.2. The notification of the general meeting shall specify:
- the full official name and address of the Company;
 - the format of the meeting (physical attendance or absentee voting);

- the date, time and place of the general meeting, and the postal address to which completed ballots must be sent, or, in case of absentee voting, the deadline for acceptance of completed ballots and the address to which such ballots should be sent;
- the time of the beginning of registration of persons entitled to participate in the general meeting;
- the person a shareholder can contact in case the Company violates the registration procedure;
- the date of making the list of shareholders having the right to participate in the general shareholders' meeting;
- the agenda of the meeting and the persons who have proposed items for inclusion in the meeting's agenda;
- how and where the shareholders can review the information (materials) to be furnished to the shareholders during the preparation for the general meeting.

In case the agenda of the general shareholders' meeting contains the issue on payment of dividends, the Company has a right to indicate the following information in its announcement on the general shareholders' meeting:

- on responsibility of the shareholder to advise the Company on timely basis of any changes in his data required for dividend payment (bank account details, mailing address, etc.);
- about the consequences and risks associated with the untimely notification of any changes in such data;

Should the need arise to amend the information on the shareholder, a person whose rights to shares are recorded in the register of shareholders must submit an application form, which is available on the website <http://rostatus.ru> to the registrar ZAO PO "STATUS" (or to the branch office of ZAO PO "STATUS"). An application form must be provided to the registrar personally by the shareholder with the presentation of his passport, or by a person authorized by the shareholder on the basis of the power of attorney, or may be sent to the Registrar by mail. If dispatched by the mail the application form must be certified by a notary. Upon presentation of the application form by one of these methods the information on the shareholder whose rights to shares are recorded in the share register will be changed. Statements sent in other form or in a different manner, shall not be considered and will not be accepted by the registrar.

5.3. The information which is to be furnished to persons entitled to participate in the general shareholders' meeting during preparation for the meeting shall include the annual accounting reports, including the Auditor's Opinion and the Opinion of the Company's Audit Committee on the results of verification of the annual accounting reports, information on candidates for the Company's executive bodies, the Board of Directors and the Audit Committee, drafts of amendments and additions to the Company's Charter, or the draft of the Charter in a new revision, drafts of the Company's internal documents and of the general meeting's decisions, and information, as set out in p.5 of Art.32.1 of the Law, on shareholders' agreements entered into during the year preceding the date of the general shareholders' meeting.

Additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, during preparation for the meeting, shall include the following:

- the Company's annual reports
- the Audit Committee's opinion regarding the correctness of data contained in the Company's annual report;

- recommendations to the Company's Board of Directors on the distribution of profit, including the amount of dividend on the Company's shares and the procedure of its payment, and losses of the Company for the financial year; as well as the justification of the proposed distribution of net profit and assessment of its compliance with the dividend policy, accepted by the Company, with clarifications and economic feasibility of the distribution of the share of profits for its own needs, if necessary.
- information on the auditor organization nominated for approval by the general shareholders' meeting.

Additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, during preparation for the meeting, whose agenda contains an item of the election of members of the Company's Board of Directors or Audit Committee, or of the Company's General Director, shall include the following information on the candidates:

- age (date of birth)
- education
- positions held by the candidate over the last five years, including positions with governing bodies of other legal entities (stating the full name of such entities and the date of taking such a position);
- quantity of the Company's shares held by the candidate;
- a person (persons), nominating a candidate;
- existence of written consents of the candidates to stand for relevant bodies of the Company;

In case of transfer of the authority of the individual executive body to a managing entity, additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, shall also include information on such a managing entity.

Additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, during preparation for the meeting, whose agenda contains items voting on which may give rise to claims of buy-back of the Company's shares, shall include the following:

- report of an independent appraiser on the market value of the Company's shares which may be claimed for buy-back;
- calculation of the value of the Company's net assets according to the Company's accounting data for the last complete accounting period;
- minutes of the meeting (or an extract therefrom) of the Company's Board of Directors which adopted a decision on the determination of the buy-back value of the Company's shares, with the indication of such buy-back price;

Additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, during preparation for the meeting, whose agenda contains the item of the Company's reorganization, shall include the following:

- draft resolution on the splitting, spin-off or transformation, or an agreement (draft contract) on a merger or acquisition entered into by companies participating in such a merger or acquisition;
- rationale for the conditions and procedure of the Company's reorganization contained in the decision regarding the division, separation or transformation or in the

agreement on the merger or association approved by the competent body of the Company;

- draft of a transfer certificate (separation balance sheet);
- annual reports and annual accounting statements of all the organizations involved in the reorganization, for three complete financial years preceding the date of the general meeting, or for each complete financial year from the moment of an organization's establishment if such an organization has existed less than three years;
- quarterly accounting statements of all the organizations involved in the reorganization, for the last complete quarter preceding the date of the general meeting.

Additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, during preparation for the meeting, whose agenda contains items on amendments to the Articles of Association of the Company (the adoption of the revised Charter) and/or internal documents of the Company governing the operation of the Company, includes a table comparing the changes with the current version of these documents.

Additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, during preparation for the general meeting, whose agenda contains an item on the approval of the interested party transactions, includes the list of persons deemed as interested in the transaction, specifying the grounds on which such persons are recognized as interested.

5.4 The information (materials) specified in p.5.33 above, shall be made available to persons having the right to participate in the general shareholders' meeting, 30 days prior to the general shareholder meeting's date and 20 days prior to the extraordinary general shareholders meeting's date, at the address indicated in the notification of the general shareholders' meeting. Such information (materials) shall be available to persons having the right to participate in the meeting, throughout the meeting.

The Company shall, at the request of a person having the right to participate in the meeting, provide him/her with copies of the above documents within 7 days of receipt of the relevant request by the Company (of the beginning of the term during which information/documents to be provided to persons entitled to participate in the general meeting, must be made available to such persons if the relevant request was received by the Company prior to such term's beginning).

The charge for copies of documents containing information to be provided to persons entitled to participate in the general meeting during preparation for the meeting, shall not exceed the cost of their making.

6. AN EXTRAORDINARY GENERAL MEETING OF THE SHAREHOLDERS

6.1. An extraordinary general meeting of the shareholders can be held by decision of the Board of Directors on its own initiative, at the request of the Audit Committee, the Company's Auditor or shareholders (a shareholder) who own(s) not less than 10% of the Company's voting shares as of the date of the request.

The Board of Directors shall at its own discretion request information from the Company shareholders register regarding the number of the certain category (type) of shares owned by each of the shareholders who have signed the request for calling an extraordinary general meeting.

In the event that a proposal for the agenda of the general meeting or a demand for calling an extraordinary general meeting is signed by a shareholder (or his/her representative) whose rights to the shares are registered in a depo account with a depository which registers the rights to such shares, attached to such a proposal or a demand shall be an extract from such a depo account.

The date of presenting the request for an extraordinary meeting shall be the date of the request's delivery to the Company.

An extraordinary general meeting of the Company's shareholders called at the request of the Audit Committee, the Company's Auditor or shareholder(s) owning not less than 10 per cent of the Company's voting shares, shall be held within 50 days of the date of presenting the request therefor.

If the proposed agenda of the extraordinary meeting includes an item regarding election of the Company's Board of Directors' members, such an extraordinary meeting shall be held within 95 days of presenting the request.

6.2 In cases where, in accordance with Articles 68-70 of the Law the Board of Directors shall decide to hold an extraordinary general meeting of shareholders, such general meeting of shareholders shall be held within 40 days from the date of the decision of the Board of Directors.

In cases where, in accordance with the Law the Board of Directors shall decide to hold an extraordinary general meeting of shareholders in order to elect members of the Board of Directors, such meeting shall be held within 90 days from the date of the decision by the Board of Directors.

6.3. The request for holding an extraordinary general shareholders' meeting shall specify issues to be included in the meeting's agenda. Such a request may contain wordings of draft decisions on each of the issues and a proposal of the format of the meeting.

The Board of Directors shall have no right to amend the wording of the proposed issues of the agenda or the draft decisions, or change the format of an extraordinary general meeting requested by the Audit Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% of the Company's voting shares.

6.4. Where an extraordinary general meeting is requested by a shareholder (shareholders), the request shall specify the name(s) of the shareholder(s) making the request, and the number and category (type) of shares owned by them.

The request for an extraordinary meeting shall be signed by those requesting it.

6.5 In the event that the request for calling an extraordinary general meeting contains a proposal nominating candidates to the Company's Board of Directors or the Audit Commission, the number of candidates shall not exceed the number of members composing the relevant body.

Proposals of nomination of candidates for election at an extraordinary meeting shall conform to the requirements of p.3.2. hereof, the Company's Charter and internal documents.

6.6. Within 5 days of the date of a request being presented by the Audit Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% of the Company's voting shares, the Board of Directors shall decide on calling an extraordinary general meeting of the shareholders or refusing to do so.

The decision to refuse to call an extraordinary general shareholders' meeting requested by the Audit Committee, the Company's Auditor or shareholders (a shareholder) owning not less than 10% of the Company's voting shares, may be taken only if:

- the procedure for presenting the request specified by the Law has not been complied with;

- the shareholders requesting the meeting do not own at least 10% of the Company's voting shares as of the date of presenting the request;
- none of the issues proposed for inclusion in the agenda of the extraordinary general shareholders' meeting are within its competence or meet the requirements of the Law or other legislative enactments of the Russian Federation;

6.7. The decision of the Board of Directors on calling an extraordinary general meeting of the shareholders of the Company or a well-founded decision on refusing to do so, shall be delivered to the persons who have requested the meeting, not later than 3 days after such a decision is made.

6.8. Should the Board of Directors of the Company, within the time frame set forth by the Law, fail to take a decision on calling an extraordinary general shareholders' meeting or refuse to call such a meeting, the bodies or persons requesting it shall be entitled to take legal action to force the Company to hold such an extraordinary general meeting.

The court decision requiring the Company to hold an extraordinary general shareholders' meeting shall specify the time frame and procedure for holding such a meeting. The enforcement of the court decision shall rest with the plaintiff or, at its request, with a body of the Company or other person, subject to their consents. The Company's Board of Directors cannot be such a body. The body or the person which will hold an extraordinary general meeting in accordance with the court decision, shall have all the powers provided by the Law, and required for calling and holding such a meeting. In case such a meeting in accordance with the court decision is held by the plaintiff, the costs of the preparation for and conducting the meeting can be reimbursed by decision of the general shareholders' meeting at the expense of the Company.

If an extraordinary general meeting held in execution of a court order forcing the Company to hold such an extraordinary general meeting, is not attended by persons who are to preside over such a meeting in accordance with the Law, the meeting shall be chaired by a Company body (head of such a body) or a person who conducts such a meeting in accordance with the court order.

7. THE COUNTING COMMITTEE OF THE COMPANY

7.1. The duties of the Company's Counting Committee shall be performed by the Company's registrar.

In performing the duties of the Counting Committee the registrar shall act in accordance with the Law, the Charter and the Company's internal documents, the contract between the Company and the registrar.

7.2. The duties of the registrar when performing the functions of the Counting Committee shall include:

7.2.1. verification of the authority and registration of persons participating in the general meeting;

7.2.2. registration of shareholders' powers of attorney for transfer of their authority;

7.2.3. preparation of a list of participants in the meeting assigning a registration number to each participant;

7.2.4. distribution of ballot forms among the shareholders;

7.2.5. determination of the quorum of the general shareholders' meeting (drawing up minutes of the meeting on determination of the quorum);

- 7.2.6. clarification of questions arising in connection with the exercise by a shareholder of his right to vote;
- 7.2.7. clarification of the voting procedure in respect of issues put to the vote;
- 7.2.8. enforcing the established voting procedure and the rights of the shareholders to participate in the voting;
- 7.2.9 counting of votes and summing up the results of the vote;
- 7.2.10 witnessing of copies of the completed ballots at the request of the shareholder;
- 7.2.11 drafting of a report on the results of the vote;
- 7.2.12 filing of the ballots with the Company's archive.

8. REGISTRATION OF PERSONS HAVING THE RIGHT TO PARTICIPATE IN THE GENERAL SHAREHOLDERS' MEETING

8.1. The registration of persons entitled to participation in a general meeting held by physical attendance, shall be performed at the address of the venue of the meeting, start from the time set by the Company's Board of Directors and continue until the end of the meeting.

A general shareholders' meeting shall start not later than 10:00 a.m. local time and shall end not later than 17:00 p.m.

If by the time of the start of the general meeting there is no quorum for any of the items of the meeting's agenda, the opening of the meeting shall be adjourned, but not for more than 2 hours.

It is not allowed to adjourn the meeting more than once.

8.2. On registering, the registrar performing the function of the Counting Committee shall maintain the registers of:

- persons having the right to participate in the general shareholders' meeting, and
- powers of attorney or other documents evidencing the authority of a participant to represent a shareholder.

8.3 Liable for registration for participation in the meeting shall be persons having the right to participate in the general shareholders' meeting, with the exception of persons whose ballots were received not later than two days prior to the date of the meeting.

The persons having the right to participate in the general shareholders' meeting, whose ballots were received not later than two days prior to the date of the meeting, shall be entitled to attend the meeting.

8.4. For the registration of persons participating in the general meeting, the following documents will be required:

- a personal identification document – for a shareholder as a physical person;
- a power of attorney from a shareholder and a personal identification document – for a shareholder's representative;
- a document certifying the person's powers in accordance with the laws in effect, and a personal identification document for an executive of a legal entity which is a shareholder of the Company.

Powers of attorney or other documents certifying the right of a participant to act on the shareholder's behalf, shall be handed in to the Counting Committee on registration. If the participant so wishes, the registrar will accept notarized copies of such documents.

The registration of persons having the right to participate in a general meeting shall proceed subject to the identification of persons arriving for participation in the meeting, by verifying the data contained in the list of persons having the right to participate in the general meeting, against the identification documents presented by such persons.

8.5. The registration of persons having the right to participate in the general meeting, shall finish after the end of the discussion of the last item on the general meeting's agenda for which there is a quorum, and before the start of the time allowed for voting to persons who had not voted theretofore.

8.6. The registrar shall issue a report on the results of the participants' registration (minutes of the meeting on determination of the quorum) specifying the following:

- full name of the Company;
- location of the Company;
- type of the meeting (annual or extraordinary);
- format of the meeting (physical attendance or absentee voting);
- date of the meeting (the deadline for accepting ballots in case of a meeting with absentee voting);
- time of the meeting;
- time of the beginning of the participants' registration;
- place of holding the general shareholders' meeting;
- number of persons registered as participants in the general meeting, and the number of voting shares owned by them;
- number of voting ballots received by the Company not later than two days before the date of the meeting, and the number of the Company's voting shares represented by such ballots or the number of voting ballots received by the Company before the deadline for acceptance of the ballots when the general meeting is held in the form of absentee voting;
- number of powers of attorney received (or notarized copies of same);
- time and date of making the registration report.

Enclosed with the registration report shall be written complaints and statements in respect of the registration procedure.

The report on the registration of persons having the right to participate in the general meeting shall be signed by a person authorized by the registrar.

9. PROCEDURE FOR CONDUCTING THE GENERAL SHAREHOLDERS' MEETING

9.1. The Chairman of the meeting shall officially announce the opening and closing thereof.

Following the official announcement of the meeting's opening, the Chairman of the meeting shall make an introduction of the Presidium of the general shareholders meeting which may be comprised of the members of the incumbent Board of Directors, representatives of the federal or local authorities.

9.2. The Chairman shall conduct the meeting, monitor compliance with the meeting's rules of procedure, give necessary indications and instructions to the Registrar acting as the Counting Committee, take measures to maintain and restore order at the meeting, deprive a speaker of the

right to speak should he/she violate the rules of the meeting, announce the beginning and end of recesses in the meeting, and sign the meeting's minutes.

The Chairman of the meeting shall have no right to interrupt speakers at the meeting or make comments thereon, save for cases of the speaker's violation of the meeting's rules. The Chairman can delegate the conduct of the meeting to another person while at the same time remaining the chairman of the meeting.

9.3. Any speaker shall have a limit of 10 minutes to speak on an item of the agenda, with the exception of the item of approval of the Company's annual reports, balance sheet, profit and loss statements, reports on the distribution of profit, including payment (declaration) of dividends, and losses, which item will be allotted 20 minutes at most for discussion.

9.4. Questions to speakers and applications for granting the floor shall be made only in writing and handed in to the Company's Corporate Secretary.

9.5. Answers to the shareholders' questions shall be voiced at the general meeting or handed over to the asking shareholder in written form.

9.6. Should the meeting continue for three successive hours, a recess of one hour at most shall be called. The meeting shall not continue beyond 17:00 local time.

9.7. Shareholders shall be entitled to vote on each item of the meeting's agenda throughout the meeting.

9.8. Members of the Board of Directors and the Management Board of the Company, the individual executive body, the managing entity or the manager of the Company, members of the Audit Committee and the Auditor of the Company shall be invited to the general shareholders meeting.

The general shareholders' meeting may be attended by representatives of mass media or other persons at an invitation of the presiding at the meeting (the Chairman of the Board of Directors).

10 QUORUM FOR THE GENERAL SHAREHOLDERS' MEETING

10.1. A general shareholders' meeting shall be legally constituted (have the quorum) if it is attended by shareholders owning more than a half of the Company's placed voting shares.

Deemed to have taken part in the general meeting shall be those shareholders who have registered for the meeting, and those shareholders whose ballots were received at least two days prior to the date of the meeting. Deemed to have taken part in a general meeting held in the format of absentee voting, shall be those shareholders whose ballots had been received by the deadline for accepting the ballots.

A general meeting in the format of physical attendance shall be opened if by the time of its beginning there is a quorum for at least one of the items included in the agenda.

A general meeting at which, by the moment of its opening, there is a quorum only for certain items of the agenda, cannot be closed if persons whose registration ensures a quorum for decision on other items of the agenda, have registered by the end of registration.

10.2. If the agenda of the meeting includes items to be voted on by different groups of voters, the quorum for voting on these items shall be determined separately. In this case absence of the quorum for adopting decisions on items to be voted on by one group of voters, shall not prevent decisions from being taken on items to be voted on by another group of voters for which the quorum is available.

10.3. The quorum at a general meeting, in respect of issues included in the meeting's agenda, shall be determined based on the number of the Company's outstanding voting shares as of the

date of making the list of persons having the right to participate in the general meeting, with the exception of:

- shares not fully paid in at the incorporation of the Company, except as otherwise provided for by the Company's Charter;
- shares the title to which has been transferred to the Company;
- shares that make up 30, 50 or 70 per cent of the total number of the Company's outstanding ordinary shares if such shares are held by a person who, in accordance with Art.84.2 of the Law, must make a mandatory offer, and has not made such an offer, to the Company or its affiliates;
- shares cancelled after the date of making the list of persons having the right to participate in the general meeting, and before the date of the general meeting;
- shares held by persons who, in accordance with Art.81 of the Law, are recognized as interested in a transaction by the Company (or several interconnected transactions), in case of determining the quorum for the approval of an interested party transaction (or several interconnected transactions) of the Company;
- shares held by members of the Company's Board of Directors or persons holding positions in the Company's governing bodies, in case of determining the quorum for the issue of electing the Company's Audit Committee;

In determining the quorum and counting votes the parts of votes represented by fractional shares shall be summed up without rounding.

10.4 In determining the quorum for a general meeting attended by a person who votes with shares circulating outside the Russian Federation in the form of depositary securities, only the portion of such shares in respect of which the voting person has received instructions from the owners of such shares, shall be taken into account. When registering for participation in the general meeting, such a person shall provide written information to the counting committee on the quantity of such shares in respect of which of which he/she has received instructions from the owners of such depositary securities.

If for different items of the agenda of the general meeting the number of shares in respect of which the above person has received instructions from the owners, differs, such a person shall notify the counting committee of the number of shares to be voted on each such agenda item. In case that person votes on an item with a number of shares not corresponding to the information provided to the counting committee hereunder, such votes shall not be counted in the results of voting at the general meeting.

10.5 Should there be no quorum for an annual general shareholders' meeting, a new general shareholders' meeting shall be held with the same agenda. If there is no quorum for an extraordinary general shareholders' meeting, a new general shareholder's meeting may be held with the same agenda.

The new general meeting shall be legally constituted (have the quorum) if it is attended by shareholders owning at least 30 per cent of the Company's placed voting shares.

Notification of the new general meeting shall be made in accordance with the requirements of p.5.1. hereof, with the provisions of the second paragraph of clause 5.1 hereof not applying.

10.6. If the new general meeting is held less than 40 days after the failed general meeting, persons who have the right of participating in the new general meeting shall be determined in accordance with the list of persons who had the right to participate in the failed meeting.

10.7. Should there be no quorum for holding an annual general shareholders' meeting pursuant to a court decision, a new general meeting with the same agenda shall be held within 60 days at

the latest, without taking any additional legal action. Such a new general meeting shall be called and held by the persons or bodies of the Company stated in the court decision, or, if such persons or bodies did not call a general meeting within the time frame set in the court decision, another general meeting shall be called and held by other persons or bodies of the Company, which have filed a suit with the court, provided that such other persons or bodies are stated in the court decision.

Should there be no quorum for holding an extraordinary general shareholders' meeting pursuant to a court decision, such an extraordinary meeting shall not be held.

11. VOTING AT THE GENERAL MEETING OF THE SHAREHOLDERS

11.1 Voting at the general meeting shall be effected according to the principle: "one voting share of the Company = one vote", except for cases of cumulative voting for the election of the Board of Directors' members.

The shareholders - owners of ordinary shares of the Company have the right to vote at a general meeting of shareholders on the issues put to a vote.

11.2 Persons who have registered for a meeting held in the form of physical attendance, shall be entitled to vote on all the items of the agenda from the moment of the meeting's opening until the moment of the start of the votes' counting. After the end of discussions on the last item of the agenda and until the moment of the start of the votes' counting the persons who had not voted theretofore, shall be allowed time to do so.

11.3 A person, who has filled in the voting ballot, until the conclusion of the general meeting of shareholders, is entitled to request the representatives of the Registrar, exercising functions of the Counting Commission of the Company, to witness a copy of the filled-in ballot. A copy of the ballot is made at the expense of the person registered to participate in the general meeting of shareholders.

11.4 Following the end of discussions on the last agenda item of the general meeting for which there is a quorum, and before the start of the time allowed for voting to persons who had not voted theretofore, information shall be made available on the number of votes held by the persons who had registered and taken part in the general meeting up to that moment.

From the moment of the start of counting the votes on the agenda items, the general meeting shall be considered closed. Following the closing of the shareholders' meeting, any persons having the right to participate in the general meeting shall not be registered, and any voting ballots shall not be received.

12. VOTING BALLOTS

12.1. Voting at the general shareholders' meeting on the items of the agenda shall be by ballots.

Ballot forms shall be sent to shareholders by registered mail not later than 30 days prior to the date of the annual general meeting. Deemed to have taken part in the general meeting shall be the shareholders whose ballots are received at least two days prior to the date of the meeting.

Voting ballots received by the Company and signed by a representative acting pursuant to a power of attorney for voting, shall be deemed invalid in case the Company or the registrar performing the functions of the Counting Committee receive a notice of substitution (recall) of such a representative not later than two days prior to the date of the general meeting.

A person having the right to participate in the general meeting (including the new representative acting pursuant to the power of attorney for voting) shall be subject to registration for participation in the general shareholders' meeting, and he/she shall be issued voting ballots if the notice of substitution (recall) of such a representative is received by the Company or the registrar performing the functions of the Counting Committee, before the registration of the representative whose authority is being terminated.

Votes under a ballot that lacks the signature of a person having the right to participate in the general meeting, or his/her representative, shall not be counted in the voting results of the meeting.

Votes under a ballot that lacks the signature of a person having the right to participate in the general meeting, or his/her representative, shall not be counted in determining the quorum of a general meeting held in the form of absentee voting, or in determining the quorum of a general meeting held by physical attendance, if voting by such a ballot was by sending to the Company which received it at least two days prior to the date of the meeting.

12.2. The voting ballot shall contain:

- the full official name and address of the Company;
- format of the meeting (meeting by physical attendance or absentee voting);
- date, time and place of the general shareholders' meeting, postal address for sending completed ballot forms, or in case of absentee voting, the deadline for accepting the ballots and the postal address for sending completed ballot forms;
- drafts of decisions on each item (name of each candidate) to be voted on by the given ballot;
- voting options for each item put to the vote expressed as "in favour", "against" or "abstained";
- a note that the ballot form must be signed by the shareholder;
- other details or information as provided for by the Russian Federation laws.

In case of cumulative voting the voting ballot shall contain the relevant note and an explanation of the essence of such voting.

In a ballot for cumulative voting on candidates to the Company's Board of Directors the voting options expressed as "in favour", "against" or "abstained" shall be applied once for all the candidates. In such a ballot there shall be a field against the name of each candidate for showing the number of votes given to the relevant candidate by a person participating in the general meeting and choosing the option "in favour".

The number of candidates between whom votes are distributed in cumulative voting may exceed the number of persons that must be elected to the Company's Board of Directors.

12.3. The ballot form shall specify the name of the shareholder and the number, category and type of the shares owned.

12.4. Decisions of the general shareholders' meeting on items within its competence may be adopted by absentee voting. Voting ballot forms shall be sent to each person mentioned in the list of persons having the right of participating in the general shareholders' meeting, not later than 20 days prior to the meeting. On receiving the ballot such a person shall complete it and send it to the Company's postal address specified for accepting completed ballots for absentee voting. For the purposes of determining the quorum and summing up the voting results only those ballots shall be taken into account which are received by the Company not later than the date specified in the notification of the general meeting.

12.5 At the request of persons included in the list of persons having the right to participate in the general meeting, they may be issued voting ballots with a note that they have been re-issued.

13. PROCEDURE FOR COUNTING VOTES

13.1. In voting by ballots only those votes shall be counted where a voter has chosen one option for a voted issue. Completed ballots not meeting this requirement shall be declared invalid and the votes contained therein shall not be counted.

If a ballot form contains a number of issues to be voted on, non-compliance with the above requirement in respect of one or several issues shall not invalidate the entire ballot.

13.2. If, when counting the votes, two or more ballots are encountered which are completed by one person and contain different voting options for one item of the meeting's agenda, then regarding the voting on such an item all the above ballots shall be deemed invalid.

This rule shall not apply to the voting ballots signed by a person who issued a power of attorney for voting in respect of the shares transferred after the date of making the list of persons entitled to participate in a general shareholders' meeting, and/or persons acting pursuant to powers of attorney where the fields reserved for marking the number of votes given for each voting option, show the number of votes given for the relevant voting option, and contain relevant marks explaining the voting procedure.

13.3 If in a ballot for voting to elect members of the Company's Audit Committee the "in favour" option has been marked for a larger number of candidates than the number of persons required to be elected to the Audit Committee, then such a ballot, as regards voting on such an issue, shall be deemed invalid.

This rule shall not apply to the voting ballots signed by a person voting by shares transferred after the date of making the list of persons having the right to participate in the general meeting, in accordance with instructions received from the transferees of such shares, and/or a person voting by shares circulating beyond the Russian Federation in the form of depositary securities, in accordance with instructions received from the holders of such securities and containing relevant marks explaining the voting procedure.

If a voting ballot pertaining to the election of the Audit Committee members has more than one voting option in respect of one or more members of the Audit Committee, such a ballot shall be deemed invalid only with regard to the member(s) for whom more than one voting option has been used.

13.4 If, alongside the election of the Audit Committee members the general meeting's agenda also includes the election of the Company's Board of Directors' members or the constitution of the Company's executive body, the votes attaching to the shares held by candidates elected to the Board of Directors, or for the position of the Company's individual executive body, shall not be counted towards the results of voting on the election of the Audit Committee members. At the same time the votes attaching to the shares held by members of the Board of Directors or the individual executive body whose authority has been terminated, shall be counted towards the quorum and the results of voting on the election of the Audit Committee members.

13.5 The fact that a voting ballot is deemed invalid as regards voting on one, several or all items voted on by such a ballot, shall not be viewed as grounds for disregarding the votes corresponding to such a ballot when determining the quorum.

14. RESULTS OF THE VOTING

14.1. Based on the results of the voting the registrar performing the functions of the Counting Committee shall, 3 business days after the close of the general shareholders' meeting or the deadline for accepting ballots in case of a meeting with absentee voting, draw up a report on the voting results.

14.2 After such a report is drawn up, and the minutes of the general shareholders' meeting signed, the ballots shall be sealed by the registrar and consigned to the Company's archives for keeping.

The report on the voting results shall be attached to the minutes of the general meeting.

14.3 In case that the agenda of an extraordinary general meeting includes the items of early termination of the authority of the Board of Directors' members and election of a new Board of Directors, the results of voting on the election of the new Board shall not be summed up if no resolution is passed on terminating the authority of the Board of Directors' members elected earlier.

15. RESOLUTIONS OF THE GENERAL SHAREHOLDERS MEETING OF THE COMPANY

Resolutions adopted by the general shareholders' meeting, and the results of the voting, shall be announced thereat, and shall also be made known to the persons included in the list of persons entitled to participate in a general shareholders' meeting, in the form of the report on the voting results not later than 4 working days after the closing date of the general meeting of shareholders or the deadline for receipt of ballots at the general meeting of shareholders in the form of absentee voting. The voting report is published in the Magnitogorsky Rabochy and Magnitogorsky Metall daily newspapers and posted on the Internet page www.mmk.ru.

16. DOCUMENTS OF THE GENERAL SHAREHOLDERS' MEETING

16.1. The minutes of the general shareholders' meeting shall be made not later than 3 business days after the close of the meeting in two copies. Both copies shall be signed by the Chairman of the Meeting and the Secretary of the Meeting.

16.2. The minutes of the general shareholders' meeting shall contain the summaries of the speakers' presentations, issues put to the vote, the voting results and the resolutions adopted by the general shareholders meeting.

The minutes of the general meeting shall also state:

- the full official name and the location of the Company;
- the type of the meeting (annual or extraordinary);
- the format of the meeting (physical attendance or absentee voting);
- the date of making the list of persons having the right to participate in the general meeting;
- the date of the meeting;
- the place of the meeting when held by physical attendance (the address);
- the agenda of the meeting;
- the times of the beginning and closing of the registration of the persons entitled to participate in a meeting held by physical attendance;

- the times of the beginning and closing of the meeting held by physical attendance, and in case when the resolutions adopted by the general meeting were announced thereat, the time of the beginning of the votes' counting;
- the postal address(es) to which completed voting ballots were sent in case of a general meeting held by absentee voting, and also in case of a general meeting held by physical attendance if voting on items included in the meeting's agenda could be effected by sending completed ballots to the Company;
- the number of votes belonging to the persons included in the list of persons entitled to participate in the general meeting, on each item of the general meeting's agenda;
- the number of votes corresponding to the Company's voting shares, on each item of the general meeting's agenda calculated subject to the provisions of p.10.3 hereof;
- the number of votes belonging to the persons who participated in the general meeting, on each item of the general meeting's agenda, with an indication whether there was a quorum for each item;
- the number of votes given for each of the voting options ("in favour", "against" or "abstained") on each item of the meeting's agenda for which there was a quorum;
- wordings of the resolutions passed by the general meeting on each item of the agenda;
- summaries of the speakers' presentations and the names of the speakers on each item of the agenda of the meeting held by physical attendance;
- names of the chairman (presidium) and the secretary of the general meeting;
- date of the minutes of the general meeting.

16.3 Attached to the minutes of the general meeting shall be:

- the report of the registrar who performed the functions of the Counting Committee regarding determination of the quorum of the general shareholders' meeting,
- the report of the registrar who performed the functions of the Counting Committee regarding the results of the voting at the general meeting;
- documents adopted or approved by the general meeting.

16.4. The report of the registrar performing the functions of the Counting Committee, on the results of the voting at the general meeting shall state:

- the full official name and the location of the Company;
- the type of the meeting (annual or extraordinary);
- the format of the meeting (physical attendance or absentee voting);
- the date of making the list of persons having the right to participate in the general meeting;
- the date of the meeting;
- the place of the meeting when held by physical attendance (the address);
- the agenda of the meeting;
- the times of the beginning and closing of the registration of the persons entitled to participate in a meeting held by physical attendance;

- the times of the beginning and closing of the meeting held by physical attendance, and in case when the resolutions adopted by the general meeting were announced thereat, the time of the beginning of the votes' counting;
- the number of votes belonging to the persons included in the list of persons entitled to participate in the general meeting, on each item of the general meeting's agenda;
- the number of votes corresponding to the Company's voting shares, on each item of the general meeting's agenda calculated subject to the provisions of p.10.3 hereof;
- the number of votes belonging to the persons who participated in the general meeting, on each item of the general meeting's agenda, with an indication whether there was a quorum for each item;
- the number of votes given for each of the voting options ("in favour", "against" or "abstained") on each item of the meeting's agenda for which there was a quorum;
- the number of votes on each item of the meeting's agenda put to the vote which were not counted due to the fact that the relevant ballots (including for the reason of voting on certain items) were deemed invalid;
- the full official name and the location of the registrar and the names of its authorized persons;
- date of the registrar's report on the results of the voting at the general meeting.

16.5 The registrar's report on the results of the voting at the general meeting shall be signed by the persons authorized by the registrar.

16.6 The report on the results of the voting at the general meeting shall state:

- the full official name and the location of the Company;
- the type of the meeting (annual or extraordinary);
- the format of the meeting (physical attendance or absentee voting);
- the date of making the list of persons having the right to participate in the general meeting;
- the date of the meeting;
- the place of the meeting when held by physical attendance (the address);
- the agenda of the meeting;
- the number of votes belonging to the persons included in the list of persons entitled to participate in the general meeting, on each item of the general meeting's agenda;
- the number of votes corresponding to the Company's voting shares, on each item of the general meeting's agenda calculated subject to the provisions of p.10.3 hereof;
- the number of votes belonging to the persons who participated in the general meeting, on each item of the general meeting's agenda, with an indication whether there was a quorum for each item;
- the number of votes given for each of the voting options ("in favour", "against" or "abstained") on each item of the meeting's agenda for which there was a quorum;
- wordings of the resolutions passed by the general meeting on each item of the agenda;
- the full official name and the location of the registrar and the names of its authorized persons;

- names of the chairman and the secretary of the general meeting;

16.7 The report on the results of the voting at the general meeting shall be signed by the Chairman and the Secretary of the general meeting.

16.8 If the agenda of the general meeting includes an item regarding the approval by the Company of a transaction in which there is an interest, the minutes of the general shareholders' meeting, the registrar's report on the results of the voting and the report on the results of the voting at the general meeting shall state the following:

- the number of votes which in respect of the item in question belonged to all the persons included in the list of persons entitled to participate in the general meeting, not interested in the Company's making the transaction in question;
- the number of votes corresponding to the Company's voting shares held by persons not interested in the Company's transactions, as calculated subject to the provisions of p.10.3 hereof;
- the number of votes which in respect of the item in question belonged to all the persons not interested in the Company's making the transaction in question who participated in the general meeting;
- the number of votes given for each voting option ("in favour", "against" or "abstained") of each item

17. KEEPING OF THE DOCUMENTS OF THE GENERAL SHAREHOLDERS' MEETING

17.1. The Company shall keep the minutes of the Company's general shareholders meetings and the reports on the voting results at the address of its executive body and as ordained by the federal government agency for the securities market.
