

**APPROVED BY:**  
Decision of the PJSC MMK  
Annual General Shareholders' Meeting  
dated May 31, 2019, # 54

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

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

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## **1. GENERAL PROVISIONS**

1.1. These Regulations on the General Shareholders' Meeting of the Magnitogorsk Iron and Steel Works Public 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"), Russian Federation laws in effect and the Charter of PJSC MMK.

1.2. These Regulations govern the procedures of preparing, convening and conducting the General Shareholders' Meeting of the Magnitogorsk Iron and Steel Works Public 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 reporting year. Annual general shareholders' meetings shall take decisions regarding the election of the Company's Board of Directors, approval of the Company's Auditor, approval of the annual report and accounting (financial) statements, and the distribution of profits, including the payment (declaration) of dividends, except for payment (declaration) of dividends based on the results of the first quarter, half-year, nine months of the reporting year) and losses of the Company based on the results of the reporting year, and can also decide on other matters within their competence. All general shareholders' meetings other than the annual meeting shall be extraordinary.

1.5. The Company provides shareholders with an additional way of communication via e-mail at the address: shareholder@mmk.ru.

## **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 on which the persons entitled to participate in the general shareholders' meeting are determined (fixed) 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 25 days, and in the cases provided for by paragraphs 2 and 8 of Article 53 of the Law, 55 days prior to the date of the General Shareholders' Meeting.

In the event of holding a general shareholders' meeting which agenda contains the issue of reorganization of the Company, the date on which the persons entitled to participate in such meeting are determined (fixed) shall not be set more than 35 days prior to the date of the general shareholders' meeting.

2.2. The list of persons entitled to participate in the general meeting (except for information on the expression of the will of such persons) shall be provided by the Company for review at the request of persons included in that list and having at least 1 percent of the votes on any item of the agenda of the general meeting from the date following the date of receipt by the Company of a request on the submission of the said list (from the date of making the list, if such request was received by the Company before the list was made). The list of persons entitled to participate in the general meeting (except for information on the expression of the will of such persons) shall be provided by the Company for review at the premises of the Company's

executive body, and shall be available for review during the general meeting of shareholders at the place the meeting is held. At the same time, information allowing to identify natural persons included in the above mentioned list, except for their surname, name, patronymic (if any), shall be provided only with their consent.

The Company shall be obliged, upon request of the person specified in the first paragraph hereof, to provide him/her with a copy of the list of persons entitled to participate in the general meeting (except for information on the expression of the will of such persons) within seven working days from the date of receipt of the relevant request by the Company (from the date of making the list, if such request was received by the Company before the list was made).

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. 3 and 4 of Art.185.1 of the RF 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, on which the persons entitled to participate in the general shareholders' meeting are determined (fixed), and prior to the date of the meeting, the person entitled to participate in the general shareholders' meeting 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 whose number shall not exceed the number of members of the Company's Board of Directors 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 60 days after the end of the reporting 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.

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 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.

The shareholders (shareholder) of the Company who are not registered in the Company's shareholder register have the right to submit proposals to the agenda of the general meeting of shareholders, and proposals for the nomination of candidates also by giving appropriate directions (instructions) to a person who keeps a record of their rights to shares. Such directions (instructions) are given in accordance with the rules of the RF securities legislation.

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 stipulated by the Company's Charter. 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, and the individual executive body, shall be written consents of the candidates to stand for the positions in question, as well as a consent of the candidate for the processing of his personal data. 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, such a power of attorney (copy of a power of attorney certified pursuant to the procedure stipulated by the RF legislation) shall be attached to such a proposal (demand).

A power of attorney (a copy of a power of attorney certified pursuant to the procedure established by the RF legislation ) issued by a foreign person on the territory of a foreign state and drawn up in a foreign language must be accompanied by a translation into Russian certified in accordance with the procedure established by the RF legislation. Such power of attorney shall be legalized or apostilled, unless otherwise provided for by the RF international treaty.

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. Along with the items proposed for inclusion in the agenda of the general meeting by shareholders and the candidates proposed by shareholders for constituting the relevant body, the Company's Board of Directors is entitled to include the issues in the agenda of the general meeting of shareholders and (or) candidates in the list of candidates to be elected to the relevant body of the Company at its own discretion. The number of candidates proposed by the Board of Directors of the Company may not exceed the number of members of the relevant.

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 RF legislative acts .

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. If these proposals were received by the Company from persons who are not registered in the Company's shareholders register and who gave the direction (instruction) to the person that carries out record-keeping of their rights to shares, this decision of the Board of Directors of the Company shall be sent to such persons not later than three days from the date of its adoption in accordance with Rules of the RF legislation on securities for the provision of information and documents to persons exercising their rights under securities.

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, and, if technically feasible, determine the e-mail address for sending completed ballots and (or) the address of the website in the information and telecommunications network "Internet", on which the electronic form of the ballots can be filled;
- set the deadline for determining (recording) persons entitled to participate in the general shareholders' meeting;
- closing date for reception of proposals nominating candidates to the Company's Board of Directors from shareholders, provided that the agenda of the extraordinary general shareholders' meeting contains an issue on the election of the members of the Board of Directors;
- 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, as well as the wording of decisions on the agenda of the general shareholders' meeting, which must be sent electronically (in the form of electronic documents) to nominal holders of shares registered in the register of shareholders of the Company;
- 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 absence of the Chairman of the Board of Directors, 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.

4.4 Shareholders in preparation for the annual general shareholders' meeting have the opportunity to ask questions and express their views on issues related to the general shareholders' meeting on the Company's website in the information and communication network Internet at [www.mmk.ru](http://www.mmk.ru) in Section "Contacts for Shareholders".

## **5. INFORMATION ON THE GENERAL SHAREHOLDERS' MEETING**

5.1. A notification of the annual 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 Metall daily newspaper and posted on the website in the information and communication network Internet at the address: [www.mmk.ru](http://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 50 days prior to such a meeting.

The notice of the date on which the persons entitled to participate in the general shareholders' meeting are determined (fixed) shall not be made 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. If technically feasible, the e-mail address for sending completed ballots and (or) the address of the website in the information and telecommunications network "Internet", on which the electronic form of the ballots can be filled, shall be indicated;
- 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 on which the persons entitled to participate in the general shareholders' meeting are determined (fixed) ;
- 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 of the Company . 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 •Company's annual report and the Audit Committee's opinion on the results of its verification, including the annual accounting (financial) reports, the Auditor's opinion thereon and the opinion of the internal auditor pursuant to Article 87.1 of the Law, information on candidates for the Company's executive bodies, the Board of Directors , 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 subject to approval by the general meeting of shareholders 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, opinions of the Board of Directors of the Company on a major transaction, a report on the interested party transactions entered into by the Company in the reporting year, as well as information (materials) stipulated by the Company's Charter.

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:

- 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) to be presented to persons having the right to participate in the general shareholders' meeting during preparation for the meeting, whose agenda contains an item on payment (declaration) of dividends shall include the recommendations of the Company's Board of Directors on the amount of dividends on the Company's shares and procedure of payment thereof.

Additional information (materials) to be presented 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 of the Company's General Director, shall include the following information on the candidates:

- information on age (date of birth)
- education details;
- 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 or absence 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.

In the event that candidates who meet the criteria for independence are nominated to the Board of Directors of the Company, additional information (materials) mandatory for presentation to persons having the right to participate in the general shareholders' meeting, shall also include information on candidates' compliance with the independence criteria.

Additional information (materials) to be presented 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 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 (financial) statements for the last complete reporting 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) to be presented 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 demerger, 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 draft decision regarding the division, separation or transformation or in the agreement (draft agreement) on the merger or association;
- draft transfer certificate in case of spin-off or demerger;
- annual reports and annual accounting (financial) statements of all the organizations involved in the reorganization, for three complete reporting years preceding the date

of the general meeting, or for each complete reporting year from the moment of an organization's establishment if such an organization has existed less than three years;

- interim accounting (financial) statements of all the organizations involved in the reorganization, for the last complete reporting period preceding the date of the general meeting if such statements are made.

Additional information (materials) to be presented 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) to be presented 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.5.3 above, shall be made available to persons having the right to participate in the general shareholders' meeting, 30 days prior to the annual general shareholder meeting's date and within 20 days prior to the extraordinary general shareholders meeting's date, at the address indicated in the notification of the general shareholders' meeting, as well as on the website in the information and telecommunications network "Internet" Such information (materials) shall be available to persons having the right to participate in the meeting, throughout the meeting.

A notification of the general shareholders' meeting and information (materials) to be provided to persons entitled to participate in the General Meeting of Shareholders shall be made available to nominee shareholders, registered in the register of shareholders, in preparation for the General Meeting of Shareholders of the Company, in accordance with the Rules of the RF legislation on securities for the provision of information and documents to persons exercising their rights under securities.

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 (copies of materials) 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, 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.

In the event that a demand for calling an extraordinary general meeting is signed by a shareholder (or his/her representative), attached to such a demand shall be a statement of such personal account (a depo account) from the shareholder register of the depository.

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 Company's Auditor or shareholder(s) owning not less than 10 per cent of the Company's voting shares, shall be held within 40 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 75 days from the date 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 70 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 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 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 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 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 RF legislative enactments ;

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 three days after such a decision is made. If a request to hold an extraordinary general meeting of shareholders was received by the Company from persons who are not registered in the register of shareholders of the Company and gave an instruction (orders) to the person who records their rights to shares, this decision of the Board of Directors shall be sent to such persons not later than three days from the day of its adoption in accordance with the RF Rules of the legislation on securities for the provision of information and documents to persons exercising their rights under securities.

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 having the right to participate in the general shareholders' 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.

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) as well as the number of completed electronic forms of ballots indicating the date and time of their filling, recorded on the website in the information and telecommunication network "Internet";
- number of electronic forms of ballots filled by a person entitled to attend the General Meeting of Shareholders (joint presence of shareholders to discuss the agenda items and make decisions on issues put to vote), on the website in the information and telecommunication network "Internet", if the address of this site has been specified in the notice of the general meeting of shareholders, provided that such persons did not realize their rights to participate in such a meeting by other means, with the indication of the date and time of their filling, recorded on the website in the information and telecommunication network "Internet".
- 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 (Chairperson) of the meeting shall officially announce the opening and closing thereof.

Following the official announcement of the meeting's opening, the Chairman (Chairperson) 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 (Chairperson) 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 (Chairperson) 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 (Chairperson) can delegate the conduct of the meeting to another person while at the same time remaining the Chairman (Chairperson) 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 (financial statements), distribution of profit, including payment (declaration) of dividends, and losses of the Company based on the results of the reporting year, 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. Notes with questions and statements are submitted to the Corporate Secretary of the Company, who organizes the preparation of draft answers to questions. Questions with draft answers are forwarded to the Presidium of the General Meeting of Shareholders to the Chairman (Chairperson) of the meeting.

9.5. The Chairman (Chairperson) of the General Meeting of Shareholders shall answer the questions received during the meeting or instruct the Corporate Secretary to respond to the shareholder in writing.

9.6. Should the meeting continue for three successive hours, a recess of one hour at most shall be called.

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

9.8. If technically possible, the Company provides video transmission of the annual general shareholders' meeting and provides an opportunity for shareholders to participate in the annual general shareholders' meeting using telecommunication means of remote access.

9.9. 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 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, including, on the website specified in the notice of the General Meeting, and those shareholders whose ballots were received or if the electronic form of their voting ballots was filled-in on the website specified in such notice not later than two days prior to the date of the General 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 or, if the electronic form of their ballots was filled-in on the website specified in the notice of the General Meeting by the deadline for accepting the ballots.

The shareholders are considered to have participated in the General meeting if, in accordance with the RF legislation on securities, they gave their voting directives (instructions) to the persons who take account of their rights for shares, if their voting statements were received no later than two days prior to the date of the General Meeting or before the deadline for receipt of absentee 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 determining (fixing) the 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 determining (fixing) the 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;

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 the general meeting of shareholders attended by a person to whom a depository programs' depo account is opened and who is voting the shares represented by depository receipts, only that portion of such shares shall be taken into account in respect of which the said person has received instructions to vote in a particular way at the general shareholders' meeting on behalf of the owners of depository receipts and other persons exercising the rights attached to the depository receipts.

A person to whom a depository programs' depo account is opened shall exercise the right to participate in the general meeting attached to the shares represented by depository receipts, provided that the owners of depository receipts and other persons exercising the rights attached to depository receipts have given instructions to vote in a particular way at the general meeting and the Company (the Company's registrar) has been provided with information on such persons indicating the number of shares represented by depository receipts, owned by each of them.

A person to whom a depository programs' depo account is opened shall vote the shares represented by depository receipts only in compliance with the instructions given by the owners of depository receipts or other persons exercising the rights attached to depository receipts.

If on different items on the agenda of a general meeting, the number of shares in respect of which a person to whom a depository programs' depo account is opened received instructions from the owners of depository receipts or other persons exercising the rights attached to depository receipts to vote in a particular way at the general meeting is different (do not coincide), the Company (the Company's registrar) together with the information on the owners a depository receipts and other persons exercising the rights attached to the depository receipts shall be provided with the information on the number of shares, in respect of which the person to whom a depository programs' depo account is opened received instructions to vote in a particular way on each such item on the agenda of the general meeting.

If a person to whom a depository programs' depo account is opened has cast the number of votes not corresponding to the number of shares, on which information was provided to the Company (the Company's registrar) hereunder, the said votes shall not be taken into account when summarizing 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 (fixed) as of the date on which the persons who had the right to participate in the failed meeting were determined (fixed).

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.

10.8 Before starting the discussion of the item on the election of members of the Company's Board of Directors, the persons present at the general meeting shall be informed of the number of votes cast for each of the candidates to be elected to the Board of Directors based on the ballots received or completed in an electronic form on the Internet website not later than two days prior to the date of the general meeting.

## **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.

## **12. VOTING BALLOTS**

12.1. Voting on the agenda issues of the General shareholders meeting (joint presence of shareholders for discussing agenda issues and taking decisions on issues put to vote) and voting on the agenda issues of the General Meeting held in the form of absentee voting shall be carried out by voting ballots.

The receipt of voting statements by the Companies' Registrar from the persons who are entitled to participate in the General Meeting, are not registered in the register of shareholders and, in accordance with the RF legislation on securities and gave their voting directives (instructions) to the persons who take account of their rights for shares shall be equivalent to the voting by ballot.

12.2 The voting ballots shall be sent to each person registered in the register of shareholders and entitled to participate in the General Meeting not later than 20 days before the date of the General Meeting.

The voting ballot shall be sent by the registered letter.

If technically possible, the ballots may be sent (placed) in the form of electronic message via e-mail to an appropriate person specified in the register of shareholders and (or) in the electronic form of the ballot on the website specified in the notice of the General Meeting.

If technically possible, the completed voting ballots may be sent by the person having the right to participate in the General Meeting to the email address specified in the notice of the General Meeting and (or) filled-in in the electronic form of the ballot on the website specified in the notice of the General Meeting.

12.3 The voting ballot shall include:

- the full corporate name of the Company and the location of the Company;
- the form of the general shareholders' meeting (meeting or absentee voting);
- the date, place, time of the general meeting of shareholders, the postal address where the completed ballots can be sent, or in the event of holding a general meeting of shareholders in the form of absentee voting, the end date for the receipt of voting ballots and the mailing address for sending completed ballots;
- wording of decisions on each issue (the name of each candidate), voting on which is carried out by this ballot;
- options for voting on each item on the agenda, expressed as "in favor", "against" or "abstained";
- a note that the voting ballot must be signed by a person having the right to participate in the general shareholders' meeting or a representative of such person. .
- other details and information provided by the current RF legislation.

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.

12.4 The voting ballot is nominal and contains the name (title) of the shareholder and the number, category (type) of shares owned by him.

12.5 If technically possible, the electronic form of the ballot on the Company's website may be filled-in by the shareholders during the General Meeting (joint presence of shareholders for discussing agenda issues and taking decisions on issues put to vote) if they have not exercised their right to participate in such meeting in any other way. The date and time of completion of electronic ballots on the website shall be recorded.

12.6 Acceptance (receipt) of the completed ballots by the Company from the persons indicated in the list of persons who are entitled to participate in the General Meeting of Shareholders shall be made by the methods specified in clauses 12.2 and 12.5 of this Regulation and within the time limits specified in clauses 10.1 and 12.5 of this Regulation.

12.7 Electronic ballots can be completed on the Internet site of the Company, Company's registrar or central depository.

12.8 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 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 printed periodical *Magnitogorsky Metall*

daily newspaper and posted on the website in the information and communication network Internet at the address: [www.mmk.ru](http://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 (Chairperson) of the general meeting and the Secretary of the Meeting. 16.2. The minutes of the general meeting shall contain the data stipulated by the current RF legislation, :

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 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 contain the data stipulated by the current RF legislation.

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 contain the data stipulated by the current RF legislation.

16.7 The report on the results of the voting at the general meeting shall be signed by the Chairman (Chairperson) of the general shareholders' meeting and the Secretary of the general meeting.

16.8 An extract from the minutes of the general meeting or from the minutes of the voting results at the general meeting may be signed by the Chairman (Chairperson) of the general meeting and (or) the secretary of the general meeting, a person holding the position (performing the functions) of the sole executive body of the Company, or other person (persons) authorized by the Company.

## **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 according to the procedure established by the RF legislation.

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