



NOVOLIPETSK STEEL

APPROVED

by the Board of Directors
of Public Joint Stock Company
“Novolipetsk Steel”

Minutes of Meeting No. 236
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**REGULATIONS
ON CORPORATE SECRETARY**

of Public Joint Stock Company
“Novolipetsk Steel”

Lipetsk
2015

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These Regulations have been developed in accordance with the Civil Code of the Russian Federation, Federal Law “On Joint Stock Companies”, other regulatory legal acts of the Russian Federation, corporate documents of Public Joint Stock Company “Novolipetsk Steel” (hereinafter referred to as “the Company”), recommendations of the Corporate Governance Code, and govern the activity of the Corporate Secretary of the Company (hereafter referred to as “the Corporate Secretary”).

CHAPTER 1. GENERAL PROVISIONS ON CORPORATE SECRETARY ACTIVITY

- 1.1. The Corporate Secretary ensures interaction with shareholders, coordinates the Company’s activities aimed at the protection of shareholders’ rights and interests, and supports operation of the Board of Directors.
- 1.2. The Corporate Secretary is a Company’s official carrying out his/her functions in compliance with the Russian legislation, Company’s Charter and corporate documents as well as resolutions of the General Shareholders’ Meeting and the Company’s Board of Directors. The Corporate Secretary’s activity, rights and duties shall be governed by the provisions of these Regulations, Company’s Charter and corporate documents.
- 1.3. Information about the Corporate Secretary shall be published on the Company’s website and in the Company’s Annual Report.

CHAPTER 2. REQUIREMENTS TO A CANDIDATE FOR CORPORATE SECRETARY

- 2.1. The candidate for Corporate Secretary shall meet the following criteria:
 - higher legal, economic or business education;
 - at least two years of experience in corporate governance or in a management position;
 - knowledgeable in corporate legislation norms, securities market laws, including the rules of information disclosure in the securities market by issuers; skilful in the practical application of regulatory documents reflecting the best Russian and international corporate governance practice;
 - administrative, analytical and negotiating skills;
 - such personal qualities as: independent judgement, ability to take a stand, communication skills, responsibility;
 - impeccable reputation; trusted by shareholders and members of the Board of Directors;
 - clean record, no disqualifications, to the extent covered by the RF Code of Administrative Violations;
 - no affiliation to the Company, to the person controlling the Company, to members of the Company’s Board of Directors and Management Board.

CHAPTER 3. PROCEDURE OF CANDIDATE APPROVAL, CORPORATE SECRETARY APPOINTMENT AND TERMINATION OF POWERS

- 3.1. The Corporate Secretary candidate put forward by the Chairman of the Board of Directors is approved by the Board of Directors of the Company by a simple majority of votes from the total number of members of the Board of Directors.
- 3.2. The Board of Directors HR, Remuneration and Social Policy Committee shall initially investigate the candidate for the Corporate Secretary role, assess his/her eligibility, and issue its

recommendations to the Board of Directors.

- 3.3. The Board of Directors shall be authorized to terminate the Corporate Secretary powers at any time before his/her term expires, as advised so by the Chairman of the Board of Directors, by a simple majority of votes from the total number of members of the Board of Directors. When the Board of Directors resolves to terminate the powers of the Corporate Secretary, it shall, at the same meeting, adopt a resolution on the approval of a new candidate for the Company's Corporate Secretary or on designating a person to act in the capacity of the Corporate Secretary until the new Corporate Secretary candidate is approved.
- 3.4. The Corporate Secretary is appointed to and discharged from his/her position by the Company's President (Chairman of the Management Board) based on a resolution of the Board of Directors.
- 3.5. To perform functions assigned to the Corporate Secretary, a Corporate Secretary Office may be established in the Company, with its structure and staff schedule subject to approval and update by the President (Chairman of the Management Board) based on a resolution of the Board of Directors.

CHAPTER 4. CORPORATE SECRETARY SUBORDINATION AND HIS/HER INTERACTION WITH COMPANY'S GOVERNING BODIES AND STRUCTURAL DIVISIONS

- 4.1. The Corporate Secretary is functionally subordinate and reports to the Board of Directors, and administratively to the Company's President (Chairman of the Management Board).
- 4.2. The Corporate Secretary interacts with governing bodies, structural divisions and employees of the Company to the extent necessary in order to duly perform his/her functions.
- 4.3. To best perform his/her work, the Corporate Secretary shall observe the following principles:
 - independence and impartiality;
 - integrity and credibility;
 - loyalty to the Company;
 - protection of interests of all Company shareholders;
 - respect of interests of all stakeholders of the Company;
 - contribution to ensuring Company's transparency in line with the effective legislation and recommendations of the Corporate Governance Code;
 - interaction with all the members of governing and controlling bodies as well as the Company's employees irrespective of their position and other factors;
 - compliance with corporate culture rules, requirements and procedures instituted by the Company's corporate documents;
- 4.4. The Company's bodies and officials shall assist the Corporate Secretary in the performance of his/her functions.
- 4.5. The Company's bodies, as well as structural divisions and officials, must provide the information and documents which the Corporate Secretary may require to the extent of his/her competency.

- 4.6. The Corporate Secretary shall duly inform the Chairman of the Company's Board of Directors and President (Chairman of the Management Board) about all facts which encumber the all procedures the Corporate Secretary is charged with ensuring.
- 4.7. Upon request of a member of the Company's Board of Directors, all inquired information (materials) pertaining to issues on the agenda of a Board meeting must be submitted by the managers of the Company's structural divisions to the Corporate Secretary who shall then transfer it (them) to the member of the Board who made the request.
- 4.8. The Corporate Secretary has the right to involve Company's structural divisions in the process of developing draft documents (materials) to be reviewed and/or approved by the General Shareholders' Meeting and the Company's Board of Directors in accordance with the Russian legislation, Company Charter and corporate documents.
- 4.9. The Corporate Secretary has the right to inquire, and the Company's officials and managers of structural divisions must submit a progress report on implementing the resolutions adopted by the General Shareholders' Meeting and the Company's Board of Directors and, where necessary, explanations of failures to fulfil the resolutions (additional instructions) of the said bodies.
- 4.10. The Corporate Secretary shall be entitled to demand that the Company's officials and managers of structural divisions discontinue any activity which infringe shareholders' rights or threaten to result in a corporate conflict (conflicts between the Company's bodies and its shareholders as well as among the shareholders when such conflict affects the Company's interests) and simultaneously inform the Chairman of the Board of Directors and the Company's President (Chairman of the Management Board) of such activity.
- 4.11. The Corporate Secretary shall be entitled to initiate the development and implementation of regulations and procedures aimed at improving corporate governance within the Company; enhancing of the efficiency of interaction between the Company's management and control bodies.

CHAPTER 5. CORPORATE SECRETARY FUNCTIONS, RIGHTS AND OBLIGATIONS

5.1. Corporate Secretary functions are:

5.1.1. Participation in preparation and holding of General Shareholders' Meetings:

- collection, consideration and arrangement of legal appraisal of proposals from shareholders/authorized persons in relation to General Shareholders' Meeting agenda items and putting forward candidates to the management and control bodies, submitted to the Company, as well as requests to convene extraordinary shareholders' meetings;
- informing the Company's Chairman of the Board of Directors about the proposals/requests received from shareholders/authorized persons;
- disclosure of information on the resolutions passed by the Company's Board of Directors on proposals received (as part of preparing for the General Shareholders' Meeting);
- obtaining consent for the election of proposed candidates to the Board of Directors, Internal Audit Commission of the Company and to the position of the Company's President (Chairman of the Management Board);
- forming the decision-making agenda and schedule for the Company's management

bodies with respect to procedures for the preparation for and holding of the General Shareholders' Meeting;

- drafting and coordinating resolutions of the Company's Board of Directors which have to be adopted in the course of preparing for the General Shareholders' Meeting, as well as draft resolutions of the Shareholders' Meeting;
- organizing and participating in the preparation of documents to be made available to the shareholders in the process of preparing for the General Shareholders' Meeting;
- arranging the submission of a request for the list of persons entitled to participate in the General Shareholders' Meeting, to the Company's registrar;
- arranging shareholders' familiarization with the list of persons entitled to participate in the General Shareholders' Meeting as required by applicable legislation, as well as with extracts from the list;
- preparing draft notifications to shareholders about the oncoming General Shareholders' Meeting, voting ballots, and arranging the mailing of such notifications and sets of voting ballots;
- participating in the preparation of information and documents to be presented to the participants of the General Shareholders' Meeting;
- arranging availability of documents which must be submitted to persons entitled to participate in the General Meeting; duplicating such documents and providing their copies to shareholders upon request;
- accounting of executed voting ballots received by the Company and submitting them to the counting commission;
- consulting the Chair of the General Shareholders' Meeting and members of the Presidium on any issues arising in the course of the General Shareholders' Meeting that fall within the Corporate Secretary's competence;
- providing explanations and answering questions of the General Meeting participants about the meeting procedure;
- consulting the shareholders on the participation and procedure of voting at the General Shareholders' Meeting;
- ensuring the presence of candidates to the Company's management and control bodies and other persons who are to be present under the Company's corporate documents, at the General Shareholders' Meeting;
- carrying out control over the work of the counting commission, which includes collecting voting protocols, voting ballots, powers of attorney, and other documents submitted/issued in connection with the General Shareholders' Meetings from the counting commission, and organizing the safekeeping of these documents;
- preparing voting reports and minutes of the General Shareholders' Meeting;
- arranging the disclosure (publishing on the Company's corporate website) of documents / information on the results of voting at General Shareholders' Meetings and on the resolutions passed;
- based on the resolution of the General Shareholders' Meeting, submitting a request

to the Company's registrar for a list of persons entitled to dividends, or other lists of shareholders which may be necessary for exercising shareholder rights in line with the law;

- sending (or otherwise providing information about) the Board's resolution on convening an Extraordinary General Shareholders' Meeting to those who initiated such a request.

5.1.2. Supporting the operation of the Board of Directors and Board of Directors Committees:

- collection of information about candidates to the Board of Directors to present it to participants of the respective General Shareholders' Meeting;
- assessment of whether each candidate to the Board meets independent director status requirements;
- participation in the selection of candidates to the Board of Directors in case no candidates are proposed or the number of candidates proposed by the shareholders is not sufficient to form the Board of Directors;
- informing newly elected members to the Board of Directors of the Company's current corporate documents, organization structure, and managers; providing any other relevant information required by the Board members to duly perform their functions;
- rendering assistance to members of the Board of Directors acting in their capacity, including the provision of information and documents of the Company they may request;
- timely notification of the Board members and invitees of the oncoming meetings of the Board of Directors;
- control over observing the deadlines set for distributing (mailing) materials pertaining to the agenda issues of Board meetings and over their compliance with the approved Company standards, as well as with resolutions previously adopted by governing bodies;
- collection of the necessary documents and information about the Company's operations from the Company's divisions as instructed by the Board Chairman, and their submission to the members of the Board of Directors; provision of any additional information requested pertaining to the Company's operations to members of the Board of Directors;
- control over organizational and technical support for Board meetings;
- accounting of written resolutions of the members of the Board of Directors absent from the meeting on issues under consideration, and bringing the information about them to the attention of the participating members of the Board of Directors;
- consulting members of the Board of Directors on corporate law and governance matters;
- participation in the Board meetings; ensuring that minutes of meeting of the Board of Directors are kept;
- preparation of voting ballots, organization of ballot distribution, collection of filled ballots and summarizing the results of voting on agenda items of an absentee

meeting of the Board of Directors;

- control over the execution of Board resolutions and participation in preparing status reports;
- safekeeping of minutes of meetings of the Board of Directors, written resolutions and voting ballots of the members of the Board of Directors;
- control over timely payment of remuneration to members of the Board of Directors;
- ensuring interaction between the Board of Directors and Board Committees, Internal Audit Commission, Auditor, executive bodies of the Company and its structural divisions, including the process of sending inquiries, documents (information), resolutions, and recommendations;
- initiation and organization of developing new revisions of the Company's corporate documents with amendments and supplements to regulate the functioning of the Board of Directors.

5.1.3. Participation in the implementation of Company's information disclosure policy and safekeeping of the Company's corporate documents:

- arranging the safekeeping of corporate documents listed in Article 89 of the Federal Law "On Joint Stock Companies";
- arranging shareholder access to documents listed in Article 89 of the Federal Law "On Joint Stock Companies" in line with legal and Company requirements;
- arranging duplication of documents upon shareholder request;
- participation in the preparation and approval of information disclosure by the Company as a security issuer and as an agent in the process of controlling the circulation of insider information; arrangement of timely information disclosure in compliance with the current legislation;
- participation in the preparation, updating and disclosure of information on the subject of corporate governance published on the Company's website and in other official sources;
- participation in the development, implementation and subsequent updating of the Company's information policy;
- keeping record of the Company's affiliated and interdependent persons;
- collection of information about members of the Board of Directors and executive bodies of the Company, and their affiliated persons, in line with the current legislation;
- analysis of information received from the Company's subdivisions, its controlled companies and other affiliated persons, with a view to identifying and monitoring corporate relations risks;
- assistance in keeping confidential information related to the Company's business that is not to be disclosed.

5.1.4. Ensuring Company interaction with its shareholders:

- ensuring that legislative and internal Company's procedures on protecting the rights and lawful interests of shareholders are observed; supervision over their

implementation;

- keeping record of letters, requests and inquiries submitted by shareholders to the Company, and preparing replies to such requests and inquiries that fall within his/her competence;
- consulting the Company's shareholders on their rights;
- taking all the necessary steps to identify or refute facts of possible errors made by the Company acting as an issuer at the time of compiling the shareholder register and/or Company's Registrar, in the keeping of the shareholder register (in case of written requests filed by individuals and legal entities to make modifications to the Company's shareholder register);
- organization and control over the process of making the required changes/entries to the Company's shareholder register by the Registrar in case issuer and/or Registrar errors are identified;
- prevention of abuse of rights on the part of all participants of corporate relations;
- taking measures to prevent and resolve any corporate conflicts (conflicts between the Company's bodies and its shareholders, as well as among shareholders, if such a conflict impacts the Company's interests);
- immediate informing the Board of Directors about all identified violations of the law and Company's corporate documents, the observance of which falls within the functions of the Company's Corporate Secretary.

5.1.5. Assurance of Company's interaction with regulatory authorities, trade organizers, the registrar, other professional security market players, and controlled companies within the scope of competence of the Corporate Secretary:

- preparation of responses to requests and inquiries from authorized regulatory bodies and organizations as well as other persons, related to corporate governance;
- analysis of Company's compliance with the Russian stock exchange requirements for corporate governance systems, as well as proposals on the improvement of corporate governance system elements in the Company;
- control over the fact that Company securities are included in the quotation lists of trade organizers through monitoring any changes to the requirements, established listing rules and rules for circulation of securities in Russian stock exchanges;
- ensuring that the Company fulfils its obligations to duly prepare and submit documents and information to Russian stock exchanges in conformity with the applicable listing rules;
- participation in preparing proposals to the Company's Board of Directors on the selection of the Registrar and terms of the Registrar contract;
- provision of information and documents to the Company's Registrar and other professional players in the securities market;
- organizational supervision and coordination of the activity of corporate secretaries (board secretaries) of controlled companies (if any); rendering them assistance in solving any issues that arise.

5.1.6. Ensuring that legislative and internal Company's procedures on the protection of rights

and lawful interests of shareholders are observed; supervision over their fulfilment:

- initiating the development of internal procedures for performing corporate actions in the Company, including amendments to the current corporate documents or developing new corporate documents to ensure compliance with legislative requirements and best corporate governance practices;
- providing explanations of legislative requirements and respective procedures to shareholders; practical assistance in exercising shareholder rights;
- verifying compliance with legislation and Company's corporate documents when carrying out corporate procedures; preparing compliance reports (opinions) ;
- initiating explanations on any identified violations of the current legislation pertaining to corporate governance and securities market, of the Charter and Company's corporate documents, and on any infringement of shareholder rights, by the Company's officials; taking steps to prevent such violations and/or take remedial action;
- keeping the Chairman of the Board of Directors informed of any identified violations of the current legislation pertaining to corporate governance and securities market, of the Charter and Company's corporate documents; and raising issues related to such violations for consideration by the Board of Directors.

5.1.7. Participation in improving the Company's system and practice of corporate governance:

- keeping members of the Board of Directors and Company's management up to date on any material changes to the Russian legislation on corporate law and the securities market;
- continuous monitoring of the Company's corporate governance system in order to make sure that it meets the expectations and interests of shareholders and other interested parties, recommendations of the Corporate Governance Code and best corporate governance practice;
- development of proposals how to improve the corporate governance practice; initiating respective amendments to the Company's corporate documents;
- involvement in developing proposals on Company's participation in corporate governance rating programs and interaction with rating agencies;
- keeping the Board of Directors informed on the status and development prospects of corporate governance within the Company;
- participation in the process of corporate governance of controlled companies; recommendations on the development of the system and practice of corporate governance of controlled companies.

5.2. The Corporate Secretary is entitled to:

- take measures to ensure Company officials and employees adhere to the terms and conditions of the Company's Charter and corporate documents insofar as it refers to the Corporate Secretary's execution of his/her functions; as well as normative documents pertaining to corporate governance and the securities market;
- request that Company officials and employees provide verbal and written explanations on identified violations of current legislation in the area of corporate governance and the securities market, Charter and corporate documents of the Company, as well as infringed

shareholder rights;

- request and receive information and documents from Company officials and managers of structural divisions necessary for the Corporate Secretary to perform his/her duties;
- interact with Company’s structural subdivisions in the course of drafting documents and carrying out corporate governance procedures;
- engage external consultants for additional expert opinions;
- having access to the materials and documents of the Board of Directors, Board Committees, and Management Board;
- take actions essential to control the execution of resolutions adopted by the Board of Directors and the General Shareholders’ Meeting;
- to the extent of his/her competence, present issues for consideration by the Board of Directors and Board Committees; interact with the Chairman of the Board of Directors and chairmen of the Board Committees;
- request information from the Company’s Registrar as stipulated by the law or in the registrar agreement; control compliance with legislative requirements for keeping the shareholder register;
- draw up and sign extracts from the minutes of the meetings of the Board of Directors, General Shareholders’ meetings; certify copies of constituent (internal) documents for internal use and for third parties in compliance with the effective legislation.

5.3. The Corporate Secretary shall:

- abide by the norms and requirements of the Russian legislations, Company’s Charter and corporate documents;
- ensure the respect of the rights and lawful interests of shareholders; resolve any arising issues with priority focus on the rights of the Company shareholders;
- execute tasks set by the Chairman of the Board of Directors;
- report to the Board of Directors about his/her activities on a regular basis;
- promptly inform the Board of Directors of any situations which can entail violations of the current legislation and/or shareholder rights, as well as corporate conflicts (conflicts between the Company’s bodies and its shareholders as well as among shareholders when such conflict affects the Company’s interests);
- take due measures to prevent and resolve corporate conflicts;
- promptly inform the Company’s Chairman of the Board of Directors about a (threat of) conflict of interests of the Corporate Secretary;
- provide methodological support to Company employees in the area of corporate governance;
- Improve his/her own professional skills, maintain interaction with the professional community on corporate governance, and represent the Company on matters related to Corporate Secretary activity.

5.4. The Corporate Secretary shall resolve any other issues relevant to the fulfilment of the functions and tasks assigned to the Company’s Corporate Secretary.

CHAPTER 6. CONDITIONS AND PROCEDURE OF REMUNERATION FOR CORPORATE SECRETARY

- 6.1. The terms of Corporate Secretary remuneration payment for the performance of his/her duties shall be stated in the labour contract made by the Company with the Corporate Secretary.
- 6.2. Remuneration shall be paid to the Corporate Secretary on the dates and in line with the procedure used for the payment of salaries to the employees of the Company.
- 6.3. Extra remuneration can be paid to the Corporate Secretary as decided by the Company's Board of Directors. The amount of such extra remuneration (annual and/or other bonuses and benefits) to the Corporate Secretary shall be determined by the Board of Directors based on the recommendation of HR, Remuneration and Social Policy Committee following an evaluation of the Corporate Secretary's performance.

CHAPTER 7. CORPORATE SECRETARY RESPONSIBILITY AND LIABILITY

- 7.1. When exercising his/her rights and discharging his/her obligations, the Corporate Secretary shall act in the best interests of the Company, and exercise his/her rights/discharge his/her obligations reasonably and in good faith.
- 7.2. The Corporate Secretary has no right to use any confidential information known to him/her; or any other legally protected information which becomes known to him/her in the process of fulfilling his/her obligations, or any other material proprietary (insider) information of the Company (hereinafter referred to as Confidential Information) in his/her personal interests or in the interests of third parties.
- 7.3. The Corporate Secretary shall be liable for unauthorized disclosure of Confidential Information and details representing the Company's commercial secret.
- 7.4. The Corporate Secretary shall be subject to disciplinary, administrative, civil, and other liability subject to applicable Russian legislation.
- 7.5. The decision to take disciplinary action against the Corporate Secretary may be made exclusively based on the recommendation of the Chairman of the Company's Board of Directors.

CHAPTER 8. CONCLUSIONS

- 8.1. These Regulations are subject to approval by the Board of Directors of the Company.
- 8.2. Any amendments and additions to these Regulations must be approved by the Board of Directors of the Company.
- 8.3. In case following changes to the Russian legislation, corporate Charter or internal documents, contradictions arise with certain articles of these Regulations, these Regulations shall remain in force to the extent they do not contradict the effective legislation, Charter, and internal documents of the Company.