

Comparative table of amendments to the Articles of Association of Mechel PJSC

Amendments to the Articles of Association for the most part are related to bringing its articles in line with the requirements of the applicable laws, as well as with the recommendations of the Corporate Governance Code approved by the Central Bank of Russia.

The following most significant amendments can be identified:

No.	Previous version (2020)	Restated version (2022)	<i>Notes</i>
1	<p>18.2. The Board of Directors shall consist of 9 persons and a majority of the elected members shall be independent (independent directors).</p> <p>No director can be qualified as “independent” unless the Board of Directors confirms that such member of the Board of Directors has no material relationship with the Company or its subsidiaries (either directly or as a contractor (competitor), shareholder or officer of a company that has a relationship with the Company or its subsidiaries).</p> <p>In addition, a member of the Board of Directors cannot be qualified as independent if:</p> <p>18.2.1. Member of the Board of Directors is (or has been within the last three years) an employee of the Company or its subsidiaries or has an immediate family member who is (or has been within the last three years) an executive officer of the Company or its subsidiaries;</p> <p>18.2.2. member of the Board of Directors or an immediate family member is (or has been within the last three years) employed as an executive officer of another company (or its subsidiaries) where any of the Company’s present executive officers at the same time serves or served on that company’s or its subsidiaries’ compensation committee;</p> <p>18.2.3. Member of the Board of Directors is an affiliate of any officer (manager) of the Company or of a management company of the Company;</p>	<p>Clause 18.2 of the Articles of Association shall be amended to read as follows:</p> <p>“18.2. The quantitative composition of the Company’s Board of Directors is 9 people.</p> <p style="padding-left: 40px;">A member of the Board of Directors shall be acknowledged independent, if he/she meets the independency criteria prescribed by listing rules of the Stock of exchange where the Company's shares are listed.</p> <p style="padding-left: 40px;">If, after being elected to the Board of Directors, changes occur or circumstances arise as a result of which an independent director ceases to be such, this director shall submit an application to the Board of Directors stating these changes and circumstances.</p> <p style="padding-left: 40px;">In some cases, the Company’s Board of Directors may recognize a member of the Board of Directors (a candidate for a member of the Board of Directors) as independent despite the existence of formal criteria of connection with the Company, a significant shareholder of the Company, a significant counterparty and/or competitor of the issuer, the state (Russian Federation, a constituent entity of the Russian Federation) and/or municipal entity established in the criteria for the determination of the independence for the members of the Board of Directors, only if such connection does not affect</p>	<p>Outdated independence criteria that do not comply with the current listing rules of the exchanges on which the Company’s securities are traded are excluded.</p> <p>In order to avoid updating the independence criteria in the Articles of Association due to changes in the requirements of exchanges for independent directors, the Articles of Association stipulates a provision according to which a member of the Board of Directors is recognized as independent according to the established rules for listing exchanges on which the Company’s shares are traded.</p>

	<p>18.2.4. Member of the Board of Directors is (or has been within the last three years) a partner or employee of a firm that is the Company's or its subsidiaries' internal or external auditor, or the director has an immediate family member who is a current partner or employee of a firm that is the Company's or its subsidiaries' internal or external auditor; or the Board of Directors' member or his/her close relative is (or has been within the last three years) a partner or an employee of such firm that is the Company's or its subsidiaries' internal or external auditor or member of the Board of Directors or his/her close relative within the last three years has been a partner or employee of such firm and took part personally in the audit check of the registered company during this period;</p> <p>18.2.5. member of the Board of Directors is a current employee (or an immediate family member is a current executive officer) of a partner company (or its subsidiaries) that has made payments to or received payments from the Company or its subsidiaries for property or services in an amount that in any of the last three fiscal years exceeds the greater of \$1 million or 2% of such partner company's and its subsidiaries' consolidated gross revenues;</p> <p>18.2.6. member of the Board of Directors or his/her close relative has received during any twelve-month period within the last three years more than \$120,000 in the form of direct remuneration (in addition to remuneration as a member of the Board of Directors and/or a member of a Committee of the Board of Directors, as well as pensions and other forms of deferred remuneration for previous activities not related to current activities);</p> <p>18.2.7. member of the Board of Directors is a party to obligations of the Company pursuant to which he/she can acquire property (or receive money) in an amount equal to or greater than 10</p>	<p>the ability of the relevant person to make independent, objective and conscientious judgments.</p>	
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percent of his/her total annual income, other than compensation for participation in the Board of Directors;

18.2.8. member of the Board of Directors is a major counterparty of the Company (i.e. a counterparty whose total transaction volume with the Company in one year is equal to or greater than 10 percent of the book value of the Company's assets);

18.2.9 member of the Board of Directors holds the position of member of the Board of Directors of the Company in the aggregate more than 7 years. When calculating the corresponding term, the period of the director's membership in the Board of Directors of the legal entity, subsequently reorganized, if this director is now elected to the Board of Directors of the successor entity, shall be taken into account. To determine the independence of a candidate (an elected member of the Board of Directors), a candidate (an elected member of the Board of Directors) who has served as a member of the Board of Directors for a total of seven to twelve years may not be recognized as a person related to the Company if the Board of Directors passes a relevant resolution.

18.2.10. member of the Board of Directors is not a representative of the state or associated with the state or a municipal entity.

An "immediate family member" includes a person's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. The term "officer" shall mean a company's sole executive body, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer

	<p>who performs a policy-making function or any other person who performs similar policy-making functions for the company. Officers of the company's subsidiaries shall be deemed officers of the company if they perform such policy-making functions for the company.</p> <p>If, after a person's election to the Board of Directors, changes occur or circumstances arise due to which an independent director ceases to be deemed independent, such person shall submit a statement to the Board of Directors setting out such changes and circumstances. In such case and in any other case when the Board of Directors becomes aware of such changes or circumstances, the Board of Directors shall convey such information to shareholders and, if required, call an Extraordinary General Shareholders Meeting to elect a new Board of Directors. The status of independent director shall be determined by resolution of the Board of Directors subject to applicable laws, the rules of the exchange where the Company's securities are traded, the Company's Charter and internal documents, other relevant factors.</p>		
1	18.3.30. determination of principles and approaches to organization of risk management, internal control and internal audit in the Company; assessment of the risk management and internal control system of the Company approval of internal control procedures over financial and economic activities of the Company	<p>Clause 18.3.30 of the Articles of Association shall be amended to read as follows:</p> <p>"18.3.30. definition of principles and approaches to the arrangement of risk management, internal control and internal audit in the company, including <u>approval of the general policy in the field of risk management and internal control</u>; assessment of the risk management system and internal control of the company, approval of internal control procedures for the financial and economic activities of the Company"</p>	This clause is amended and restated as recommended by Corporate Governance Code (Letter> of the Bank of Russia No. 06-52/2463 dd. April 10th 2014) (clause 68 of the Code)
2	Absent	<p>Clause 17.34 shall be appended to Article 17 of the Articles of Association to read as follows:</p> <p>"The minutes of the general meeting of shareholders shall be posted on the Company's</p>	This clause is amended and restated as recommended by Corporate Governance Code (Letter> of the Bank of Russia No. 06-52/2463 dd.

		website on the Internet no later than 1 business day from the date of its compilation.”	April 10th 2014) (clause 24 of the Code)
3	<p>18.19. Decisions at the meeting of the Board of Directors shall be taken by a majority vote of those present at the meeting (taking part in voting), unless otherwise stipulated by the JSC Law or the Company Charter. Decision on the matters listed in the following sub-cl. 18.3.4, 18.3.17, 18.3.28, 18.3.34 hereof shall be adopted by a majority vote of all elected members of the Board of Directors of the Company and on the following issues:</p> <ul style="list-style-type: none"> - approval of an internal document on the Company's dividend policy; - submission to the General Shareholders Meeting matters on the reorganization or liquidation of the Company; on increasing or decreasing the charter capital of the Company, determination of the price (monetary value) of property to be paid for additional shares placed by the Company; matters related to the introduction of amendments to the Company's Charter, with the delisting of shares of the Company and (or) securities of the Company which are convertible into its shares; - acceptance of recommendations regarding a voluntary or mandatory offer. 	<p>Clause 18.19. of the Articles of Association shall be amended to read as follows:</p> <p>“18.19. Decisions at the meeting of the Board of Directors shall be taken by a majority vote of those present at the meeting (taking part in voting), unless otherwise stipulated by the JSC Law or the Company Charter. Decision on the matters listed in the following sub-cl. 18.3.4, 18.3.17, 18.3.28, 18.3.34 hereof shall be adopted by a majority vote of all elected members of the Board of Directors of the Company and on the following issues:</p> <ul style="list-style-type: none"> - approval of an internal document on the Company's dividend policy; - submission to the General Shareholders Meeting matters on the reorganization or liquidation of the Company; on increasing or decreasing the charter capital of the Company, determination of the price (monetary value) of property to be paid for additional shares placed by the Company; matters related to the introduction of amendments to the Company's Charter, <i>approval of material deals</i>, with the delisting of shares of the Company and (or) securities of the Company which are convertible into its shares; - <i>defining the price of the material transactions of the Company and approval of such transactions (if the approval of such transactions is not referred to the competence of the shareholders' meeting of the Company)</i>; - acceptance of recommendations regarding a voluntary or mandatory offer. 	This clause is amended and restated as recommended by Corporate Governance Code (Letter> of the Bank of Russia No. 06-52/2463 dd. April 10th 2014) (clause 170 of the Code)
4	18.16 Quorum for the meeting of the Board of Directors shall be at least half of the elected members of the Board of Directors, if it is not	Clause 18.16. of the Articles of Association shall be amended to read as follows:	<i>This is the wording of the following clause brought in compliance with the</i>

	provided otherwise by Federal Law on Joint-Stock Companies or the Company Charter.	“18.16 <u>A meeting of the Board of Directors shall be competent (have a quorum) if at least half of the number of elected members of the Board of Directors participate in it,</u> unless otherwise provided for by the Federal Law On Joint Stock Companies or the Company’s Articles of Association.”	<i>effective federal law "On Joint Stock Companies" (clause 2 of article 68)</i>
5	19.13 The quantitative composition of the collegial executive body (Management Board) shall be determined by the Board of Directors. The quorum for a meeting of the collegial executive body of the Company (Management Board) shall amount to at least a half of the number of persons elected to the collegial executive body of the Company (Management Board).	Clause 19.13. of the Articles of Association shall be amended to read as follows: “19.13 The quantitative composition of the collegial executive body (Management Board) shall be determined by the Board of Directors. <u>Meetings of the collegial executive body of the Company (Management Board) shall be authorized (have a quorum) if at least half of the number of elected members of the collegial executive body of the Company (Management Board) participate in it.</u> ”	<i>This is the wording of the following clause brought in compliance with the effective federal law "On Joint Stock Companies" (clause 2 of article 70)</i>
6	23.7 The Company shall provide access of shareholders on their request to the following documents: 13) prospectus for securities, quarterly reports of the issuer and other documents containing information to be published or otherwise disclosed in compliance with the Federal Law on Joint-Stock Companies and other Federal Laws;	Subclause 13 of Clause 23.7 of the Articles of Association shall be amended to read as follows: “23.7 The Company shall provide access of shareholders on their request to the following documents: 13) prospectus for securities, quarterly reports of the issuer and other documents containing information to be published or otherwise disclosed in compliance with the Federal Law on Joint-Stock Companies and other Federal Laws;”	<i>This is the wording of the following clause brought in compliance with the effective federal law "On Joint Stock Companies" (Subclause 13 clause 1 of article 91)</i>
7	14.2. Additional shares of the Company distributed by subscription shall be paid at the price determined or the procedure of its determination is set by the Board of Directors of the Company in accordance with Article 77 of the Federal Law On Joint-Stock Companies, but no lower than their nominal value. The price of placement of additional shares to persons exercising the preemptive right to purchase shares may be lower than the price of placement to other persons, but not more than 10 percent	Clause 14.2 of the Articles of Association shall be amended to read as follows: “Additional shares of the Company distributed by subscription, <i>except for the additional shares of the Company that are placed under the Convertible Loan Agreement,</i> shall be paid at the price determined or the procedure of its determination is set by the Board of Directors of the Company in accordance with Article 77 of the Federal Law On Joint-Stock Companies, but	<i>This is the wording of the following clause brought in compliance with the effective federal law "On Joint Stock Companies" (clause 1 of article 36)</i>

		no lower than their nominal value. The price of placement of additional shares to persons exercising the preemptive right to purchase shares may be lower than the price of placement to other persons, but not more than by 10 percent.»	
8	Absent	<p>Clause 18.35 of the Articles of Association: “Major corporate actions of the Company are: reorganization of the Company, purchase of at least 30 percent of its voting shares (takeover), performance of major transactions by the Company, increasing the authorized capital of the Company, listing and delisting of the Company’s shares. Alongside with major transactions, the following transactions are material:</p> <ul style="list-style-type: none"> • Related party transactions as per article 81 of the Federal law “On Joint Stock Companies”, if: <ul style="list-style-type: none"> - if the transaction amount or the amount of several related transactions, or the price or the book value of the assets such transactions are related to is at least 10 percent of the book value of the Company’s assets reflected in its book (financial) statements, as of the recent accounting date, or higher, except for the transactions provided for by paragraphs 3 and 4 of clause 4 of article 83 of the Federal law “On Joint Stock Companies”; - if a transaction or several related transactions are a disposal of at least 2 percent of the ordinary shares previously listed by the Company, and of the ordinary shares that previously listed securities convertible to shares may be converted to, provided that a 	<i>This clause is amended and restated as recommended by Corporate Governance Code (Letter> of the Bank of Russia No. 06-52/2463 dd. April 10th 2014) (clause 303 of the Code)</i>

		<p>lesser quantity of the shares is not provided for by the Articles of Association of the Company;</p> <ul style="list-style-type: none">- if a transaction or several related transactions are a disposal of the preferred shares previously listed by the Company, and of the shares that previously listed securities convertible to shares may be converted to, provided that a lesser quantity of the shares is not provided for by the Articles of Association of the Company. <p>The transactions of purchasing, alienating and encumbering shares and stakes in the authorized capitals of other companies.</p>	
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