

**ADOPTED BY  
the decision of the Board of Directors  
of PAO "TMK" dated 27.01.2016  
(Minutes №1 dated 01.02.2016)**

**REGULATIONS OF  
THE CORPORATE SECRETARY  
OF PAO "TMK"**

**Moscow  
2016**

## **1. GENERAL PROVISIONS**

- 1.1 The present Regulations of the Corporate secretary of PAO “TMK” (hereinafter referred to as the “Regulations”) is developed in accordance with the Civil code of the Russian Federation, the Federal Law “On Joint-stock companies”, other regulatory acts of the Russian Federations, the Articles of Association of PAO “TMK”, the Regulations of the General meeting of shareholders of PAO “TMK”, the Regulations of the Board of Directors of PAO “TMK”, Corporate governance code of PAO “TMK”, Corporate governance code and listing rules of those stock exchanges on which the securities of the company are listed.
- 1.2 The Regulations is the internal document of PAO “TMK” (hereinafter referred to as the “Company”), defining the status, functions and powers, rights and obligations of the Corporate secretary of the Company (hereinafter referred to as the “Corporate secretary”), requirements for a candidate to the position of the Corporate secretary, as well as the order of his/her appointment and termination of his powers.
- 1.3 The Corporate secretary is an officer of the Company who provides the compliance of the Company with the current legislation, the Articles of Association and the internal documents of the Company, which guarantee the exercise of rights and legal interests of the shareholders.
- 1.4 The activity of the Corporate secretary is designated for the increase of efficiency of development of the Company in the interests of its shareholders and increase of the investment attractiveness of the Company.

## **2. ORDER OF APPOINTMENT OF THE CORPORATE SECRETARY AND TERMINATION OF HIS/HER POWERS**

- 2.1. The Corporate secretary is subordinated to the Board of Directors, is appointed and removed by the General director of the Company on basis of a decision of the Board of Directors.
- 2.2. The position of the Corporate secretary is elective and assumes the performance of certain functions by the Corporate secretary on basis of an employment contract. The Corporate secretary is entitled to combine his/her activity with the performance of other functions.
- 2.3. A decision on nomination (appointment) of the Corporate secretary is taken by the Board of Directors by a majority vote of the members of the Board of Directors, who take part in the voting. The candidature for a position of the Corporate secretary is proposed on basis of recommendation of the Committee for nominations and remuneration of the Board of Directors.
- 2.4. The Board of Directors is entitled by a simple majority votes of the members of the Board of Directors to take a decision regarding the dismissal of the Corporate secretary.
- 2.5. The powers of the Corporate secretary can be terminated early as well as simultaneously with his/her voluntary resignation or termination of employment under the circumstances which do not depend on the will or intention of the parties. In this case a decision of the Board of Directors in respect to the termination of powers of the Corporate secretary is not required, and the powers of the Corporate secretary shall be considered terminated from the date of the employment termination.
- 2.6. In case of a temporary absence of the Corporate secretary for more than one month, the Board of Directors is entitled to appoint another person as the Corporate secretary until the return of the Corporate secretary who is temporary unavailable.

2.7. The Corporate secretary performs his/her functions including those of the Secretary of the General meeting of shareholders of the Company and the functions of the Secretary of the Board of Directors of the Company.

### **3. REQUIREMENTS TO A CANDIDATE OF THE CORPORATE SECRETARY**

3.1. The Corporate secretary must possess certain knowledge, skills and qualifications sufficient for the performance of his/her duties, as well as must enjoy trust of the shareholders of the Company and the members of the Board of Directors. At the appointment of the Corporate secretary the Board of Directors must fully evaluate the capacity of a candidate to perform functions of the Corporate secretary, as well as his/her education, working experience and professional qualifications.

3.2. As the Corporate secretary such person is appointed, who complies with the following requirements:

- 3.2.1. higher education (in law or economics or business administration);
- 3.2.2. special training in corporate governance;
- 3.2.3. working experience in corporate governance or at a senior office position for not less than 3 years;
- 3.2.4. impeccable business reputation;
- 3.2.5. absence of unexpunged or outstanding conviction records;
- 3.2.6. absence of affiliation with the Company (an affiliated person is a person who is entitled to dispose more than 20 percent of the total number of voting shares of the Company; a member of the Board of Directors of the Company or other governing body of the Company; a member of the collegial executive body of the Company; a person executing powers of a sole executive body of the Company; as well as a person who is considered affiliated on other grounds provided by the current legislation).

3.3. The Corporate secretary must possess certain knowledge, skills and qualifications sufficient for the performance of his/her duties, as well as must enjoy trust of the shareholders of the Company and the members of the Board of Directors.

### **4. FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE CORPORATE SECRETARY**

4.1. The functions of the Corporate secretary include the following:

- 4.1.1. participation in the preparation and holding of the General meetings of shareholders of the Company;
- 4.1.2. maintenance of the activity of the Board of Directors and committees of the Board of Directors;
- 4.1.3. participation in the execution of the Company's policies on information disclosure, as well as arrangement of storage of the corporate documents of the Company;
- 4.1.4. assistance in interaction of the Company with its shareholders and participation in actions designated for preventing of corporate conflicts;
- 4.1.5. support in interaction of the Company with the regulatory bodies, traders, registrars, other professional participants of the securities markets within the powers vested to the Corporate secretary;
- 4.1.6. execution of procedures established by the legislation and the internal documents of the Company which provide exercise of rights and legal interests of the shareholders and control over their execution;
- 4.1.7. Immediate notification of the Board of Directors about any detected violations of law, as well as breaches of any provisions of the internal documents of the

Company, compliance with which falls under the competence of the Corporate secretary;

- 4.1.8. Participation in improvement of the system and practices of the corporate governance of the Company;

The function of the Corporate secretary can be performed by one person – a Corporate secretary – or by a special structural unit performing functions of the Corporate secretary;

4.2. For the performance of the functions the Corporate secretary is vested with the following rights:

- 4.2.1. The Corporate secretary is entitled to request and the officers and the heads of the structural units of the Company are obliged to provide the Corporate secretary with any information (materials) required for the performance by the Corporate secretary of his functions, taking into account any limitations imposed by the regulatory legal acts of the Russian Federation, the Articles of Association and the internal regulatory acts of the Company;
- 4.2.2. The Corporate secretary is entitled and the officers and the heads of the structural units of the Company are obliged to provide the Corporate secretary with reports on implementation of decisions taken by the General meeting of shareholders of the Company and the Board of Directors and if necessary to provide with the reasons of failure to implement such decisions.
- 4.2.3. Upon a request of the Chairman of the Board of Directors the Corporate secretary is entitled to arrange preparation by the structural units of the Company of any materials, the revision and (or) approval of which fall under the competence of the General meeting of shareholders, the Board of Directors, the committees of the Board of Directors in accordance with the requirements of the legislation of the Russian Federation, the Articles of Association and the internal regulatory acts of the Company.
- 4.2.4. The Corporate secretary is entitled to initiate development and launching of regulations and provisions designated for improvement of the corporate governance of the Company, increase of efficiency of interaction between the governing bodies of the Company.
- 4.2.5. The Corporate secretary is entitled to monitor the compliance by the officers and employees of the Company with the Articles of Association and the internal documents of the Company in that part which relates to his/her functions.
- 4.2.6. The Corporate secretary interacts with the Chairman of the Board of Directors, the chairmen of the committees of the Board of Directors and members of the Board of Directors.
- 4.2.7. Within his/her competence the Corporate secretary is entitled to submit matters for revision and discussion to the governing bodies of the Company.

4.3. In case of conflict of interests the Corporate secretary is obliged immediately to notify the Chairman of the Board of Directors about that.

4.4. The Corporate secretary must increase his/her professional qualifications on a systematic basis, must constantly interact professionally with other corporate secretaries in order to exchange experience and practices.

## **5. SUBORDINATION OF THE CORPORATE SECRETARY AND HIS/HER INTERACTION WITH THE GOVERNING BODIES, STRUCTURAL UNITS AND OFFICERS OF THE COMPANY**

5.1. The Corporate secretary is subordinated to the Board of Directors. The Corporate secretary conducts his/her work in close communication with the executive bodies and

- other officers of the Company, as well as with all the structural units of the Company; at the same time the Corporate secretary is independent from any executive body of the Company and has all the rights and resources for the performance of his/her functions.
- 5.2. The Corporate secretary is obliged to provide the members of the executive bodies and other officers of the Company with any consult and clarifications on matters which fall under his/her competence.

## **6. TERMS AND ORDER OF REMUNERATION OF THE CORPORATE SECRETARY**

- 6.1. For the performance of his/her functions the Corporate secretary is entitled to remuneration, the amount of which is determined by the Board of Directors.
- 6.2. The remuneration is paid to the Corporate secretary in terms and order determined for the payment of salaries to the employees of the Company.
- 6.3. The amount of remuneration of the Corporate secretary as well as the amount of bonus is determined by the Board of Directors upon recommendations provided by the Committee for nominations and remuneration of the Board of Directors.
- 6.4. The Board of Directors annually evaluates the performance of the Corporate secretary and approves corresponding performance reports.

## **7. RESPONSIBILITY OF THE CORPORATE SECRETARY**

- 7.1. The Corporate secretary is responsible for:
- 7.1.1. Breaches of requirements provided by the current legislation of the Russian Federation, internal documents and regulatory acts of the Company;
  - 7.1.2. Non-performance or substandard performance of the functions provided by the Regulations;
  - 7.1.3. Non-execution of orders and decisions of the Chairman of the Board of Directors;
  - 7.1.4. Non-provision of safety of technical and software means as well as other property of the Company which is transferred for custody of the Corporate secretary.
  - 7.1.5. Loss of non-provision of safety of the corporate documents of the Company and other official documents;
  - 7.1.6. Non-provision of safety of the received and the accuracy of the provided information;
  - 7.1.7. Disclosure, illegal use and dissemination of information, which is protected by law (insider information, official or commercial, confidential information, including personal data, etc), as well as the safe custody of the documentation protected by law;
  - 7.1.8. Non-compliance with the requirements of labour safety;
  - 7.1.9. Non-compliance with the requirements of labour discipline and breaches of the Rules of internal labour discipline of the Company;
  - 7.1.10. Non-compliance with the general ethical principles and norms of conduction, established by the Code of ethics of the Company.

## **8. FINAL PROVISIONS**

- 8.1. The Regulations is approved, modified and amended upon a decision of the Board of Directors.
- 8.2. The Regulations comes into force from the date of its adoption by the Board of Directors.
- 8.3. The Company shall disclose information about the Corporate secretary on the corporate website as well as in the annual report of the Company in the same extent as in respect of the members of the Board of Directors and the executive bodies of the Company.