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CORPORATE GOVERNANCE

MAJOR THEMES

Anti-corruption

KEY EVENTS IN 2019

- Dividend Policy updated and approved
- Focus on sustainability aspects in the Board of Directors’ activity:
  - Sustainable Development Policy approved
  - Internal documents amended to clarify the ESG functions and tasks of the Board of Directors and its committees

UN GLOBAL COMPACT PRINCIPLES

- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

GLOBAL SUSTAINABLE DEVELOPMENT OBJECTIVES

5 out of 9
Board members are independent directors

The Board of Directors recommended the NLMK Annual General Shareholders Meeting to pay FY2019 dividends of
RUB 19.4 per share

RUB 151.9
the average price of NLMK ordinary share on the Moscow Stock Exchange

$23.4
average price of NLMK’s Global Depositary Receipts on the London Stock Exchange

In 2019, the number of NLMK shareholders increased by 2.5x and by the end of the year exceeded 66,000 (+150% over 2019)

NLMK Group ranked among the top 10 companies with the best disclosure of corporate governance information (TopCompetence 2019 National Corporate Governance Index).

NLMK placed first in the Best level of disclosure of corporate governance practices category at the RAEX-Analytics annual reports competition.
CORPORATE GOVERNANCE SYSTEM

CORPORATE GOVERNANCE IN ACTION

Effective corporate governance plays a key role in the Company’s operations, its successful sustainable development, risk management, and in balancing the rights and interests of shareholders, the Company management, and other stakeholders.

The Company has a well-developed corporate governance system, which is built on best international practices and is fully compliant with the requirements of the prevailing Russian legislation and laws of the countries where the Group companies operate. It functions in line with the OECD Principles of Corporate Governance, the listing rules of the Moscow and London stock exchanges, GRI information disclosure standards, and provisions of the Corporate Governance Code approved and recommended by the Central Bank of Russia.

The functioning of a well-developed corporate governance system that secures the rights and interests of shareholders and potential investors is considered a driving force for enhancing the Company’s efficiency and investment appeal.

Key principles at the core of our corporate governance:

1. Sustainable development and long-term growth of return on equity investment
2. Commitment to ensuring equal and fair treatment of all shareholders when they exercise their right to be involved in management processes, receive dividends from the Company, participate in meetings, vote on issues on the agenda and get up-to-date information on the activities of the Company and its governing and controlling bodies
3. Equal treatment of all shareholders, including non-Russians and minority shareholders

IMPROVING CORPORATE GOVERNANCE PRACTICES IN 2019

In 2019, the Company continued to improve its corporate governance system to ensure it complies with international standards.

The plans for 2019 were implemented in full: changes were made to the Company’s internal corporate documents and the time required to prepare public statements was shortened. The date of the General Shareholders Meeting was moved to an earlier date – from June to April.

As for the Company’s priorities regarding its sustainable development in accordance with the best international practices, the following activities were carried out to consolidate and implement NLMK Group’s principles, goals, and objectives in matters concerning its sustainable development, thus confirming the Company’s commitment to the UN Goals and reflecting the role of the Board of Directors in this area:

- In October 2019, the Board of Directors approved a number of documents, such as:
  - The Sustainable Development Policy which defines NLMK Group’s sustainability principles, goals, and targets in various sustainability aspects, such as environment, OHS, ethics, social and economic aspects, among others.
Following are the highlights of the shareholders meeting:

- In March 2019, the Board of Directors approved a revised version of the Regulations on the Board of Directors. This document reflects the tasks the Board must implement to ensure compliance with sustainable development principles and to define goals and objectives in matters concerning sustainable development, as well as to monitor their implementation. Also at this meeting, the Regulations on the General Shareholders Meeting and the Regulations on the Board of Directors were amended in accordance with the requirements of existing legislation and the Moscow Exchange’s listing rules.
- In March 2019, the Board of Directors approved a new Dividend Policy. Based on the revised Dividend Policy, NLMK Group plans to pay out 100% of its free cash flow to shareholders if its net debt/EBITDA is less than or equal to 1.0x; and 50% of its free cash flow if its net debt/EBITDA is higher than 1.0x. NLMK Group will use a normalized capex of $700 m p.a. to calculate its free cash flow for the purpose of dividend payments, even if actual investments are higher.
- The methodology used by the Company to assess compliance with the corporate governance principles set forth in the Corporate Governance Code is based on the recommendations of the Bank of Russia on preparing a report on compliance with the principles and recommendations of the Corporate Governance Code.
- The Group continued to use an online voting service at its General Shareholders Meetings in 2019 to allow shareholders to vote regardless of where their rights are registered. The total number of shareholders who took part in the voting and used this service in 2019 increased five-fold. Moreover, since the online voting service was launched in March 2018, the number of shareholders who have used this service has increased more than ten-fold.
- Based on a resolution from the Company’s Board of Directors, the Annual General Shareholders Meeting on the results of 2018 was video broadcast online and made available to shareholders as part of the e-voting service.
- In 2019, the number of NLMK shareholders increased by 2.5 times and by the end of the year exceeded 66,000 (+150% growth over the year). This indicator as well as the growth rate is the highest in the Company’s history, which attests to the high level of confidence individual shareholders have in the Company.
- The Company placed first in the Best Level of disclosure of corporate governance practices in the 2018 Annual Report category at the RAEX-Analytics annual reports competition.
- The Group continued to use an online voting service at its General Shareholders Meetings in 2019 to allow shareholders to vote regardless of where their rights are registered. The total number of shareholders who took part in the voting and used this service in 2019 increased five-fold. Moreover, since the online voting service was launched in March 2018, the number of shareholders who have used this service has increased more than ten-fold.

The Company strives to ensure equal and fair treatment of all shareholders when they exercise their right to participate in the management of NLMK.

NLMK shareholders are given an equal and fair opportunity to participate in the Company’s profits by receiving dividends. NLMK ensures equal conditions and equal treatment for all shareholders.

**GENERAL SHAREHOLDERS MEETING**

The General Shareholders Meeting is NLMK’s supreme governing body that functions based on the legislation of the Russian Federation, the NLMK Charter and the Regulations on the General Shareholders Meeting. The Company provides a map of how to get to the General Shareholders Meeting, the General Shareholders Meeting is publicized in Russian and in English on NLMK’s website according to the procedure and within the timeframe established by the NLMK Charter and Russian legislation, at least 30 days before the meeting.

In addition to the mandatory materials required by law, the Company provides its shareholders with additional information and materials pertaining to the agenda items of the Corporate Governance Code approved by the Central Bank of Russia. The Company posts a map of how to get to the General Shareholders Meeting, a sample form of a proxy that shareholders may issue to their representative for participation in the meeting, and information on certifying such proxy.

The Company also provides all this information in English to ensure the equal treatment of all shareholders, including non-Russians.

The Company’s independent registrar functions as the counting commission of the General Shareholders Meeting.

The voting results and resolutions passed by the General Shareholders Meeting are disclosed in accordance with the requirements of Russian legislation and published on the Company’s website.
THE GENERAL SHAREHOLDERS MEETINGS’ ACTIVITIES IN 2019

Four General Shareholders Meetings were held in 2019.

The NLMK Annual General Shareholders Meeting on the results of 2018 was held on 19 April 2019. It was attended by shareholders and shareholder representatives holding a total of 91.15% of NLMK’s equity, which meets the quorum requirements. During the Annual General Shareholders Meeting, resolutions were passed on the issues envisaged by Item 1, Article 47 of the Federal Law On Joint-Stock Companies as well as on the payment of FY 2018 dividends.

NLMK Extraordinary General Shareholders Meetings were held by absentee ballot.

At the NLMK Extraordinary General Shareholders Meeting held on 7 June 2019, shareholders passed a resolution to pay (declare) Q1 2019 dividends.

At the NLMK Extraordinary General Shareholders Meeting held on 20 December 2019 shareholders passed a resolution to pay (declare) H1 2019 dividends.

Detailed information on the voting results and resolutions passed by the General Shareholders Meetings in 2019 is available on the Company’s website.

NLMK BOARD OF DIRECTORS

Chairman of the Board of Directors

In order to ensure that the Board of Directors effectively performs its functions, including those related to the protection of shareholders’ interests and risk management, the Company’s Board of Directors includes independent directors. Independent directors on the Company’s Board ensure it takes an objective, balanced approach to the items discussed, improves management efficiency, and has a positive impact on the Company’s image.

The key role of independent directors is to increase the level of confidence in the Company among shareholders and the investment community. Independent directors, who have made up the majority of the Company’s Board since 2016, make a decisive contribution to discussions and decision-making issues that may affect the interests of shareholders, including devising the Company’s development strategy, assessing the conformity of the activities of executive bodies with the Company’s chosen strategy, preventing and resolving corporate conflicts, providing an objective assessment of the quality of work performed by the executive bodies, establishing an efficient incentive system, conducting performance assessments, and ensuring that the Company’s activities are in the interest of all its shareholders. In addition, independent directors play a key role in the operation of the Board’s committees.

The Corporate Secretary regularly conducts a preliminary analysis and assessment of the Board’s performance and provides the necessary support to its work.

Independent directors fully meet the independence criteria stipulated by Regulations on the Company’s Board of Directors and the Corporate Governance Code recommended by the Bank of Russia.

In addition to the main objectives of the Board of Directors stipulated by legislation and the Company’s Regulations on the Board of Directors, key importance is attached to such goals and objectives of the Board as assessing political, financial, and other risks, ensuring compliance with corporate governance and sustainable development principles, and monitoring compliance with the Sustainable Development Policy.

Members of the Company’s Board of Directors ensure the reliability and stability of the Company’s operations, facilitate the adoption of balanced decisions by management, and should be able to make objective independent judgments and decisions that serve the interests of the Company and its shareholders.

The Regulations on the Board of Directors establish the procedure for preparing for and holding meetings of the Board of Directors, which provides members of the Board of Directors with the opportunity to prepare properly for them.

Members of the Company’s Board of Directors must have sufficient time to fulfill their obligations efficiently and in good faith, including for participation in meetings of the Board of Directors and its committees. The requirement for members of the Board of Directors to have sufficient time for efficient participation in the work of the Board of Directors is enshrined in the Company’s Corporate Governance Code.

Meetings of the Board of Directors are held on a regular basis at least six times a year in accordance with the approved schedule.

The format of the Board meetings is determined based on the importance of the agenda items. The most important items are resolved at Board meetings held in person, and as a rule, are first reviewed by the Board’s committees, thereby ensuring their thorough consideration and informed decision-making. The effectiveness of the Board of Directors is facilitated by the following components:

- Planning activities by approving the meeting schedule
- Efficient composition of the Board of Directors that reflects the optimal balance of qualifications and experience
- Inclusion of independent directors on the Board
- Induction procedures for newly elected members of the Board of Directors
- Annual performance assessment of the Board of Directors and its committees
- Ensuring the succession of the Board of Directors by regularly rotating the Board of Directors while preserving its purview and best practices.

The NLMK Charter and the Regulations on the Board of Directors published on the Company’s official website govern the proceedings of the Board of Directors. Information on the activities of NLMK’s Board of Directors, including information on its composition, its committees, meetings, and decisions is disclosed on the Company’s official website.
In some exceptional cases, the Board of Directors may recognize the independent status of a member of the Board of Directors in the assessment process, despite them having some formal criteria of being affiliated with the Company, as long as such affiliation does not affect the individual's ability to exercise independent, impartial, and fair judgement.

In the course of the independence assessment of Board members, conducted by the Board of Directors in 2019, four out of five directors were deemed to be fully compliant with the independence criteria defined by the Regulations on NLMK’s Board of Directors, while one director, who has a formal relationship with NLMK (Mr. Benedict Sciortino has been a member of the Board for more than seven, but less than twelve years), was recognized as independent due to the immateriality of his affiliation and the fact that it does not influence the director’s decisions and his work on the Board of Directors.

### COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Company’s Board of Directors is balanced in terms of qualification, experience, knowledge, and business acumen, and is diversified as necessary. Members of the Board of Directors have an impeccable business reputation, knowledge, skills and experience in steelmaking, mining, finance, investment, corporate governance, and other areas that are important for governing the Company successfully.

In 2019, the Human Resources, Remuneration, and Social Policies Committee approved Regulations on the Succession of the Company’s Board of Directors. This document aims to maintain a balance in the key expertise, experience, and optimal composition of the Board of Directors.

As of 31 December 2019, the Board of Directors elected at the Annual General Shareholders Meeting on 19 April 2019 consisted of nine members, including five independent directors.

The Board’s composition was changed over the course of 2019, with Joachim Limberg being elected to the Board of Directors as an independent director.

None of the members of the Board of Directors are shareholders in NLMK or made transactions with the Company’s shares in 2019.

### MEMBERS OF NLMK BOARD OF DIRECTORS AS OF 31 DECEMBER 2019

<table>
<thead>
<tr>
<th>Board member</th>
<th>Position</th>
<th>Tenure, years</th>
<th>Status</th>
<th>Member of the Strategic Planning Committee</th>
<th>Member of the Audit Committee</th>
<th>Member of the Human Resources, Remuneration, and Social Policies Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimir Lisin</td>
<td>Chairman of the Board of Directors</td>
<td>23</td>
<td>Non-executive</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Oleg Bagrin</td>
<td>Member of the Board of Directors</td>
<td>15</td>
<td>Non-executive</td>
<td>Chair</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Thomas Versasto</td>
<td>Member of the Board of Directors</td>
<td>4</td>
<td>Independent</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Nikolai Gagarin</td>
<td>Member of the Board of Directors</td>
<td>18</td>
<td>Non-executive</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Karen Sarkisov</td>
<td>Member of the Board of Directors</td>
<td>10</td>
<td>Non-executive</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Stanislav Shekshnia</td>
<td>Member of the Board of Directors</td>
<td>5</td>
<td>Independent</td>
<td></td>
<td></td>
<td>Chair</td>
</tr>
<tr>
<td>Benedict Sciortino</td>
<td>Member of the Board of Directors</td>
<td>8</td>
<td>Independent</td>
<td>✓</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td>Marjan Oudeman</td>
<td>Member of the Board of Directors</td>
<td>2</td>
<td>Independent</td>
<td>Chair</td>
<td>✓</td>
<td>-</td>
</tr>
<tr>
<td>Joachim Limberg</td>
<td>Member of the Board of Directors</td>
<td>1</td>
<td>Independent</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

### NLMK DIRECTORS’ EXPERTISE IN THE STEEL SECTOR, YEARS

- Under 4 years
- 4–10 years
- 10–20 years
- Over 20 years

### DIRECTORS’ LENGTH OF TENURE, YEARS

- Under 4 years
- 4–10 years
- Over 4 years

### COMPOSITION OF THE BOARD OF DIRECTORS BY DIRECTOR STATUS

- Independent directors
- Non-executive directors

---

1 As of 31 December 2019
EXPERTISE OF NLMK BOARD MEMBERS

<table>
<thead>
<tr>
<th>Expertise</th>
<th>Board of Directors (%)</th>
<th>Strategic Planning Committee (%)</th>
<th>Audit Committee (%)</th>
<th>Human Resources, Remuneration and Social Policies Committee (%)</th>
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<td>Knowledge of industry</td>
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<td>7</td>
<td>3</td>
<td>4</td>
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<tr>
<td>Corporate governance</td>
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<td>3</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Strategy</td>
<td>7</td>
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<td>3</td>
<td>4</td>
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<td>5</td>
<td>5</td>
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<td>2</td>
<td>5</td>
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<tr>
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<td>8</td>
<td>6</td>
<td>5</td>
<td>4</td>
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<td>Customers and sales</td>
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<td>5</td>
<td>3</td>
<td></td>
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<tr>
<td>Digitalization and IT</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Sustainability</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
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</table>

COMPOSITION OF NLMK BOARD OF DIRECTORS IN 2019

Composition of NLMK Board of Directors, elected on 19 April 2019

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimir Lisin</td>
<td>Chairman of the Board of Directors</td>
<td>Chairman of the Board of Directors</td>
</tr>
<tr>
<td>Oleg Bagrin</td>
<td>Member of the Board of Directors</td>
<td>Member of the Board of Directors</td>
</tr>
<tr>
<td>Thomas Veraszto</td>
<td>Member of the Board of Directors, independent director</td>
<td>Member of the Board of Directors, independent director</td>
</tr>
<tr>
<td>Helmut Wieser</td>
<td>Member of the Board of Directors, independent director</td>
<td>Member of the Board of Directors, independent director</td>
</tr>
<tr>
<td>Nikolai Gagarin</td>
<td>Member of the Board of Directors</td>
<td>Member of the Board of Directors</td>
</tr>
<tr>
<td>Karen Sarkisov</td>
<td>Member of the Board of Directors</td>
<td>Marjan Oudeman</td>
</tr>
<tr>
<td>Stanislav Shekshnia</td>
<td>Member of the Board of Directors, independent director</td>
<td>Member of the Board of Directors, independent director</td>
</tr>
<tr>
<td>Benedict Sciortino</td>
<td>Member of the Board of Directors, independent director</td>
<td>Member of the Board of Directors, independent director</td>
</tr>
<tr>
<td>Marjan Oudeman</td>
<td>Member of the Board of Directors, independent director</td>
<td>Member of the Board of Directors, independent director</td>
</tr>
</tbody>
</table>

BIOGRAPHIES OF MEMBERS OF THE BOARD OF DIRECTORS

Vladimir Lisin

Year of birth: 1956
Member of the Board of Directors since 1996, Chairman of the Board of Directors since 1998
Chairman of the Strategic Planning Committee and member of the Human Resources, Remuneration and Social Policies Committee

Mr. Lisin started his career in 1975 as an electrical fitter. He worked at Tulachermet, working his way up from assistant steelmaker to deputy shop manager. In 1986, he went to work in Kazakhstan, first as Deputy Chief Engineer and later as Deputy CEO of the Karaganda Steel Plant. He has been a member of boards of directors at several leading Russian steel companies since 1993.

Mr. Lisin graduated from Siberian Metallurgic Institute, where he majored in ferrous and non-ferrous foundries. In 1990, he graduated from the Higher School of Commerce where he majored in ferrous and non-ferrous foundries. In 1992, he graduated from the Academy of National Economy with a major in economics and management. He holds a PhD in engineering and economic sciences and is a professor. He won the USSR Council of Ministers Prize for Science and Technology, is an Honorary Metallurgist of the Russian Federation, and is a holder of the Order of Honour and the Order of Alexander Nevsky. He serves as President of the International Shooting Sport Federation.

Oleg Bagrin

Year of birth: 1974
CEO (Chairman of the Management Board) from 2012 until March 2018. Member of the Board of Directors since 2004
Chairman of the Strategic Planning Committee and member of the Human Resources, Remuneration and Social Policies Committee

Mr. Bagrin graduated from the State Management University with a major in mathematical methods and operations research in economics. He has a postgraduate degree in economics and a degree in business administration from the University of Cambridge, UK.
Benedict Sciortino
Year of birth: 1950
Member of the Board of Directors since 2012 (independent director)
Member of the Audit Committee and member of the Strategic Planning Committee

> From 1977 to 1995, Mr. Sciortino worked as an attorney-at-law and a partner with Baker & McKenzie, New York. He joined Duferco in 1995. He served as a member of the Board of Directors of Duferco S.A., where he was responsible for Duferco Group North American and South African business as well as trading operations, financial and legal matters, and mergers and acquisitions. Mr. Sciortino serves as a director of several operating companies.

> Since March 2013, he has served as CEO and member of the Board of Directors of DXT Commodities SA (formerly Dufenergy Trading SA).

> He graduated from Queens College, New York with a BA degree and received JD and LLM degrees from New England School of Law (Boston, MA) and New York University Law School, New York.

Nikolai Gagarin
Year of birth: 1950
Member of the Board of Directors since 2001
Member of the Audit Committee

> In 2003, as a Managing Partner, Mr. Gagarin was appointed Chairman of the Board at Reznik, Gagarin, Abushakhmin, and Partners Law Offices. He has been Chairman of the Board and a Managing Partner at Reznik, Gagarin, and Partners Law Offices, Moscow, since 2009.

> He is a graduate of Lomonosov Moscow State University with a major in law.

Karen Sarkisov
Year of birth: 1963
Member of the Board of Directors since 2010
Member of the Strategic Planning Committee and member of the Audit Committee

> Aide to the Chairman of the Board of Directors on External Economic Relations and a member of the Board of Directors of NLHK International B.V.

> From 2006 to 2007, Mr. Sarkisov served as the Chairman of the Board of Directors of ViZ-Steel. From the early 1990s to 2008, he worked at steel trading companies, where he held various executive positions at a number of international metal trading entities.

> He is a graduate of Tashkent State University, where he majored in oriental studies.

Stanislav Shekshnia
Year of birth: 1964
Member of the Board of Directors since 2015 (independent director)
Chairman of the Human Resources, Remuneration, and Social Policies Committee and member of the Audit Committee

> In 1991-2002, Dr. Shekshnia held senior executive positions at Russian and international corporations, including HR Director of Otis Elevator in Central and Eastern Europe, President and CEO at Millicom International Cellular in Russia and the CIS, CEO at VimpelCom, and CEO of Alfa Telecom. He has served as Chairman of SUER, Russian Fishery Company and Vimpelcom-R and as director of a number of Russian and Ukrainian companies. Dr. Shekshnia was an independent director at DTEK BV, Ilim Timber Industry, Naftna Industrija Srbije (NIS), and Ener1. Currently, Dr. Shekshnia is Chairman of the Board of the Samolet Group. In 2012, Dr. Shekshnia co-founded Zest Leadership International Consultancy.

> From April 2007 until July 2019, Dr. Shekshnia was a Senior Partner of LEADERSHIP VECTOR, a talent equity consulting practice. He focused on leadership, leadership development, corporate governance, and business in emerging economies. He is now a Senior Consultant at Ward Howell. Dr. Shekshnia also provides personal coaching to business owners and corporate executives.

> Dr. Shekshnia is an Affiliate Professor of Entrepreneurship at INSEAD. He has over 15 years of graduate level teaching experience in Russia, France, and the United States, and is the author, co-author, or editor of ten books, numerous articles, executive commentaries, interviews, and case studies on entrepreneurship, leadership, people management, intercultural management, and business and management in Russia.

> Dr. Shekshnia has a master’s degree in economics, a Ph.D. from Moscow State University, and an MBA from Northeastern University in Boston.
Thomas Veraszto
Year of birth: 1962
Member of the Board of Directors since 2016 (independent director)
Member of the Strategic Planning Committee and member of the Human Resources, Remuneration, and Social Policies Committee
- Mr. Veraszto was a Partner and Managing Director with the Boston Consulting Group (BCG) in 2014-2015, serving primarily clients in the industrial goods sector on strategy, organizational development, and operational improvement. He continues to be a Senior Advisor for BCG in this area.
- Mr. Veraszto has held senior management positions at large industrial and consulting companies such as McKinsey & Company, where he spent 15 years serving clients in various industries.
- Mr. Veraszto earned a doctorate in law and a master’s in philosophy in Slavic languages in 1984 and 1985, respectively, both from the University of Graz (Austria). In 1988, he also received a diploma from the Bologna Center of the School of Advanced International Studies at Johns Hopkins University (USA).

Marjan Oudeman
Year of birth: 1958
Member of the Board of Directors since 2018 (independent director)
Chair of the Audit Committee and member of the Strategic Planning Committee
- Ms. Oudeman served as President of the Executive Board of Utrecht University (The Netherlands) from 2013 until June 2017.
- From 2010 to 2013, Ms. Oudeman was a member of the Executive Committee of AkzoNobel, where she was responsible for HR and organizational development.
- Ms. Oudeman previously served as a member of the Executive Committee of Corus Group, Executive Director Corus Strip Products Division from 2007 to 2010.
- She also held the positions of CEO of Cuxus Nederland BV and Managing Director of Cuxus Strip Products Ulvesten from 2004 to 2007, and Managing Director of Cuxus Packaging Plus from 2000 to 2004.
- Before joining Corus, Ms. Oudeman worked for Hoogovens Group NV, where she held various corporate staff positions at Hoogovens Group NV in legal, corporate finance, and controlling, culminating in 1998-2000 as a Member of the Management Board of the Steel Division of Hoogovens Group NV and Managing Director of Hoogovens Packaging Steel.
- Ms. Oudeman holds positions in the governing bodies of a number of entities: she is a member of the Boards of Solvay SA, SHV Holdings, NV Aalberts Industries M, and UPM-Kymmene Corporation.
- She has extensive experience as a line manager in the steel industry and considerable international business experience.
- Ms. Oudeman has a law degree from Rijksuniversiteit Groningen in the Netherlands and an MBA in Business Administration from the University of Rochester, New York, USA and Erasmus University, Rotterdam, the Netherlands.

Joachim Limberg
Year of birth: 1954
Member of the Board of Directors since 2019 (independent director)
Member of the Strategic Planning Committee and member of the Human Resources, Remuneration and Social Policies Committee
- Mr. Limberg was Chairman of the Management Board of Materials Services Business Area, CEO and Chairman of the Executive Board of thyssenkrupp Materials International GmbH from October 2009 until 31 December 2018. He was responsible for the Materials unit in Germany, North America, Eastern Europe, and Western Europe/Asia Pacific, Materials Processing Europe, Materials Trading, the Special Materials units (special steels) of AST and Distribution Stainless, as well as the Special Services units of Plastics Europe, Aerospace, and Technical Services.
- Mr. Limberg began his career in 1976 at Klockner. He then spent several years as managing director/CEO of various small and medium-size companies. In 1993, he joined thyssenkrupp Group, initially as head of the Product Management Steel and Materials Management departments at thyssenkrupp Schulte. In 1998, he was appointed to the Executive Board. From 2002 to 2005, he served as Chairman of the Executive Board of thyssenkrupp Schulte GmbH. Mr. Limberg was appointed to the Executive Board of thyssenkrupp Materials AG, later thyssenkrupp Services AG, on 1 April 2001.
- In January 2002, he was made additionally responsible for the North American operations of thyssenkrupp Materials N.A., of which he was chairman. With the establishment of thyssenkrupp Materials Europe GmbH on 1 June 2001, he took over as Chairman of the company’s Executive Board and continued in this position after the company was renamed thyssenkrupp Materials International GmbH.
- From October 2006 to September 2009, he was Vice Chairman of the Executive Board of thyssenkrupp Services AG, where he was primarily responsible for strategic corporate development. One of particular focuses was on developing activities in North America, Eastern Europe and South America, as well as establishing the aerospace and services business as core activities. This also included business actions in Asia, which he was in charge of for several years while located in Hong Kong.
- Mr. Limberg is a professional exporter. He studied economics at the Open University of Hagen (Diplom-Okonome). Mr. Limberg has a degree in economics (Diplom-Okonome) from the Open University of Hagen.

Helmut Wieser
Year of birth: 1953
Was member of the Board of Directors and member of the Human Resources, Remuneration and Social Policies Committee until 19 April 2019
Member of the Strategic Planning Committee
- Mr. Wieser was an Executive Vice President of Alcoa and Group President responsible for Alcoa’s global mill products and rigid packaging businesses until November 2011. He also oversaw Alcoa’s businesses in the Asia Pacific region, with a focus on China, the Australian rolled products businesses, and Alcoa’s operations in Russia. In addition, Mr. Wieser was a member of the Alcoa Executive Council, the senior leadership group that provides strategic direction for the company.
- Mr. Wieser also served on the board of governors of the International Graduate University in Washington, D.C. on Capitol Hill. Before joining Alcoa, he worked for Austria Metal Group (AMAG) for ten years, holding a series of management positions in its rolled products unit, culminating in 1997 as an Executive Member of the Board and CEO. Prior to this, he held several senior management positions with Voest Alpine in Austria and Venezuela, including President of Voest Alpine Venezuela. In March 2014, he became a member of Management Board of Austria Metall AG. In April 2014, he became the company’s CEO. He served as a member of the board (independent director) of Raín Carbon Inc. from 2014 until March 2018. Mr. Wieser is a member of the Advisory Board of COBEX GmbH.
- Mr. Wieser received a master’s degree in mechanical engineering and economics in 1981 from the University of Graz, Austria.
BOARD OF DIRECTORS’ ACTIVITY IN 2019

In 2019, NLMK’s Board of Directors held seven meetings, four of which were held by absentee ballot. Approximately 32 items were considered at the meetings.

Main issues examined by the Group’s Board of Directors in 2019:


- Appointments and remuneration: Reviewing proposals on the nomination of candidates to NLMK’s governing bodies (the Board of Directors, NLMK CEO (Chairman of the Management Board) and inclusion of the nominees in the voting list of people to be elected to these governing bodies; Providing recommendations to the Annual General Shareholders Meeting regarding the payment of remuneration to Board members; Approval of the composition of NLMK’s Management Board.

- Election of the Chairman of NLMK’s Board of Directors; Forming the committees of NLMK’s Board of Directors; Recognition of the independent status of nominees to NLMK’s Board of Directors; Performance assessment of NLMK’s Board of Directors; Performance reports of the committees of NLMK’s Board of Directors.

Corporate Governance:

- Approving the agenda, draft documents, and measures necessary for preparing for and holding the Annual General Shareholders Meeting; Inclusion of an item on the approval of revised versions of internal corporate documents into the Extraordinary General Shareholders Meeting agenda; Composition of the Company’s Strategic Planning Committee; Providing recommendations to NLMK’s Annual General Shareholders Meeting regarding profit distribution/dividend payment; Approving the 2018 NLMK report on related-party transactions; Approving the NLMK 2018 Draft Annual Report; Providing recommendations to the Annual General Shareholders Meeting regarding the approval of NLMK’s Auditor and remuneration to be paid for the Auditor’s services; Approving the meeting schedule for NLMK’s Board of Directors; Approving the following revised documents: Dividend Policy, Regulations on Committees, and Sustainability Policy.

- Financial reporting: Approving the Company’s annual accounting (financial) statements, including the 2018 profit and loss statement, as well as the NLMK IFRS 2018 annual consolidated financial statements.

PERFORMANCE ASSESSMENT OF THE NLMK BOARD OF DIRECTORS

Key goals of the assessment:

- Achieving a common understanding of the Board’s strengths and weaknesses;
- Progress assessment to develop an improvement plan;
- Compliance with the Code’s recommendations and best practices;
- Clarification of the goals and priorities of the Board of Directors;
- Balance of independence and qualification in the Board of Directors;
- Optimization of each member’s contribution to the Board’s activities;
- Improvement of the Board’s work and communication with the management;
- Recommendations for developing the expertise of the Board of Directors;
- Identification of areas for the training and development of Board members;
- Identification of the Board’s staffing requirements;
- Development of the target profile for candidates to the Board of Directors;
- Constructive justification of required changes;
- Introduction of advanced technologies and approaches to the organization of work.

Assessment tools:

- Online survey of members of the Board of Directors as approved by NLMK’s Human Resources, Remuneration, and Social Policies Committee;
- Discussion at the Board meeting held in person.

Scope of assessment:

- Board of Directors;
- Committees of the Board of Directors;
- Individual Board members;
- Corporate Secretary.

Focus of assessment:

- Professional and personal qualities of Board members;
- Independence, coherence, and degree of personal participation of Board members;
- Process of the Board of Directors;
- Board meeting agendas;
- Interaction of the Board of Directors with Company management;
- Other factors affecting the performance of the Board of Directors.

The Board of Directors is one of the key components of the Company’s corporate governance system. The quality of the Company’s governance depends on the efficiency of its activities, and its decisions directly affect the Company’s market capitalization. The assessment of the Board of Directors’ performance is an effective tool for improving the corporate governance system, each component of which is related to the work of the governing body. In line with the recommendations of the Corporate Governance Code recommended by the Bank of Russia and best international practices, the Company has been conducting an annual assessment (self-assessment) of the Board of Directors’ performance since 2016. The formal assessment procedure does not only cover the Board of Directors as a whole, but also assesses the work of the Board’s committees and each member of the Board, including its Chairman. The main purpose of the Board’s performance assessment is to determine the efficiency of its performance as a collective governing body and enhance the Board’s role in achieving the Company’s goal of successful development. The assessment of the Board of Directors’ performance helps to determine the focus and changes in the performance of the Board of Directors and its committees, get a comparative analysis of their contribution to the Company’s successful development, as well as identify areas for the continuous improvement of the Board’s procedures.

If necessary, based on the results of the Board’s performance assessment, the Chairman of the Board of Directors and the Board’s Human Resources, Remuneration, and Social Policies Committee put forward proposals that aim to improve the work of the Board of Directors and its committees. Individual assessments of Board members identify aspects that need to be developed and strengthened. Recommendations as well as individual training programmes (training sessions) may be offered to improve the skills of individual Board members.
The Board’s strengths and areas for improvement were analysed as part of an annual self-assessment carried out in January 2019. The self-assessment was approved by the HR Committee, as well as an interview of each member of the Board of Directors by the HR Committee Chairman. The Board’s strengths included its structure, well-balanced expertise and experience, the structure of its meeting agendas, the contribution of the Board Chairman, and the Corporate Secretary’s performance. Recommendations were issued on how to develop certain competencies of the Board of Directors and how to improve some of its procedures. An assessment report was prepared. The assessment confirmed the effectiveness of the Company’s Board of Directors and its committees in 2018, while in 2019 the activities of the Board of Directors and the Corporate Secretary were focused on improving the areas for development that were identified during the assessment and implementation of the recommendations that were given. The results of the Board’s performance assessment and recommendations for further improvement of the Board’s procedures, its committees, and individual Board members were reviewed at the in-person Board meeting in March 2019. The Committee is considering the option of hiring an external consultant for the Board’s performance assessment (the issue is to be included in the 2020 agenda of the Committee’s meetings).

INDUCTION COURSE FOR NEWLY ELECTED MEMBERS OF NLMK’S BOARD OF DIRECTORS AND THE ONBOARDING PROCESS

An induction course for newly elected members of NLMK’s Board of Directors was developed and approved by the Human Resources, Remuneration, and Social Policies Committee in compliance with best corporate governance practices to ensure the efficient functioning of the Board of Directors. In 2019, the Human Resources, Remuneration and Social Policies Committee approved a new version of the induction course for newly elected members of the Board of Directors, which will ensure they are integrated into the Board’s work faster and more effectively, improve the understanding of their role and responsibilities, as well as provide feedback from newly elected members who take the course.

The main goal of the course is to ensure that the newly elected members of the Board of Directors are promptly and efficiently introduced to NLMK Group’s key operational and financial indicators and its systems of risk management, internal control, and corporate governance.

Meetings with the CEO (Chairman of the Management Board), members of the Board of Directors, and senior executives of the Company are arranged as part of the course. The newcomers also have an opportunity to get acquainted with the Company’s core processes, facilities, and products. An induction course for Joachim Limberg, a newly elected member of the Board of Directors, was organized in April 2019. As part of the course, Mr. Limberg held meetings with the Board members and the Company’s executives, including the CEO (Chairman of the Management Board), visited the Lipetsk production facilities, and planned visits to the Group’s European facilities and NLMK Kaluga. In addition, Mr. Limberg was given an opportunity to familiarize himself with material information about the Company’s activities, its internal documents, financial statements, annual reports, other documents and information published on NLMK Group’s official website (as per the list approved in the course), as well as information about the organization of the Board’s activities, including information on the rights, duties, and responsibilities of members of the Board of Directors.

PREVENTING A CONFLICT OF INTEREST AMONG BOARD MEMBERS

Members of the Board of Directors must act in good faith and reasonably in the interests of the Company and its shareholders based on sufficient awareness and due care and discretion. Given that the reasonable and good-faith actions of the Board members require the adoption of decisions based on all available information without any conflict of interest and taking into account the equal treatment of shareholders, the Company has developed a number of measures to prevent conflicts of interests. As part of these activities:

- In case there is a potential conflict of interest (including an interest in the Company making a transaction), members of the Board of Directors shall notify the Board and put the Company’s interests above their own under all circumstances
- Members of the Board of Directors shall refrain from acts that will or may lead to a conflict between their interests and those of the Company
- Members of the Board of Directors shall promptly inform the Board of Directors of any conflict of interest and the grounds for it before the start of a discussion on the item with respect to which the Board member has a conflict of interest
- Members of the Board of Directors shall abstain from voting on items in which they have a conflict of interest. Where the nature of the item discussed or the specific aspects of a conflict of interest so require, the Board member experiencing said conflict of interest should not be present at the Board’s meeting when the item is discussed.

According to the information available to the Company, there was no conflict of interest among the members of the Board of Directors in the reporting year (including those related to the participation of these persons in the governing bodies of NLMK’s competitors).
Committee’s activities in 2019

In 2019, the Strategic Planning Committee held six meetings.

The Committee reviewed and passed resolutions on the following issues:
- Further development of the NLMK Production System and several functions and processes
- NLMK Group’s Environmental Programme 2019-2023
- Status of the implementation of NLMK Group’s investment programme and 2020 investment budget
- Strategic Planning Committee schedule for 2020

Areas for development and key projects of the NLMK Group operations and divisions were also discussed.

In 2020, the Committee plans to work actively on the development programmes of a number of functional areas, divisions, operations, and processes. The Committee will also analyse the implementation of the Committee’s instructions and the progress of NLMK Group’s investment programme.

ATTENDANCE OF COMMITTEE MEETINGS BY COMMITTEE MEMBERS IN 2019

<table>
<thead>
<tr>
<th>Board member</th>
<th>Position</th>
<th>Attendance of Committee meetings in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oleg Bagrin</td>
<td>Chairman of the Committee</td>
<td>6 (8)</td>
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<tr>
<td>Thomas Varasto</td>
<td>Member of the Committee</td>
<td>6 (8)</td>
</tr>
<tr>
<td>Helmut Wieser</td>
<td>Member of the Committee</td>
<td>5 (8)</td>
</tr>
<tr>
<td>Karl Doering¹</td>
<td>Member of the Committee</td>
<td>5 (8)</td>
</tr>
<tr>
<td>Vladimir Lisiu</td>
<td>Member of the Committee</td>
<td>6 (8)</td>
</tr>
<tr>
<td>Marjan Oudeman</td>
<td>Member of the Committee</td>
<td>5 (8)</td>
</tr>
<tr>
<td>Karen Sarkisov</td>
<td>Member of the Committee</td>
<td>6 (8)</td>
</tr>
<tr>
<td>Grigory Fedorishin</td>
<td>Member of the Committee</td>
<td>6 (8)</td>
</tr>
<tr>
<td>Benedict Sciortino</td>
<td>Member of the Committee</td>
<td>4 (8)</td>
</tr>
<tr>
<td>Joachim Limberg²</td>
<td>Member of the Committee</td>
<td>5 (8)</td>
</tr>
<tr>
<td>Sergey Filatov³</td>
<td>Member of the Committee</td>
<td>2 (8)</td>
</tr>
</tbody>
</table>

¹ Elected as a member of the Committee at the Board of Directors meeting held on 19 April 2019.
² Elected as a member of the Committee at the Board of Directors meeting held on 24 October 2019.
³ Member of the Committee until 19 April 2019.

AUDIT COMMITTEE

The Audit Committee drafts and submits recommendations to the Board of Directors on matters concerning the Board’s active involvement in the supervision of the Company’s financial and business activities. These include recommendations on annual independent audits of NLMK’s accounting (financial) statements, the quality of services provided by the auditor, compliance with the requirements for auditor independence, the process of the independent appraisal of property in cases stipulated by Russian legislation and other cases as well as issues related to disclosure of the Company’s information about sustainable development. (GRI 102-20)

The Committee examines and evaluates the Company’s information disclosure system on sustainable development issues and monitors its completeness, accuracy, and reliability.

Committee members as of 31 December 2019

The Audit Committee is chaired by an independent director. Most of the Committee members are also independent directors. In addition, the Audit Committee includes an independent director with a background in the preparation, analysis, evaluation, and audit of accounting (financial) statements.

The Committee members changed in 2019: Marjan Oudeman replaced Benedict Sciortino as chair of the Committee.

NLMK Audit Director Elena Sidorova was appointed Secretary of the Committee.

Committee’s activities in 2019

In 2019, the Audit Committee held four meetings.

The Committee reviewed and passed resolutions on the following key issues:
- Accounting (financial) statements with respect to the consideration of the relevant draft documents
- Risk management, internal control, and corporate governance with respect to the review of reports on the efficiency of the risk management, internal control and corporate governance systems as well as other reports related to asset protection and management of the Company’s significant risks
- External and internal audits with respect to the candidate for the Group’s auditor, candidate for NLMK’s Audit Director, and the Secretary of NLMK’s Audit Committee, approval of the Audit Committee’s schedule for 2019-2020 as well as the main areas for development
RISK MANAGEMENT AND INTERNAL CONTROL

NLMK’s Audit Committee exercises control over the reliability and efficient functioning of the risk management, internal control, and corporate governance systems, and the drafting of proposals on their improvement. In fulfilling its oversight responsibilities, the Committee reviews reports on the performance of the internal control and risk management system prepared by the external auditor, Internal Audit, and the Group’s other bodies responsible for fulfilling the risk management, oversight, and compliance functions. The Committee holds regular meetings with the Audit Director and the external auditor’s team.

Internal Audit

NLMK’s Audit Committee is responsible for monitoring the operation and evaluating the efficiency of the internal audit function. This is done via discussions with the Audit Director and approval of the annual internal audit plan. Progress reports, key findings, and recommendations are submitted to the Committee throughout the year to ensure that the actions taken by the executive management are efficient.

In an effort to ensure independence, the Audit Director reports directly to the Board of Directors. The Audit Director has the right to raise any matter that he/she deems to be important, reports to the Committee, including on audit results above a certain materiality threshold, and/or in line with other obligatory disclosure requirements, and meets with the external auditors as required.

The Internal Audit Service undergoes regular independent external quality assessments (at least once every five years, most recently in 2017). The results of these assessments are submitted to the Audit Committee for consideration.

External audit

AO PricewaterhouseCoopers Audit (PwC) has been the Group’s Auditor since 2003. NLMK management is certain that these services do not impair the auditor’s independence and are not related to the preparation of financial statements. In 2019, the share of non-audit services in the total scope of services provided by PwC was at an acceptable level and did not exceed 15% of the total services provided. PwC regularly rotates key audit staff (at least once every 7 years) to ensure compliance with independence requirements.

PwC reports to the Committee on a quarterly basis, and the Committee members review and discuss key audit matters with external auditors.

As a result of these reviews, the Committee concluded that the external audit process was efficient.

“In an era of fast-paced change and highly volatile risks, businesses need flexibility, agility, and innovation. This serves as an imperative for internal audit to focus on the ongoing shift in audit technology, methods, and approaches. The key trend of the new Strategy for NLMK Internal Audit 2022 is to drive the development of a mature risk management system. In the process of digital transformation, the audit function should take on the role of a trusted partner and consultant for the business, with a focus on proactive control, big data-enabled audits of E2E processes, and continuous monitoring. At the same time, it is important not to lose focus on matters of regulatory and procedural compliance, while ensuring a balance between compliance and innovation.

“From 2019 onwards, the Audit Committee will also focus on monitoring disclosures and reviewing reports on ESG issues, including the environment, occupational health, and safety.”

Marjan Oudeman, Chair of the Audit Committee

HUMAN RESOURCES, REMUNERATION, AND SOCIAL POLICIES COMMITTEE

The main purpose of the Committee is to ensure the efficient operation of the Company’s Board of Directors in its decision-making on the following issues:

- Appointment of members of the Company’s management and other key employees and the training of succession candidates for the Company’s management and other key employees
- Performance assessment of the Company’s management and other key employees
- Remuneration of the Company’s management and other key employees
- Social policy of the Company

Committee members as of 31 December 2019

The Human Resources, Remuneration, and Social Policies Committee is chaired by an independent director. Most of the Committee members are also independent directors. The Committee includes an independent director who is knowledgeable in matters concerning motivational management and personnel administration.

The Committee members changed in 2019.

NLMK Corporate Secretary Valery Loskutov was re-confirmed as Secretary of the Committee.

Committee’s activities in 2019

NLMK’s Human Resources, Remuneration, and Social Policies Committee held six meetings in 2019, including three in the form of absentee voting.

The Committee reviewed and passed resolutions on the following issues:

- Long-term incentive programme for NLMK Group management
- Eligibility of nominees proposed for independent directors to be voted on at NLMK’s Annual General Shareholders Meeting on the Company’s 2018 results
- Review of proposals to the NLMK Board of Directors on the amount of remuneration to be paid to Board members
- Progress against target KIPs by Company management in 2018

MEMBERS OF THE COMMITTEE IN 2019

<table>
<thead>
<tr>
<th>Members of the HR Committee from 8 June 2018 until 19 April 2019</th>
<th>Members of the HR Committee as of 19 April 2019</th>
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<tbody>
<tr>
<td>Stasylav Shekshnia Chair of the Committee</td>
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<td>Joachim Limberg Member of the Committee</td>
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* The number in brackets denotes the number of meetings of the Committee held during the period of this Director’s tenure.

† Member of the Committee until 19 April 2019.

‡ Elected as member of the Committee at the Board of Directors meeting held on 19 April 2019.
Progress against target KPIs by the NLMK Group CEO (Chairman of the Management Board) in 2018 and approval of target project KPIs for 2019.

- Status of NLMK Group’s HR strategy
- Recommendations to the NLMK Board of Directors on:  
  - the list of Management Board members
  - the list of Strategic Planning Committee members
  - CEO performance assessment and the status of the CEO candidate pool
  - Board of Directors succession planning
  - Approval of the induction course for newly elected members of NLMK Board of Directors (revised)
  - Approval of Regulations on the NLMK Corporate University Academic Council

In 2019, the Human Resources, Remuneration, and Social Policies Committee continued to exercise its functions to ensure the Company's interests. Guided by legislative requirements and the recommendations of the Corporate Governance Code, the Committee worked to ensure the introduction of best global practices in the Company's operations. A strong emphasis was placed on the Company's pressing challenges and needs, as reflected in Committee meeting agendas.

Given the changes to the composition of the Company’s bodies, the Committee developed recommendations to the Board of Directors regarding nominations to the Management Board and the Strategic Planning Committee.

The Committee approved a new version of the induction course for newly elected members of the Board of Directors that will ensure they are integrated more quickly and efficiently into the Board's activities.

The Board's strengths and areas for improvement were analysed as part of an annual performance assessment of the Board carried out in the form of an online survey of its members in the format approved by the Committee. The assessment findings were reviewed at the Board meeting in March 2019.

The Committee is considering the option of hiring an external consultant for the Board's performance assessment (this matter is to be included in the 2020 agenda of the Committee meetings).

“In 2019, the Human Resources, Remuneration, and Social Policies Committee reviewed a number of key matters within its remit.

“The Committee reviewed the execution status of NLMK Group’s HR Strategy, including such matters as boosting labour productivity, improving the professional training system, and developing NLMK Corporate University.

“The Committee approved Regulations on Succession Planning for the Board of Directors, which aim to maintain a balance of key skills, experience, and an optimal composition, taking into account the need to have independent directors on the Board, and to ensure consistent rotation. The Committee also reviewed the matter of CEO succession and reviewed an assessment of the CEO's performance.

“Building on the success of a Committee meeting that was extended to include all members of the Board of Directors, the long-term incentive programme for NLMK Group management was reviewed in a similar format.

“The Committee was highly effective in its role in 2019. The in-depth expertise and international experience of the Committee members facilitated high-quality decisions and the introduction of best practices at the Company. Committee members were actively engaged in the review and discussion of the matters at hand and issued follow-up instructions to the Company’s management, which were then efficiently monitored and analysed.”

Stanislav Shekshnia,
Chair of the Human Resources, Remuneration, and Social Policies Committee

The Company's Corporate Secretary ensures efficient day-to-day interaction with shareholders, coordinates the Company's activities to protect shareholders' rights and interests, and supports the efficient operation of the Board of Directors.

The NLMK Corporate Secretary’s activities, rights, and obligations are regulated by the Corporate Governance Code. Additional functions stipulated in the Corporate Governance Code recommended by the Bank of Russia, such as an induction course for newly elected members of the Company’s Board of Directors, corporate governance in subsidiaries and affiliates, working with insiders, and accounting for affiliates of the Group's companies, also fall within the Corporate Secretary’s remit. All these functions enable the establishment of a dynamic and balanced corporate governance system that ensures efficient interaction between the Company's shareholders, Board of Directors, and management.

Functionally subordinate to the Board of Directors and administratively to the NLMK’s CEO (Chairman of the Management Board), the Corporate Secretary is appointed and dismissed by the CEO (Chairman of the Management Board) based on a resolution from the Board of Directors.

The Corporate Secretary oversees the Corporate Secretary’s Office.

Valery Loskutov has been the Company's Corporate Secretary since 2005.

Valery Loskutov

Year of birth: 1969

- Mr. Loskutov graduated from the Lipetsk Polytechnic Institute and the Academy of National Economy under the Government of the Russian Federation with an MBA.
- For more than twenty years, he has been a member of the governing bodies of a number of Russian companies. Mr. Loskutov has been with NLMK since 1998 and has served as NLMK’s Corporate Secretary since 2005. He has been Secretary of the Human Resources Remuneration, and Social Policies Committee since 2017.
- Mr. Loskutov is a co-founder of the National Association of Corporate Secretaries. He was elected to the Board of the National Association of Corporate Secretaries on 20 December 2019.
- He won the 8th Director of the Year national award in the Corporate Governance Director/Corporate Secretary category.
- Mr. Loskutov is also the winner of the Best Corporate Governance Director category of the Top 1,000 Russian Managers national management award (2019).
MANAGEMENT BOARD

NLMK MANAGEMENT BOARD PROCEDURES

The Management Board is in charge of managing the Company’s day-to-day operations, and implementing the approved strategy and specific resolutions of the General Shareholders Meeting and the Board of Directors. The main objective of the Management Board is to ensure that the Company is operating efficiently. In order to achieve its objective, the Management Board is guided by the following principles:

- Fair, timely, and efficient execution of the decisions of the General Shareholders Meeting and the Board of Directors.
- Cooperation with trade unions comprised of the Company’s employees for the purpose of taking into account the employees’ interests.
- Cooperation with government agencies and local authorities on the most important issues.

The list of issues in the Management Board’s remit is regulated by the NLMK Charter and Regulations on the Management Board, which are available on the Company’s official website.

Members of the Management Board

NLMK Group’s Management Board consisted of nine members as of 31 December 2019. The current composition of the Management Board was approved by the Board of Directors at a meeting held on 24 October 2019.

MEMBERS OF THE MANAGEMENT BOARD

Grigory Fedorishin
CEO (Chairman of the Management Board)

Mikhail Arkhipov
Vice President, HR & Management System

Tatyana Averchenkova
Vice President, Operational Efficiency

Ilya Guschin
Vice President, Sales

Barend de Vos
Vice President, International Operations

Shamil Kurmashov
Vice President, Finance

Evgeny Ovcharov
Vice President, Risk Management

Sergey Chebotarev
Vice President, Energy

Grigory Fedorishin

Year of birth: 1979
Member of the Strategic Planning Committee
CEO (Chairman of the Management Board) since March 2018

- Mr. Fedorishin graduated from the State Finance Academy in Moscow. He holds a master’s degree in business administration from INSEAD business school, France & Singapore. He is member of the Certified Financial Analysts (CFA) association.
- Mr. Fedorishin was Senior Vice President and Deputy Chairman of the Management Board from March 2017 until March 2018, and Vice President for Finance (CFO) from 2013 until 2017. In 2016, he also headed NLMK Group’s Russia Long Products Division.
- From 2011 to 2013, Mr. Fedorishin served as NLMK’s Strategy and Business Development Director. From 2009 to 2011, he served as an investment manager at Libra Capital, a Moscow-based investment management company. From 2001 to 2009, he worked for PricewaterhouseCoopers consulting company, where he held positions up to director for business restructuring practice.

Tatyana Averchenkova

Year of birth: 1979
Vice President for Operational Efficiency

- Ms. Averchenkova graduated from Lipetsk State Technical University with a major in economics & management.
- Ms. Averchenkova has been with NLMK since 2001. She served as Director for Controlling and held various senior management positions in the Strategy Department. In 2016, she was appointed Vice President for Operational Efficiency.

2. Was a member of the Management Board until 24 October 2019.
Ilya Guschin
Year of birth: 1976
Vice President for Sales
Member of the Management Board since 2014

- Mr. Guschin graduated from the Faculty of Economics at Lomonosov Moscow State University. He holds a Ph.D. in economics.
- Mr. Guschin joined NLMK in 2013. From 2009 to 2013, he worked for Sibur Group, including as head of Sibur International, the group’s export division.
- From 2008 to 2009, he served as Financial Director at Skolkovo School of Management in Moscow. From 2002 to 2007, he held various positions at Microsoft.

Barend de Vos
Year of birth: 1967
Vice President for International Operations
Member of the Management Board since 2016

- Mr. de Vos holds a bachelor’s degree with a major in electrical engineering (supplementary training programme) and a master’s degree with a major in process engineering from the University of Pretoria.
- From 2011 onwards, he has served as Director of NLMK Belgium Holdings as well as a number of its subsidiaries. He is CEO and Chairman of the Management Board of NLMK International B.V., leading the turnaround and operating efficiency programmes.
- Mr. de Vos joined Dufecro La Louvière in Belgium in 2004 and served as a Management Board member of the NLMK/Dufecro JV from 2007 to 2011.
- After starting his career as a production and development engineer in 1990, he held various management positions at Iscor and Saldanha Steel (now ArcelorMittal South Africa) between 1995 and 2001, ending with export sales.

Sergey Likharev
Year of birth: 1964
Vice President for Logistics
Member of the Management Board since 2014

- Mr. Likharev holds a Ph.D. in physics and mathematics and a master’s of business administration from Cornell University, USA. From 1990 to 1993, he worked as a researcher at Lomonosov Moscow State University.
- Mr. Likharev joined NLMK in October 2013. From 2012 to 2013, he served as Aviation Business Director at Russian Machines Group and Chairman of the Board of Directors of the Aviacor Aviation Plant.
- After serving as CEO of Aviacor Aviation Plant in Samara from 2004 to 2007, he worked as CEO of the Basel Aero airport group from 2008 to 2012.

Evgeny Ovcharov
Year of birth: 1977
Vice President for Risk Management
Member of the Management Board since 2018

- Mr. Ovcharov is a graduate of Lipetsk State Technical University and holds a Ph.D. in economic sciences.
- Mr. Ovcharov joined NLMK in 1998. He served as Director for Internal Control and Risk Management and Head of Corporate Finance, and held senior management positions at the Department of Economics and Finance. In 2016, he was appointed Vice President for Risk Management.
Mikhail Arkhipov

Year of birth: 1982

Vice President for HR & Management System

Member of the Management Board since 2018

- Mr. Arkhipov graduated with honours from the Faculty of Sociology at Lomonosov Moscow State University.
- Mr. Arkhipov joined NLMK in January 2018 as Vice President for HR & Management System. From 2013 to 2018, he was a member of the Management Board and Vice President for HR at MTS Group. From 2004 to 2009, Mr. Arkhipov worked in senior management positions in HR at SUN InBev and KPMG.

Sergey Chebotarev

Year of birth: 1980

Vice President for Energy

Member of the Management Board since 2018

- Mr. Chebotarev graduated from Lipetsk State Technical University with a major in applied mathematics. He holds a Ph.D. in engineering sciences.

Shamil Kurmashov

Year of birth: 1978

Vice President for Finance

Member of the Management Board since 2019

- Mr. Kurmashov graduated from Moscow State Institute of International Relations (MGIMO University), and holds a Ph.D. in economics from the Central Economics and Mathematics Institute (CEMI RAS).
- He is a member of the Board of Directors at NLMK International B.V.
- From 2009 to 2018, he was Deputy CEO for Commerce and Finance at Aeroflot. From 2007 to 2009, he served as Deputy CEO for Finance and Investment at Sistema, where he was also in charge of the group’s investment activities. He has held executive positions at Norilsk Nickel and Wimm-Bill-Dann.

Sergey Filatov

Year of birth: 1959

Member of the Management Board from 2013 until 24 October 2019

- Mr. Filatov graduated from Moscow Institute of Steel and Alloys. He holds a Ph.D. in engineering sciences and is both an Honorary and Distinguished Metallurgist of Russia.
- Mr. Filatov has been with NLMK since October 2012, serving as Deputy Senior Vice President and General Director for Production and Technology. On 25 January 2013, Mr. Filatov was appointed to the position of NLMK’s Managing Director. He has served as an Aide to the CEO (Chairman of the Management Board) since August 2019.
- From 2009 to 2012, he served as Chief Engineer at NTMK. From 2007 to 2009, he was Project Manager of the NTMK Project Management Department.
CEO (CHAIRMAN OF THE MANAGEMENT BOARD)

The CEO (Chairman of the Management Board) is the permanent sole executive body. The CEO (Chairman of the Management Board) manages the Company’s day-to-day activities, arranges for the execution of resolutions passed by the General Shareholders Meeting and the Board of Directors, organizes the work of the Management Board, and ensures the timely adoption of resolutions by the Management Board.

The rights and obligations of the CEO (Chairman of the Management Board) are outlined in the existing legislation of the Russian Federation as well as the CEO’s contract with the Company.

The CEO (Chairman of the Management Board) is elected by the General Shareholders Meeting for a period lasting until the next Annual Meeting unless otherwise stipulated by resolution of the General Shareholders Meeting.

According to the prevailing corporate documents, the CEO (Chairman of the Management Board) cannot simultaneously be the Chairman of the Company’s Board of Directors.

Mr. Fedorishin has been the CEO (Chairman of the Management Board) since 12 March 2018.

ATTENDANCE OF MANAGEMENT BOARD MEETINGS BY MANAGEMENT BOARD MEMBERS IN 2019

<table>
<thead>
<tr>
<th>Member of the Management Board</th>
<th>Attendance of meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grigory Fedorishin</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Tatyana Averchenkova</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Irina Gusheva</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Barend de Vos</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Sergey Likharev</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Sergey Filatov ¹</td>
<td>34 (46)</td>
</tr>
<tr>
<td>Eugene Orsharoff</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Mikhail Arkhipov</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Sergey Chobotarev</td>
<td>46 (46)</td>
</tr>
<tr>
<td>Shamil Kurmashov ²</td>
<td>12 (46)</td>
</tr>
</tbody>
</table>

¹ Was a member of the Management Board until 24 October 2019.
² Was approved as member of the Management Board by the Board of Directors at a meeting held on 24 October 2019.

ACTIVITIES OF THE MANAGEMENT BOARD IN 2019

The Management Board functions in accordance with the approved meeting plan or as necessary. The CEO (Chairman of the Management Board) determines the format of the Management Board’s meetings.

In 2019, the Management Board held 46 meetings, including 17 meetings that were held by absentee ballot. The following issues were considered at these meetings:

- Achievement of the Group’s key performance indicators in occupational health & safety
- Approval of NL MK Group’s budget
- The Group’s participation in and withdrawal from other companies
- Approval of draft decisions and issuing recommendations to governing bodies on matters within the purview of the General Shareholders Meetings of companies in which the Group is the sole participant/shareholder
- Execution of the NL MK Group’s 2018-2022 Strategy: updates on the development and implementation of the investment programme projects; updates on the execution of the HR and Social Strategies, Occupational and Industrial Safety programmes; operational efficiency improvements; sales portfolio management; development of maintenance and repair services
- Development programmes for functional areas and production facilities
- Approval of Executive Board’s meeting schedule for 2019
- NL MK Management Board members had no conflict of interest in 2019. No members of the Management Board are NL MK shareholders or participated in any transactions with NL MK shares in 2019.
- In order to maximize the efficiency of decision-making and business processes, video technologies are used in the Management Board’s activities. Attending a meeting via video conference is equivalent to personal presence.
- Starting from 2019, members of the Management Board are able to vote online on issues that are considered at a meeting. In this case, an electronic ballot is considered to be equivalent to a paper ballot.

REPORT ON REMUNERATION PAID TO GOVERNING BODIES

The Company’s policy regarding remuneration paid to members of the Board of Directors serves to align their financial interests with the long-term financial interests of shareholders.

The Regulations contain transparent criteria for determining the amount of remuneration paid to the Board members and govern all types of compensation and benefits offered to them.

The remuneration system for members of the Board of Directors serves to align their financial interests with the long-term financial interests of shareholders. Remuneration is paid to members of the Board of Directors for reasonably and faithfully exercising their rights and duties in the interests of the Company.

Remuneration to members of the Board of Directors consists of basic remuneration and a bonus.

The amount of the basic remuneration was approved on 5 June 2015 by a resolution of the Annual General Shareholders Meeting in the amount of $160,000 (one hundred and sixty thousand).

Members of the Board of Directors are entitled to basic remuneration if they participated in over half of the Board of Directors meetings over the reporting period.

Members of the Board of Directors are also paid additional remuneration for performing the functions of the Chairman of the Board of Directors, a member of one or more committees of the Board of Directors, or for chairmanship in one or more committees of the Board of Directors.

REMUNERATION AND COMPENSATION PAID TO MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board of Directors are paid remuneration during the period in which they perform their duties and they also receive reimbursement of expenses related to the performance of their duties as members of the Company’s Board of Directors. The Regulations on Remuneration for Members of the Board of Directors, which was approved by the General Shareholders Meeting, establish the amount of remuneration and determine the terms and conditions as well as the procedure for remuneration payment. The Regulations are available on the Company’s official website.

The level of remuneration the Company pays to members of governing bodies is sufficient to attract, motivate, and retain persons with the expertise and qualifications NL MK seeks.

REMUNERATION FOR MEMBERS OF THE NL MK BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Remuneration category</th>
<th>Remuneration amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic remuneration</td>
<td>$160,000</td>
</tr>
<tr>
<td>Additional remuneration for the performance of duties of the Chairman of the Board of Directors, taking into account their functions related to organizing the work of the Board of Directors</td>
<td>Up to 50% of the basic remuneration package</td>
</tr>
<tr>
<td>Additional remuneration to a member of any committee of the Board of Directors (who participated in over half of its meetings)</td>
<td>Up to 25% of the basic remuneration package, and up to 50% of the basic remuneration package for a member of two or more committees</td>
</tr>
<tr>
<td>Additional remuneration to the Chairman of any committee of the Board of Directors (who participated in over half of its meetings)</td>
<td>Up to 40% of the basic remuneration package, and up to 80% of the basic remuneration package for the Chairman of two or more committees</td>
</tr>
</tbody>
</table>
A member of the Board of Directors may receive a bonus that shall not exceed the amount of two basic remuneration packages. The amount of bonuses is determined based on the member’s contribution to the work of the Board of Directors and its committees and the recommendations of the Human Resources, Remuneration, and Social Policies Committee.

Remuneration is paid based on a resolution of NLMK’s General Shareholders Meeting. Regulations on the Remuneration of Members of the NLMK Board of Directors outline the rules for reimbursing Board members’ work-related expenses. The following expenses are considered to be reimbursable:
- Transportation expenses of the members of the Board of Directors incurred while travelling to and from meetings
- Accommodation costs incurred while attending meetings
- Hospitality expenses
- Costs associated with obtaining the professional advice of experts on issues under consideration at meetings of the Board of Directors

INDIVIDUAL AMOUNT OF REMUNERATION TO BOARD MEMBERS PAID IN 2017–2018, RUB ’000 1

<table>
<thead>
<tr>
<th>Member of the Board of Directors</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vladimir Ustin</td>
<td>12,264</td>
<td>29,795</td>
<td>19,810</td>
</tr>
<tr>
<td>Stanislav Shekshnia</td>
<td>16,186</td>
<td>17,427</td>
<td>17,288</td>
</tr>
<tr>
<td>Oleg Bagrin</td>
<td>13,846</td>
<td>19,293</td>
<td>17,457</td>
</tr>
<tr>
<td>Nikolai Gagarin</td>
<td>12,363</td>
<td>12,982</td>
<td>12,382</td>
</tr>
<tr>
<td>Karen Sarkisov</td>
<td>14,833</td>
<td>15,633</td>
<td>14,857</td>
</tr>
<tr>
<td>Thomas Verazzo</td>
<td>12,608</td>
<td>16,309</td>
<td>15,954</td>
</tr>
<tr>
<td>Helmut Wieser</td>
<td>15,807</td>
<td>16,423</td>
<td>400</td>
</tr>
<tr>
<td>Marjan Oudeman</td>
<td>–</td>
<td>15,821</td>
<td>15,510</td>
</tr>
<tr>
<td>Benedikt Sciortino</td>
<td>–</td>
<td>17,446</td>
<td>17,247</td>
</tr>
<tr>
<td>Franz Strobl</td>
<td>15,346</td>
<td>383</td>
<td>–</td>
</tr>
<tr>
<td>Joachim Limberg</td>
<td>–</td>
<td>–</td>
<td>9,905</td>
</tr>
</tbody>
</table>

1 Data for 2017–2018 is represented in actual amounts. Remuneration to members of the Board of Directors for 2019 is determined based on preliminary calculations in accordance with the Regulations on Remuneration for Members of NLMK’s Board of Directors. May differ from previously published numbers due to the reporting of accrued payments based on yearly performance, including compensation.
As a major international steel producer, NLMK is exposed to a variety of risks that could have a negative impact on the Group’s business and our stakeholders if they materialize. In order to safeguard shareholder value and ensure sustainability, we employ the latest operational control and risk management practices and methods. NLMK’s approach to operational control is based on a clear segregation of authority and functions between the entities involved in NLMK’s internal control and risk management system; it also provides for ‘three lines of defence’. Control procedures are used in the Group’s Russian and international operations and are an integral component of key corporate decision-making activities and processes.

The internal control and risk management system employed by NLMK is designed to ensure reasonable certainty that the Group’s strategic and operational goals will be achieved, to create and protect value for the Group, and to ensure sustainable development by rapidly identifying, assessing, and effectively managing risks and opportunities.

The NLMK Board of Directors, which determines the principles and approaches to the organization of the risk management system and regularly reports on the status of the Company’s risks, plays a key role in the risk management process.

The Internal Control and Risk Management Department functions as a separate structural unit within NLMK. Its goals and objectives include analyzing risks associated with key business processes, ensuring that risk management processes are effective, implementing monitoring procedures, and developing a corporate culture of risk awareness. The Department is staffed with professionals who specialize in the following areas:

- Financial risks, including qualification and tender procedures
- Operational risks
- A dedicated anti-corruption specialist

**OUR APPROACH TO RISK MANAGEMENT**

Risk management is a continuous process that aims to reduce risk to an acceptable level and prevent events that could have a negative impact on NLMK achieving its business goals. The Group is committed to effectively and proactively managing risks and opportunities on a day-to-day basis and to the ongoing development of a risk-awareness culture.

NLMK’s risk management system was developed to take into account the challenges posed by the external environment and in accordance with the principles set forth in international risk management standards, including ISO 31000:2018 and CO2S ERH 2017. The Regulation on the Corporate Risk Management System is the key internal document that governs risk management at NLMK. Internal documents have also been drafted to manage individual risk categories that are important to the Group.

The Management Board’s Risk Management Committee is an important link in the risk management process. It conducts a detailed review of changes in the Company’s risk profile, issues related to the functioning of the risk management system, and methodological approaches to risk management during its meetings. The Management Board and the Board of Directors review the map of significant risks to which NLMK is exposed on an annual basis and take into account information on current and emerging risks in decision making.

NLMK’s functional units work on identifying and responding to risks that are relevant to their operations with methodological support from the Internal Control and Risk Management Department. The Department monitors the effectiveness of the measures used to manage risks as part of an analysis of management reporting from risk-owning functional units; this includes operational data at the business process level on current and planned KRI values, the status of risk management measures, and risks that have materialized.

NLMK is committed to the continuous development of its corporate risk management culture, which aims to identify and respond to risks in a timely and effective manner. With this aim in mind, the management regularly emphasizes the importance of risk management in internal corporate communications.

Systematic training in managing individual risk categories and integrating risk management into the daily activities of the Group’s units also help to develop a risk-awareness corporate culture.

Assessing the probability and impact of risks is one of the most crucial factors in making informed management decisions. To this end, NLMK utilizes modern risk analysis practices and tools. By applying specially developed methods for assessing individual risk categories, anticipated losses and the probability of risk materialization can be determined with a very high degree of precision, and effective risk management measures can be developed.

The majority of significant risks to which NLMK is exposed are assessed on a quantitative basis, which leads to better-informed management decisions. The Group assesses significant risks using scenario analysis models and stress testing.
The Company regularly monitors the effectiveness of its risk management system and implements measures to improve it. The Audit Department (Internal Audit Service) plays a key role in the assessment of the risk management system. The Internal Control and Risk Management Department also conducts an assessment of the risk management system, which involves benchmarking against best practices, the recommendations of professional standards, and practices implemented at similar companies. In 2019, the Audit Department (Internal Audit Service) conducted an audit of the Group's risk management system. The audit yielded a set of recommendations to improve the risk management system.

### OUR APPROACH TO INTERNAL CONTROL

Internal control encompasses all NLMK Group's key business processes and aims to ensure that assets are safeguarded and that business operations can be pursued effectively. The key document regulating NLMK's internal control system is the Regulations on the Internal Control System.

The Internal Control and Risk Management Department works together with line managers to systematically assess and develop control procedures and analyse risks in the key business processes of the Group. If necessary, the Internal Control and Risk Management Department works in conjunction with the Audit Department (Internal Audit Service). The fact that NLMK has three levels of control procedures in place makes it possible to cover numerous areas of the Group's operations and ensure that business processes function reliably.

Senior management plays a key role in determining the design and ensuring the efficiency of the internal control system ("tune at the top"). Performance and evaluation reports on the internal control system across business processes are presented for review by the Risk Management Committee once or twice each quarter. A regular independent reliability assessment of the internal control system is carried out by the Internal Control Department, which is also responsible for developing the system.

The Audit Department (Internal Audit Service) assesses the performance of the internal control system. Monitoring of the internal control system's reliability is also carried out as part of the system assessments across business processes performed by the Audit Department (Internal Audit Service). The Management Board's Risk Management Committee also reviews the results of these assessments.

In order to monitor risks more efficiently, the Group makes use of the SAP GRC system. Rolled out in 2017, the SAP GRC Access Control and SAP GRC Process Control modules facilitate the distribution of the most critical authorizations to be controlled within the Company's main ERP system. They also allow for regular automated monitoring of significant deviations in business processes.

### 2019 PERFORMANCE

In 2019 the Company continued to improve its internal control and risk management system and develop approaches to risk management. The key outcomes from the development of these approaches and improving the reliability of risk management systems are as follows:

- Additional approaches were introduced in managing the credit risk of contractors.
- Payment of advances to core contractors and contractors involved in priority projects.
- A new advance payments arrangement utilizing inventories or metal fabrications as collateral.
- Financing through escrow bank accounts.
- Insurance for advances and a newly implemented product developed jointly with insurers.
- The credit management system was put into operation. The module was integrated at two more Russian business units (including the main site – NLMK Lipetsk) and at two foreign units. The information system is powered by SAP FSCM and allows for the automatic blocking of product shipments to customers who have exhausted their credit line or have outstanding overdue balances for previous shipments.

- The introduction of portfolio management principles for the credit risks of miscellaneous by-product buyers.
- In an effort to establish business continuity plans, core machinery at NLMK Lipetsk was audited to assess risks of major property losses. Different loss scenarios and impacts on business were analysed.
- Risks were analysed with respect to counterparties arising from business process outsourcing.
- Updates were made to property risk insurance plans covering CW within the Group's perimeter.

In 2019, as part of the development of a risk-oriented culture, the Internal Control and Risk Management Department organized training on retail financial services as part of credit risk management for NLMK Trade House employees.
### SIGNIFICANT RISKS FOR NLMK GROUP IN 2019

<table>
<thead>
<tr>
<th>Risk</th>
<th>Description</th>
<th>Change in risk level 2018–2019</th>
<th>Comments to changes</th>
<th>Quantitative assessment of risk</th>
<th>Management measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price and currency risks</td>
<td>Risk of reduced profits resulting from a negative change in market prices for finished products and in exchange rates. Assessed together due to strong statistical correlation.</td>
<td></td>
<td>Due to the weakening of the natural hedging effect</td>
<td>×</td>
<td>✗ Support for an optimal long-term open currency position in key currencies to ensure ‘natural’ hedging. ✗ Formula-based pricing of finished products and raw materials and supplies.</td>
</tr>
<tr>
<td>Risks to business continuity</td>
<td>Risk associated with production downtime caused by the breakdown of key machinery.</td>
<td></td>
<td>Transition to estimating the expected time and probability of downtime based on failure statistics, taking into account the frequency of repairs</td>
<td>✗</td>
<td>× Development and implementation of a maintenance and major repairs programme (preventative maintenance and major repairs). ✗ Introducing a new approach to categorizing and analysing equipment reliability.</td>
</tr>
<tr>
<td>Environmental risk</td>
<td>Risk of events occurring with adverse consequences for the environment due to the negative impact of operations by NLMK companies.</td>
<td></td>
<td>The risk reduction effect due to the systematic implementation of the environmental programme offset the increased risk through the identification of new risk factors</td>
<td>✗</td>
<td>✗ Implementation of cutting-edge conservation technology as part of a comprehensive environmental investment programme.</td>
</tr>
<tr>
<td>Investment risk</td>
<td>Risks of increased expenditure and shifting deadlines with respect to the implementation of the investment programme.</td>
<td></td>
<td>Increase in the risk level as a result of reaching the peak of the investment programme in accordance with the declared strategy</td>
<td>✗</td>
<td>✗ Risk-based calculation of reserves and inclusion in project budgets. ✗ Model for calculating project risks with the subsequent review of the acceptability of the project risk level by the Investment Committee. Inclusion of risk minimization measures in project budgets.</td>
</tr>
<tr>
<td>Credit risk</td>
<td>Risk of losses stemming from contractors’ payment default or from the failure to deliver products (accounts receivable and advance payments), or NLMK Group’s bank deposits.</td>
<td></td>
<td>The decrease in the volume of expected losses is due to a decrease in receivables in absolute terms due to falling product prices and a decrease in the share of overdue receivables</td>
<td>✗</td>
<td>✗ Series of principles and approaches to credit risk management unified within the Group’s Credit Policy. Includes restrictions on the maximum permissible volume of subcontractor liabilities taking into account the use of various protective instruments.</td>
</tr>
<tr>
<td>Trade restriction risks</td>
<td>Risk of losses resulting from changes to tariffs or the application of non-tariff or other trade restrictions (in the procurement of raw materials, supplies, and equipment, and in the sale of products).</td>
<td></td>
<td>Favourable completion of a number of special protection investigations</td>
<td>✗</td>
<td>✗ Monitoring and analysis of international customs statistics to identify sales channels most subject to risk. Adaptation of the sales strategy to the growing risk of trade restrictions. ✗ Management of a portfolio of collaborative projects with government bodies (participation in research, minimization of consequences).</td>
</tr>
<tr>
<td>IT and information security risks</td>
<td>This risk is associated with the heavy dependency of NLMK’s business processes on IT systems and services, and on the flow of information requiring special organizational and technical measures to ensure that these remain secure and function reliably.</td>
<td></td>
<td>As a result of implementation of comprehensive IT security system projects</td>
<td>✗</td>
<td>✗ Implementation of comprehensive IT security projects.</td>
</tr>
<tr>
<td>Occupational and industrial safety risks</td>
<td>Occupational and industrial safety risks include events associated with occupational injuries, equipment breakdown, the decay of buildings and structures, fire, explosion, uncontrolled emissions of hazardous substances, and transport accidents.</td>
<td></td>
<td></td>
<td>✗</td>
<td>× Development of a risk-based occupational and industrial safety programme (improvement of working conditions and industrial and fire safety, risk management).</td>
</tr>
<tr>
<td>Fraud and corruption risk</td>
<td>These risks arise as a result of unlawful (fraudulent) activity on the part of employees, subcontractors, or third parties with the objective of exacting personal gain by damaging NLMK’s interests.</td>
<td></td>
<td></td>
<td>✗</td>
<td>× Identification of the areas most exposed to corruption and fraud-related risks (obligatory declaration of conflicts of interest and a psychophysiological assessment of employees in the risk area) ✗ Colligacy and restrictions on authorizations of decisions relating to work with subcontractors.</td>
</tr>
</tbody>
</table>

### SIGNIFICANT RISKS

NLMK Group has drawn up a list of significant (critical) risks. This includes both financial and non-financial risks for which the Group has assessed the probability of their materialization and/or their expected impact as high. Analysing critical risks and monitoring the implementation of measures to manage risks of this kind are a continuing priority for the NLMK Group management team.

### PLANS FOR 2020 AND THE MEDIUM TERM

The Company is planning to continue developing its internal control and risk management system by integrating a risk-based approach to the management of core business processes. Plans include expanding cooperation between the Internal Control and Risk Management Department and business process owners, and the targeted implementation of risk management procedures in specific areas of the Group’s operations.

Plans for 2020 include:
- Adopting business continuity plans for all core machinery at the Lipetsk site
- Harmonizing approaches to conflict of interest management at NLMK companies
- Enhancing the approaches to information security risk management for data assets and in light of the projects implemented as part of the programme to set up an integrated information security system
- Ranking of service providers.
INTERNAL AUDIT

Internal audits provide reasonable guarantees to management that NLMK Group has achieved its strategic objectives. The Audit Department (Internal Audit Service) is involved in improving the Group’s performance by:

- Conducting objective audits in line with the risk-based approach
- Giving recommendations following the results of audits and knowledge sharing

The Group’s internal audit function is built in line with legal requirements and the recommendations of professional standards and the Bank of Russia’s Corporate Governance Code, and meets the requirements of best international practices.

Internal audits are a centralized function that fully encompasses the core activities of NLMK Group companies, including international companies. The unified management of the internal audit function allows for the use of uniform standard approaches to planning, auditing and reporting, and also ensures an effective exchange of information between specialists of the Audit Department (Internal Audit Service).

The Audit Department (Internal Audit Service) performs the following key functions:

- Assessment of the internal control system
- Evaluation of the effectiveness of the risk management system
- Assessment of corporate governance

In addition, the Audit Department (Internal Audit Service) performs consulting activities by providing professional opinions to internal customers on certain matters concerning financial and business operations.

The Company’s risk management and internal control system is evaluated taking into account the principles set forth in international standards for risk management and internal control, including ISO 31000:2018, COSO Internal Control – Integrated Framework (2015).

PRINCIPLES OF THE AUDIT DEPARTMENT (INTERNAL AUDIT SERVICE) AND THEIR ENFORCEMENT

<table>
<thead>
<tr>
<th>Principles of the Audit Department (Internal Audit Service)</th>
<th>Tools and mechanisms for enforcing the principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence and objectivity</td>
<td>- Audit Director functionally reports to NLMK’s Board of Directors</td>
</tr>
<tr>
<td></td>
<td>- Audit Director is appointed (dismissed) by a resolution of NLMK’s Board of Directors</td>
</tr>
<tr>
<td></td>
<td>- Audit Director has the right of direct and free access to the Chairman of the Board of Directors, Chairman of the Audit Committee, and CEO (Chairman of the Management Board) to provide information on significant risks that have been identified</td>
</tr>
<tr>
<td></td>
<td>- Third parties are prohibited from interfering in the process and the results of the audit</td>
</tr>
</tbody>
</table>

Systematic and consistent approach

- The Audit Department (Internal Audit Service) is guided by a risk-based Audit Plan
- Resources are distributed between targeted (limited scope) and comprehensive audits of processes and subsidiaries in devising the Audit Plan
- The Audit Department (Internal Audit Service) prepares recommendations taking into account the costs/value ratio. Priority is given to systemic measures

Efficient use of resources

- Lead auditors are appointed from among the most qualified auditors
- Engagement of internal and external experts (consultants)
- Timely status updates to the Company’s management about the requirements (limitations) for the resources needed to conduct audits

Risk-based approach

- Focus on areas that are most exposed to risk when drawing up the Audit Plan and conducting audits

Professionalism and a professional approach to work

- More than 50% of the Audit Department’s (Internal Audit Service’s) team have internationally recognized internal audit diplomas (ICFM) and other professional certificates
- Continuous development of expertise in IT systems as the key source of information during audits
- Continuous professional development and improvement of knowledge, skills, and other expertise among the Audit Department’s (Internal Audit Service’s) team

Continuous audit quality improvement

- External evaluations of the internal audit function to determine whether the activities of the Audit Department (Internal Audit Service) and auditors comply with the definition of internal audit, the International Standards for the Professional Practice of Internal Auditors, and the Code of Ethics of the Institute of Internal Auditors (IIA).
ANTI-CORRUPTION COMPLIANCE AND FAIR BUSINESS PRACTICES

APPROACH TO CORPORATE CONDUCT AND BUSINESS ETHICS

NLMK Group is guided by high ethical standards, principles of business transparency, and zero tolerance to any form or manifestation of corruption in its day-to-day operations. The Company engages in targeted work to prevent and counteract corruption and fraud. The Company's management constantly devotes attention to timely detecting and responding to wrongdoing.

The Company's values, principles, standards, and norms of business conduct are enshrined in NLMK Group's Code of Corporate Ethics and Anti-Corruption Policy. These documents, which have been adopted by the Board of Directors, are available in Russian and English on the corporate portal and on NLMK Group's official website.

Whenever a new version of the Code of Corporate Ethics or Anti-Corruption Policy comes into effect, and also whenever a new staff member is hired, all employees and management of the Company review the provisions of the aforementioned documents and sign an acknowledgement form. The job descriptions of all Company employees stipulate the obligation to comply with the provisions of the Anti-Corruption Policy and the Code of Corporate Ethics.

One milestone in terms of improving the anti-corruption system in 2019 was the adoption of an updated list of activities that are most exposed to corruption and fraud. In addition, updated versions of the Code of Corporate Ethics or Anti-Corruption Policy, as amended in 2018, were communicated to all Company employees in 2019 with signed acknowledgement. The main changes affected such important areas as feedback, informing employees about business conduct, and respect for human rights.

The Company also expects its business partners to adhere to basic values and principles of good business conduct. The Company's business partners familiarize themselves with the provisions of the Code of Corporate Ethics during the qualification and selection of a counterparty as well as the conclusion of a contract.

The Agreement on Anti-corruption Terms is an obligatory appendix to all contracts with the Group's business partners, except for contracts that contain an anti-corruption clause. The agreement describes the obligations of each of the parties to take measures aimed at preventing violations of the applicable anti-corruption legislation.

The Audit Committee of the Board of Directors, the CEO (Chairman of the Management Board), and the Risk Management Committee of the Management Board all play a key role in establishing an anti-corruption system that functions efficiently. The Vice President for Risk Management is in charge of implementing anti-corruption programmes and counteracting corruption within the Company.

The main mechanisms and tools employed by the Company to combat corruption and fraud are:

- The drafting, communication to all stakeholders, and implementation of internal corporate documents
- Informing and training employees about anti-corruption issues
- Efficient feedback mechanisms for collecting and analysing information, including an anti-corruption hotline
- The identification, assessment, and management of corruption and fraud risks within business processes
- The inclusion of the requirement to comply with the provisions of the Anti-Corruption Policy and the Code of Ethics in the job descriptions of employees and agreements with counterparties

The anti-corruption and fraud system efficiency assessment is performed as part of audits by the Audit Department (Internal Audit Service).

ASSESSMENT OF CORRUPTION RISKS

Drawing on risks associated with corruption and fraud identified, analysed, and assessed at all levels of management and at all the Group's companies, the risk of corruption and fraud is a significant corporate risk for NLMK Group, so it is controlled by the Group's management.

Experts from the Internal Control and Risk Management Department are consistently working to identify the sources of fraud and corruption risks and prevent them from materializing in collaboration with the Security Department.

CONFlict OF INTEREST

Monitoring and responding to conflicts of interest is another key focus of anti-corruption and fraud prevention at the Group. Declaring a conflict of interest is a mandatory annual procedure for more than 3,000 members of the Group's staff who are employed in operations that are exposed to fraud and corruption. In addition, all employees have the opportunity to independently declare a conflict of interest by completing an electronic questionnaire. All situations that show signs of a conflict of interest, whether declared by employees or identified by control services, are promptly analyzed in accordance with the Group's procedure and, if necessary, measures are taken to resolve these issues. As part of this procedure, employees are also required to annually re-acknowledge that they have reviewed the Anti-Corruption Policy, Corporate Code of Ethics, and NLMK Group's Regulations on the Prevention, Detection, and Settlement of a Conflict of Interest.

POLITICAL ENGAGEMENT

NLMK Group does not finance any political party or movement or their representatives. However, NLMK Group recognizes the right of its employees to take part in political activities after hours if it is not related to the performance of their duties. The political or social views of employees may not be regarded as a political or social stance of NLMK Group in any way whatsoever.

ANTI-CORRUPTION HOTLINE

The Company has introduced a number of feedback mechanisms for collecting and analysing information about any instances of corruption, fraud, unethical or unfair behaviour, or other wrongdoing that could take place or have taken place. One such mechanism is the anti-corruption hotline, which is available in the following formats:

- A 24-hour helpline:
  - for calls from the Lipetsk site, dial 06
  - for long-distance or international calls, dial +7 (4742) 44-07-30
- Help Box mail box for written notifications (Lipetsk)
- Written notifications sent to 2 Metallurgov Sq., Lipetsk 398040, (you can address your letter to a specific person and mark it «personally»)
- SMS feedback centres: the telephone numbers of production sites
- Personal meetings with executives
- Management feedback section on the corporate portal
- Anti-corruption email (anticorruption@nlmk.com)
- Email for questions related to ethics and the receipt of gifts in excess of a certain value (ethics@nlmk.com).

All requests are promptly analysed in accordance with the procedure in place at the Group, and corrective measures are taken if necessary. Any information that is corroborated about instances of corruption is anonymized and published on the corporate portal. This procedure serves to inform employees about the result of the inspections/investigations initiated by hotline reports and to remind employees that corruption is strictly prohibited (Article 4 of the Anti-Corruption Policy).

2019 PERFORMANCE

In 2019, more than 3,000 employees from the Group's Russian companies underwent the conflict of interest declaration procedure and confirmed that they had reviewed the provisions of the Code of Corporate Ethics, Anti-Corruption Policy, and Regulations on the Prevention, Detection, and Settlement of a Conflict of Interest. The rest of the Company's employees were made aware and reviewed the applicable internal documents when these documents were enacted or upon hiring. A total of 219 employees individually took a Conflict of Interest distance-learning course.
All the Group’s business partners are informed about the principles of good conduct in the qualification process and when a contract is concluded. In 2019, the number of newly informed business partners grew to 2,507 qualified and potential counterparts, including suppliers and providers of goods, work, and services.

Each report about corrupt practices or intentions received through feedback channels is thoroughly checked in accordance with the Regulation on Conducting Official Investigations and Inspections.

Instances of corruption and fraud that were confirmed in 2019 included, among other things, the unfair behaviour of suppliers, the provision of false information, unethical behaviour as well as deliberate actions taken against property and resources for personal gain.

Based on the results of official inspections and investigations in 2019, 113 Company employees were disciplined, employment relationships were terminated with 15 employees, and 140 complaints were filed with local police departments, which subsequently initiated 12 criminal investigations.

Following complaints received through the hotline, the qualification of three business partners was cancelled; in two cases, the qualification status of the supplier was revised.

There were no corruption-related court cases against NLMK Group or its employees during 2019.

### Number of Official Inspections/Investigations Initiated After Reports via Feedback Channels in 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpline and help Box</td>
<td>78</td>
</tr>
<tr>
<td>Official sources (shop management, letters from contractors, etc.)</td>
<td>44</td>
</tr>
<tr>
<td><a href="mailto:anticorruption@nlmk.com">anticorruption@nlmk.com</a></td>
<td>15</td>
</tr>
<tr>
<td>Latest updates / Security Service Checks</td>
<td>20</td>
</tr>
<tr>
<td>Reports via feedback channels</td>
<td>155</td>
</tr>
</tbody>
</table>

**PLANS FOR 2020 AND THE MEDIUM TERM**

The Company’s plans for countering corruption and fraud and introducing good business practices include further developing all existing internal corporate documents and improving the efficiency of existing measures.

### Independent Auditor

The Company hires an independent audit organization to audit and confirm the accuracy of NLMK Group’s IFRS (International Financial Reporting Standards) consolidated financial statements, and NLMK’s RAS (Russian Accounting Standards) accounting (financial) statements.

In April 2019, NLMK’s Annual General Shareholders Meeting approved PricewaterhouseCoopers Audit (PwC) as the Company’s auditor.

The independent auditor is selected from among recognized independent auditors with an impeccable professional reputation. The main criteria for selecting an independent auditor are the qualifications of the audit organization, the quality of the services provided as well as compliance with the audit independence requirements. The candidate for an independent auditor is reviewed by the Audit Committee of the Board of Directors and the Board of Directors, and is approved by NLMK’s Annual General Shareholders Meeting.

PwC has been the auditor of the Group since 2003. The Board’s Audit Committee, which is responsible for evaluating the efficiency of the current independent auditor, was satisfied with the quality of the services provided and recommended that the Board of Directors and the General Shareholders Meeting re-appoint PwC as the Group’s auditor for 2017–2019 based on the results of the 2016 tenders.

In addition to providing audit services to confirm the reliability of financial statements, NLMK Group’s companies may hire PwC and other PwC companies to provide consulting (non-audit) services. The management of NLMK Group and, in particular, the Audit Committee, performs the necessary procedures and is certain that these services do not affect the independence of the auditor and are not related to financial reporting. In 2019, the share of non-audit services in the total volume of services provided by PwC was at an acceptable level and did not exceed 15% of the total volume.

### Remuneration of Independent Auditor

<table>
<thead>
<tr>
<th>Type of Services</th>
<th>NLMK Group (with NBH) $ '000</th>
<th>Including NLMK, $ '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and reviews</td>
<td>2,335.7</td>
<td>1,022.9</td>
</tr>
</tbody>
</table>

NLMK’s Board of Directors has determined the value of remuneration for the provision of audit (review) services of NLMK’s 2019 interim and annual IFRS consolidated financial statements as well as for the audit of the 2019 RAS statements in the amount of RUB 66,100,000 (VAT excluded) ($1,022,900).
INFORMATION
FOR SHAREHOLDERS
AND INVESTORS

ORDINARY SHARES

The Group's share capital is divided into 5,993,227,240 shares with a nominal value of RUB 1 each. NLMK shares are traded on the Moscow Stock Exchange as well as in the form of Global Depositary Shares (GDS) (1 GDS = 10 ordinary shares) on the London Stock Exchange (LSE).

Indices that include NLMK shares
● RTS Index
● MOEX Russia Index
● MICEX Metals & Mining Industrial Index
● FTSE Russia IBO Index
● MSCI Emerging Markets and MSCI Russia indices

Global Depositary Shares (GDS)
The ratio of Global Depositary Shares to ordinary shares is 1:10. The volume of GDS issued by NLMK and traded on the London Stock Exchange amounted to 7.38% of share capital as of 31 December 2019. The Company's depositary bank is Deutsche Bank Trust Company Americas.

SHAREHOLDER NUMBERS

In 2019, the number of shareholders more than doubled, mainly due to individuals. The total number of shareholders has reached 66,000 people (which is an all-time high in absolute numbers). In addition, the growth of online voting participants exceeded 400% yoy.

MARKET CAPITALIZATION

In 2019, the Company's average market capitalization on the London Stock Exchange was $14 bn (7% yoy). At the end of 2019, NLMK share prices stood at $2.3 per share (or $23.04 per GDS), which is consistent with capitalization of $13.81 bn (+1% yoy).

TAXATION

Legal entities

Chapter 25 'Tax on Organizations’ Profit' of the Russian Tax Code governs the tax treatment of organizations' revenues received as dividends on shares. Dividends paid to organizations that are Russian taxpayers are subject to a 0% or 13% income tax (clauses 3.1 and 3.2, Article 284 of the Russian Tax Code); foreign organizations are subject to a 15% income tax (clause 3.3, Article 284 of the Russian Tax Code).

Individuals

The personal income tax rate is 15% for Russian residents (clause 1, Article 224 of the Russian Tax Code) and 15% for non-residents (clause 3.2, Article 224 of the Russian Tax Code).

Note: Information on taxation is provided for general information purposes only. Potential and existing investors should consult with their own advisors regarding the tax consequences of investing in the Company's shares, including Global Depositary Shares (GDS).

1 NLMK.LI for GDS traded on the LSE; NLMK.RX for shares traded on the MICEX platform of the Moscow Exchange
2 NLMKq.L for GDS traded on the LSE; NLMK.MM for shares traded on the MICEX platform of the Moscow Exchange

Information for shareholders and investors 50
**DIVIDENDS**

**Dividend Policy**

According to the dividend policy effective on 31 December 2019, dividends are determined as follows:

- If Net Debt/EBITDA is 1.0x or less: the payout amount shall be equivalent to or above 100% of the free cash flow, calculated based on the Company’s IFRS consolidated financial statements for the reporting period
- If Net Debt/EBITDA exceeds 1.0x: the payout amount shall be equivalent to or above 50% of the free cash flow, calculated based on the Company’s IFRS consolidated financial statements for the reporting period

Dividends are paid annually. If financially stable conditions are maintained, NLMK will strive to pay interim dividends on a quarterly basis. NLMK uses the normalized investment level of $700 m per year to calculate the free cash flow for dividend payments if actual investments are above this level.

The amount to be paid as dividend for a specific period is approved by the Company shareholders in line with the Board of Directors’ recommendations.

**Dividends on GDS**

Any dividends paid on shares certified by GDS will be declared and paid to the Depositary in rubles or foreign currency, converted into US dollars by the depositary (in the case of dividend payments in a currency other than US dollars), and distributed to the holders of GDS, net of fees and depository expenses.

**Events after the reporting date**

The Board of Directors recommended that the NLMK Annual General Shareholders Meeting pay Q4 2019 dividends for ordinary shares in the amount of RUB 5.16 per ordinary share. Taking into account previously declared dividends for Q1-Q3 2019, 12M 2019 dividends may amount to RUB 19.4 per ordinary share, which is equivalent to 120% of the Company’s 2019 free cash flow.

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**CORPORATE DOCUMENTS**

The Group’s corporate documents, including the NLMK Charter, are available at www.nlmk.com.

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**FINANCIAL REPORTING AND DISCLOSURE**

The Group posts announcements of financial results on the London Stock Exchange via the regulatory news service (RNS) and then publishes them on the Group’s website in the form of press releases, and distributes them to the media.

The Company publishes its financial results on a quarterly basis. The annual report is published in electronic form on the Group’s website, www.nlmk.com, on the day of its official publication. The Company announces its publication in a special press release. A hard copy of the annual report is available upon request in the office of the shareholder register.

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**FINANCIAL CALENDAR FOR 2020**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 January</td>
<td>Q4 and 12M 2019 NLMK Group Trading update</td>
</tr>
<tr>
<td>12 February</td>
<td>FY 2019 NLMK Group IFRS consolidated financial results. Conference Call</td>
</tr>
<tr>
<td>12 February</td>
<td>Meeting of the Board of Directors, Recommendations of the Board of Directors on Q4 2019 dividend payments</td>
</tr>
<tr>
<td>12 February</td>
<td>RAS (Russian Accounting Standards) 2019 Financial Results for the Group’s Major Companies</td>
</tr>
<tr>
<td>15 April</td>
<td>Q1 2020 NLMK Group Trading update</td>
</tr>
<tr>
<td>20-24 April</td>
<td>Annual General Shareholders Meeting (Q4 2019 Dividends Declaration)</td>
</tr>
<tr>
<td>27-30 April</td>
<td>Meeting of the Board of Directors, Recommendations of the Board of Directors on Q2 2020 dividend payments</td>
</tr>
<tr>
<td>27-30 April</td>
<td>Q1 2020 NLMK Group IFRS consolidated financial results. Conference Call</td>
</tr>
<tr>
<td>8-12 June</td>
<td>Extraordinary General Shareholders Meeting (Q1 2020 Dividends Declaration)</td>
</tr>
<tr>
<td>15 July</td>
<td>Q2 2020 NLMK Group Trading update</td>
</tr>
<tr>
<td>20-24 July</td>
<td>Q2 2020 NLMK Group IFRS consolidated financial results. Conference Call</td>
</tr>
<tr>
<td>20-24 July</td>
<td>Meeting of the Board of Directors, Recommendations of the Board of Directors on Q2 2020 dividend payments</td>
</tr>
<tr>
<td>21-25 September</td>
<td>Extraordinary General Shareholders Meeting (Q2 2020 Dividends Declaration)</td>
</tr>
<tr>
<td>15 October</td>
<td>Q3 2020 NLMK Group Trading update</td>
</tr>
<tr>
<td>19-23 October</td>
<td>Q3 2020 NLMK Group IFRS consolidated financial results. Conference Call</td>
</tr>
<tr>
<td>19-23 October</td>
<td>Meeting of the Board of Directors, Recommendations of the Board of Directors on Q3 2020 dividend payments</td>
</tr>
<tr>
<td>14-18 December</td>
<td>Extraordinary General Shareholders Meeting (Q3 2020 Dividends Declaration)</td>
</tr>
</tbody>
</table>

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**CONTACTS FOR SHAREHOLDERS**

**Registrar**

The register of holders of NLMK securities is maintained by the Regional Independent Registrar Agency (RIR Agency).

Registered address: 109, 9 Maya St., Lipetsk, Russia, 398017
Telephone: + (74742) 44-30-95
Email: info@r-r.ru
Website: http://www.a-rmr.ru/

**Depository bank**

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60 Wall St., New York, NY, 10005 USA

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**Contacts**

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