



CORPORATE GOVERNANCE

A ROBUST FRAMEWORK

Metinvest's governance structure continued to provide the expertise required to navigate the needs of its business during times of war.

GOVERNANCE PRINCIPLES

Metinvest's cornerstone governance principles are specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practices, tradition and innovation, commitment to leadership, and personal commitment.

These principles steered the Group in adapting its business and ensuring stable operations in 2023, aligning actions with a steadfast dedication to its people, communities and the environment. Amid unprecedented wartime challenges, they acted as a compass, helping Metinvest to navigate uncertainty with flexibility, as well as reinforcing the pursuit of sustainable practices.

CORPORATE GOVERNANCE STRUCTURE

Metinvest B.V.'s corporate governance structure is established in alignment and adherence to Dutch law. It includes the General Meeting of Shareholders, the Supervisory Board and the Management Board.

At the Group level, the executive team provides operational support, bolstering the resilience of the business and its capacity to adapt to and overcome obstacles caused by the full-scale invasion.

GENERAL MEETING OF SHAREHOLDERS

Under Dutch law and the Articles of Association of Metinvest B.V., the General Meeting of Shareholders is authorised to resolve the following matters, among others: to issue shares; to exclude or limit pre-emptive rights; to acquire/transfer shares in the capital of Metinvest B.V. held by Metinvest B.V.; to reduce the share capital; to determine

the remuneration of the Management Board; to adopt the annual accounts; to allocate profits; to amend the Articles of Association; to approve material transactions of over US\$500 million; to approve M&A to be undertaken by the Group; and to dissolve, merge or demerge Metinvest B.V.

In 2023, shareholder meetings were convened 24 times to make decisions regarding a broad scope of issues, including but not limited to: financial statements; liquidation and establishment of Group companies; material transactions; and changes in the composition of the Supervisory Board.

For details about Metinvest B.V.'s shareholders, please see Notes 1 and 17 to the Summary IFRS Consolidated Financial Statements 2023.

**SUPERVISORY BOARD**

As at the end of the reporting period, the Supervisory Board of Metinvest B.V. had eight members:

six A-Members appointed by the Class A and Class C shareholders:

- Oleg Popov, Chairperson
- Christiaan Norval
- Damir Akhmetov
- Yaroslav Simonov
- Margaryta Povazhna
- Sergii Zuzak

two B-Members appointed by the Class B shareholder:

- Alexey Pertin, Deputy Chairperson
- Gregory Mason

In December 2023, the tenure of two members of the Supervisory Board was terminated, one of whom was an A-Member and the other a B-Member.

Supervisory Board members are appointed indefinitely, unless the decision concerning their appointment specifies otherwise.

The body that has the right to appoint Supervisory Board members may suspend or dismiss them at any time.

While suspension may be extended one or more times, it cannot generally last more than three months. If no final decision has been made by the end of the period, the member shall be reinstated.

In 2023, the Supervisory Board convened 21 times to take decisions regarding a broad scope of issues, including: annual business planning; the financial statements; the annual report; the appointment of an independent external auditor; appointment of the senior management; approval of the senior management's performance; material transactions; liquidation and establishment of Group companies; investment projects; and health, safety and environmental reports.

STRATEGY AND INVESTMENTS COMMITTEE

- Alexey Pertin, Chairperson
- Oleg Popov, Member
- Christiaan Norval, Member
- Damir Akhmetov, Member
- Gregory Mason, Member
- Sergii Zuzak, Member

AUDIT AND FINANCE COMMITTEE

- Christiaan Norval, Chairperson
- Gregory Mason, Member
- Yaroslav Simonov, Member
- Margaryta Povazhna, Member

APPOINTMENTS AND COMPENSATIONS COMMITTEE

- Oleg Popov, Chairperson
- Alexey Pertin, Member
- Yaroslav Simonov, Member

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

- Gregory Mason, Chairperson
- Christiaan Norval, Member
- Margaryta Povazhna, Member
- Sergii Zuzak, Member

MANAGEMENT BOARD

The Management Board comprises two Directors:

- Director A, who is appointed by a joint meeting of holders of Class A shares and holders of Class C shares
- Director B, who is appointed by a meeting of holders of Class B shares

Under Dutch law, the Management Board is responsible for the management of Metinvest B.V., including economic, environmental and social considerations, excluding those matters that are within the remits of the General Meeting of Shareholders and the Supervisory Board.

The Management Board's role in climate-related governance is presented on page 50.

Under its Articles of Association, Metinvest B.V. may be represented by the entire Management Board only (that is, Director A and Director B, acting jointly). In performing their duties, the Directors must act in the best interests of Metinvest B.V. and its business. The Articles of Association of Metinvest B.V. do not determine a specific term of office for members of the Management Board.

As at 31 December 2023:

- Director A and the CEO was Yuriy Ryzhenkov
- Director B was Eliza Désirée den Aantrekker.



The Supervisory Board is tasked with the oversight of the Management Board's activity, as well as the general course of business at Metinvest B.V. and the Group as a whole, including sustainability matters. It approves and updates corporate values, strategies, policies and goals related to the economic, environmental and social aspects of the Group overall.

For more details regarding climate-related governance, please see page 50.

The Supervisory Board also provides advice to the Management Board. Four committees assist the Supervisory Board in its work: the Strategy and Investments Committee; the Audit and Finance Committee; the Appointments and Compensations Committee; and the Health, Safety and Environmental Committee.

The Supervisory Board must approve or ratify through a resolution decisions relating to the following matters, among others: the Group's strategic goals; the Group's investment

programme for each calendar year; the Group's annual business plan; appointments at the level of top management, approval of their compensation system and key performance indicators, and decisions on annual bonuses; appointment of an independent external auditor; approval of the annual consolidated financial statements of Metinvest B.V.; recommendations to the shareholders on approval of the standalone financial statements of Metinvest B.V. and all mergers and acquisitions to be undertaken by the Group;

approval of investment projects with budgets over US\$20 million (up to US\$500 million), material transactions over US\$100 million (up to US\$500 million), external financing over US\$30 million, if included in the annual financing programme approved by the Supervisory Board, and any financing transaction regardless of the amount if they are not included; approval of the annual plan for the Supervisory Board's activities; and approval of the regulations of the committees of the Supervisory Board.

STRATEGY AND INVESTMENTS COMMITTEE

The Committee is tasked primarily with conducting reviews and providing recommendations to the Supervisory Board regarding the Group's strategic objectives, including existing and new businesses, investments, mergers and acquisitions. It is assisted by the Technology Sub-committee, which advises and supports the management in developing and implementing the technological strategy. The role of the Committee and Sub-committee in climate-related governance is presented on page 51.

In 2023, the Strategy and Investments Committee convened three times to discuss the following issues, among others: business planning; the capital investment programme and projects; the technological strategy; mergers and acquisitions; sales and logistics; HR management; new product development; and the Group's carbon footprint.

During the reporting period, the Technology Sub-committee convened four times to discuss the following issues, among others: the capital investment programme; a green steel project in Italy; thickening of beneficiation wastes; product quality enhancement initiatives; the technological strategy; and the repair strategy.

AUDIT AND FINANCE COMMITTEE

The Committee's remit is to oversee all aspects of Metinvest's financial and audit activities in the interests of shareholders and on behalf of the Supervisory Board.

It is responsible primarily for monitoring the budget, financial reporting, risk management, internal controls, the internal audit function and assessment of the external auditor. It is assisted by the Internal Audit Directorate. The Committee's role in climate-related governance is presented on page 51.

In 2023, the Audit and Finance Committee convened seven times to discuss the following issues, among others: internal audit matters; external auditor selection for the 2023 financial year; the financial statements for the 12 months ended 31 December 2022 and the six months ended 30 June 2023; the annual report for 2022; the Compliance Programme; management of financial liabilities and working capital; tax issues; and risks, opportunities and disclosures related to climate change.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Committee is responsible for assisting the executive team in implementing and maintaining the highest standards of a health, labour and environmental safety culture throughout the business.

It also provides oversight on strategy, policies, systems, controls and principles related to health, safety and the environment on behalf of the Supervisory Board. The Committee's role in climate-related governance is presented on page 51.

In 2023, the Health, Safety and Environmental Committee convened four times to discuss the following issues, among others: health and safety performance, including audits; incident investigations; the Safe Workspace programme; health and safety practices at the Group's assets; and environmental safety.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Committee is tasked with advising the Supervisory Board regarding dismissals and new appointments for senior positions at Metinvest; KPIs and annual bonuses for senior management; and the Group's motivation, assessment reward systems and succession planning.

In 2023, the Appointments and Compensations Committee convened seven times to discuss the following issues, among others: performance assessment; appointments; remuneration; and HR management approaches.



EXECUTIVE TEAM

The executive team is responsible for overseeing, coordinating and executing Metinvest's day-to-day activities, as well as implementing the strategic decisions made by the Supervisory Board and its committees on a wide range of matters, including economic, environmental and social.

EXECUTIVE PERFORMANCE EVALUATION AND REMUNERATION

Each year, the Supervisory Board establishes team goals for senior management, as well as personal goals for the CEO, who allocates them to each executive team member in alignment with their job functions, subject to Supervisory Board approval.

These goals are incorporated into a KPI scorecard, where each target is weighted based on a manager's ability to influence its achievement. After a year-end, the Supervisory Board conducts an annual performance appraisal for members of the senior management based on their self-assessments.

Contracts with senior management members do not include any pension or other benefits upon termination of service.

For more information, please see Note 26 to the Summary IFRS Consolidated Financial Statements 2023.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Metinvest maintains worldwide directors' and officers' (D&O) liability insurance for all entities, renewing it annually.

This type of insurance covers the liability of everyone appointed as a director and/or officer of a Group entity, including, but not limited to, members of the Supervisory Board, the Management Board and the executive team.

D&O liability insurance provides cover for financial losses and legal expenses resulting from claims made against directors and/or officers arising from an actual or alleged wrongful act committed in their capacity. Key cover areas include management liability, legal representation expenses, special excess protection for directors, company securities liability and additional extensions. Metinvest relies on global insurance brokers to arrange D&O liability cover, which is provided by reputable, international insurers.

TRANSPARENCY AND ACCOUNTABILITY

Internal audit

Metinvest's Internal Audit Directorate serves as an independent appraisal function set up within the Group to scrutinise and assess its operations. To maintain this independence, it reports directly to the Chairperson of the Supervisory Board's Audit and Finance Committee.

The executive team is accountable for promptly addressing concerns identified by the internal audit function. This function oversees the implementation of the respective measures within the Group.

The annual plan for internal audit engagements is formulated taking into account Metinvest's principal risks, strategic goals, significant matters, routine audit assignments, requests from management, as well as input from the Supervisory Board's Audit and Finance Committee. During the reporting period, the Group's internal audit function was mainly focused on assets outside Ukraine, as well as on updating key metrics for non-commercial risks and associated costs. It also addressed requests to analyse regulations pertaining to new business activities.

External audit

Since 2006, for every financial year, Metinvest has prepared consolidated financial statements in accordance with IFRS, as adopted by the EU, and has engaged the services of an independent external auditor for their review.

For the 12 months ended 31 December 2023, the Group appointed PwC to perform this external audit and provide an opinion on the IFRS consolidated financial statements. The most recent Auditor's Report is presented on page 102. The measures in place to safeguard the external auditor's independence and ensure a high quality of service include rules requiring rotating the signing partner and obtaining pre-approval for all non-audit services.

Approach to standalone reporting

To ensure transparency of financial disclosures and compliance with legal requirements, Group companies registered under local jurisdictions prepare standalone financial statements. Specifically, Ukrainian subsidiaries of Metinvest B.V. (depending on the legal form of each entity) prepare their standalone IFRS financial statements, submitting them to the relevant governance bodies, including the National Securities and Stock Market Commission where applicable, and publish them on the respective websites if required. Additionally, these statements are aggregated in relevant financial databases, such as [SMIDA](#) or [Clarity Project](#) and others for public access.