

## CORPORATE GOVERNANCE

# CORNERSTONE PRINCIPLES

Amid the full-scale war, Metinvest's governance institutions remained robust. The Group continued to adhere to international best practices, grounded in its key corporate governance principles.

**CORPORATE GOVERNANCE SYSTEM**

Metinvest has established a corporate governance system built on recognised fundamental principles that helped it to navigate the complexities of 2022.

**GOVERNANCE PRINCIPLES**

The Group's core principles of corporate governance are specialisation, vertical integration, unified strategic management, centralisation, growth and investments, global best practices, tradition and innovation, commitment to leadership, and personal commitment.

**CORPORATE GOVERNANCE STRUCTURE**

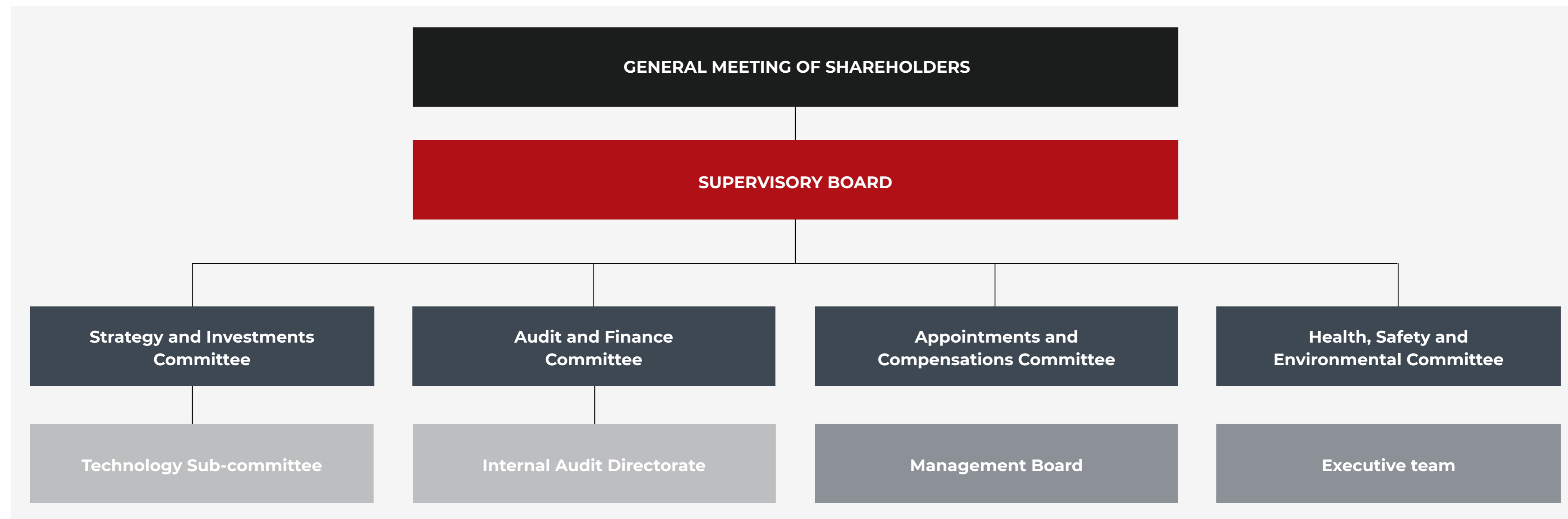
Metinvest B.V.'s corporate governance structure is built in accordance and compliance with Dutch law. It comprises the General Meeting of Shareholders, Supervisory Board and Management Board. On the Group level, the executive team supports operations.

**SHAREHOLDERS**

For detailed information about the shareholders of Metinvest B.V., please see Notes 1 and 17 to the Summary IFRS Consolidated Financial Statements 2022.

**GOVERNANCE STRUCTURE OF METINVEST B.V.**

GRI 2-9



### 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 2022, the meetings convened 29 times to discuss and make decisions of shareholders on a wide range of matters, including but not limited to: financial statements; liquidation and establishment of Group companies; and material transactions.

### SUPERVISORY BOARD

The Supervisory Board has ten members:

- seven A-Members appointed by the Class A and Class C shareholders
- three B-Members appointed by the Class B shareholder

#### GRI 2-10

A member of the Supervisory Board is appointed for an indefinite period, unless otherwise specified in the decision concerning their appointment.

Each member of the Supervisory Board may be suspended or dismissed at any time by the same body that has the right to appoint them.

Suspension may be extended one or more times, but in general it cannot last more than three months. If, at the end of the period, a decision has not been made to terminate the suspension or to dismiss them, the suspension shall end.

#### GRI 2-12; 2-13

The Supervisory Board is responsible for overseeing the activity of the Management Board and the general course of affairs at Metinvest B.V. and the Group overall, including sustainability matters. It approves and updates corporate values, strategies, policies and goals related to the economic, environmental and social aspects of the Group as a whole.

The Supervisory Board also assists the Management Board by giving advice. Four committees provide support to 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.

Decisions relating to the following matters, among others, must be approved or ratified by a resolution of the Supervisory Board: the Group's strategic goals; the Group's investment programme for each calendar year; the Group's annual business plan; appointments at the level

### COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES AS OF 31 DECEMBER 2022

#### GRI 2-9

Members	Status	Class membership	Strategy and Investments Committee	Audit and Finance Committee	Appointments and Compensations Committee	Health, Safety and Environmental Committee
Oleg Popov	Chairperson	A	M		C	
Alexey Pertin	Deputy Chairperson	B	C		M	
Christiaan Norval	Member	A	M	C		M
Johan Bastin	Member	A	M	M		
Damir Akhmetov	Member	A	M			
Gregory Mason	Member	B	M			C
Mikhail Novinskii	Member	B	M	M		
Yaroslav Simonov	Member	A		M	M	
Margaryta Povazhna	Member	A				M
Sergii Zuzak	Member	A	M			M

M

Member

C

Chairperson

of top management, approval of their compensation system and key performance indicators (KPIs), and decisions on annual bonuses; appointment of an independent external auditor; approval of the annual consolidated financial statements of Metinvest B.V.; and recommendation 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 of over US\$100 million (up to US\$500 million), external financing of 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.

In 2022, the Supervisory Board convened 19 times and discussed and took decisions on a wide range of matters, including: wartime issues; annual business planning; the financial statements; the annual report; the appointment of an independent external auditor; material transactions; liquidation and establishment of Group companies; and other material corporate events.

#### GRI 2-17

Special strategic sessions are held for the Supervisory Board to increase its capacity to address material issues, including sustainability. In 2022, a strategic session was held for the Supervisory Board on its role in assisting management in the circumstances of the ongoing war.

### APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Committee is responsible for making recommendations to 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 and reward systems, and succession planning.

In 2022, the Appointments and Compensations Committee convened three times and discussed the following matters, among others: the executive team's performance assessment; changes in the organisational structure; and appointments.

### HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Committee's remit is to support the executive team in implementing and maintaining the highest standards of a health, safety and environmental culture throughout the business. On behalf of the Supervisory Board, it oversees strategy, policies, systems, controls and principles related to health, safety and the environment.

In 2022, the Health, Safety and Environmental Committee convened four times. It discussed the following matters, among others: humanitarian aid; establishment of rehabilitation centres; health and safety performance, including audits, incident investigations, the Safe Workspace programme and objectives; environmental safety; as well as making site visits to non-Ukrainian assets.

### STRATEGY AND INVESTMENTS COMMITTEE

The Committee's main responsibility is to conduct reviews and provide 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.

In 2022, the Strategy and Investments Committee did not convene. Due to Russia's military invasion, starting February 2022, the Supervisory Board decided to consider all strategic issues by itself in the whole composition.

During the reporting period, the Technology Sub-committee convened three times and discussed the following matters, among others: the overall capital investment programme and individual projects; as well as CO<sub>2</sub> emissions.

### AUDIT AND FINANCE COMMITTEE

The Committee is tasked with ensuring the ongoing supervision of all aspects of Metinvest's financial and audit activities in the interests of shareholders and on behalf of the Supervisory Board. Its main responsibilities include overseeing 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.

In 2022, the Audit and Finance Committee convened seven times and discussed the following matters, among others: updates on the Group's operations and the impact of the situation in Ukraine on financial statements; internal audit matters; external auditor selection for the 2022 financial year; the financial statements for the 12 months ended 31 December 2021 and the six months ended 30 June 2022; the annual report for 2021; the Compliance Programme; management of financial liabilities and working capital; tax issues; as well as risks, opportunities and disclosures related to climate change.

### MANAGEMENT BOARD

The Management Board consists of 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.

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.

There were no changes in the Management Board team in 2022. As at 1 July 2023, Director A and the CEO is Yuriy Ryzhenkov; Director B is Eliza Désirée den Aantrekker.

### EXECUTIVE TEAM

The executive team is responsible for overseeing, coordinating and executing the day-to-day activities of Metinvest, as well as for implementing the strategic decisions of the Supervisory Board and its committees with respect to a broad scope of matters, including economic, environmental and social.

### EXECUTIVE PERFORMANCE EVALUATION AND REMUNERATION

GRI 2-18; 2-19

The Supervisory Board annually sets team goals for senior management, as well as personal goals for the CEO, who allocates them to each executive team member in accordance with their job functions, subject to approval by the Supervisory Board.

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-assessment.

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

For additional information please see Note 27 to the Summary IFRS Consolidated Financial Statements 2022.

### 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, Management Board and 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, pre-claim insurance, 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.