

CORPORATE GOVERNANCE STRUCTURE

GRI 102-18

Metinvest B.V.'s corporate governance structure is built in accordance with, and in 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.

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 shares and to 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; and to dissolve, merge or demerge Metinvest B.V.

SUPERVISORY BOARD

GRI 102-19; 102-22

The Supervisory Board is responsible for overseeing the activity of the Management Board and the general course of events within the Group, including matters related to sustainability. The Supervisory Board works with the Executive Team to identify which sustainability-related issues are most pertinent to the Group's business and its key stakeholders, as well as to oversee the implementation of policies and processes for assessing, monitoring and managing material sustainability-related risks and opportunities. It provides advice to the Management Board in word and deed. In the performance of their duties, the members of the Supervisory Board are guided by the interests of the Group.

The Supervisory Board has 10 members, including seven A-Members appointed by the Class A and the Class C shareholders, as well as three B-Members appointed by the Class B shareholders. Among them, there are four independent members, who are deemed independent within the meaning of the Dutch Corporate Governance Code 2016. Four committees assist the Supervisory Board in its work.

Over the course of the reporting period in 2019, the Supervisory Board convened a total of 22 times and discussed and took decisions on a wide range of matters, including: annual business planning; investment projects; the financial statements for the 12 months ended 31 December 2018 and the six months ended 30 June 2019; the annual report for 2018; the appointment of an independent external auditor for the 2019 financial year; the compliance programme; external financing; material transactions; mergers and acquisitions; health, safety and the environment; performance appraisals; remuneration; and other material corporate events.

📄 **For additional information concerning decisions that must be approved or ratified by a resolution of the Supervisory Board, please refer to page 63 of Metinvest's 2019 Annual Report.**

Of particular importance, in 2019, Metinvest decided to enhance its sustainability efforts by reorganising the sustainability management function within the Group. As a result, the Supervisory Board voted to establish the separate role of Chief Sustainability Officer, who leads the Sustainable Development and People Management Directorate.

📄 **For more information about the responsibilities of the Sustainable Development and People Management Directorate, please refer to the "Sustainability Governance" section of the Report.**

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STRUCTURE CONTINUED

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

	Status	Class membership	Independent	Strategy and Investments Committee	Audit and Finance Committee	Health, Safety and Environmental Committee	Appointments and Compensations Committee
Oleg Popov	Chairman	A		M			M
Alexey Pertin	Deputy Chairman	B		C			M
Stewart Pettifor	Member	A	✓	M		C	
Christiaan Norval	Member	A	✓	M	C		
Johan Bastin	Member	A	✓	M	M		
Natalia Izosimova	Member	A	✓			M	C
Damir Akhmetov	Member	A		M			
Gregory Mason	Member	B		M		M	
Mikhail Novinskii	Member	B		M	M		
Yaroslav Simonov	Member	A			M		

For more details about the composition of the Supervisory Board and short biographies of its members, please refer to pages 66-67 of Metinvest's 2019 Annual Report.

M Member C Chairman

GRI 102-24

APPOINTMENT OF SUPERVISORY BOARD MEMBERS

The process for appointing Supervisory Board members is governed by Metinvest B.V.'s Articles of Association.

A member of the Supervisory Board is appointed for an indefinite period, unless otherwise specified in the decision concerning their appointment. When a proposal or recommendation is made regarding the appointment of a new member to the Supervisory Board, the following information is provided to the deciding body: age; profession and past experience; shareholdings; occupation; and how the latter is related to their performance of duties as a future

member of the Supervisory Board. The names of the legal entities of which they are already supervisory board members shall also be indicated. Moreover, the appointment recommendation and proposal shall contain the explicit reasoning behind the 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 102-22; 102-27

SUPERVISORY BOARD COMMITTEES

The work of the Supervisory Board is enhanced by the presence of the four committees described below. The committees, to varying degrees of involvement, take part in the consideration, review and approval of sustainability-related matters.

STRATEGY AND INVESTMENTS COMMITTEE

The Strategy and Investments 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 assists management in developing and implementing the Technological Strategy 2030.

AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee undertakes the ongoing supervision of all aspects of the Group's financial and audit activities in the interest of the 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.

Most importantly, the Audit and Finance Committee approves and recommends to the Supervisory Board the publication of annual reports, including sustainability-related matters disclosed in annual reporting.

HEALTH, SAFETY AND ENVIRONMENTAL COMMITTEE

The Health, Safety and Environmental Committee's remit is to support the Executive Team in implementing and maintaining the highest standards of health, labour and environmental safety culture throughout the Group.

APPOINTMENTS AND COMPENSATIONS COMMITTEE

The Appointments and Compensations Committee is responsible for making recommendations to the Supervisory Board on dismissals and new appointments for senior positions within the Group and on KPIs and annual bonuses for senior management, as well as on the Group's motivation, assessment, reward systems and succession planning.

📄 **For more details on the number of meetings and matters considered by the Committees during the reporting period, please refer to pages 64-65 of Metinvest's 2019 Annual Report.**

CORPORATE GOVERNANCE**CORPORATE GOVERNANCE STRUCTURE CONTINUED****MANAGEMENT BOARD**

The Management Board is entrusted with the management of Metinvest B.V., including economic, environmental and social considerations, excluding those that are the duty of the General Meeting of Shareholders and the Supervisory Board.

The Management Board consists of two Directors: Director A is appointed by the joint meeting of holders of Class A shares and holders of Class C shares. Director B 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. Under its Articles of Association, Metinvest B.V. may only be represented by the entire Management Board (i.e. 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.

Director A and the CEO is Yuriy Ryzhenkov. Director B is ITPS (Netherlands) B.V., a legal entity registered in the Netherlands.

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 economic, environmental and social matters.

EXECUTIVE TEAM

Yuriy Ryzhenkov
Chief Executive
Officer



**Olga
Ovchinnikova**
Economics and
Business System
Development
Director



**Aleksandr
Pogozhev**
Chief Operations
Officer



**Dmytro
Nikolayenko**
Sales Director



**Alexey
Gromakov**
Logistics and
Procurement
Director



Iuliia Dankova
Chief Financial
Officer



**Svitlana
Romanova**
Chief Legal Officer



Aleksei Komlyk
Chief
Sustainability
Officer



Sergiy Detyuk
Chief Information
Officer



**Andriy
Yemchenko**
Chief Technology
Officer



Oleg Shudra
Internal Audit
Director

GRI 102-28**EXECUTIVE PERFORMANCE
EVALUATION AND REMUNERATION**

The Supervisory Board annually sets team goals for senior management, as well as personal goals for the CEO, who cascades them down to each individual on his team in accordance with their job functions, subject to approval of the Supervisory Board.

Each manager receives both personal and team goals that are drawn up into individual performance maps and incorporated into a KPI scorecard. Each target is weighted based on the ability of the manager to influence its achievement.

Shortly after the end of the reporting period, the Supervisory Board conducts a performance evaluation of senior management. These evaluations are based on each manager's self-appraisal report, which is prepared individually in accordance with their performance map and KPI scorecard.

The aggregate amount of current salaries and related bonuses paid by Metinvest to its Executive Team (including the CEO) totalled US\$15.0 million in 2019, compared with US\$15.3 million in 2018.

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

