

PERFORMANCE OF THE BOARD OF DIRECTORS IN 2020

The Board of Directors organizes its activities addressing the Company's strategic objectives based on the annual plan of Board meetings. Agendas of the meetings are disclosed in advance to all stakeholders as corporate action notices.

At least once a year, the Board of Directors discusses the following matters at one or more meetings:

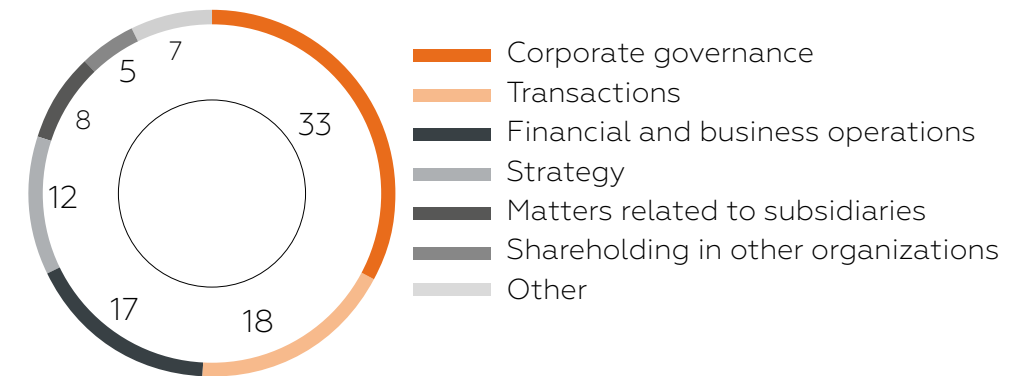
- Performance of the Board of Directors;
- Cooperation and coordination between the Board of Directors and the Company's executive bodies;
- Performance evaluation of governing bodies and their members;
- Policy on remuneration and compensation for the CEO and key employees;
- Strategic direction of the Company's economic activities, and associated risks;
- Corporate governance and internal control performance featured in reports by executive management;
- Recommendations on the auditor's report and fee.

In 2020, the Board of Directors held 26 meetings, including 10 meetings in person, and reviewed 72 matters, mostly related to corporate governance (33%), financial and business operations and approval of transactions.

In an uncertain environment, the Board of Directors has, among other things, closely monitored the Company's progress on its strategic goals, adjusting current plans and corporate governance subsystems as necessary, relying on analysis of the external market and environmental impacts.

26 meetings the Board of Directors were held in 2020

MATTERS DISCUSSED AT THE MEETINGS OF THE BOARD OF DIRECTORS IN 2020, %



In addition to the regular agenda, the Board of Directors and its committees focused on urgent, unplanned matters arising from the COVID-19 pandemic. The number of Board meetings held increased by 18% compared to 2019, and meetings of the Audit Committee and the Nomination and Remuneration Committees increased by a third. Due to quarantine restrictions, some meetings were held remotely via video and teleconferencing. The Directors demonstrated their responsible approach to the challenging circumstances, which often required quick and non-standard decisions: attendance at all meetings of the Board of Directors and Audit Committee meetings was 100% throughout.

In addition, the Board of Directors closely monitored the Company's progress on its strategic goals, adjusting plans and corporate governance subsystems as necessary, with reference to analysis of the external market and environmental impacts.

BOARD OF DIRECTORS' REPORT ON PROGRESS IN TMK'S PRIORITY BUSINESS AREAS

Strategic objective	Matters discussed at the meetings of the Board of Directors in 2020
Enhancing leadership in key segments and entering new product niches	<ul style="list-style-type: none"> • Strategic development areas • Updates to TMK Group's Strategy and its implementation • TMK Group's target structure for 2021
Optimizing vertical integration to reduce costs and develop product and service ranges	<ul style="list-style-type: none"> • Purchase agreement for JSC Uralchermet shares • Acquisition of a stake in LLC Truby 2000 • Acquisition of LLC Parus (renamed to LLC TMK – Yartsevsky Metzavod)
Enhancing the sales platform and leveraging TMK's global scale	<ul style="list-style-type: none"> • Approving the new Management Board: electing the Deputy CEO – Head of Sales, to the Management Board
Focus on innovation and digitalization	<ul style="list-style-type: none"> • Implementation of projects to develop integrated planning system and MES systems • Establishment of TMK's Single Service Center
R&D	<ul style="list-style-type: none"> • Updates to TMK Group's Strategy and its implementation
Achieving operational excellence (including ESG aspects)	<ul style="list-style-type: none"> • Remuneration of the Company's managers for 2019, key performance indicators and remuneration arrangements for 2020 • Environmental performance at TMK Group's facilities • Measures to build a strong anti-corruption system • Development of TMK2U Corporate University • Approving TMK Group's Risk Management Policy • Ensuring that the Risk Committee will review compliance of corporate procedures for appointing certain officers with stock exchange requirements • Approving the concept and approach to the Internal Audit Service's activity plan for 2020
Strengthening financial performance and investment appeal	<ul style="list-style-type: none"> • Approving TMK Group's consolidated budget for 2020 and 2021 • Key budget indicators for 2021 for the purposes of drafting TMK Group's budget for 2021 • Reviewing and approving the main terms and conditions of the buyback programme to repurchase ordinary TMK shares • Approving the delisting of GDRs on the London Stock Exchange • Recommendations to JSC Volzhsky Pipe Plant in relation to the voluntary offer to acquire TMK equity securities • Buyback programme to repurchase ordinary TMK shares • Recommendations on 6M 2020 dividends • The need to further reduce the average interest rate on the back of deleveraging, a lower rate to refinance TMK Group's total debt, and the Company's increasing rating

DIRECTORS' ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS AND RELEVANT BOARD COMMITTEES¹ IN 2020

	Board of Directors (26 meetings)	Audit Committee (12 meetings)	Nomination and Remuneration Committee (8 meetings)	Strategy Committee (5 meetings)
Frank-Detlef Wende	26	12		
Andrey Kaplunov	26			
Sergey Kravchenko	26		8	5
Yaroslav Kuzminov	26		7	
Alexander Pumpyanskiy	26	12		5
Dmitry Pumpyanskiy (Chairman)	26			
Mikhail Khodorovsky	26		7	
Natalia Chervonenko	26	12		
Anatoly Chubais	26			
Alexander Shiryayev	26			4
Alexander Shokhin	26			5

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has three standing committees: Audit Committee, Nomination and Remuneration Committee, Strategy Committee. The current committees were formed by the Board of Directors on June 05, 2020, in compliance with the Code and exchange listing rules, and in line with the Company's implementation of inclusive practices whereby committees include non-executive directors who have extensive and diverse professional experience as well as in-depth knowledge of TMK's business profile.

Committee composition remained unchanged in 2020.

¹ Submission of a written opinion stating the position in voting on agenda items was counted as attendance at the meeting.