

# STATEMENT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



**Dmitry  
Pumpyanskiy**

Chairman of PAO TMK's  
Board of Directors



## Dear Shareholders!

The year 2020 has put the Company's top management and our entire corporate governance system to a serious test. With a host of key risks materialized, we had to make decisions amid a new uncertainty about the external environment, compounded by an inability to conduct business interactions in their normal format. As time has shown, TMK proved to be adequately prepared to cope with such challenges and hardships, relying on its modern corporate governance system and embedding the latest digital technologies in its corporate governance practices and business processes. Not only remote working, but also remote management of the Company, have been deployed to the highest standards. We complied with all deadlines and remained committed to fully disclosing the information material to our investors, while ensuring business continuity, and doing everything we could to keep jobs and protect the health of our people. We moved fast to analyze the current situation and assess strategic risks, industry trends and outlook, with the Board of Directors using the insights we gained to review the implementation of TMK Group's Development Strategy and updating it. We also adopted a new corporate standard – TMK Group's Risk Management Policy.

In the context of extreme volatility and uncertainty in the financial markets and considering a number of factors that, in the view of the Board of Directors, limited the Company's favorable prospects in equity capital markets, we revised the strategy as regards the listing of global depositary receipts and took a decision to repurchase ordinary shares of PAO TMK. Following the completion of the share buyback program, TMK GDRs were delisted from the London Stock Exchange. PAO TMK securities continue to be traded on the quotation lists of the Moscow Exchange.

The crisis management experience gained by the Company's directors and management has strengthened their commitment to, and focus on, strategic planning, productive interactions between governing bodies and employees, risk management, reliability of controls, implementation of new technologies and improvement of information security system, and doing socially responsible business. Going forward, this will allow us to adapt quickly to changing conditions, and respond to new challenges by thinking outside the box to come up with breakthrough solutions.

Clear and timely actions by the financial market regulator have also played a significant role in overcoming the difficulties in conducting corporate procedures and meeting the legal requirements related to the restrictions in place.

All recommendations of the Corporate Governance Code that are material to our shareholders were fully incorporated into our corporate governance practices in 2018 (93.7%), and we will continue to focus on this area.

As regards the future development of the Corporate Governance System, the Board of Directors highlights the increased strategic importance of sustainability and will work to further integrate this into TMK Group's corporate governance.

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