

CORPORATE GOVERNANCE FRAMEWORK

PURPOSE

To build and implement a governance system that facilitates asset protection and the long-term growth of the Company safeguarding the interests of all shareholders and ensuring their control over PAO TMK's operations, incorporating careful consideration and balancing the interests of all stakeholders.

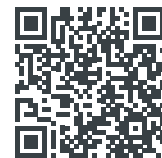
GOVERNING REGULATIONS

Applicable laws, listing requirements, the Corporate Governance Code recommended by the Bank of Russia, internal documents, including TMK Group's Corporate Governance Code, and Code of Ethics.

The Articles of Association stipulate that the General Meeting of Shareholders is PAO TMK's supreme governing body, which elects the Board of Directors and approves the auditor.



Corporate Governance Code



Code of Ethics TMK Group



Regulations on the General Meeting of Shareholders

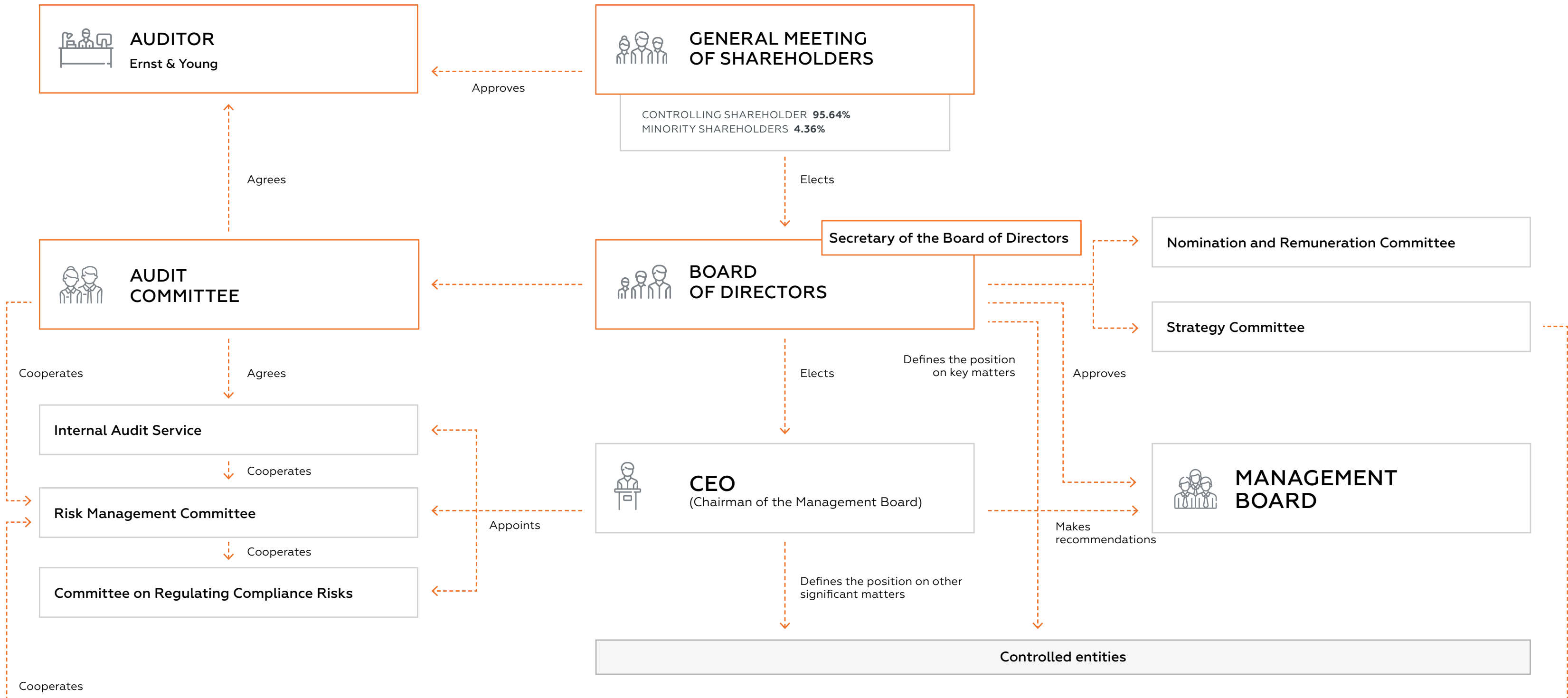
The Board of Directors:

- elects the CEO and approves candidates for the Management Board, as advised by the CEO;
- proposes candidates for executive bodies, as well as nominees to the boards of directors of controlled entities;
- establishes committees whose resolutions are of an advisory nature.



Regulations on the Board of Directors

PAO TMK'S CORPORATE GOVERNANCE FRAMEWORK



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE RECOMMENDED BY THE BANK OF RUSSIA

In 2018, the Company largely completed the incorporation of recommendations contained in the Corporate Governance Code into PAO TMK's corporate governance practices. The events of 2020 were a kind of verification of the results of this effort, demonstrating that it was clearly a valuable and timely exercise.

Explanations regarding the partial implementation of five recommendations of the Code (election of an independent director as Chairman of the Board of Directors, formation of the Audit Committee and the Nomination and Remuneration Committee solely of independent directors, disclosure of the controlling person memorandum and engagement of an independent appraiser) are given in the Annex to this Annual Report: paragraphs 2.5.1., 2.8.1., 2.8.2., 6.1.2. and 7.2.2.

The Board of Directors will continue to follow the Code's recommendations in its practical activities and will further refine related compliance controls for the benefit of all stakeholders.

Detailed Corporate Governance Code Compliance Report is attached to this Annual Report.

PROGRESS TOWARDS GOALS IN 2020 AND PRIORITIES FOR 2021

The COVID-19 pandemic has impacted the achievement of the 2020 corporate governance targets.

In particular, we have postponed to 2021 the completion of the project to introduce electronic voting at the General Meetings of Shareholders held in person through electronic ballots, including via a mobile application.

At the same time, shareholders now have the opportunity to use electronic ballots when participating in General Meetings of Shareholders.

The Company will remain committed to improving its corporate governance practices by adopting advanced standards, above all in sustainability.

Shareholders now have the opportunity to use electronic ballots when participating in General Meetings of Shareholders.

The events of 2020 were a kind of verification of the results of this effort, demonstrating that it was clearly a valuable and timely exercise.

RUSSIAN CORPORATE GOVERNANCE CODE INCORPORATION PROGRESS AT PAO TMK

