

# SHAREHOLDER AND INVESTOR INFORMATION

## COMPANY'S SECURITIES

### ORDINARY SHARES

As at December 31, 2020, the share capital of PAO TMK was comprised of 1,033,135,366 fully paid-up ordinary shares with a nominal value of RUB 10 each. PAO TMK has not issued any preferred shares, either outstanding or authorized.

Authorized capital totals RUB 10,331,353,660.

Ordinary shares of PAO TMK are traded on the Moscow Exchange and are included into the first-level quotation list of PJSC Moscow Exchange.

The Moscow Exchange ticker	TRMK
Bloomberg code	TRMK RM for ordinary shares traded on the Moscow Exchange
Reuters code	TRMK.MM for ordinary shares traded on the Moscow Exchange

At its meeting on April 8, 2020, TMK's Board of Directors approved the programme to repurchase PAO TMK ordinary shares and also evaluated the benefits of retaining TMK GDRs listed on the London Stock Exchange. The Board of Directors decided that the listing of the Company GDRs is no longer a strategic priority for the Company and approved their delisting following the completion of buyback programme to repurchase ordinary TMK shares.

The programme to purchase ordinary shares was carried out by Volzhsky Pipe Plant, a wholly-owned subsidiary of TMK, through a

voluntary offer under Russian laws. The voluntary offer was made on May 18, 2020, for 358,758,064 outstanding ordinary TMK shares, which represent all TMK's outstanding ordinary shares other than the ordinary shares held by Volzhsky Pipe Plant and other Group companies, TMK Steel Holding Limited and senior management of the Group companies. The acceptance period of the voluntary offer was 70 days from the date of receipt of the voluntary offer (from May 19, 2020, to July 27, 2020 inclusive). The purchase price was RUB 61 per ordinary share. On August 13, 2020, final calculations under the voluntary offer were made. Volzhsky Pipe Plant acquired 229,958,764 ordinary PAO TMK shares, making up about 22.26% of the total number of outstanding ordinary shares.

At its meeting on September 11, 2020, TMK's Board of Directors approved a new programme to repurchase up to 129,198,754 of the Company outstanding ordinary shares at RUB 61 per share. The programme was carried out by Volzhsky Pipe Plant by entering into transactions in the OTC market and on the Moscow Exchange in the Buyback: Direct Orders trading mode. As a result, the Group acquired 29,854,245 ordinary PAO TMK shares, making up about 2.89% of the total number of the Company's outstanding ordinary shares.

On 17 September, 2020, TMK's listing and admission to trading GDRs on the London Stock Exchange in line with Regulation S and Rule 144A under the ticker TMKS were cancelled following the Company's application to the UK Financial Conduct Authority and the London Stock Exchange.

Following the delisting of its GDRs on the London Stock Exchange, TMK notified The Bank of New York Mellon (the depository bank for the GDR programme under Regulation S and Rule 144A and Level I ADR program) of the termination of the deposit agreement on TMK GDRs and ADRs. The depository subsequently notified GDR and ADR holders of the termination. The ADR programme was terminated on September 18, 2020, and the GDR programme was terminated on November 19, 2020.

In December 2020, TMK Steel Holding Limited (the parent company of PAO TMK) completed transactions to repurchase 315,916,868 PAO TMK own shares, increasing its stake in the Company to 95.6369%.

## BONDS

As of March 11, 2021, the Company had six outstanding rouble exchange bond issues with an aggregate par value of RUB 50 billion and a \$500 million Eurobond issue.

### ROUBLE BONDS

Indicator	BO-5	BO-6	BO-7
Amount issued, RUB mln	5,000	5,000	10,000
Coupon	10–13 coupon – 6.5%	7–9 coupon – 8.0%	1–8 coupon – 9.35%
Term	10 years	10 years	10 years
Issue date	April 13, 2016	April 25, 2017	June 02, 2017
Maturity date	April 01, 2026	April 13, 2027	May 21, 2027
Next put date	October 05, 2022	October 19, 2021	May 28, 2021
Coupon payments	Each 182 days	Each 182 days	Each 182 days

Indicator	001P-01	001P-02	001P-03
Amount issued, RUB mln	10,000	10,000	10,000
Coupon	1–4 coupon – 8.35%	1–12 coupon – 7.15%	1–16 coupon – 7.35%
Term	2 years	3 years	4 years
Issue date	April 23, 2020	February 20, 2021	March 05, 2021
Maturity date	April 21, 2022	February 17, 2024	February 28, 2025
Next put date	–	–	–
Coupon payments	Each 182 days	Each 91 days	Each 91 days

## EUROBONDS

Indicator	Eurobonds-2027
Issuer/Lender	TMK Capital SA
Borrower	PAO TMK
Type	LPN
Amount issued, USD	500,000,000
Issue date	February 12, 2020
Maturity date	February 12, 2027
% rate	4.3%
Trading platform	Euronext Dublin
ISIN RegS	XS2116222451
ISIN 144A	–
Credit ratings (S&P/Moody's)	BB–/B1

## CREDIT RATINGS

Indicator	S&P Global	Moody's	RAEX (Expert RA)
Long-term credit rating	BB–	B1	
Outlook	Negative	Positive	Stable
Long-term credit rating, national scale	–	–	ruA
Last revised	April 20, 2020	January 22, 2020	April 15, 2020

On January 22, 2020, Moody's Investors Service (Moody's) upgraded the outlook on TMK's credit rating from Stable to Positive and affirmed the Company's B1 corporate family rating. On January 29, 2020, S&P Global Ratings upgraded TMK's credit rating from B+ to BB– with a stable outlook. On April 20, 2020, S&P Global Ratings revised TMK's rating outlook to negative.

## SHARE CAPITAL STRUCTURE

## PAO TMK SHAREHOLDINGS AS AT DECEMBER 31, 2020

Indicator	%
TMK Steel Holdings (including affiliates) <sup>1</sup>	95.6369
Free float	4.3631
<b>Total</b>	<b>100.00</b>

As at December 31, 2020, 4.3631% of PAO TMK shares were free float. PAO TMK's Board of Directors and Management Board jointly held a total of 223,031 shares, or 0.0216% of the Company's authorized capital.

<sup>1</sup> The main beneficiary is Dmitry Pumpyanskiy.

## DIVIDENDS

TMK’s dividend policy is governed by the principles of balanced capitalization growth and higher dividends, based on the net profit for a relevant period and factoring in the Company’s operational needs and investment requirements. PAO TMK’s Board of Directors generally recommends the General Meeting of Shareholders to pay dividends on the outstanding shares in amounts equal to at least 25% of the Company’s IFRS consolidated net profit.

Key priorities of TMK’s dividend policy include higher capitalization of the Company, a compelling investment case, wealth growth, and balancing the interests of all shareholders. The dividend policy is articulated in the Regulations on the Dividend Policy, which seek to build a transparent and effective mechanism for determining the amount of dividends and the dividend payout procedure, and outlining the Board of Directors’ strategy in preparing recommendations on dividends payable on shares, as well as the terms and procedure for dividend payouts.

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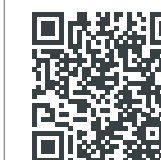
### DIVIDENDS ACCRUED AND PAID OUT BY THE COMPANY FROM 2016 TO 2020

Dividend period	Total dividends, RUB mln	Dividend per share, RUB	Announcement date	Payment date set by the General Meeting
6M 2016	2,004.283	1.94	September 29, 2016	November 14, 2016
2016	2,024.945	1.96	June 08, 2017	July 26, 2017
<b>Total dividends accrued in 2016: RUB 4,029.228 mln</b>				
2017	2,355.549	2.28	June 21, 2018	August 06, 2018
3M 2019	2,634.495	2.55	June 28, 2019	August 22, 2019
6M 2020	3,099.406	3.00	November 26, 2020	January 19, 2021

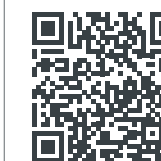
## SHAREHOLDER RIGHTS

PAO TMK makes every effort to ensure that shareholders can exercise their rights as set forth in the Company’s Articles of Association:

- The Company holds annual General Meetings of Shareholders and complies with the respective recommendations of the Russian Corporate Governance Code (see paragraphs 1.1.1–1.1.5 of the Appendix to this Report); starting from 2019, the Company has been providing shareholders with remote access to General Meetings through teleconferencing
- The Company holds extraordinary General Meetings of Shareholders, if this is requested by shareholder(s) owning at least 10% of shares or the Board of Directors, or if requested by auditor
- The Company ensures that shareholders owning at least 2% of shares can put forward proposals as regards the agenda for the Annual General Meeting, propose nominees to, and candidates for, the Board of Directors and the Counting Commission, as well as convene meetings of the Board of Directors
- The Company adopted the Dividend policy (updated in 2018 <https://www.tmk-group.ru/internal-documents>, <http://www.e-disclosure.ru/portal/files.aspx?id=274&type=1>) and is building a strong dividend track-record (see the Dividends subsection of this Annual Report)
- The Company complies with all recommendations on material corporate actions which safeguard the rights of shareholders and ensure equal treatment of shareholders (execution by the Company of major transactions or other actions that could lead to material changes in the rights of shareholders or damage their interests)
- The Company prepares and discloses the Company’s and TMK Group’s financial (accounting) statements and selects an internationally recognized auditor to review them
- The Company ensures timely disclosure of material facts and results relating to the Company’s operations, constituent documents, internal regulations and guidance



**Regulation and internal documents on the Company’s website**



**Regulation and internal documents on the Corporate Information Disclosure Center website**

- The Company continuously engages with shareholders and investors by updating its website page at <https://www.tmk-group.ru/ir>; publishes financial statements, press releases and presentations; holds Capital Markets Days and conference calls, responds to individual queries, etc.
- The Company regularly updates shareholder details jointly with the registrar
- The registrar’s website offers the Shareholder’s Personal Account service whereby persons on the shareholder register, including clients of nominee holders, can obtain materials for Annual General Meetings of Shareholders, vote online, as well as view personal account balances, shareholder details, dividends accrued and taxes withheld.

## TRANSPARENCY

### PURPOSE

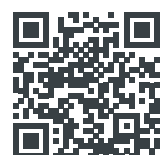
To provide shareholders, bondholders, the investment community and other stakeholders with equal and timely access to information about the Company’s performance, enabling them to make informed decisions regarding TMK and its securities.

### GOVERNING REGULATIONS

Internal regulations on cooperation between TMK business units and entities in the process of information disclosure.

### IMPLEMENTATION

Executive bodies, the Corporate Secretary, Vice President, Investor Relations and other Company units within the powers granted to them by internal regulations.



**A special section for investors on the TMK website**



**Regulations on the Information Policy**



**Regulations on Insider Information**



**List of Insider Information**

## CONTROL

Board of Directors and TMK dedicated units.

### Mandatory disclosures:

<http://www.e-disclosure.ru/portal/company.aspx?id=274>

<https://www.tmk-group.ru/> <https://www.tmk-group.com/>

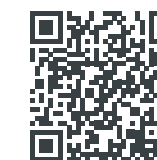
- Strict compliance with all statutory, regulatory and stock exchange requirements
- Simultaneous disclosures in Russian and English
- Disclosure of material facts, issuer’s reports, including TMK’s IFRS consolidated financial statements and RAS accounts, list of affiliates, (the Company’s internal regulations and policies)
- The issuer’s quarterly and annual reports.

## ADDITIONAL DISCLOSURES

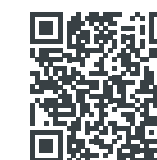
<https://www.tmk-group.ru/ir>  
<https://www.tmk-group.com/ir>

- Investor section on TMK’s website <https://www.tmk-group.com/ir>
- Quarterly publications of TMK’s IFRS consolidated financial statements
- Quarterly press releases presenting analysis of the Company’s financial performance, as well as guidance
- Quarterly financial and operational performance presentations
- Quarterly calls for investors and analysts to discuss the Company’s results and guidance
- Investor roadshows
- Participation in investment and industry conferences
- Capital Markets Days
- Site visits to TMK’s facilities for investors and analysts
- Feedback

For stakeholder convenience, we updated the interface and structure of the corporate disclosure website in 2020, providing faster and easier access to useful information.



**Quarterly financial and operational performance presentations**



**Capital Markets Days**

Despite the unprecedented external challenges of the reporting year, we ensured timely disclosure of facts that may influence investment decisions, to our stakeholders. In the reporting year, TMK disclosed 141 material facts relating to the Company’s operations. In particular, the Company detailed the progress and results of the buyback programme to repurchase PAO TMK ordinary shares, as approved by the Board of Directors.

Type of disclosure	Number
Meeting agendas and decisions of the Board of Directors	37
Transactions	21
Disclosure of financial and other statements	17
Exercise of security rights	17
Changes in the ownership structure	15
Security issues	12
Performance results	7
Convening and decisions of the General Meeting of Shareholders	4
Listing of securities	4
Changes in ratings	3
Other	4

## 141 material facts

TMK disclosed relating to the Company’s operations

### IMPROVEMENT

TMK representatives play an active role in efforts to improve disclosure regulations to increase their relevance and eliminate redundant, unnecessary formal procedures and duplications (a regulatory guillotine process). The vast majority of our proposals have been implemented by regulatory authorities.

### 2021 PLANS

To update the internal regulatory framework and revise respective business processes to ensure compliance with new requirements of Russian laws relating to information disclosure effective from October 01, 2021.