



NOVOLIPETSK STEEL

**APPROVED**

by the Board of Directors  
of Public Joint Stock Company  
“Novolipetsk Steel”

Minutes of Meeting No. 245  
of December 23, 2016

**INFORMATION DISCLOSURE POLICY  
(INFORMATION POLICY)**

of Public Joint Stock Company  
“Novolipetsk Steel”  
(revised)

Lipetsk  
2016

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## **Chapter 1. General provisions**

- 1.1. This Information Disclosure Policy (Information Policy) (hereinafter – the Policy) has been developed in accordance with the applicable legislation of the Russian Federation, the requirements for information disclosure set by the rules of stock exchanges where the securities of NLMK Public Joint Stock Company (hereinafter - the Company) are traded, the Corporate Governance Code as recommended by the Bank of Russia, and the Charter and other internal documents of the Company.
- 1.2. The Policy sets out the aims and principles of information disclosure by the Company and contains a list of information, in addition to that required by law, which the Company undertakes to disclose as well as the procedure for its disclosure (including specification of the information channels to be used for disclosure and the forms of such disclosure), the time periods during which the disclosed information should be made accessible, the procedure for communication between members of the management bodies, officials, and employees of the Company with its shareholders and investors, as well as representatives of mass media and other stakeholders, and measures aimed to ensure compliance with this Policy.
- 1.3. The Policy aims to ensure shareholders, investors and other stakeholders have the most complete practicable access to information upon which they will make their investment and management decisions; to ensure free and unhindered access to such information whilst protecting the Company's confidential information, disclosure of which may cause damage to the Company and its shareholders.
- 1.4. The procedure of mandatory submission (receipt) of information considered State secret shall be established and carried out in accordance with the applicable legislation of the Russian Federation.

## **Chapter 2. Purposes and principles of information disclosure**

- 2.1. The main purposes of the Company's information disclosing are:
  - To ensure the transparency of the Company and its activities for shareholders, investors, and other stakeholders.
  - To ensure efficient communication between the Company, shareholders, investors, and other stakeholders.
  - To enable the exercising of the rights of shareholders, investors and other stakeholders to access information upon which to base their investment and management decisions.
  - To improve corporate governance within the Company.
- 2.2. The company discloses information in accordance with the principles of regularity, consistency, and timeliness, as well as protection, reliability, completeness, comparability and neutrality of disclosed data as well as with the principle of equal and unhindered accessibility.
  - 2.2.1. In order to comply with the principles of regular, consistent and timely disclosure of information:
    - Information disclosure should be made an ongoing process;
    - Information that can materially affect the Company's estimated value and the value of its securities should be disclosed as soon as possible;
    - Equivalent material information should be simultaneously disclosed both within and outside of the Russian Federation;
    - Information about the Company's position with regard to rumours or misinformation which presents a distorted view of the Company's estimated value

or the value of its securities, which present a threat to the interest of its shareholders and investors, must be made available in a prompt manner.

2.2.2. To implement the principle of protection of disclosed information the Company commits to apply methods and means to protect confidential information, including trade secrets and insider information, as stipulated by applicable Russian legislation.

2.2.3. To comply with the principles of reliability, completeness, comparability and neutrality of the data disclosed thereby, the Company shall seek to ensure:

- That disclosed information is readily understandable and consistent and that data are comparable (so that it would be possible to compare the Company's performance indicators for different periods as well as to compare the Company's indicators with those of similar companies);
- The information is objective and balanced;
- Neutrality of financial and other information, which means that information must be disclosed regardless of the interests of any persons or groups.

2.2.4. To comply with the principle of equal and unhindered accessibility of the Company's documents and information upon a request from a shareholder, the Company should:

- Use various channels and means of information disclosure that provide for the free and easy access to information disclosed by the Company for stakeholders. Access to the information disclosed by the Company should be provided at no charge and involve no special procedures;
- Ensure that shareholders having rights of equal scope are provided with equal opportunities to access the Company's documents and information.

### **Chapter 3. Mandatory information disclosure**

3.1. The Company discloses information in accordance with the requirements of the prevailing legislation of the Russian Federation, other regulatory acts of the Russian Federation, as well as the requirements of trade organizers in the securities markets where the Company's securities are traded.

3.2. Information about the Company shall be disclosed through the following information distribution media:

- the Company's Charter with all amendments and/or addenda thereto;
- internal documents governing the activity of the Company's management bodies with all amendments and/or addenda thereto;
- the Prospectus of the Company's securities, resolutions on the issue of securities and reports on the results of securities issue;
- quarterly reports, by the issuer;
- information about material facts, by the issuer;
- annual reports of the Company;
- accounting (financial) statements of the Company, prepared in accordance with the Russian Accounting Standards (RAS);
- the Company's consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS);
- list of the Company's affiliated persons;

- regulation on insider information and the list of information pertaining to the Company's insider information;
- other documents and information envisaged by the legislation of the Russian Federation and the requirements of trade organizers in the securities markets where the Company's securities are traded.

#### **Chapter 4. Voluntary information disclosure**

4.1. Along with the material information for which disclosure is required by law, the Company voluntarily discloses information about itself and its performance in order to enable the forming of an objective view on the material aspects of the Company's activities and to influence its investment appeal.

4.2. The Company voluntarily discloses the following information:

4.2.1. Information about its mission, strategy, corporate values and objectives:

- the Company's business model and its competitive advantages;
- main provisions of the Company's development strategy, main business goals;
- information regarding implementation of strategy, and the results obtained.

4.2.2. Information about the corporate governance system:

- the organization and the general principles of corporate governance implemented in the Company;
- the composition of the Board of Directors, specifying the chairperson and members including their biographical data (their age, education, qualification, experience), their date of election to the Board of Directors, and whether they are independent directors;
- the composition of the Board of Directors committees, specifying their chairpersons and independent directors within the committees;
- should a member of the Board of Directors lose their status of an independent director;
- the composition of the Company's Management Board specifying its chairperson and members, including their biographical data, such as their age, education, qualifications, and experience.

4.2.3. Information on the Company's financial activities and financial status:

- key operating and financial indicators;
- financial calendar;
- information about other significant events affecting financial and economic activities of the Company and any of its controlled entities that are material to the Company.

4.2.4. Information on the Company's equity structure.

4.2.5. Press releases on resolutions passed by the General Shareholders' Meeting and the Company's Board of Directors.

4.2.6. Information on the Company's social and environmental responsibilities, including the environmental, social and energy policy of the Company:

- the Company's performance in the area of social responsibility;

- information on the Company's Human Resource policy, its personnel, incentive scheme and the social package, professional growth of the personnel;
- information on the activity and performance of the Company within occupational health and industrial safety;
- reports on environmental impact and measures taken by the Company to increase the environmental safety of its operations;
- descriptions of social activities, including charity work.

4.2.7. Information on material legal entities controlled by the Company, including information on their key activity areas and performance.

4.2.8. Information that is useful for shareholders, investors and other stakeholders:

- information on the Company's shares including dynamics of quotes listed on the stock exchange, the history of dividend payments;
- investment calculator;
- information on the registrar;
- answers to frequently asked questions from shareholders and investors;
- contact details;
- other useful information on the Company's activities.

## **Chapter 5. Procedure for information disclosure**

5.1. The Company shall disclose information to the extent, and in accordance with the procedure and forms established by the current legislation of the Russian Federation and the requirements of trade organizers in the securities markets where the Company's securities are traded.

5.2. The Company employs the following means of disclosure:

5.2.1. Disclosure of information through the Company's website.

The Company's website is the key source of information disclosure, where the information sufficient for forming an impartial idea about the material aspects of the Company's activities is posted. The Company's website is in Russian and in English.

The Company's official website address: [www.nlmk.com](http://www.nlmk.com).

5.2.2. Information disclosure in the news feed of an authorised information agency providing information on the securities market.

The Company shall disclose information in the news feed of the information agency authorized in the established order to carry out disclosure of information on the securities market within the scope and according to the procedure and deadlines established by the Russian legislation and internal documents of the Company.

5.2.3. Provision of information to trade organizers in the stock market.

To maintain the listing of securities on the Russian stock exchange, the Company shall provide a quarterly report containing information confirming the compliance of the Company with the requirements of corporate governance. Documents proving such compliance will be attached thereto as well as other information and documents pursuant to the listing rules.

To maintain the listing of securities on a foreign stock exchange, the Company shall provide information according to the listing rules established by the respective stock exchange and the national legislation of the foreign state.

5.2.4. Disclosure of information in the course of direct interaction between the Company and its shareholders, investors, representatives of mass media and other stakeholders.

The Company's web site contains a special web page where answers to frequently asked questions from shareholders and investors; a regularly updated calendar of the Company's corporate events, as well as other information which may be useful for shareholders and investors, are posted. The Company shall hold regular press conferences, briefings and meetings with the participation of members of the executive bodies and other key managers of the Company, including in connection with the disclosure (publication) of the accounting (financial) statements of the Company or information related to major investment projects or plans for the Company's strategic development.

5.2.5. Internal communications.

All employees of the Company, including employees of representative offices and branches, shall have access to corporate information through the internal corporate information portal. The internal corporate portal shall be used to inform all employees of the Company on a regular basis on matters of its activities, development and managerial decisions.

5.3. In addition to the disclosure of information in Russian, the Company shall disclose the same information in the foreign language which is commonly used in the financial market.

5.4. All the information disclosed by the Company in accordance with the legislation of the Russian Federation that is posted in the news feed and on the Company's web site shall be available within the period established by the applicable Russian laws and regulations.

## **Chapter 6. Procedure for disclosing information to shareholders**

6.1. The Company shall provide information and documents as requested by its shareholders in accordance with the principle of equal and unhindered access. Shareholders with the same scope of rights shall be provided with equal opportunity for access to the Company's information.

6.2. The Company's Corporate Secretary shall be responsible for interaction with shareholders, coordination of the Company's activities designed to protect the rights and interests of its shareholders including tracking letters, applications and requests from the shareholders to the Company's address and preparing answers to incoming applications and requests within their competence, as well as consulting the Company's shareholders in relation to execution of their rights.

6.3. When preparing and holding the general shareholders' meeting the Company shall provide information to shareholders as per the procedure and deadlines set by the Russian legislation.

6.4. Information (materials) to be provided to shareholders when preparing and holding the general shareholders' meeting shall be published on the Company's web site and on the Company's web page provided by one of the information agencies in the securities market within the period set by the Russian legislation.

6.5. In addition to the materials which according to law must be provided to shareholders, the Company shall provide additional information and materials pertaining to the agenda items of the general shareholders' meeting in line with the recommendations of the Corporate Governance Code.

- 6.6. The Company shall provide shareholders with access to the Company's information and documents and submit copies of the documents upon the written request by a shareholder in cases so envisaged by the Russian legislation and the Company's Charter.
- 6.7. Documents shall be submitted to shareholders for review upon presentation of a written request drawn up in a writing and addressed to the President (the Chairman of the Management Board) or the Corporate Secretary. The request should indicate the last name, first name and patronymic of the applicant (in case of a legal entity – name and registered address), the number of shares held and the name of the requested document.
- 6.8. Whether or not an applicant holds the Company's shares shall be checked in order to process requests for submission of documents or their copies.
- 6.9. The Company shall submit the requested documents within the deadlines established by the Russian legislation, in the premises of the Company's executive body (at 2, Metallurgov sq., Lipetsk, Russia). By request of persons entitled to access the documents, the Company shall provide them with copies of the above-mentioned documents.
- 6.10. The fee charged by the Company for such copies may not exceed the cost incurred in making the copies. Information regarding the bank details of the settlement account and the cost of making copies of the documents upon a shareholders' request shall be published on the Company's web site.
- 6.11. The Company shall provide information and documents to its shareholders in a convenient way and form including through electronic media and up-to-date means of communication.
- 6.12. If a shareholder's request to provide them with access to documents or provide them with copies of documents contains any typos or other insignificant flaws, the Company shall not refuse to satisfy the request. In case the request contains significant deficiencies that prevent the Company from satisfying such a request, the Company shall inform the shareholder accordingly so that they would be able to eliminate these deficiencies.
- 6.13. The Company's executive bodies and the Board of Directors shall be entitled to object to a request from a shareholder if, from the Company's point of view, the nature and scope of the information requested by the shareholder suggests that the shareholder is abusing the right to access the Company's information. Such objections may not be of an arbitrary or biased nature and must be consistent with the principle of equality of conditions for shareholders.

## **Chapter 7. Confidential and insider information**

- 7.1. Information of any nature (whether relating to production, or information of a technical, economic or organizational nature etc.), including that on the results of scientific and technical intellectual property resulting from the Company's activities, as well as information on ways to perform professional activities with actual or potential commercial value; such information shall be deemed information constituting a trade secret in cases where this information is non-public in nature or where third parties have no free legal access to such information or the owner has introduced a nondisclosure provision in relation to such information (confidential information enabling the Company to increase profit, avoid unnecessary expenses, maintain the position in the market of goods, works and services or receive other commercial benefit under existing or potential circumstances).
- 7.2. Accurate and specific information, which has not been disclosed or provided (including information constituting a commercial, professional and other secret protected by law), and where disclosure or provision thereof may have a significant influence on the Company's securities, shall be deemed Insider information.



- 7.3. A list of insider information and information constituting a trade secret, as well as the procedure for the use of such information and control over the compliance with this procedure shall be set out in the respective internal documents of the Company developed according to the effective legislation of the Russian Federation.
- 7.4. The Company shall protect its confidential information, including information constituting a trade secret as well as insider information, according to the procedure set forth by the effective Russian legislation and the respective internal documents of the Company, and also create the conditions to ensure the confidentiality of such information, whilst keeping a reasonable balance between the Company's transparency and its efforts to protect its interests.
- 7.5. Access to confidential information may be provided to a shareholder by the Company upon their request on the condition that the shareholder is made aware of the confidential nature of the information and assumes the obligation to maintain its confidentiality and provided that the requirements of Russian legislation are observed.
- 7.6. Parties that have illegally obtained confidential and insider information shall be held liable under Russian legislation.

#### **Chapter 8. Procedure for information disclosure by company representatives**

- 8.1. Disclosure of information by the members of the Company's executive bodies, company officials and employees of the Company shall be performed pursuant to the current Policy and internal documents of the Company and in the scope established by the current legislation on trade secret, insider information and personal data.
- 8.2. The Chairperson of the Board of Directors, President (Chairman of the Management Board) of the Company as well as representatives of public relations and investor relations departments authorised by the President (Chairman of the Management Board) shall be entitled to give official comments on behalf of the Company. Heads of the Company's subdivisions, its branches and subsidiaries as well as other persons shall be entitled to give official comments on behalf of the Company or its subsidiaries solely upon agreement with the public relations and investor relations departments.
- 8.3. The Chairperson of the Board of Directors shall provide official comments and interpretations of resolutions passed by the Board of Directors with respect to the opinions of the Board of Directors and shall set out the views of the Board of Directors on the issues considered at the meetings of the Board of Directors.
- 8.4. The Chairperson of the Board of Directors may delegate his powers as stipulated in cl.8.3 of these Regulations to the Members of the Board of Directors.
- 8.5. The Chairpersons of the Committees under the Board of Directors are entitled to provide the stakeholders with information on resolutions passed at the meetings of the Committees and make comment on such information.

#### **Chapter 9. Policy compliance – enforcement measures**

- 9.1. The Company's Board of Directors retains control over the compliance with this Policy.
- 9.2. The Company's executive bodies shall enforce this Information Policy. The executive bodies shall bear responsibility for the enforcement of this Policy including in relation to the completeness and reliability of the information disclosed.
- 9.3. The Corporate Secretary shall prepare and approve the disclosure of information by the Company as an issuer of securities, and also as a party to a relationship controlling the circulation of insider information, the preparation, updating and disclosure of the corporate

governance information posted on the Company's website as well as through other official resources.

- 9.4. The Head of the Investor Relations department shall be responsible for timely information disclosure according to the requirements of the prevailing foreign legislation in relation to placement or circulation of the Company's securities outside the territory of the Russian Federation.
- 9.5. In order to ensure the continuity of disclosure as well as to coordinate the activities of all the Company's subdivisions in relation to information disclosure, the Company shall approve internal documents (regulations, etc.) aimed at establishing a single communication policy and discharging of the disclosure obligations imposed on the Company's respective subdivisions and employees.
- 9.6. Should the effective legislation as well as this Policy be violated resulting in damage to the Company and/or its shareholders, the perpetrators may be prosecuted pursuant to the procedure established by Russian legislation.

#### **Chapter 10. Final provisions**

- 10.1. This Policy, as well as all the addenda and amendments therein are subject to the approval of the Company's Board of Directors.
- 10.2. The Russian legislation, the Company's Charter and other internal documents of the Company shall govern all the issues not covered by this Policy.
- 10.3. In case certain articles of this Policy come into conflict with any amendments made in the legislative and statutory acts of the Russian Federation, such articles shall be rendered void. The Company shall act in line with the effective Russian legislation until this Policy is updated accordingly.