



EVRAZ GROUP S.A.

POLICY GOVERNING THE BOARD OF DIRECTORS

This policy was approved by the Board of Evraz Group S.A. on July 26, 2007, as a supplement to applicable laws and regulations and the Articles of Association, and will be posted on the website of Evraz Group S.A.

This policy is intended to serve as a general roadmap for the Board on how to exercise its powers and duties and cannot be considered as a legally binding document.

The provisions of this policy are subject to change and/or adjustments from time to time and without prior notice by the Board, as it may deem appropriate, as a result of assessment of changes in applicable laws and regulations and the Articles of Association.

1. ROLE OF THE BOARD

- The Board serves as the ultimate decision-making body, except on those issues expressly reserved by law or by the Articles of Association to the general shareholders.
- The Board is vested with broad powers to effectively oversee the business of Evraz Group S.A., map out its strategic goals and review management performance.
- The Board may grant special powers and delegate daily management to the CEO and senior managers of the Evraz Group S.A. and/or its subsidiaries and affiliates; in so doing, the Board is responsible for overseeing their performance to ensure that shareholders' interests are met and that Evraz Group S.A. complies with applicable laws and regulations.

2. COMPOSITION AND ELECTION OF THE BOARD

- 2.1. The Board is comprised of no less than seven and no more than nine directors, who may be elected and dismissed at any time during the general shareholders meeting. The number of directors and their term shall be determined during the general shareholders meeting.
- 2.2. Directors are usually elected for a one year term.
- 2.3. Evraz Group S.A. does not believe that it should establish limits for the re-election of directors for next term of service.
- 2.4. At least one third of the Board should be independent directors. Directors are considered independent if there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. In particular, it is important that they:
 - have not been employees of Evraz Group S.A. or any of its consolidated subsidiaries within the last five years;
 - do not have and have not had a material business relationship with Evraz Group S.A., either directly or indirectly;

- have not received and do not receive additional remuneration from Evraz Group S.A. except for their remuneration as a director, do not participate in the share option plan, a performance-related pay plan, or a pension plan of Evraz Group S.A.;
 - do not have close family ties with any advisor, director or senior manager of Evraz Group S.A.;
 - do not hold cross-directorships and have no significant links with other directors through involvement in other companies or bodies;
 - do not represent a significant shareholder; and
 - have not served on the Board for more than nine years from the date of their first election.
- 2.5. The Board has the right to determine a director to be independent notwithstanding the existence of such relationships or circumstances, having stated its reasons for doing so. The Board shall identify the non-executive directors it considers to be independent in the Annual Report.
- 2.6. Directors are selected based upon the contributions they can make to the Evraz Group's business and their willingness to devote sufficient time to carrying out their duties.
- 2.7. Directors, whether they are shareholders or not, should display integrity, represent diverse professional backgrounds and combine a broad spectrum of experience and expertise.
- 2.8. Evraz Group S.A. shall provide new directors with an orientation programme to familiarise them with Evraz Group's business, strategy, directors, managers and other relevant issues.

3. DUTIES AND RESPONSIBILITIES OF DIRECTORS

- 3.1. Each director shall exercise his/her powers based on what he/she believes to be in the best interests of Evraz Group S.A. and its shareholders.
- 3.2. Directors should be free from relationships or conflicts of interest that could interfere with their duties. If a director becomes aware of an actual or potential conflict of interest, this fact should be disclosed to the Chairman for a prompt evaluation.
- 3.3. It is the policy of Evraz Group S.A. that directors must resign if they cannot resolve a conflict of interest. If a director has a personal interest in a matter before the Board, the director must disclose this fact to the Board, and shall neither participate in the discussion nor vote on the matter.
- 3.4. At times when they possess material non-public information, directors may not purchase or sell securities issued by Evraz Group S.A. In addition, they are prohibited from passing material non-public information on to others who then trade such securities.
- 3.5. Directors are required to:
- inform themselves and review materials distributed before the meetings of the Board and the Committees on which they serve;
 - attend the meetings of the Board and the Committees on which they serve and actively participate in deliberations, in order for their opinions to contribute effectively to the decision-making process;
 - perform any specific duty assigned to them by the Board that reasonably falls within the scope of their commitments.

- 3.6. Each director shall have one vote at all meetings of the Board, and may be represented by another director without limitation as to the number of proxies which a director may accept or for which he/she may vote.
- 3.7. Each director has the broadest powers to obtain information from Evraz Group S.A.,
- 3.8. Between the Board meetings each director may request additional information on any aspect of the business of Evraz Group S.A. from the Chairman or the Secretary, who will take a decision on the provision of such information.
- 3.9. An independent director may hire an outside expert and other advisors at the expense of Evraz Group S.A. to assist in the exercise of his/her duties or the performance of a particular task. This director shall communicate his/her intent to hire an advisor to the Board.

4. THE CHAIRMAN AND THE SECRETARY OF THE BOARD

- 4.1. The Chairman is elected by the Board from among its members and may be dismissed at any time at the discretion of the Board.
- 4.2. The Chairman presides over the meetings of the Board, and acts as the spokesman for the Board in relations with third parties.
- 4.3. The Chairman is responsible for creating a climate of trust within the Board, and ensures that:
 - proper procedures are followed in the preparations for meetings, discussions, decision-making and the implementation of decisions.
 - directors receive sufficient information well in advance to allow them to perform their duties in an informed manner;
 - continuing education is available, so that directors can improve and update their knowledge and skills in any area the Board thinks necessary;
 - annual performance evaluation of directors is conducted
- 4.4. The Chairman shall have such further powers and duties, as conferred thereupon by the Board
- 4.5. The Chairman should discuss the governance and strategy of Evraz Group S.A. with major shareholders, while also establishing and maintaining a close relationship with management, providing support and advice.
- 4.6. The Board may elect the Secretary of the Board.
- 4.7. The Secretary of the Board carries out the following duties:
 - assists in the convening of the Board meetings and the general shareholders meetings;
 - prepares and distributes related papers and the minutes of meeting;
 - communicates with shareholders, directors, the members of the Board committees and their secretaries.
 - other duties may be assigned to the Secretary by the Board from time to time.

5. BOARD MEETINGS

- 5.1. The Board will hold regularly scheduled meetings at least 11 times a year on the dates determined in the plan approved by the Board.
- 5.2. Extraordinary meetings may be convened from time to time based on the needs of the business or upon the request of the Chairman or any two directors.
- 5.3. Directors may participate in any meeting of the Board by conference call. This form of participation or of holding the meeting is equivalent to participation in person or the holding of a meeting with joint attendance.
- 5.4. The agenda of the meeting is determined by the Chairman. Any director may suggest reasonable items to be included in the agenda.
- 5.5. The agenda for the scheduled meeting will be distributed at least 14 days in advance, and the related papers at least five days before the meeting to allow directors to get ready for the meeting.
- 5.6. Unless provided otherwise by laws and regulations, the directors, Secretary of the Board, CEO, senior managers and any other persons who may attend the meetings of the Board must maintain the confidentiality of the discussions, voting and decisions taken at these meetings.
- 5.7. The minutes of the meeting shall be drawn up no later than seven days after the meeting and be signed by each director as soon as reasonably possible. Circular resolutions shall be effective only if they are signed by each director. The minutes and circular resolutions (originals and/or copies) should be kept in archive at the registered office of Evraz Group S.A.

6. BOARD COMMITTEES

- 6.1. The Board creates committees composed of directors and/or other persons to assist it in overseeing the affairs of Evraz Group S.A.
- 6.2. The Board has three standing committees: the Audit Committee, the Remuneration Committee and the Strategy Committee, each of such Committee to be chaired by an Independent Non-Executive director. These committees operate in accordance with their terms of reference. The Board may assign specific tasks to a particular committee.
- 6.3. The Audit Committee's principal oversight responsibilities include:
 - internal control and risk management;
 - financial reporting;
 - internal audit;
 - external audit.
- 6.4. The Audit Committee shall meet at least four times a year at appropriate times, as might be determined by the Financial Calendar and as required by business needs.
- 6.5. The Remuneration Committee's principal responsibilities are:
 - to determine and coordinate with the Board the policy on the remuneration of the Chairman, executive directors, CEO and senior managers;
 - to review and make recommendations on long-term incentive plans, including the use of equity-based plans;
 - to review and discuss with the Board plans for development and succession planning of CEO and senior managers.
- 6.6. The Strategy Committee's principal responsibilities are:

- development of the strategy of Evraz Group S.A.;
 - assessment of existing assets, as well as consideration of future investment in growth assets;
 - technical development of management and training.
- 6.7. The frequency of the meetings of the Remuneration Committee and the Strategy Committee is determined by the chairman of each committee, as required by business needs.
- 6.8. From time to time, the Board may create a new committee or dissolve an existing committee as necessary or appropriate.
- 6.9. A report by each committee on its activity during the year shall be included in the Annual Report of Evraz Group S.A.

7. DIRECTORS' PERFORMANCE EVALUATION AND REMUNERATION

- 7.1. Current remuneration of directors consists of an annual payment of USD 150,000 and an additional payment for membership in a committee or chairmanship.
- 7.2. Directors are reimbursed for their duly documented expenses connected with the performance of their duties as directors and attendance of the Board meetings.
- 7.3. The remuneration of non-executive directors is a matter for the Chairman and the executive directors. Upon consultations with the major shareholders, the Chairman makes recommendations on the amount of this remuneration at the annual general shareholders meeting.
- 7.4. A director cannot participate in the discussion or vote on a matter pertaining to his/her remuneration.
- 7.5. The Chairman of the Board and the CEO are also entitled to a performance-related bonus, which is to be paid at the sole discretion of the Board and is linked to the key performance indicators determined by the Board.
- 7.6. The performance evaluation of the CEO and the senior managers is overseen by the Remuneration Committee, which considers achievements against the key performance indicators approved by the Board, and recommends their annual compensation for ratification by the Board.