

EVRAZ POLICY ON INSURANCE

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PREFACE

EVRAZ Policy on Insurance (hereinafter the "Policy") establishes the requirements for the EVRAZ insurance coverage procedure.

The **objective** of this Policy is to outline the general principles of property and personal insurance coverage provided at EVRAZ.

The Policy goals are the following:

- to create the unified requirements to EVRAZ insurance coverage;
- to establish the common approaches for insurance coverage provided;
- to determine the common requirements to implementing the processes.

This Policy is subject to compulsory implementation for EVRAZ plc entities and EVRAZ employees to ensure a unified requirements to EVRAZ insurance coverage.

The Policy shall be updated as required or in the event of losses resulting in significant damage for the Company and shall be presented to all EVRAZ plc entities.

The following terms and definitions are specified in this Policy:

Insurance Program – scope of insurance services provided to the Policyholder or the Insured in case of insurance event and guaranteed by insurance contract.

Insurance Contract (Insurance Policy) – a contract between the Insurer and the Insured, which determines the claims which the Insured is legally required to pay and the Policyholder required paying the insurance premium.

Policyholder – a natural person or legal entity who hold an Insurance Policy issued by the Insurer.

Insurer – an officially recognized insurance company that underwrites the insurance risk and issue the Insurance Policy whereby the Insurer is legally required to pay the claim in exchange for insurance premium from the Policyholder.

Loss – a damage subject to reimburse by the Insurer in case of insurance event.

Loss settlement – an agreement between claimant and Policyholder and/or Insurer on indemnity and loss settlement procedure.

Insurance claim – is a formal request by a Policyholder to an Insurer for coverage or compensation for a covered loss or Policy event.

Maximum possible loss – an estimated maximum probable damage to the Policyholders property in case of insurance event.

Insurance risk – an accidental and probable event which is subject to insurance.

Insurance event – an actual event covered by Insurance Policy which instance is subject to the Insurer to make an insurance indemnity.

Insurance indemnity – a certain payout under Insurance Policy.

Insurance rate – a unit of insurance cost to calculate the amount of insurance premium payable insurance Policy.

Insured sum – monetary amount guaranteed by legislation or policy terms based on which the insurance premiums and indemnities are calculated.

Insurance premium – payment for insurance cover expressed in monetary units.

Insurance period – a period of time which is set in Insurance Policy whereby the Insurer is legally required to pay the claim in case of insurance event.

Insurance market – an economic system where Insurers and Reinsurers cooperate with each other to provide the Policyholder and/or the Insurer with insurance services.

Insurance capacity – the turnover of the insurance services to the Policyholders, i.e. insurance contracts during within the certain period of time.

Insurance broker – a legal entity (corporate body) acting for the benefit of the Policyholder (or reassured) and providing services on insurance (reinsurance) contracts conclusion between the Policyholder (reassured) and the Insurer (reinsurer) and contract execution.

Brokerage fee – fixed or expressed in percentage from Insurance sum remuneration for services provided.

Deductible – a part of insurance claim settled by Insurance Policy, which is taken off Insured indemnity and payable by the Policyholder.

Self-retention – a part of insured damage amount that must be paid by the Policyholder/ Insured.

Insurance coverage – the amount of risks and additional conditions (clauses) under Insurance Policy.

Subrogation – a legal right of the Insurer to legally pursue a third party that caused an Insurance Loss to the Policyholder/ Insured.

Cost of Reproduction New (CRN) – a replacement value of property damaged excluding physical wear of fixed assets (new for old).

Actual Cash Value - a replacement value of property damaged including physical wear of fixed assets (old for old).

Fronting – risks insurance or reinsurance for the following risk transfer to other insurance and reinsurance companies on a fee basis.

Insurance register – list of Insurance Policies between Policyholder and Insurers on insurance services providing.

Loss register – EVRAZ list of losses within a certain time period and which became a reason of property damage and/ or damage to health of EVRAZ employees or third parties.

Risk owner – a company officer who is responsible for risk management in entities under EVRAZ plc.

Regional Insurance Manager – EvrazHolding, East Metals AG and Evraz North America officers who are responsible for property interests insurance on the EVRAZ territories.

Global Insurance Manager – EvrazHolding officer who works with the management and the Board of Directors on insurance agenda and monitors against insurance system to be equal to the current Insurance Policy and decision made by EVRAZ management and Board of Directors.

1. GENERAL

EVRAZ shall procure and maintain:

- compulsory insurance required by the applicable laws in the countries of operation;
- imposed appropriate risk retention.

No insurance against risks associated with coal mining and processing assets, as well as risks associated with motor insurance (auto-hull insurance)..

2. BASIC PRINCIPLES

Insurance within EVRAZ shall be governed by the basic principles as follows:

- **Corporate approach** – in order to manage risks through a *unified insurance system* based on unified corporate principles;
- **Standardization** – in order to establish insurance agreement arrangement and procurement procedures, duties and responsibilities throughout EVRAZ;
- **Security** – in order to provide financial security through insurance at the financially secure insurance companies that meet the Russian and international requirements for arranging insurance coverage;
- **Transparency** – in order to provide insurance in full compliance with the applicable procedures, with all cost items being disclosed and approved;
- **Legal compliance** – in order to ensure that compulsory insurance agreements are always available in accordance with the requirements of the applicable laws in the countries of operation;
- **Adequacy of insurance coverage and risk retention** – in order to ensure that the insurance volume is reasonable and provides acceptable risk retention;

- **Reasonableness** – in order to ensure that insurance is a reasonable and efficient risk transfer tool;
- **Best value for money** – in order to ensure that insurance is arranged on a tender basis as per market trends and conditions and in a most efficient way (in terms of insurance volume and risk retention, financial security and pricing).

3. INSURANCE PRIORITIES

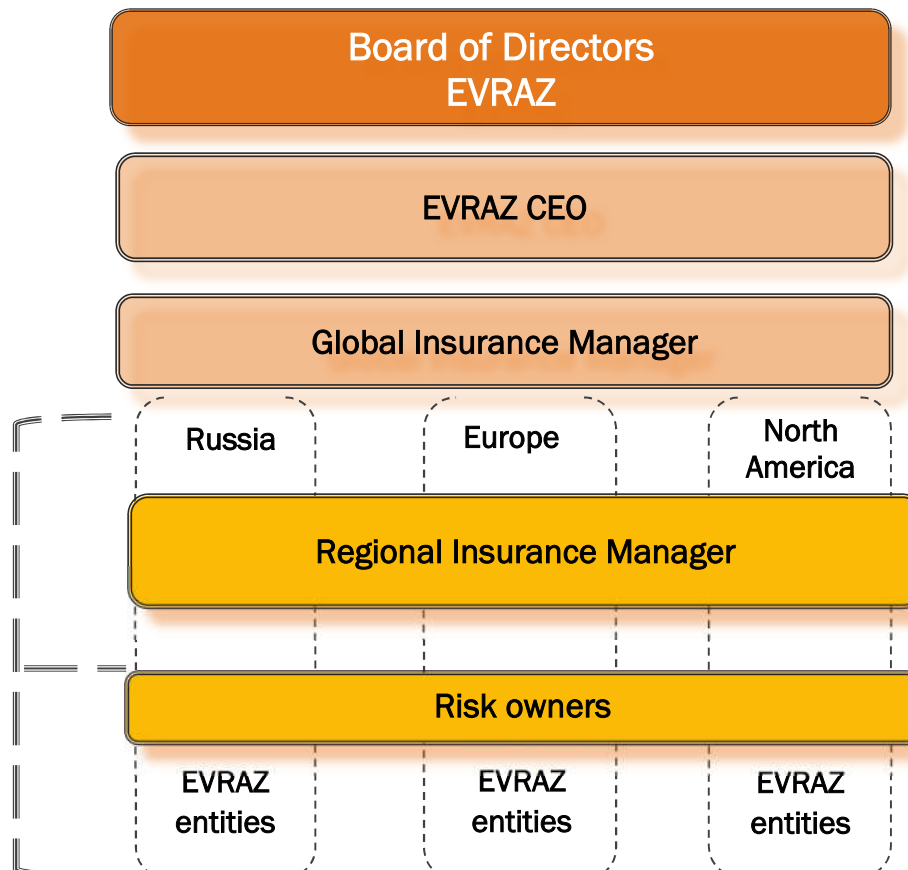
This Policy sets the key insurance priorities as follows:

- protection of interests of EVRAZ shareholders, stakeholders, employees, investors, partners, customers and other parties concerned;
- protection against *catastrophe losses*;
- insurance coverage continuity and insurance renewal in a timely manner;
- business continuity and recovery;
- application of actual insurance practices, standards and guidelines within the industry;
- legal, social and environmental responsibility.

4. INSURANCE ARRANGEMENT

All insurance within EVRAZ is subject to approval as per **Insurance Responsibility Matrix** (see Section 13).

Organizational insurance structure:



4.1. Types of insurance:

4.1.1 Depending on the reasons for contract execution:

compulsory insurance: all types of insurance required by law. Compulsory insurance is arranged immediately by the **Risk Owner** and/or **Regional Insurance Manager**.

– **voluntary insurance** – all other types of insurance.

4.1.2. Depending on the insured object:

– **non-life insurance:** insured objects are property interests that do not contradict the laws and are related to:

- possession, use, disposal of assets (property damage insurance);
- conducting business (business risk insurance);
- third party liability insurance.

– **life and personal health insurance:** property interests that do not contradict the laws and related to:

- employees injury, providing them with medical services (voluntary medical insurance, accident insurance, travel insurance);
- employees' surviving, death and/or occurrence of other life events with employees (life insurance)

4.2. EVRAZ property risks insurance and corporate insurance programs are arranged centrally through **Regional Insurance Manager** and/or **Global Insurance Manager** with the assistance of **Insurance Broker** (where reasonable).

4.3. Non-life insurance shall be arranged on an "All risks" basis to cover Physical Damage / Machinery Breakdown/ Business Interruption (unless otherwise agreed) and shall contain **the Insurer's subrogation right waiver** with regard to EVRAZ, its affiliated subsidiaries / sub-subsidiaries and associated companies or corporations associated with EVRAZ through ownership or management.

4.4. Non-life insurance shall provide for the recovery limits and amount of self-retention - deductibles (where possible) in order to ensure efficient risk management and insurance cost reduction.

4.5. The list of EVRAZ entities subject to insurance, as well as the list of the most hazardous and critical shops/facilities are determined based on the results of risk assessment / engineering insurance surveys for the key production plants, as well as cost estimate of the production assets and approved by EVRAZ Board of Directors within renewal of the corporate assets insurance program.

4.6. **Discretionary (additional) non-life insurance** is considered to be **voluntary insurance** and shall be arranged when:

- occurrence of events to be insured may have significant negative impact on EVRAZ financial performance;

- insurance is an efficient instrument of financing and loss management;
- insurance as imposed by the contracts signed by EVRAZ (requirements of banks, leasing companies, etc.)

4.7. Additional non-life insurance requires agreement and approval as "**voluntary insurance**" as per the **Insurance Responsibility Matrix** and can be arranged on a tender basis in line with the local applicable procurement procedure directly with the Insurer.

4.8. **Project insurance** and/ or **insurance against construction and assembly risks** (though arranged in favor of the General Contractor) shall be controlled by the EVRAZ plc entity as the project owner, and shall also provide the third party liability insurance to EVRAZ plc entity and all contractors and subcontractors involved (the insurance premium is to be included into the project budget and contract value). If possible, such **insurance against construction and assembly risks** should be available within the corporate property damage insurance program to cover minor construction / erection works, , maintenance and repair on the assets up to a limit of **US\$ 20-50 million**.

4.9. EVRAZ arranges voluntary life and personal health insurance for its employees:

- when the insurance is an efficient instrument of financing for the Company's social obligations;
- in order to provide employees with the high-quality healthcare services and protection of their personal property interests and their family members' personal property interests.

4.10 EVRAZ entities shall ensure that any **compulsory insurance** is always in place in accordance with the requirements of the applicable laws in EVRAZ countries of operation. **Compulsory insurance agreements shall be signed by the Risk Owner** (and/or **Regional Insurance Manager**) directly with the Insurance company or its affiliate/representative office in the region based on the existing Insurer Selection Reports or as per the applicable local procurement procedure.

4.11. Any insurance terms and conditions included into insurance contracts of EVRAZ plc entities shall be agreed as per the **Insurance Responsibility Matrix**.

4.12. Insurance premiums shall be paid in full for the avoidance suspension or termination of insurance cover..

4.13 EVRAZ plc entities shall give notice the **Regional Insurance Manager** and/or **Global Insurance Manager** promptly (as per the **Insurance Responsibility Matrix**) of any material changes in the risks and values insured, as well as of any accidents that may give rise to an insurance claim under the current insurance. **Regional Insurance Manager** and/or **Global Insurance Manager** shall make a decision on whether there is a requirement to notify the Insurer and/or the incumbent **Insurance Broker** (if involved) in order that insurance conditions be updated and insurance indemnification be available.

5. INSURANCE BROKER

5.1. Insurance broker – an insurance market participant that has an appropriate license and provides intermediary (brokerage) and advisory services to EVRAZ plc entities:

- risk assessment of EVRAZ plc entities and integrated underwriting;
- development of individual insurance program;
- insurance contracts and risk management;
- protection of EVRAZ plc entities' interests and settlement of losses.

5.2. Insurance Broker carries out the functions to provide support to EVRAZ insurance system management and implements the security principle to arrange the insurance coverage.

5.3. International licensed insurance and reinsurance brokers are engaged when:

- non-life insurance is placed to ensure appropriate insurance capacity to cover EVRAZ risks;
- international insurance market insurers are engaged for risk placement;
- insurance program structure development that involves a number of major local and international Insurers;
- substantial damages shall be settled;
- in other cases when the adequate insurance program shall be developed and life and non-life losses shall be settled.

5.4. Decision to engage an Insurance broker is made by the **Global Insurance Manager**.

5.5. The introduced Insurance broker is to be approved by EVRAZ Board of Directors for three following years.

5.6. **Insurance Broker** acts for EVRAZ based on certain commercial conditions of accepted nonpublic offer in accordance with the requirements of the applicable laws in the countries of operation and the generally accepted practice of insurance brokerage services.

5.7. **Insurance Broker** ensures as efficient as possible development, placement and action of EVRAZ risk insurance programs and is responsible for:

- collection, evaluation and communication of information required for placement/renewal of the insurance programs to insurance markets;
- development/update and placement/renewal of the insurance and reinsurance programs in the most effective manner;
- preparation of the draft insurance agreements (wordings);
- insurance programs management and insurance claim (loss) settlement;
- informing on the amounts of insurance premium and terms of payment;
- arrangement of insurance indemnification to be paid by insurance markets;
- risk assessment and insurance advisory support.

5.8. **Insurance Broker** provides services for brokerage fees. Brokerage fees can be expressed in a fixed amount or as a percentage of net insurance premium for

renewed/placed insurance program. Brokerage fees shall include all the broker's expenses (international, local, for arranging insurance / reinsurance, additional brokerage fees and other) under "all inclusive" principle, unless otherwise provided for by a separate agreement or accepted nonpublic offer. The incumbent **Insurance Broker** shall arrange its errors and omissions liability insurance and communicate details of such insurance annually to the **Regional Insurance Manager**, at its request.

- 5.9. Incumbent **Insurance Broker** shall turn around insurance agreement execution based on written instructions /firm order from an authorized signatory of EVRAZ plc entity, and such instructions/firm order shall specify all essential insurance terms and conditions already approved as per the **Insurance Responsibility Matrix**, including: scope of insurance cover, sums insured, insurance limits/deductibles, payment terms and brokerage fees (unless already specified in the terms of accepted nonpublic offer or separate broker service agreement).
- 5.10. Incumbent **Insurance Broker** shall arrange the insurance agreements execution on a tender basis and in full compliance with the existing procurement procedures of EVRAZ plc entities based on written instruction / (firm order) of the Insurant's authorized signatory - EVRAZ plc entity (following prior approval as per the **Insurance Responsibility Matrix**).
- 5.11. Should the incumbent **Insurance Broker** fail to deliver the services it ought to have provided, and such failure have caused a significant material loss to EVRAZ plc or any of its entity, the mandate of that broker shall be called off, and the broker shall be replaced by another accredited and reputable international insurance broker, and such replacement shall be suggested by the **Regional Insurance Manager**, considered and agreed by the **Global Insurance Manager** and approved by EVRAZ Board of Directors.

6. RISK ASSESSMENT

- 6.1. For the purpose of assets insurance and risk management, EVRAZ shall conduct risk assessment /risk engineering surveys for the key production plants every 2-3 years and appoint for that task recognized independent experts (unless such services be adequately provided by experts of the incumbent **Insurance Broker** or insurance provider).
- 6.2. Risk assessment/ risk engineering insurance surveys shall be arranged by the **Regional Insurance Manager**. Risk assessment reports shall describe key risks, rank risk severity, provide scenarios of most critical potential losses and catastrophes, estimate possible maximum losses and suggest risk improvement recommendations.
- 6.3. **Regional Insurance Manager** shall consider and communicate risk assessment reports to all parties concerned (including **Vice-President, HSE**), interact with production units in order to implement recommendations on risk improvement that are found effective and reasonable, having set terms, persons in charge and required resources. Should any risk improvement recommendation be rejected, a good reason and explanation thereto shall be given and communicated to the **Regional Insurance Manager** and **Vice-President, HSE**.

7. ASSET APPRAISAL

- 7.1. For the purpose of assets insurance and risk management, EVRAZ shall conduct asset appraisal for the key production plants at least every 2-3 years and appoint for this task a recognized licensed appraiser, whose reports are recognized and accepted by international insurance markets. Asset appraisal reports shall comply with local requirements and standards in the local jurisdiction the appraisals are made. Amid description of assets and operations, asset appraisal report shall describe:
- methods of appraisal;
 - basic indices and values;
 - a detailed Cost Matrix with CRN (Cost of Replacement New) and ACV (Actual Cash Value) values per each item of assessment;
 - the summary table with CRN (Cost of Replacement New) and ACV (Actual Cash Value) values broken down per each production shop / property complex (thus enabling the calculation of estimated maximum losses), and a summary of such values per each production shop (division);
 - the values appraised shall be presented both in the local currency and US Dollars, unless otherwise agreed.
- 7.2. Asset appraisal program shall be arranged by the **Regional Insurance Manager** and approved by the **Global Insurance Manager**.

8. INSURANCE PROVIDERS

- 8.1. Insurance agreement shall be signed with insurers included in the Insurers security list of the incumbent **Insurance Broker**, and preferred Insurers (if any) shall be indicated in the insurance placement instructions (firm order/offer) issued to the incumbent **Insurance Broker**.
- 8.2. The insurers to deal with shall be considered and approved on a tender basis based on the following criteria:
- strength of their financial security;
 - competitive pricing of the program;
 - experience in similar risk insurance;
 - insurance cover offered;
 - insurance program terms and conditions provided;
 - efficiency of insurance claims settlement;
 - insurance claim payment experience.
- 8.3. For local insurance agreements and fronting needs, the local insurers to deal with are selected and they shall be A-rated on the domestic scale or higher and at least BB-rated on the international scale by S&P, Moody's, Fitch, AM Best with stable or positive outlook.

Where local law and regulations require a local contract/local policy to be issued, preference shall be given to insurers who are:

- a) financially sound, have a compulsory reinsurance treaty in force or available reinsurance facility enabling to reinsure the risks and to provide a good financial security therewith (of at least BB-rated and higher on international scale) in order to reduce total insurance premium thereby.
- b) willing to sign an insurance agreement conditions similar to the reinsurance;
- c) ready to cede risks to the reinsurers suggested by the incumbent **Insurance Broker**.

In such cases, local fronting costs and arrangements shall be negotiated by the incumbent **Insurance Broker** and **Regional Insurance Manager** and approved as per **Insurance Responsibility Matrix**.

9. REINSURANCE

- 9.1. EVRAZ shall control reinsurance for all large risks and communicate with the incumbent **Insurance Broker** reinsurance options and structure that affect scope of cover, financial security, risk retentions and costs. Final reinsurance arrangements shall be reviewed by the **Regional Insurance Manager** and approved as per the **Insurance Responsibility Matrix**, and indicated finally in the placement instructions (firm order/offer) to the incumbent **Insurance Broker**.
- 9.2. Participating reinsurers shall be in the security list of the incumbent **Insurance Broker**, unless otherwise approved as per the **Insurance Responsibility Matrix**. The participating reinsurers suggested by the incumbent **Insurance Broker** shall be:
 - a) financially sound and possessed of an A-grade affirmed rating on international scale by S&P, Moody's, Fitch, AM Best with stable or positive outlook;
 - b) Willing to support the insurance wording proposed by the **Insurance Broker** or the reinsurance leader and to take the line and share suggested by the incumbent **Insurance Broker**;
- 9.3. Total participation share of reinsurers with financial security below A-grade on international scale (by S&P, Moody's, Fitch, AM Best) shall not exceed 40% of the total reinsurance placement, unless otherwise approved as per the **Insurance Responsibility Matrix**.

10. RISK RETENTION

- 10.1. EVRAZ shall assess appropriate volume of risk retention annually (or more often, when necessary), so that potential sudden and unforeseen losses during the year not to exceed a certain value or threshold, as may be determined an appropriate risk appetite, assuming that loss severity, frequency and probability throughout EVRAZ match statistically the figures as follows:
 - a) Long-term mean annual loss on operational assets not exceeding USD 16 million;
 - b) Normal year mean annual loss on operational assets is USD 2.5 million (with a standard deviation of USD 3 million);

- c) Single loss of USD 15 million occurs once in a 5-year run;
- d) Single loss of USD 60 million occurs once in a 20-year run;
- e) Single loss of USD 85 million occurs once in a 100-year run;
- f) Single loss (or a series of catastrophe losses in one single year) of USD 500 million occurs once in a 200-year run.

10.2. The above loss frequency and severity profile allows assuming that EVRAZ has a potential to refrain from insurance for certain operational assets and risks, or to substantially reduce the volume of insurance cover (save for insurance required by laws or by virtue of existing contracts or agreements).

10.3. **EVRAZ shall retain and keep uninsured all risks associated with coal mining and processing** (unless such insurance is imposed by a contract or agreement) for the reason that insurance for such risks is very limited in value and coverage, very expensive and not available for certain risks.

10.4. **Appropriate volumes of Insurance and risk retention throughout EVRAZ** shall be reviewed and determined as per the **Insurance Responsibility Matrix** on a regular basis, or when the above loss frequency and severity profile is about to change or has changed.

10.5. **Risk Owners** of EVRAZ plc entities and **Regional Insurance Managers** shall keep and maintain their scope of responsibility a detailed **Loss Record** to provide statistics on accidental losses and damages, process downtime, near misses, etc., enabling to determine appropriate volume of risk retention, insurance needs and actions to avert and minimize certain risks.

11. INSURANCE CLAIMS

11.1. All incidents that may potentially give rise to an insurance claim should be immediately notified to the **Regional Insurance Manager**, who in his turn should check and assess the requirement to notify the incumbent **Insurance Broker** (if involved), and/or the Insurer in accordance with insurance contract terms and conditions. Notice of such incidents and further communications shall follow the local and corporate incident notification procedure (e.g. EVRAZ HSE Flash Report) to take immediate actions in order to minimize and avert losses.

11.2. Notice of incidents and all potential claims should be given immediately as soon as become known (though they are believed to be of no merit or loss seems excluded or below applicable insurance deductible).

11.3. In case of any doubt or question, the **Regional Insurance Manager** and the incumbent **Insurance Broker** (if involved) should be notified as soon as possible for advice and instructions to follow.

11.4. Immediate notice of any claim or any incident that may potentially give rise to a claim should be given to the **Regional Insurance Manager** and to the **Chief Financial Officer** and **Legal Affairs Director of EVRAZ plc entity** in the cases as follows:

- a) any fatality to an employee or other person as a result of operations or products (as classified in the HSE Flash Report);

- b) any property catastrophe loss (as classified in the HSE Flash Report);
- c) any business interruption (as classified as a Catastrophe Loss in the HSE Flash Report)
- d) any claim in excess of **USD 250,000**.

11.5. **All claims in excess of USD 1,000,000** shall be reported to the **Global Insurance Manager** and **Vice President, Legal Affairs, EVRAZ**.

12. DUTIES AND RESPONSIBILITIES

12.1. EVRAZ Board of Directors:

- a) approves insurance coverage program as per the **Insurance Responsibility Matrix**
- b) approve risk appetite and risk retention within EVRAZ plc entities.

12.2. EVRAZ CEO:

- a) approves insurance coverage program as per the **Insurance Responsibility Matrix**

12.3. Global Insurance Manager:

- a) controls the effective Policy works in accordance with the management and Board of Directors decisions;
- b) approves (agrees) and submits the Insurance Coverage Program to Vice President, Chief Executive Officer and the Board of Directors of EVRAZ for approval as per the **Insurance Responsibility Matrix**;
- c) informs EVRAZ Audit Committee about the results of the insured object surveys (asset assessment, insurance engineering surveys (risk assessment), etc.), received recommendations and on the status of their implementation by EVRAZ plc entities, if requested;
- d) makes a decision on whether it is reasonable to engage an insurance broker and submits the same to EVRAZ Board of Directors for approval.

Regional Insurance Manager:

- a) provides methodological support within the insurance procedure;
- b) develops and implements global insurance programs;
- c) interacts with the insurance market (insurance providers, reinsurers, insurance brokers, etc.);
- d) provides timely renewal of the insurance coverage programs;
- e) provides timely arrangement of the tender procedures to select insurers for compulsory and voluntary insurance;
- f) controls over reinsurance;

- g) negotiates draft insurance agreements as per the **Insurance Responsibility Matrix**;
- h) communicates material changes in the values and risks insured, insurance claims and potential claims, insurance payments etc. as per this Insurance Policy and the **Insurance Responsibility Matrix**.
- i) coordinates activities to carry out surveys of the insured objects (asset assessment, insurance engineering surveys (risk assessment), etc.), arranges collection and consolidation of the required information; interacts with the **Risk Owner** to check whether the received recommendations are fulfilled and communicates to the **Regional Insurance Manager** and **Vice President, HSE**.
- j) coordinates activities on loss settlement;
- k) updates the consolidated **Insurance Register, Claims Register** and **Loss Record** on a regular basis and submits them to the **Global Insurance Manager** upon request;
- l) reviews the liability insurance policy for errors and omissions available with the incumbent **Insurance Broker** on an annual basis;
- m) arranges budget planning of expenses for global insurance programs;
- n) Head of EvrazHolding Insurance Department develops the Insurance Policy and other internal regulatory documents regulating the insurance procedure and keeps them updated.

12.4. Heads of EVRAZ entities:

- a) ensure that the provisions of Insurance Policy are locally in force;
- b) responsible for provision of complete and adequate information in order to arrange insurance coverage for EVRAZ plc;
- c) provide surveys of insured objects (asset assessment, insurance engineering surveys (risk assessment)) as per the provisions of Insurance Policy;
- d) ensure that the activities on settlement of losses are carried out and performed;
- e) should there be any necessity and upon agreement with the **Regional Insurance Manager**, submit written instructions, firm orders and letters of guarantee to the Insurer on insurance agreements execution and insurance premium payment;

12.5. Risk Owners (employees in charge of risk control and risk handling):

- a) ensure that the provisions hereof are complied with;
- b) arrange collection of information, preparation and submission of documents provided for by the insurance contracts terms and conditions;
- c) ensure timely conclusion of individual insurance contracts (all types of compulsory insurance policies, local insurance policies executed due to business needs); full and timely insurance premium payment;
- d) perform budget planning;

- e) inform on significant changes in values and risks insured, as well as any event that may result in insurance claim;
- f) update detailed **Insurance Register** containing information about each insurance agreement made, insurance coverage, Insurer, involvement of the incumbent **Insurance Broker**, insured values, indemnification limits, deductibles, insurance premium, insurance terms and conditions, insurance end/renewal date; **Claims Register** and **Loss Record** to collect statistics on damage and losses from accidents, process downtime, near misses, etc. resulting from the relevant risk event and submits them to the **Regional Insurance Manager** at least every half a year in order to determine acceptable risk retention level, requirements for insurance and activities on prevention and mitigation of such risks
- g) responsible for arrangement and coordination of the insured object survey activities (asset assessment, insurance engineering surveys (risk assessment));
- h) responsible for arrangement and holding of the loss settlement activities.

13. INSURANCE RESPONSIBILITY MATRIX

Actions and powers are set according to annual insurance premium (under a single insurance agreement or for all agreement of one kind)

Insurance	RIM			VP	GIM	CEO	BoD
	Russia	North America	Europe				
Directors' and Officers' Liability (D&O)	N/E				R	A	A
EVRAZ global liability		N/E			R	A	A
Property damage and business interruption Russia	N/E				R	A	A
Property damage and business interruption USA and others		N/E			R	A	A
Compulsory insurance	N/E, A						
Voluntary and imposed insurance *	N/E, A < \$100 ths			A ** < \$100 ths	R > \$100 ths	A > \$100 ths	A > \$300 ths

* Imposed insurance shall be approved as per this matrix prior to concluding relevant contract/agreement to provide for the same

** Approval in terms of budget (the cost to be included in the cost of respective project/contract)

Legend

N/E	Negotiate / Execute
R	Review, approve, prepare for CEO/BoD approval
A	Approve
RIM	Regional Insurance Manager
GIM	Global Insurance Manager
VP	Division Vice-President
CEO	EVRAZ Chief Executive Officer
BoD	EVRAZ Board of Directors
Compulsory insurance	Any insurance required by laws in force
Voluntary insurance	Any optional insurance not compulsory or imposed
Imposed insurance	Any insurance required by contract/agreement

14. INSURANCE MANAGERS

Global Insurance Manager:

Director of Treasury, EvrazHolding


Regional Insurance Manager:

North America Head of Treasury, Evraz North America

Europe Head of Treasury, East Metals AG

Russia Head of Insurance Department, EvrazHolding

APPROVAL SHEET
to the draft Order
"On approval of EVRAZ Policy on Insurance"



AGREED BY
Senior Vice President,
Business Support and
Interregional Relations
_____ L.M. Kachur
_____ 2019

AGREED BY
Vice President, Compliance
with Business Procedures and
Asset Protection
_____ S.V. Vasilyev
_____ 2019

AGREED BY
Vice President, Legal
Affairs _____
Ya. Stanyulenayte
_____ 2019

AGREED BY
Vice President, CFO
_____ N.V. Ivanov
_____ 2019

AGREED BY
Head of Treasury
_____ D.Ye. Kim
_____ 2019

AGREED BY
Head of Internal Audit
Directorate _____
N.V. Mikheeva
_____ 2019

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