

Severstal announces plans in respect to changes to Chairman and CEO

PAO Severstal (MICEX-RTS: CHMF; LSE: SVST), one of the world's leading steel and steel-related mining companies, today announces its plans for the change of Chairman and CEO.

Alexey Mordashov intends to step down as CEO of Severstal Management and to be elected as Chairman of the Board of Directors of Severstal. Vadim Larin, currently COO of Severstal Management, is expected to become new CEO of Severstal Management. The position of COO will no longer exist. These appointments are due to take effect on 26 May 2015.

Today's announcement follows Severstal's [update](#) on 5 March 2015 which stated that, in line with the Company's focus on ensuring leading standards of corporate governance, the Company's shareholders are proposing the election at the Annual General Meeting of Shareholders ("AGM") on 25 May 2015 of three new Independent Non-Executive Directors to Severstal's Board: Alexander Auzan, Sakari Tamminen and Vladimir Mau. These appointments coincide with the retirements of Christopher Clark, Independent Non-Executive Chairman, Martin Angle, Independent Non-Executive Director, and Rolf Stomberg, Independent Non-Executive Director, each of whom have served on the Company's Board for almost nine years since Severstal's IPO on the London Stock Exchange in 2006.

The Company also announces today that Sakari Tamminen, pending election as an Independent Non-Executive Director at the AGM, is expected for election to the position of Senior Independent Director. Mr. Tamminen is expected for election as Chairman of the Remuneration and Nomination Committee. Alun Bowen, Independent Non-Executive Director, is expected for election as Chairman of the Audit Committee. Philip Dayer, Independent Non-Executive Director, is expected for election as Chairman of the Health, Safety and Environment Committee. Severstal's Board will remain 10 persons with 5 of them being Independent Non-Executive Directors.

Alexey Mordashov, CEO of Severstal Management, commented:

"First and foremost, I would like to thank our retiring Directors, Martin Angle and Rolf Stomberg, and especially our outgoing Chairman, Christopher Clark, for their immense contributions during their time with Severstal.

Since our London IPO in 2006, Severstal has undergone much change and has developed to become one of the global industry leaders in terms of profitability, return on capital, and balance sheet strength. Our strategy is focused on delivering superior shareholder returns through continued operational enhancements and developing our customer focus continues to progress well. With this in mind, I am confident that this is the right time to

make this management transition which will allow a new balance of time allocation across the portfolio of my assets.

I move on to become Chairman with the business in excellent health. We have an exceptional management team led by Vadim Larin, who has been with the Company since 2003. In Vadim our colleagues and shareholders have a new CEO with an excellent understanding of our business and markets, which, as well as our strong relationship, will ensure a smooth transition. In my new role I will remain deeply engaged in Severstal's activities and will focus on strategic planning, as well as on hiring and development of the key personnel, further development of the Business System of Severstal and corporate culture; I will be actively involved in quarterly performance reviews, and setting targets for the annual and strategic business plans.

I am confident that Severstal will continue to lead in value-creation for the benefit of all stakeholders."

Vadim Larin, COO of Severstal Management, commented: "I am delighted at the prospect of becoming Severstal's CEO. We have a clear growth strategy which is underpinned by our strong vertically integrated model, highly efficient asset portfolio and strong culture and team. I am looking forward to continuing to drive the business further forward in my new role."

Christopher Clark, Independent Non-Executive Chairman of Severstal, commented: "I have thoroughly enjoyed my years as Chairman of Severstal. It is with great pride that I welcome the new Independent Non-Executive Directors to the Board and I am confident that their wealth of experience and skills will be invaluable to take the Company on to the next stage of its development."

Vadim Larin

Vadim Larin (born in 1970) – Chief Operating Officer since 2013. Vadim joined Severstal in 2003 as a CEO of Intaugol. He became a CEO of Kuzbassugol in 2005, and a CEO of Vorkutaugol in 2007. Vadim Larin was appointed a CEO of Severstal Resources mining division in 2010. Vadim graduated from the Moscow Institute of Radio Engineering, Electronics and Automation. He also holds an MBA degree from INSEAD. Prior to joining Severstal, Vadim worked at McKinsey & Company.

Адрес оригинала:

<http://www.severstal.com/eng/ir/disclosure/rns/document11483.phtml>

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