



EVRAZ GROUP S.A.

DIVIDEND POLICY

This policy was approved by the Board of Directors of Evraz Group S.A. on 26 July 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 framework within which the Board and shareholders may take decisions regarding dividends, and not as a set of legally binding obligations.

The provisions of this policy are subject to modification from time to time and without prior notice by the Board of Directors as it may deem appropriate, as a result of assessment of changes in applicable laws and regulations and the Articles of Association of Evraz Group S.A.

1. INTRODUCTION

- 1.1. Shareholders, including the Depositary Bank, are entitled to receive dividends on their shares paid by Evraz Group S.A.
- 1.2. The distribution of profits and payment of dividends on the shares are subject to the Law of Luxembourg of 10 August 1915 *On Commercial Companies*, as amended, and the Articles of Association of Evraz Group S.A.

2. DECISION ON THE PAYMENT OF DIVIDENDS

- 2.1. Evraz Group S.A. expects to pay dividends of at least 25% of its consolidated annual net income, as calculated under IFRS, throughout the business cycle.
- 2.2. Dividends may only be paid out of profits. As required by the Law of Luxembourg of 10 August 1915, profits must first be used to set up and maintain a reserve, and then must be set off against certain financial losses.
- 2.3. When making a decision on dividends, Evraz Group S.A. will endeavor to keep dividends payments in line with the Evraz Group's operational performance, and to maintain a balance between the long-term interests of the Evraz Group and those of its shareholders.
- 2.4. Evraz Group S.A. may decide to increase the size of dividends above the minimum expectation of 25% of consolidated annual net income if superior financial results are achieved.

- 2.5. Should the size of declared dividends be less than the minimum expectation of 25% of consolidated net income, the Evraz Group S.A shall fully disclose the reasons for such deviation.
- 2.6. The decision to pay year-end dividends shall be approved by the annual shareholders meeting. The general shareholders meeting may decide to withhold profits as further reserves.
- 2.7. Interim dividends are declared and approved at the discretion of the Board. When considering interim dividends, the Board usually takes into account the performance results and prospects of the Evraz Group, its planned and committed capital expenditures, financial flexibility requirements, the availability and cost of funds from external sources, the practice of other steel and mining companies and other relevant factors.

3. PAYMENT OF DIVIDENDS

- 3.1. Only shareholders of record as of the record date are entitled to receive dividends on shares issued by Evraz Group S.A. The record date is determined by the Board for each declaration of dividends.
- 3.2. Owners of securities representing the shares issued by Evraz Group S.A. on the relevant record date are entitled to receive dividends payable in respect of the shares underlying these securities, subject to the terms of the Deposit Agreement. The Depository Bank is responsible for all communication with these owners, including the gathering of the relevant information and the ultimate payment of dividends on the securities.
- 3.3. Evraz Group S.A. is responsible for due and full payout of declared dividends on the basis of the relevant information provided by its shareholders.
- 3.4. Certain dividend payments are subject to a final withholding tax on their gross amount in accordance with Luxembourg law. When calculating, withholding and transferring the tax amounts, Evraz Group S.A. will act as a tax agent with respect to tax levied on dividends.
- 3.5. The shareholders shall be responsible for providing the information and documents necessary for proper taxation, and in particular for applying a reduced tax regime.
- 3.6. When calculating the amount of withholding tax, Evraz Group S.A. will take into account the existing double tax treaties with the countries where shareholders are registered.
- 3.7. As a rule, dividends on the shares issued by Evraz Group S.A. are paid in cash through a cash transfer to shareholders' accounts as indicated in the Registrar records.
- 3.8. Dividends shall be paid out within 90 days after the Board or the annual shareholders meeting approve the payment. No shareholders shall enjoy the advantage of prior dividend payout.