

**Information Letter in Relation to the Voluntary Tender Offer  
for the Purchase of Ordinary Registered Uncertified Shares of PAO “TMK”  
Made by “Volzhsky Pipe Plant”, Joint Stock Company**

**To the attention of shareholders of PAO “TMK”:**

On 18 May 2020, PAO “TMK” (“TMK” or the “Company”) received a voluntary tender offer made by “Volzhsky Pipe Plant”, Joint stock company (“VTZ”) to purchase ordinary shares of TMK, registration number of issue 1-01-29031-H (the “Shares”) (the “Voluntary Tender Offer”). The Voluntary Tender Offer is made in respect of 358,758,064 (three hundred fifty-eight million seven hundred fifty-eight thousand sixty-four) Shares on the following terms and conditions:

1. **Proposed purchase price of the Shares:** RUB 61 (sixty-one roubles) per one Share.
2. **Period for acceptance of the Voluntary Tender Offer:** 70 (seventy) days from the date the Voluntary Tender Offer was received by the Company (*i.e.* from 19 May 2020 to 27 July 2020, inclusive).
3. **Period for payment for the Shares:** the Shares to be transferred to VTZ shall be paid for within 17 (seventeen) days from the date of the expiration of the period for acceptance of the Voluntary Tender Offer (27 July 2020), *i.e.* by 13 August 2020, inclusive.
4. **Form of payment for the Shares:** the Shares shall be paid for in cash by wire transfer in roubles. The Voluntary Tender Offer does not provide for any other forms of payment.

The procedure and period for acceptance of the Voluntary Tender Offer and for the transfer and payment for the purchased Shares is set forth in the Voluntary Tender Offer document, which is available together with the recommendations of the Board of Directors of the Company in respect of the Voluntary Tender Offer on the Company’s website at [www.tmk-group.ru](http://www.tmk-group.ru), [https://www.tmk-group.ru/voluntary\\_tender\\_offer](https://www.tmk-group.ru/voluntary_tender_offer), [https://www.tmk-group.com/voluntary\\_tender\\_offer](https://www.tmk-group.com/voluntary_tender_offer).

This Information Letter does not replace the Voluntary Tender Offer document or any of the terms and conditions of the Voluntary Tender Offer, is provided purely for the convenience of shareholders of the Company, and is intended to clarify the procedure for the acceptance of the Voluntary Tender Offer by shareholders who decide to accept the Voluntary Tender Offer.

**A. Procedure for the acceptance of the Voluntary Tender Offer**

If you decide to accept the Voluntary Tender Offer and sell your Shares pursuant to the Voluntary Tender Offer, you must perform the below actions in the order described below.

<b>I. Submission of an application to sell the Shares</b>
---

The shareholders may accept the Voluntary Tender Offer by submitting applications to sell the Shares pursuant to the procedure set forth below.

***Procedure for submitting the application by shareholders registered in the shareholders’ register of the Company***

Please complete the application to sell the Shares pursuant to the Voluntary Tender Offer. The application must be completed in Russian.

The information to be included in the application is specified in para. 6.3.1 of the Voluntary Tender Offer document. To avoid any mistakes when completing your application, the

Company recommends that shareholders use the form of an application (sample application) provided in **Annex 2**. This form is not mandatory and is provided for the convenience of shareholders only (the “**Application**”).

The Application must be signed by the shareholder or the shareholder’s authorised representative. If the Application is signed by an authorised representative of the shareholder, the Application must be accompanied by a power of attorney (original or notarised copy) or another document confirming the authority of the person signing the Application on behalf of the shareholder (original or notarised copy). If a power of attorney is issued by a shareholder that is a foreign legal entity or individual, it must be duly legalised or apostilled. If a power of attorney is made in a foreign language, it must be provided together with a notarised translation into Russian.

Applications submitted by shareholders that are legal entities must have the company seal attached (if applicable).

The Application must be received by the Company’s registrar, Joint Stock Company “Independent Registrar Company R.O.S.T.” (the “**Registrar**”), prior to the expiration of the period for acceptance of the Voluntary Tender Offer, *i.e.* not later than on **27 July 2020** (inclusive). Please bear in mind the time that will be required for your Application to be delivered by post. Applications received after 27 July 2020 will not be accepted.

Shareholders who purchase TMK’s Shares close to the expiration date of the Voluntary Tender Offer (*i.e.* 27 July 2020) should take into account the timing of the applicable settlement procedures (*e.g.* generally on a T+2 basis on the Moscow Exchange) and allow sufficient time to (i) have the title to the purchased Shares transferred to them and recorded on the relevant personal or depo accounts and (ii) submit their applications to the Registrar or give instructions (orders) to their nominee holders no later than 27 July 2020 (inclusive) or such earlier date as may be established by their custodians (nominee holders) (as applicable).

**Prior to submitting the Application, shareholders registered in the shareholders’ register are strongly advised to contact the Registrar to verify whether their details, including the details of their bank accounts kept by the Registrar, are up to date.**

The Application may be sent by mail or delivered personally (on business days during normal office hours) to the Registrar to the addresses set out below. If the Application is sent by mail, it is recommended that the envelope is marked as follows: “Voluntary Tender Offer made by VTZ in respect of shares of PAO “TMK”.

Information about the Registrar: Joint Stock Company “Independent Registrar Company R.O.S.T.”; OGRN 1027739216757; address: 18 Ul. Stromynka, Bldg. 5B, Office IX, 107076 Moscow; licence to conduct registrar operations of FCSM of Russia No. 045-13976-000001 dated 3 December 2002 issued for an indefinite period, telephone +7 (495) 780-73-63.

The Application may be sent to the Registrar by post:

- (i) to 18 Ul. Stromynka, Bldg. 5B, Office IX, 107076, Moscow, for Joint Stock Company “Independent Registrar Company R.O.S.T.”; or
- (ii) to the address of any branch of Joint Stock Company “Independent Registrar Company R.O.S.T.” appearing in the Unified State Register of Legal Entities as of the date of submitting the Application.

The Application may also be delivered personally (on business days during normal office hours):

- (i) to the Central office of Joint Stock Company “Independent Registrar Company R.O.S.T.” at 18 Ul. Stromynka, Bldg. 5B, 107076 Moscow; or

- (ii) to the address of any branch of Joint Stock Company “Independent Registrar Company R.O.S.T.” appearing in the Unified State Register of Legal Entities as of the date of submitting the Application.

Information on the branches of Joint Stock Company “Independent Registrar Company R.O.S.T.” is available on its website at <http://www.rrost.ru/ru/filials/>.

From the date of receipt of the Application of the shareholder registered in the shareholders’ register of the Company by the Registrar and until the date of making an entry on the transfer of title to the sold Shares to VTZ (or until the date of receipt by the Registrar of withdrawal of the Application), the holder may not dispose of or encumber the Shares indicated in the Application, including by pledge or any other encumbrance. This restriction must be recorded by the Registrar on the account on which the Shares of such holder are held without an instruction (order) of the latter.

***Procedure for submitting the application by shareholders that are not registered in the shareholders’ register of the Company***

Any shareholder who is not registered in the shareholders’ register of the Company must submit its application to sell the Shares to the entity which records its rights to the shares of TMK (*i.e.* the nominee holder) pursuant to the procedure set forth in Article 76, para. 3.1 of Federal Law No. 208-FZ on Joint-Stock Companies dated 26 December 1995, as amended (the “**JSC Law**”) for tendering shares for redemption by the company. Shareholders who hold shares through nominee holders should check applicable deadlines with their nominee holders.

Such shareholder will need to give an appropriate instruction (order) to the nominee holder of the Shares held by the shareholder in accordance with the Russian securities laws and must indicate its identity, the number of Shares, the category/type of the Shares to be sold and any other information provided for by the depository (custody) agreement and required by the depository (nominee holder) to identify such shareholder, transfer the Shares to be sold from the depo account and transfer the funds for the Shares purchased pursuant to the Voluntary Tender Offer to such shareholder.

Shareholders that are individuals (the “**individual shareholders**”) must also additionally provide their personal data in the instruction (order) to the nominee holder (date of birth, country or digital code of country of nationality,<sup>1</sup> name or code<sup>2</sup> of ID, *e.g.* passport of a Russian citizen (code 21), passport of a foreign citizen (code 10), other document), required by VTZ, acting as a tax agent, for the correct completion and filing of tax statements prepared in accordance with Form 2-NDFL (personal income tax) with the tax authorities.

Please note that brokers or nominee holders may charge separate fees for processing instructions (orders) received from shareholders who are not registered in the shareholders’ register of the Company to sell their Shares in the Voluntary Tender Offer.

From the date of receipt by the nominee holder of the instruction (order) to submit an application to sell the Shares and until the date of making an entry on the transfer of title to such Shares to VTZ or until the date of receipt by the nominee holder of notice from the Registrar that such application has been withdrawn, the shareholder may not dispose of or encumber such Shares, including by pledge or any other encumbrance. This restriction must be recorded by the

---

<sup>1</sup> Digital code of country of nationality is determined in accordance with the All-Russian Classifier of Countries of the World.

<sup>2</sup> Guidebook “Codes of types of taxpayer’s IDs” is set out in Annex 1 to Procedure for Completing the Form on Personal Income and Amounts of Personal Income Tax “Personal Income and Personal Income Tax Certificate” (Form 2-NDFL), approved by Order of the Russian Federal Tax Service No. MMV-7-11/566@ dated 2 October 2018.

nominee holder on the account on which the Shares of such shareholder are held without an instruction (order) from the latter.

### **Contact details**

Please provide your contact details in the application (instruction), including telephone number and, if available, an email address. This will allow VTZ to get in touch with you promptly should any questions arise in connection with your application or payment for the Shares, including where certain information indicated in your application is insufficient or where payment cannot be effected to your account.

<b>II. Receipt of cash funds in payment for the Shares</b>
--

If you timely submit the application, payment for the purchased Shares will be made in Russian roubles within 17 (seventeen) calendar days from the date of the expiration of the period for acceptance of the Voluntary Tender Offer as follows:

- (i) payment for the Shares purchased from the shareholders registered in the shareholders' register of TMK will be made by wire transfer of cash funds to their bank accounts kept by the Registrar;
- (ii) payment for the Shares purchased from the shareholders that are not registered in the shareholders' register of TMK will be made by wire transfer of cash funds to the bank account of the nominee holder registered in the shareholders' register of TMK. Pursuant to Article 84.3, para. 7.2 of the JSC Law, the nominee holder registered in the shareholders' register of TMK must pay the cash funds to its deponents (securities account holders) by wire transfer to their bank accounts no later than on the business day following the date on which the nominee holder gives an instruction (order) to the Registrar to transfer title to the acquired Shares to VTZ. Such instruction must be given within two business days from the date the nominee holder receives from VTZ cash funds for the purchase of the Shares in its account and an extract from the report on the results of the Voluntary Tender Offer. The nominee holder who is not registered in the shareholders' register of TMK must pay the cash funds to its deponents (securities account holders) by wire transfer to their bank accounts no later than on the business day following the date it receives the funds and the information on the number of Shares sold from the intermediary depository through which the Shares are held.

VTZ will not be responsible for any inability to transfer cash funds to the bank account of any shareholder / nominee holder by the deadline specified in the Voluntary Tender Offer due to the failure by such shareholder / nominee holder to provide, or the provision of incomplete, inaccurate or insufficient, bank account details to the Registrar (as applicable).

**To update their details (including bank account details), shareholders are urged to contact the Registrar (submit a questionnaire of a registered person) or their respective nominee holder, if applicable.**

Please note that, as required by Russian law, VTZ will, subject to limited exceptions, act as a tax agent with respect to the payment of the purchase price in relation to the Shares sold by individual shareholders. Please refer to section "*Certain Russian Tax Considerations for Shareholders Selling Shares Pursuant to the Voluntary Tender Offer*" below, the Information Letter on certain tax matters (**Annex 1**) and consult with your professional tax advisers as to the amount and the procedure for any tax payment, including with regard to the applicable tax consequences of any other jurisdiction.

### **III. Certain Russian Tax Considerations for Shareholders Selling Shares Pursuant to the Voluntary Tender Offer**

From 1 January 2020, pursuant to the provisions of Article 226, para. 1 of the Tax Code of the Russian Federation, Russian entities and entrepreneurs making payments under securities sale and purchase agreements entered into with individual shareholders will be recognised as tax agents of such individual taxpayers, unless otherwise provided by Article 226.1, para. 2 of the Tax Code of the Russian Federation.

Therefore, in accordance with the provisions of the Tax Code of the Russian Federation, VTZ, acting as a tax agent, is required to calculate, withhold and pay to the state budget the personal income tax in connection with the sale of the Shares pursuant to the Voluntary Tender Offer by the individual shareholders provided that such individual shareholders do not sell their Shares through a broker or trustee which is a Russian entity or a Russian separate subdivision of a foreign broker or trustee selling the Shares for the benefit of individual shareholders pursuant to a trust management agreement, brokerage agreement, agency or commission agreement. If the individual shareholders sell their Shares through a broker or trustee which is a Russian entity or a Russian separate subdivision of a foreign broker or trustee, pursuant to Article 226.1, para. 2 of the Tax Code of the Russian Federation, such trustee or broker will be recognised as a tax agent with respect to the proceeds from the sale of the Shares.

VTZ will comply with the requirements of the Tax Code of the Russian Federation when acting as a tax agent in calculating and paying the personal income tax in connection with the sale of the Shares by the individual shareholders pursuant to the Voluntary Tender Offer, including (if applicable) taking into account any actually incurred and documented costs and expenses related to the acquisition and custody of the respective Shares incurred by the individual shareholder without the engagement of the tax agent (VTZ) if the application and the supporting documents are provided prior to any payments in connection with the sale of the Shares. The Registrar is authorised by VTZ to accept such applications and supporting documents from the shareholders. The applicable tax rate will be determined on the basis of applicable requirements of Russian law. **In the event of failure to submit such supporting documents, submission of incomplete documents or late submission of the documents, the personal income tax will be withheld from the entire amount of proceeds from the sale of the Shares.**

**Please refer to Annex 1 to this Information Letter for more detailed information and recommendations in respect of actions that should be taken for submission of supporting documents and consult with your professional tax advisers as to the amount and the procedure for the tax payment, including with regard to the applicable tax consequences of any other jurisdiction.**

Any income from the sale of the Shares earned by the shareholders that are Russian entities or foreign entities carrying on business in the Russian Federation through a permanent representative office, to which such income is attributable, will not result in any obligation for VTZ, acting as a tax agent, to withhold or transfer to the budget any income taxes on the proceeds from the sale of the Shares derived by such entities. Such entities that are holders (sellers) of the Shares will be required to calculate and pay their taxes on their own.

In addition, in accordance with Russian law, neither VTZ nor its agents acting in connection with the Voluntary Tender Offer will be required to withhold the Russian income tax on the proceeds from the sale of the Shares paid to foreign entities that do not carry on their business in the Russian Federation through a permanent representative office.

#### **IV. Transfer of title to the Shares to VTZ**

The Shares to be transferred must be free and clear of any rights of third parties and encumbrances.

##### ***Transfer of title to the Shares sold by shareholders registered in the shareholders' register of the Company***

No order of shareholders registered in the shareholders' register of the Company is required by the Registrar to record the transfer of title to the sold Shares to VTZ.

##### ***Transfer of title to the Shares sold by shareholders that are not registered in the shareholders' register of the Company***

Pursuant to Article 84.3, para. 7.2 of the JSC Law, in order to transfer the Shares to the personal account of VTZ in the register of TMK maintained by the Registrar, the nominee holder registered in the register must give an order to the Registrar to transfer the Shares from the personal account of such nominee holder in the register to the personal account of VTZ.

The nominee holder registered in the register of TMK must give such order no later than two business days from the date it receives from VTZ cash funds for the purchase of the Shares in its account and an extract from the report on the results of the Voluntary Tender Offer. The record of the transfer of title to the sold Shares to VTZ entitles the nominee holder to record the transfer on the depo account of the shareholder without an instruction (order) from the latter.

#### **B. Queries with respect to the procedure for submitting the application to sell the shares pursuant to the Voluntary Tender Offer**

Any questions with respect to the procedure for the acceptance of the Voluntary Tender Offer can be addressed to the Registrar by e-mail: [tmk@rost.ru](mailto:tmk@rost.ru), or by telephone: 8-800-200-81-60.

#### **Annexes:**

- 1. Information letter for shareholders of PAO "TMK" on certain tax matters in connection with the Voluntary Tender Offer made by "Volzhsky Pipe Plant", Joint stock company.**
- 2. The recommended form of an application to sell ordinary shares of PAO "TMK".**