

**DRAFT RESOLUTION OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS as of 26.05.2016:**

**The 1<sup>th</sup> issue on the agenda:** «1. On approval of related party transactions between VTB Bank (public joint-stock company) and the Company.»

**Draft resolution: 1.1. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company,** by entering into the Amendment Agreement to Suretyship Agreement No. KC-757000/2008/00021-II/3 signed between Mechel, a Public Joint Stock Company (Surety, Pledgor), and VTB Bank (Public Joint Stock Company) (Bank) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No. KC-757000/2008/00021-Д3/5 and Secondary Share Pledge Agreement No. KC-757000/2008/00021-Д3/4 that are being signed between the Bank and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the fulfillment by a holding company Yakutugol, a Joint Stock Company (hereinafter referred to as the “Borrower”), of its obligations in respect of the Bank under Facility Agreement No. KC-757000/2008/00021 dd. November 27, 2008 signed between the Creditor and the Borrower with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**1.2. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company** by entering into the Amendment Agreement to Suretyship Agreement No. KC-743000/2008/00104-II/3 signed between Mechel, a Public Joint Stock Company (Surety, Pledgor), and VTB Bank (Public Joint Stock Company) (Bank) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No. KC-743000/2008/00104-Д3/5, Secondary Share Pledge Agreement No. KC-743000/2008/00104-Д3/4 between the Bank and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the complete fulfillment by Coal Company Southern Kuzbass, a Public Joint Stock Company (hereinafter referred to as the “Borrower”), of its obligations in respect of the Bank under Facility Agreement No. KC-743000/2008/00104 dd. November 26, 2008 signed between the Creditor and the Borrower with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**1.3. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company,** by entering into the Amendment Agreement to Suretyship Agreement No. K2600/10-0709JIB/Д000-II/4 signed between Mechel, a Public Joint Stock Company (Surety, Pledgor), and VTB Bank (Public Joint Stock Company) (Bank, Pledgee) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No. K2600/10-0709JIB-Д3/5 and Secondary Share Pledge Agreement No. K2600/10-0709JIB-Д3/4 between the Pledgee and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the complete fulfillment by Coal Company Southern Kuzbass, a Public Joint Stock Company (hereinafter referred to as the “Borrower”) of its obligations in respect of the Bank under Facility Agreement No. K2600/10-0709JIB/Д000 dd. February 07, 2011 signed between the Creditor and the Borrower with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**1.4. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company,** by entering into the Amendment Agreement to Suretyship Agreement No. 3732 - II/4 signed between Mechel, a Public Joint Stock Company (hereinafter referred to as the “Surety”, “Pledgor”), and VTB Bank (Public Joint Stock Company) (hereinafter referred to as the “Bank” and/or “Creitor”, “Pledgee”) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No. 3732-Д3/4 and Secondary Share Pledge Agreement No. 3732-Д3/5 between the Pledgee and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the complete fulfillment by Chelyabinsk Metallurgical Plant, a Public Joint Stock Company (hereinafter referred to as the “Borrower”), of its obligations in respect of the Bank under Facility Agreement No. 3732 dd. September 09, 2015 with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**The 2<sup>th</sup> issue on the agenda: 2. On approval of related party transactions between Bank GPB (JSC) and the Company.**

**Draft resolution: 2.1. Approve the related party transaction – Amendment Agreement No. 1 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 84-85/13-B-II-2 dd. June 18, 2013** (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**2.2. Approve the related party transaction – Suretyship contract (further on referred to as the “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company** (further on collectively referred to as the “Parties”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**2.3. Approve the related party transaction – Amendment Agreement No. 5 (further on referred to as the “Amendment agreement”) to Suretyship contract No.2612-195-K-II dd. June 25, 2012** (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**2.4. Approve the related party transaction – Amendment Agreement No. 4 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 2612-196-K-II dd. June 25, 2012** (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**2.5. Approve the related party transaction – Amendment Agreement No. 3 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 31/09-B-II dd. June 29, 2010** (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**2.6. Approve the related party transaction – Amendment Agreement No. 1 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 2612-200-K-II-1 dd. June 14, 2013** (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the material terms and conditions specified in Annex № 1.

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**The 3<sup>th</sup> issue on the agenda: 3. On approval of related party transactions between the Company and Sberbank.**

**Draft Resolution: 3. Approve participation of Mechel, Public Joint Stock Company (further on referred to as the “Company”), in the following related party transactions between Sberbank of Russia, Public Joint Stock Company (Sberbank PJSC), further on referred to as the “Creditor” or “Bank”, and Mechel, Public Joint Stock Company (Mechel PAO), further on referred to as the “Surety” on the material terms and conditions specified in Annex № 1.**

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**The 4th issue on the agenda: 4. On approval of related party transactions between the Company and the syndicate of creditors.**

**Draft resolution:**

4. To approve the performance by Mechel PAO (hereinafter referred to as the “Company”) of the related party transactions (hereinafter collectively referred to as the “Transactions” and separately as the “Transaction”) regarding the changes in terms and conditions of the syndicated loan (hereinafter referred to as the “Southern Kuzbass Loan”) provided to Southern Kuzbass Coal Company, a Public Joint Stock Company (hereinafter referred to as “Southern Kuzbass”) and regarding the changes in terms and conditions of the syndicated loan (hereinafter referred to as the “Yakutugol Credit”) provided to Holding Company Yakutugol AO (hereinafter referred to as “Yakutugol”) on the key terms and conditions provided in the full text of resolution specified in Annex № 1..

*To decide not to disclose information on the terms of the transactions described in this clause, including the price of the transaction, as well as the person(s) who is (are) party (parties) and beneficiary (beneficiaries) thereto on the basis of clause 16 of Article 30 of the Federal Law No. 39-FZ On Securities Market dd. 22.04.1996.*

**The 1<sup>th</sup> issue on the agenda:** «1. On approval of related party transactions between VTB Bank (public joint-stock company) and the Company.»

**Draft resolution:** 1.1. **Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company,** by entering into the Amendment Agreement to Suretyship Agreement No. KC-757000/2008/00021-II/3 signed between Mechel, a Public Joint Stock Company (Surety, Pledgor), and VTB Bank (Public Joint Stock Company) (Bank) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No. KC-757000/2008/00021-Д3/5 and Secondary Share Pledge Agreement No. KC-757000/2008/00021-Д3/4 that are being signed between the Bank and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the fulfillment by a holding company Yakutugol, a Joint Stock Company (hereinafter referred to as the “Borrower”), of its obligations in respect of the Bank under Facility Agreement No. KC-757000/2008/00021 dd. November 27, 2008 signed between the Creditor and the Borrower with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the material terms and conditions specified in Annex № 1.

Terms and Definitions used:

“Credit/Credits” – funds granted by Creditor to Borrower based on the terms and conditions of the Facility Agreement;

“Principal” – at any effective date of the Facility Agreement it is the amount of the Credit/Credits granted and not repaid, including not repaid within the timelines stipulated by Facility Agreement;

“Mechel Group” is Mechel PAO and the companies for which the method of direct consolidation is used when including such companies into US GAAP or IFRS consolidated financial statements of Mechel PAO;

“VTB Group” – VTB Bank (PJSC) and its subsidiaries included into the Creditor’s IFRS consolidated financial statements;

“Amendment” – Amendment Agreement No. 13 dd. September 09, 2015 to Facility Agreement No. KC-757000/2008/00021 dd. November 27, 2008 introducing amendments to Facility Agreement No. KC-757000/2008/00021 dd. November 27, 2008;

“Overdue payment” – financial liability not fulfilled by Borrower within the timelines stated by Facility Agreement;

“CB RF key rate” – the Key rate of the Central Bank of the Russian Federation calculated on a daily basis based on the information published in the official web-site of the Central Bank of the Russian Federation (<http://cbr.ru> or any other official site of the Central Bank of the Russian Federation in case the above mentioned site is changed). In case if the Key rate of the Central Bank of the Russian Federation is cancelled and/or no more used by the Central Bank of the Russian Federation to define the cost of borrowing for the creditors of the Russian Federation, interest rates are to be calculated based on the similar rates used by the Central Bank of the Russian Federation to define the cost of refinancing by means of repo transactions and/or pledge of non-market assets depending on which of them is higher;

“PXF Creditors” – creditors under facility agreement signed between Southern Kuzbass PAO and a syndicate of banks on September 06, 2010 (with further amendments and modifications) and under facility agreement signed between HC Yakutugol AO and a syndicate of banks on September 06, 2010 (with further amendments and modifications).

Under the Surety Agreement and Pledge Agreements Mechel, a Public Joint Stock Company, shall bear full responsibility for the Borrower’s fulfillment of obligations under Facility Agreement, including:

1.1.1. Credits repayment under Facility Agreement amounting to 5,818,336,163.08 (Five billion eight hundred eighteen million three hundred thirty-six thousand one hundred and sixty-three 08/100) rubles.

Credit repayment (redemption) shall be effected in equal installments on a monthly basis on the date of interest payment, in particular: on the sixth day of each month following the month when the interest was repaid for the first time, starting from April 6, 2017 (the date of the first payment to repay the Principal) and also on the date of final repayment of the Principal in full scale that is on April 6, 2020 (inclusively).

1.1.2. Repayment of the interest on Credit under the Facility Agreement based on the following rate:

- a) Key rate of the Central Bank of the Russian Federation plus 2.35 (two point thirty-five) percent per annum – from September 09, 2015 till January 6, 2018 (inclusively);
- b) Key rate of the Central Bank of the Russian Federation plus 2.99 (two point ninety-nine) percent per annum – from January 7, 2018 (inclusively);

The revision of the CB RF Key rate shall be on a daily basis. In case if the CB RF Key rate changes the interest rate under the Credit shall be adjusted respectively by value of the respective CB RF Key rate change on the date such changed CB RF Key rate becomes effective.

Interest shall be accrued on the Principal starting from the date the Amendment is signed by authorized representatives of the Parties and till the date of final repayment of the Credit/Credits and shall be paid as follows:

- the first repayment of the interest accrued on the balance of the effective Principal starting from the date the Amendment was signed shall be on October 6, 2015 and from thereon such interest repayment shall be on day 6 (six) of each month following the month when the first interest repayment was made and also on the date of final repayment of the Credit in full scale, i.e. on April 06, 2020.

In case of Overdue Principal payment the final interest repayment shall be on the date of final Credits fact repayment (redemption).

1.1.3. The interest accrued but not repaid before the date the Amendment was signed shall be repaid in equal installments on day 6 and 21 of each month till December 21, 2015 (inclusively) starting from October 06, 2015.

1.1.4. The interest rate on the Credit shall be unilaterally increased by Creditor by 1 (One) percent per annum in case of non-fulfillment or undue fulfillment of the obligation stated in Sub-clause 17) of Clause 5.1. of the Facility Agreement, in particular:

Starting from the 1<sup>st</sup> (First) day of the second month of the quarter following the quarter when the Amendment was signed the Borrower shall provide for the total quarterly (for each calendar quarter) revenues received from sales by Mechel Group companies (except for Kuzbass Power Sales Company PAO), including the revenues received from Mechel Group companies be available on Settlement accounts and Settlement accounts in foreign currency opened in the Bank in arrears and the share of such revenues in the total volume of the revenues received from sales in banks shall correspond to the total loan indebtedness of Mechel Group companies before VTB Group in the total indebtedness of Mechel Group before all credit companies in the respective quarter.

Such adjusted interest rate shall become effective starting from the start date of the interest period following the interest period within which the above mentioned obligation was violated and till the start date of the interest period following the interest period within which the obligation stated in Sub-clause 17) of Clause 5.1. of the Facility Agreement and stated in Clause 1.1.4 of this resolution was fulfilled in a due manner (inclusively).

The interest rate shall be considered adjusted without signing an amendment agreement. A written notification (in any

form) shall be sent by Creditor to the Borrower informing the latter on the fact that the interest rate was increased. The above mentioned notification is to be sent by courier or by registered mail with the list of enclosures and recorded delivery. A copy of the notification shall be forwarded to the Surety;

- 1.1.5. In case of untimely repayment of the Principal a penalty (fine) amounting to 1/365 (366) (One three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.1.2. of this resolution on the amount of the Overdue Principal payment for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue Principal payment;
- 1.1.6. In case of untimely repayment of the interest/charges a penalty (fine) amounting to 2/365 (366) (Two three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.1.2. of this resolution on the amount of the Overdue interest and/or charges payment by Credit and/or other payments under Facility Agreement for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue interest and/or charges payment;
- 1.1.7. A penalty amounting to 10,000.00 (Ten thousand 00/100) rubles shall be charged by Creditor and paid by Borrower for each case of non-fulfillment or undue fulfillment by Borrower of each of the obligations related to the timely provision to the Creditor of the letters confirming the absence of outstanding tax liabilities and outstanding liabilities to non-budgetary funds and of the letters informing on the amendments to the constituent documents of the Borrower and any of the Sureties stated in the Facility Agreement within the timelines stipulated;
- 1.1.8. Early Credits repayment (redemption) shall be in the amount and in accordance with the order and procedure defined in Sub-clause 20) of Clause 5.1. of the Facility Agreement, in particular:  
In case if the debt of Mechel Group (under facility agreements) to any of the below listed creditors – Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Creditors (collectively referred to as the “Other Major Creditors” and each separately referred to as “Another Major Creditor”) decreases, the debt of Mechel Group to the Creditor shall be subject to early repayment within 10 (Ten) Business days after such debt decrease (if the Creditor does not completely or partially refuse in writing from its right to get such early repayment) and the amount of such early repayment shall be not less than the least share of the debt of Mechel Group to such Creditor (before respective decrease) in the total amount of the debt of Mechel Group to such Creditor.
- 1.1.9. The Creditor shall be compensated for the expenses and losses borne by it due to the fulfillment of its obligations under the Facility Agreement and that shall be reimbursed by Borrower in accordance with the terms and conditions of the Facility Agreement as well as the expenses and losses borne by it due to Borrower’s non-fulfillment or undue fulfillment of its Obligations under Facility Agreement;
- 1.1.10. The funds borrowed to the Borrower and the interest on money had and received shall be reimbursed in full scale in case of the invalidity of the Facility Agreement.  
The Suretyship under Contract is joint and several.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement the Surety shall pay to the Bank a penalty amounting to 1/365 (1/366) (One three hundred sixty-fifth (One three hundred sixty-sixth)) of the maximum effective interest rate under Facility Agreement of the amount of such non-fulfilled or unduly fulfilled obligation for each day of delinquency. The penalty is to be accrued starting from the date following the date when the Surety’s obligation under the Surety Agreement shall be fulfilled and till the date such obligations are completely and duly fulfilled by it inclusively. The penalty shall be paid by Surety based on Creditor’s request on the date of the final fulfillment of the overdue obligation.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement related to the provision of certain documents the Surety shall pay to the Bank a penalty amounting to 10,000.00 (Ten thousand) rubles for each case of non-fulfillment or undue fulfillment of each of the obligations. The penalty is to be paid within 10 (Ten) calendar days after respective request to pay such penalty was received from the Bank.

A loss of any of the security for the Borrower's fulfillment of its obligations, including the one that had existed for the moment the Surety undertook its suretyship obligation under Surety Agreement or worsening of the terms of securing for the Borrower’s fulfillment of its obligations due to any circumstances shall not be the ground for relieving the Surety of its responsibility and shall not result in the decreasing of the amount of Surety’s liability under Surety Agreement.

- 1.1.11. The following pledge subject is pledged by Pledgor with the Pledgee to secure for the fulfillment of the Obligations:  
1.1.11.1.

Issuer of shares	CMP PAO, OGRN 1027402812777
Quantity of shares	684 880 (Six hundred eighty-four thousand eight hundred eighty) pieces, which is 21.66 (Twenty –one point sixty-six) percent minus 2 (Two) ordinary shares of the Issuer’s equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-00080-A

The Parties estimate the pledge subject defined in this Clause at 684,880.00 (Six hundred eighty-four thousand eight hundred eighty 00/100) rubles.

- 1.1.11.2.

Issuer of shares	Urals Stampings Plant PAO, OGRN 1027401141240
Quantity of shares	136 942 (One hundred thirty-six thousand nine hundred forty-two) pieces, which is 25 (Twenty-five) percent plus 1 (One) ordinary shares of the Issuer’s equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary

The Parties estimate the pledge subject defined in this Clause at 136,942.00 (One hundred thirty-six thousand nine hundred forty-two 00/100) rubles.

For the avoidance of any doubts the cost of the above listed pledge subjects is not the disposal price or the selling price (the starting sale price) of the pledge subject for the enforcement of the pledge subject.

Till the moment of the pledge termination the rights of the shareholder of the Issuer of shares (including the right to vote at the general shareholders' meeting of the Issuer of shares and to participate in the management of the Issuer of shares) rest with the Pledgor except for the case if the Issuer of shares received a written notification from the Pledgee informing that the procedure of the pledge disposal was initiated due to the fact that the Borrower failed to fulfill its obligations under Facility Agreement or the Pledgor failed to fulfill its obligations under Pledge Agreement. The shareholder rights confirmed by shares (all of them or the ones listed in the notification) belong to the Pledgee starting from the moment such notification was received by Issuer of shares. Respective notification shall be sent to the Pledgor as well.

In case if the Issuer of shares issues shares in addition to the existing ones that were pledged with the Pledgee or to replace them as per effective procedure in accordance with the active RF law (by means of conversion, change of rights, adjustment of the par value, consolidation, splitting, Issuer's reorganization and by any other means) the shares received by Pledgor as a result of such issue as well as the shares of the Issuer that are to be additionally accrued to the Pledgor's depot account (including the shares the rights of ownership for which appeared as a result of additional issue as a result of other transactions) shall be considered to be pledged with the Pledgee in such quantity that the quantity of shares pledged with the Pledgee would be not less than the percentage of the total quantity of shares in the Issuer's equity stated in Clauses 1.1.11.1. – 1.1.11.2. of the present resolution.

In case of Issuer's reorganization in accordance with the active RF law into a legal entity of another type (another organizational and legal form), the Pledgor shall transfer the shares (deposits) of the equity of the newly established legal entity received by it as a result of such reorganization to the Pledgee and comply with the condition related to the certain quantity of shares (deposits) amounting to the certain percentage of the Issuer's equity that shall be pledged with the Pledgee defined in Clauses 1.1.11.1. – 1.1.11.2. of this resolution not later than 30 (Thirty) calendar days from the date of the state registration of the legal entity established as a result of reorganization.

It is possible for the Pledgor to sign a Secondary Pledge Agreement with a third party if the following conditions are met:

- 1) The secondary pledge agreement shall stipulate the same procedure for the enforcement of the pledge subject and the same ways of the disposal of the pledged property as in Contract;
- 2) The secondary pledge agreement shall prohibit the secondary pledgee to claim for the accelerated performance by the debtor of its obligation secured for by secondary pledge in case if the previous Pledgor enforced collateral on the pledged property;
- 3) If the collateral is enforced on the pledge subject by secondary pledger, the previous Pledgor will also claim for collateral enforcement on the pledged property. In this case the right to choose the enforcement proceeding and the way the pledged property is to be disposed of shall rest with the previous Pledgor. The estimator and auctioneer and the selling price shall be defined as per terms and conditions of the Pledge Agreement signed with the previous Pledgor.

In case of non-fulfillment or undue fulfillment of any of the Obligations and in other cases provided for the active legislation the Pledgor is entitled to choose at its own discretion whether to enforce collateral on the pledge subject within judicial enforcement proceeding or within extrajudicial enforcement proceeding, including in any combination of the following:

- in case of judicial enforcement:
  - by means of selling the pledge subject at open auction within enforcement proceeding;
  - by means of selling the pledge subject by Pledgee to a third party (third parties);
  - by means of retention of title of the pledge subject by Pledgee;
- in case of extrajudicial enforcement:
  - by means of selling the pledge subject within tendering procedures

The Pledgee shall be entitled at its own discretion to enforce collateral both on the whole pledge subject and on certain shares that are a part of the pledge subject and retains its right to enforce collateral on the remaining shares that are parts of the pledge subject.

- 1.1.12. The security on form of signing a Suretyship Agreement and Pledge Agreement shall remain valid till April 6, 2023 (inclusively). There shall be an early termination of the Security in case of termination of the secured Obligations.

**1.2. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company** by entering into the Amendment Agreement to Suretyship Agreement No. KC-743000/2008/00104-II/3 signed between Mechel, a Public Joint Stock Company (Surety, Pledgor), and VTB Bank (Public Joint Stock Company) (Bank) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No. KC-743000/2008/00104-Д3/5, Secondary Share Pledge Agreement No. KC-743000/2008/00104-Д3/4 between the Bank and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the complete fulfillment by Coal Company Southern Kuzbass, a Public Joint Stock Company (hereinafter referred to as the “Borrower”), of its obligations in respect of the Bank under Facility Agreement No. KC-743000/2008/00104 dd. November 26, 2008 signed between the Creditor and the Borrower with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the following material terms and conditions:

Terms and Definitions used:

- “Credit/Credits” – funds granted by Creditor to Borrower based on the terms and conditions of the Facility Agreement;
- “Principal” – at any effective date of the Facility Agreement it is the amount of the Credit/Credits granted and not repaid, including not repaid within the timelines stipulated by Facility Agreement;
- “Mechel Group” is Mechel PAO and the companies for which the method of direct consolidation is used when including such

companies into US GAAP or IFRS consolidated financial statements of Mechel PAO;

“VTB Group” – VTB Bank (PJSC) and its subsidiaries included into the Creditor’s IFRS consolidated financial statements;

“Amendment” – Amendment Agreement No. 18 dd. September 09, 2015 to Facility Agreement No. KC-743000/2008/00104 dd. November 26, 2008 introducing amendments to Facility Agreement No. KC-743000/2008/00104 dd. November 26, 2008;

“Overdue payment” – financial liability not fulfilled by Borrower within the timelines stated by Facility Agreement;

“PXF Creditors” – creditors under facility agreement signed between Southern Kuzbass PAO and a syndicate of banks on September 06, 2010 (with further amendments and modifications) and under facility agreement signed between HC Yakutugol AO and a syndicate of banks on September 06, 2010 (with further amendments and modifications);

“CB RF key rate” – the Key rate of the Central Bank of the Russian Federation calculated on a daily basis based on the information published in the official web-site of the Central Bank of the Russian Federation (<http://cbr.ru> or any other official site of the Central Bank of the Russian Federation in case the above mentioned site is changed). In case if the Key rate of the Central Bank of the Russian Federation is cancelled and/or no more used by the Central Bank of the Russian Federation to define the cost of borrowing for the creditors of the Russian Federation, interest rates are to be calculated based on the similar rates used by the Central Bank of the Russian Federation to define the cost of refinancing by means of repot transactions and/or pledge of non-market assets depending on which of them is higher;

Under the Surety Agreement and Pledge Agreements Mechel, a Public Joint Stock Company, shall bear full responsibility for the Borrower’s fulfillment of obligations under Facility Agreement, including:

1.2.1. Credits repayment under Facility Agreement amounting to 10,007,537,959.18 (Ten billion seven million five hundred thirty-seven thousand nine hundred fifty-nine 18/100) rubles.

Credit repayment (redemption) shall be effected in equal installments on a monthly basis on the date of interest payment, in particular: on the sixth day of each month following the month when the interest was repaid for the first time, starting from April 6, 2017 (the date of the first payment to repay the Principal) and also on the date of final repayment of the Principal in full scale that is on April 6, 2020 (inclusively).

1.2.2. Repayment of the interest on Credit under the Facility Agreement based on the following rate:

a) From September 09, 2015 till January 6, 2018 (inclusively): Key rate of the Central Bank of the Russian Federation plus 2.35 (two point thirty-five) percent per annum.

b) from January 7, 2018 (inclusively): Key rate of the Central Bank of the Russian Federation plus 2.99 (two point ninety-nine) percent per annum.

The revision of the CB RF Key rate shall be on a daily basis. In case if the CB RF Key rate changes the interest rate under the Credit shall be adjusted respectively by value of the respective CB RF Key rate change on the date such changed CB RF Key rate becomes effective.

Interest shall be accrued on the Principal starting from the date the Amendment is signed by authorized representatives of the Parties and till the date of final repayment of the Credit/Credits and shall be paid as follows:

– the first repayment of the interest accrued on the balance of the effective Principal starting from the date the Amendment was signed shall be on October 6, 2015 and from thereon such interest repayment shall be on day 6 (six) of each month following the month when the first interest repayment was made and also on the date of final repayment of the Credit in full scale, i.e. on April 06, 2020.

In case of Overdue Principal payment the final interest repayment shall be on the date of final Credits fact repayment (redemption).

1.2.3. The interest accrued but not repaid before the date the Amendment was signed shall be repaid in equal installments on day 6 and 21 of each month till December 21, 2015 (inclusively) starting from October 06, 2015.

1.2.4. The interest rate on the Credit shall be unilaterally increased by Creditor by 1 (One) percent per annum in case of non-fulfillment or undue fulfillment of the obligation stated in Sub-clause 17) of Clause 5.1. of the Facility Agreement, in particular:

Starting from the 1<sup>st</sup> (First) day of the second month of the quarter following the quarter when the Amendment was signed the Borrower shall provide for the total quarterly (for each calendar quarter) revenues received from sales by Mechel Group companies (except for Kuzbass Power Sales Company PAO), including the revenues received from Mechel Group companies be available on Settlement accounts and Settlement accounts in foreign currency opened in the Bank in arrears and the share of such revenues in the total volume of the revenues received from sales in banks shall correspond to the total loan indebtedness of Mechel Group companies before VTB Group in the total indebtedness of Mechel Group before all credit companies in the respective quarter.

Such adjusted interest rate shall become effective starting from the start date of the interest period following the interest period within which the above mentioned obligation was violated and till the start date of the interest period following the interest period within which the obligation stated in Sub-clause 17) of Clause 5.1. of the Facility Agreement and stated in Clause 1.2.4 of this resolution was fulfilled in a due manner (inclusively).

The interest rate shall be considered adjusted without signing an amendment agreement. A written notification (in any form) shall be sent by Creditor to the Borrower informing the latter on the fact that the interest rate was increased. The above mentioned notification is to be sent by courier or by registered mail with the list of enclosures and recorded delivery. A copy of the notification shall be forwarded to the Surety;

1.2.5. In case of untimely repayment of the Principal a penalty (fine) amounting to 1/365 (366) (One three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.2.2. of this resolution on the amount of the Overdue Principal payment for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue Principal payment;

1.2.6. In case of untimely repayment of the interest/charges a penalty (fine) amounting to 2/365 (366) (Two three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.2.2. of this resolution on the amount of the Overdue interest and/or charges payment by Credit and/or other payments under Facility Agreement for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue interest and/or charges payment;

1.2.7. A penalty amounting to 10,000.00 (Ten thousand 00/100) rubles shall be charged by Creditor and paid by Borrower for each case of non-fulfillment or undue fulfillment by Borrower of each of the obligations related to the timely provision to the Creditor of the letters confirming the absence of outstanding tax liabilities and outstanding liabilities to non-budgetary funds and of the letters informing on the amendments to the constituent documents of the Borrower and any of the Sureties stated in the Facility Agreement within the timelines stipulated;

1.2.8. Early Credits repayment (redemption) shall be in the amount and in accordance with the order and procedure defined in Sub-clause 20) of Clause 5.1. of the Facility Agreement, in particular:

In case if the debt of Mechel Group (under facility agreements) to any of the below listed creditors – Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Creditors (collectively referred to as the “Other Major Creditors” and each separately referred to as “Another Major Creditor”) decreases, the debt of Mechel Group to the Creditor shall be subject to early repayment within 10 (Ten) Business days after such debt decrease (if the Creditor does not completely or partially refuse in writing from its right to get such early repayment) and the amount of such early repayment shall be not less than the least share of the debt of Mechel Group to such Creditor (before respective decrease) in the total amount of the debt of Mechel Group to such Creditor.

1.2.9. The Creditor shall be compensated for the expenses and losses borne by it due to the fulfillment of its obligations under the Facility Agreement and that shall be reimbursed by Borrower in accordance with the terms and conditions of the Facility Agreement as well as

the expenses and losses borne by it due to Borrower's non-fulfillment or undue fulfillment of its Obligations under Facility Agreement;

1.2.10. The funds borrowed to the Borrower and the interest on money had and received shall be reimbursed in full scale in case of the invalidity of the Facility Agreement. The Suretyship under Contract is joint and several.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement the Surety shall pay to the Bank a penalty amounting to 1/365 (1/366) (One three hundred sixty-fifth (One three hundred sixty-sixth)) of the maximum effective interest rate under Facility Agreement of the amount of such non-fulfilled or unduly fulfilled obligation for each day of delinquency. The penalty is to be accrued starting from the date following the date when the Surety's obligation under the Surety Agreement shall be fulfilled and till the date such obligations are completely and duly fulfilled by it inclusively. The penalty shall be paid by Surety based on Creditor's request on the date of the final fulfillment of the overdue obligation.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement related to the provision of certain documents the Surety shall pay to the Bank a penalty amounting to 10,000.00 (Ten thousand) rubles for each case of non-fulfillment or undue fulfillment of each of the obligations. The penalty is to be paid within 10 (Ten) calendar days after respective request to pay such penalty was received from the Bank.

A loss of any of the security for the Borrower's fulfillment of its obligations, including the one that had existed for the moment the Surety undertook its suretyship obligation under Surety Agreement or worsening of the terms of securing for the Borrower's fulfillment of its obligations due to any circumstances shall not be the ground for relieving the Surety of its responsibility and shall not result in the decreasing of the amount of Surety's liability under Surety Agreement.

1.2.11. The following pledge subject is pledged by Pledgor with the Pledgee to secure for the fulfillment of the Obligations:

1.2.11.1.

Issuer of shares	Urals Stampings Plant PAO, OGRN 1027401141240
Quantity of shares	136 942 (One hundred thirty-six thousand nine hundred forty-two) pieces, which is 25 (Twenty-five) percent plus 1 (One) ordinary share of the Issuer's equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-32341-D

The Parties estimate the pledge subject defined in this Clause at 136,942.00 (One hundred thirty-six thousand nine hundred forty-two 00/100) rubles.

1.2.11.2.

Issuer of shares	CMP PAO, OGRN 1027402812777
Quantity of shares	684 880 (Six hundred eighty-four thousand eight hundred eighty) pieces, which is 21.66 (Twenty-one point sixty-six) percent minus 2 (Two) ordinary shares of the Issuer's equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-00080-A

The Parties estimate the pledge subject defined in this Clause at 684,880.00 (Six hundred eighty-four thousand eight hundred eighty 00/100) rubles.

For the avoidance of any doubts the cost of the above listed pledge subjects is not the disposal price or the selling price (the starting sale price) of the pledge subject for the enforcement of the pledge subject.

Till the moment of the pledge termination the rights of the shareholder of the Issuer of shares (including the right to vote at the general shareholders' meeting of the Issuer of shares and to participate in the management of the Issuer of shares) rest with the Pledgor except for the case if the Issuer of shares received a written notification from the Pledgee informing that the procedure of the pledge disposal was initiated due to the fact that the Borrower failed to fulfill its obligations under Facility Agreement or the Pledgor failed to fulfill its obligations under Pledge Agreement. The shareholder rights confirmed by shares (all of them or the ones listed in the notification) belong to the Pledgee starting from the moment such notification was received by Issuer of shares. Respective notification shall be sent to the Pledgor as well.

In case if the Issuer of shares issues shares in addition to the existing ones that were pledged with the Pledgee or to replace them as per effective procedure in accordance with the active RF law (by means of conversion, change of rights, adjustment of the par value, consolidation, splitting, Issuer's reorganization and by any other means) the shares received by Pledgor as a result of such issue as well as the shares of the Issuer that are to be additionally accrued to the Pledgor's depot account (including the shares the rights of ownership for which appeared as a result of additional issue as a result of other transactions) shall be considered to be pledged with the Pledgee in such quantity that the quantity of shares pledged with the Pledgee would be not less than the percentage of the total quantity of shares in the Issuer's equity stated in Clauses 1.2.11.1. – 1.2.11.2. of the present resolution.

In case of Issuer's reorganization in accordance with the active RF law into a legal entity of another type (another organizational and legal form), the Pledgor shall transfer the shares (deposits) of the equity of the newly established legal entity received by it as a result of such reorganization to the Pledgee and comply with the condition related to the certain quantity of shares (deposits) amounting to the certain percentage of the Issuer's equity that shall be pledged with the Pledgee defined in Clauses 1.2.11.1. – 1.2.11.2. of this resolution not later than 30 (Thirty) calendar days from the date of the state registration of the legal entity established as a result of reorganization.

It is possible for the Pledgor to sign a Secondary Pledge Agreement with a third party if the following conditions are met:

- 1) The secondary pledge agreement shall stipulate the same procedure for the enforcement of the pledge subject and the same ways of the disposal of the pledged property as in Contract;

- 2) The secondary pledge agreement shall prohibit the secondary pledgee to claim for the accelerated performance by the debtor of its obligation secured for by secondary pledge in case if the previous Pledger enforced collateral on the pledged property;
- 3) If the collateral is enforced on the pledge subject by secondary pledger, the previous Pledgor will also claim for collateral enforcement on the pledged property. In this case the right to choose the enforcement proceeding and the way the pledged property is to be disposed of shall rest with the previous Pledgor. The estimator and auctioneer and the selling price shall be defined as per terms and conditions of the Pledge Agreement signed with the previous Pledgor.

In case of non-fulfillment or undue fulfillment of any of the Obligations and in other cases provided for the active legislation the Pledgor is entitled to choose at its own discretion whether to enforce collateral on the pledge subject within judicial enforcement proceeding or within extrajudicial enforcement proceeding, including in any combination of the following:

- 1) in case of judicial enforcement:
  - by means of selling the pledge subject at open auction within enforcement proceeding;
  - by means of selling the pledge subject by Pledgee to a third party (third parties);
  - by means of retention of title of the pledge subject by Pledgee;
- 2) in case of extrajudicial enforcement:
  - by means of selling the pledge subject within tendering procedures

The Pledgee shall be entitled at its own discretion to enforce collateral both on the whole pledge subject and on certain shares that are a part of the pledge subject and retains its right to enforce collateral on the remaining shares that are parts of the pledge subject

1.2.12. The security on form of signing a Suretyship Agreement and Pledge Agreement shall remain valid till April 6, 2023 (inclusively). There shall be an early termination of the Security in case of termination of the secured Obligations.

**1.3. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company,** by entering into the Amendment Agreement to Suretyship Agreement No.K2600/10-0709JIB/Д000-П/4 signed between Mechel, a Public Joint Stock Company (Surety, Pledgor), and VTB Bank (Public Joint Stock Company) (Bank, Pledgee) (hereinafter with the consideration of the Amendment Agreement – the “Suretyship Agreement”), as well as Secondary Share Pledge Agreement No.K2600/10-0709JIB-Д3/5 and Secondary Share Pledge Agreement No. K2600/10-0709JIB-Д3/4 between the Pledgee and the Pledgor (each of them is hereinafter referred to as the “Agreement” and together referred to as the “Pledge Agreements”) in order to secure for the complete fulfillment by Coal Company Southern Kuzbass, a Public Joint Stock Company (hereinafter referred to as the “Borrower”) of its obligations in respect of the Bank under Facility Agreement No. K2600/10-0709JIB/Д000 dd. February 07, 2011 signed between the Creditor and the Borrower with the consideration of all amendments and modifications (hereinafter referred to as the “Facility Agreement”) on the following material terms and conditions:

Terms and Definitions used:

- “Credit/Credits” – funds granted by Creditor to Borrower based on the terms and conditions of the Facility Agreement;
- “Principal” – at any effective date of the Facility Agreement it is the amount of the Credit/Credits granted and not repaid, including not repaid within the timelines stipulated by Facility Agreement;
- “Mechel Group” is Mechel PAO and the companies for which the method of direct consolidation is used when including such companies into US GAAP or IFRS consolidated financial statements of Mechel PAO;
- “VTB Group” – VTB Bank (PJSC) and its subsidiaries included into the Creditor’s IFRS consolidated financial statements;
- “Amendment” – Amendment Agreement No. 8 dd. September 09, 2015 to Facility Agreement No. K2600/10-0709JIB/Д000 dd. February 07, 2011 introducing amendments to Facility Agreement No. K2600/10-0709JIB/Д000 dd. February 07, 2011;
- “Overdue payment” – financial liability not fulfilled by Borrower within the timelines stated by Facility Agreement;
- “PXF Creditors” – creditors under facility agreement signed between Southern Kuzbass PAO and a syndicate of banks on September 06, 2010 (with further amendments and modifications) and under facility agreement signed between HC Yakutugol AO and a syndicate of banks on September 06, 2010 (with further amendments and modifications);
- “CB RF key rate” – the Key rate of the Central Bank of the Russian Federation calculated on a daily basis based on the information published in the official web-site of the Central Bank of the Russian Federation (<http://cbr.ru> or any other official site of the Central Bank of the Russian Federation in case the above mentioned site is changed). In case if the Key rate of the Central Bank of the Russian Federation is cancelled and/or no more used by the Central Bank of the Russian Federation to define the cost of borrowing for the creditors of the Russian Federation, interest rates are to be calculated based on the similar rates used by the Central Bank of the Russian Federation to define the cost of refinancing by means of repot transactions and/or pledge of non-market assets depending on which of them is higher;

Under the Surety Agreement and Pledge Agreements Mechel, a Public Joint Stock Company, shall bear full responsibility for the Borrower’s fulfillment of obligations under Facility Agreement, including:

1.3.1 Credits repayment under Facility Agreement amounting to 1,644,551,689.76 (One billion six hundred forty-four million five hundred fifty-one thousand six hundred eighty-nine 76/100) rubles.

Credit repayment (redemption) shall be effected in equal installments on a monthly basis on the date of interest payment, in particular: on the sixth day of each month following the month when the interest was repaid for the first time, starting from April 6, 2017 (the date of the first payment to repay the Principal) and also on the date of final repayment of the Principal in full scale that is on April 6, 2020 (inclusively).

1.3.2 Repayment of the interest on Credit under the Facility Agreement based on the following rate:

- a) Key rate of the Central Bank of the Russian Federation plus 2.35 (two point thirty-five) percent per annum – from September 09, 2015 till January 6, 2018 (inclusively).
- b) Key rate of the Central Bank of the Russian Federation plus 2.99 (two point ninety-nine) percent per annum – from January 7, 2018 (inclusively).

The revision of the CB RF Key rate shall be on a daily basis. In case if the CB RF Key rate changes the interest rate under the Credit shall be adjusted respectively by value of the respective CB RF Key rate change on the date such changed CB RF Key rate becomes effective.

Interest shall be accrued on the Principal starting from the date the Amendment is signed by authorized representatives of the Parties and till the date of final repayment of the Credit/Credits and shall be paid as follows:

- the first repayment of the interest accrued on the balance of the effective Principal starting from the date the Amendment was signed shall be on October 6, 2015 and from thereon such interest repayment shall be on day 6 (six) of each month following the month when the first



interest repayment was made and also on the date of final repayment of the Credit in full scale, i.e. on April 06, 2020. In case of Overdue Principal payment the final interest repayment shall be on the date of final Credits fact repayment (redemption).

1.3.3. The interest accrued but not repaid before the date the Amendment was signed shall be repaid in equal installments on day 6 and 21 of each month till December 21, 2015 (inclusively) starting from October 06, 2015.

1.3.4. The interest rate on the Credit shall be unilaterally increased by Creditor by 1 (One) percent per annum in case of non-fulfillment or undue fulfillment of the obligation stated in Sub-clause 17) of Clause 5.1. of the Facility Agreement, in particular:

Starting from the 1<sup>st</sup> (First) day of the second month of the quarter following the quarter when the Amendment was signed the Borrower shall provide for the total quarterly (for each calendar quarter) revenues received from sales by Mechel Group companies (except for Kuzbass Power Sales Company PAO), including the revenues received from Mechel Group companies be available on Settlement accounts and Settlement accounts in foreign currency opened in the Bank in arrears and the share of such revenues in the total volume of the revenues received from sales in banks shall correspond to the total loan indebtedness of Mechel Group companies before VTB Group in the total indebtedness of Mechel Group before all credit companies in the respective quarter.

Such adjusted interest rate shall become effective starting from the start date of the interest period following the interest period within which the above mentioned obligation was violated and till the start date of the interest period following the interest period within which the obligation stated in Sub-clause 17) of Clause 5.1. of the Facility Agreement and stated in Clause 1.3.4 of this resolution was fulfilled in a due manner (inclusively).

The interest rate shall be considered adjusted without signing an amendment agreement. A written notification (in any form) shall be sent by Creditor to the Borrower informing the latter on the fact that the interest rate was increased. The above mentioned notification is to be sent by courier or by registered mail with the list of enclosures and recorded delivery. A copy of the notification shall be forwarded to the Surety;

1.3.5 In case of untimely repayment of the Principal a penalty (fine) amounting to 1/365 (366) (One three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.3.2. of this resolution on the amount of the Overdue Principal payment for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue Principal payment;

1.3.6 In case of untimely repayment of the interest/charges a penalty (fine) amounting to 2/365 (366) (Two three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.3.2. of this resolution on the amount of the Overdue interest and/or charges payment by Credit and/or other payments under Facility Agreement for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue interest and/or charges payment;

1.3.7 A penalty amounting to 10,000.00 (Ten thousand 00/100) rubles shall be charged by Creditor and paid by Borrower for each case of non-fulfillment or undue fulfillment by Borrower of each of the obligations related to the timely provision to the Creditor of the letters confirming the absence of outstanding tax liabilities and outstanding liabilities to non-budgetary funds and of the letters informing on the amendments to the constituent documents of the Borrower and any of the Sureties stated in the Facility Agreement within the timelines stipulated;

1.3.8 Early Credits repayment (redemption) shall be in the amount and in accordance with the order and procedure defined in Sub-clause 20) of Clause 5.1. of the Facility Agreement, in particular:

Early Credits repayment (redemption) shall be in the amount and in accordance with the order and procedure defined in Sub-clause 20) of Clause 5.1. of the Facility Agreement, in particular:

In case if the debt of Mechel Group (under facility agreements) to any of the below listed creditors – Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Creditors (collectively referred to as the “Other Major Creditors” and each separately referred to as “Another Major Creditor”) decreases, the debt of Mechel Group to the Creditor shall be subject to early repayment within 10 (Ten) Business days after such debt decrease (if the Creditor does not completely or partially refuse in writing from its right to get such early repayment) and the amount of such early repayment shall be not less than the least share of the debt of Mechel Group to such Creditor (before respective decrease) in the total amount of the debt of Mechel Group to such Creditor.

1.3.9 The Creditor shall be compensated for the expenses and losses borne by it due to the fulfillment of its obligations under the Facility Agreement and that shall be reimbursed by Borrower in accordance with the terms and conditions of the Facility Agreement as well as the expenses and losses borne by it due to Borrower’s non-fulfillment or undue fulfillment of its Obligations under Facility Agreement;

1.3.10 The funds borrowed to the Borrower and the interest on money had and received shall be reimbursed in full scale in case of the invalidity of the Facility Agreement.

The Suretyship under Contract is joint and several.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement the Surety shall pay to the Bank a penalty amounting to 1/365 (1/366) (One three hundred sixty-fifth (One three hundred sixty-sixth)) of the maximum effective interest rate under Facility Agreement of the amount of such non-fulfilled or unduly fulfilled obligation for each day of delinquency. The penalty is to be accrued starting from the date following the date when the Surety’s obligation under the Surety Agreement shall be fulfilled and till the date such obligations are completely and duly fulfilled by it inclusively. The penalty shall be paid by Surety based on Creditor’s request on the date of the final fulfillment of the overdue obligation..

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement related to the provision of certain documents the Surety shall pay to the Bank a penalty amounting to 10,000.00 (Ten thousand) rubles for each case of non-fulfillment or undue fulfillment of each of the obligations. The penalty is to be paid within 10 (Ten) calendar days after respective request to pay such penalty was received from the Bank.

A loss of any of the security for the Borrower's fulfillment of its obligations, including the one that had existed for the moment the Surety undertook its suretyship obligation under Surety Agreement or worsening of the terms of securing for the Borrower’s fulfillment of its obligations due to any circumstances shall not be the ground for relieving the Surety of its responsibility and shall not result in the decreasing of the amount of Surety’s liability under Surety Agreement.

1.3.11. The following pledge subject is pledged by Pledgor with the Pledgee to secure for the fulfillment of the Obligations:

1.3.11.1.

Issuer of shares	CMP PAO, OGRN 1027402812777
Quantity of shares	(Six hundred eighty-four thousand eight hundred eighty) pieces, which is 21.66 (Twenty –one point sixty-six) percent minus 2 (Two) ordinary shares of the Issuer’s equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-00080-A

The Parties estimate the pledge subject defined in this Clause at 684,880.00 (Six hundred eighty-four thousand eight hundred eighty 00/100) rubles.

#### 1.3.11.2.

Issuer of shares	Urals Stampings Plant PAO, OGRN 1027401141240
Quantity of shares	136 942 (One hundred thirty-six thousand nine hundred forty-two) pieces, which is 25 (Twenty-five) percent plus 1 (One) ordinary shares of the Issuer's equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-32341-D

The Parties estimate the pledge subject defined in this Clause at 136,942.00 (One hundred thirty-six thousand nine hundred forty-two 00/100) rubles.

For the avoidance of any doubts the cost of the above listed pledge subjects is not the disposal price or the selling price (the starting sale price) of the pledge subject for the enforcement of the pledge subject.

Till the moment of the pledge termination the rights of the shareholder of the Issuer of shares (including the right to vote at the general shareholders' meeting of the Issuer of shares and to participate in the management of the Issuer of shares) rest with the Pledgor except for the case if the Issuer of shares received a written notification from the Pledgee informing that the procedure of the pledge disposal was initiated due to the fact that the Borrower failed to fulfill its obligations under Facility Agreement or the Pledgor failed to fulfill its obligations under Pledge Agreement. The shareholder rights confirmed by shares (all of them or the ones listed in the notification) belong to the Pledgee starting from the moment such notification was received by Issuer of shares. Respective notification shall be sent to the Pledgor as well.

In case if the Issuer of shares issues shares in addition to the existing ones that were pledged with the Pledgee or to replace them as per effective procedure in accordance with the active RF law (by means of conversion, change of rights, adjustment of the par value, consolidation, splitting, Issuer's reorganization and by any other means) the shares received by Pledgor as a result of such issue as well as the shares of the Issuer that are to be additionally accrued to the Pledgor's depot account (including the shares the rights of ownership for which appeared as a result of additional issue as a result of other transactions) shall be considered to be pledged with the Pledgee in such quantity that the quantity of shares pledged with the Pledgee would be not less than the percentage of the total quantity of shares in the Issuer's equity stated in Clauses 1.3.11.1. – 1.3.11.2. of the present resolution.

In case of Issuer's reorganization in accordance with the active RF law into a legal entity of another type (another organizational and legal form), the Pledgor shall transfer the shares (deposits) of the equity of the newly established legal entity received by it as a result of such reorganization to the Pledgee and comply with the condition related to the certain quantity of shares (deposits) amounting to the certain percentage of the Issuer's equity that shall be pledged with the Pledgee defined in Clauses 1.3.11.1. – 1.3.11.2. of this resolution not later than 30 (Thirty) calendar days from the date of the state registration of the legal entity established as a result of reorganization.

It is possible for the Pledgor to sign a Secondary Pledge Agreement with a third party if the following conditions are met:

- 1) The secondary pledge agreement shall stipulate the same procedure for the enforcement of the pledge subject and the same ways of the disposal of the pledged property as in Contract;
- 2) The secondary pledge agreement shall prohibit the secondary pledgee to claim for the accelerated performance by the debtor of its obligation secured for by secondary pledge in case if the previous Pledgor enforced collateral on the pledged property;
- 3) If the collateral is enforced on the pledge subject by secondary pledger, the previous Pledgor will also claim for collateral enforcement on the pledged property. In this case the right to choose the enforcement proceeding and the way the pledged property is to be disposed of shall rest with the previous Pledgor. The estimator and auctioneer and the selling price shall be defined as per terms and conditions of the Pledge Agreement signed with the previous Pledgor.

In case of non-fulfillment or undue fulfillment of any of the Obligations and in other cases provided for the active legislation the Pledgor is entitled to choose at its own discretion whether to enforce collateral on the pledge subject within judicial enforcement proceeding or within extrajudicial enforcement proceeding, including in any combination of the following:

- in case of judicial enforcement:
  - by means of selling the pledge subject at open auction within enforcement proceeding;
  - by means of selling the pledge subject by Pledgee to a third party (third parties);
  - by means of retention of title of the pledge subject by Pledgee;
- in case of extrajudicial enforcement:
  - by means of selling the pledge subject within tendering procedures

The Pledgee shall be entitled at its own discretion to enforce collateral both on the whole pledge subject and on certain shares that are a part of the pledge subject and retains its right to enforce collateral on the remaining shares that are parts of the pledge subject.

1.3.12. The security on form of signing a Suretyship Agreement and Pledge Agreement shall remain valid till April 6, 2023 (inclusively). There shall be an early termination of the Security in case of termination of the secured Obligations.

**1.4. Approve as a related party transaction the provision of security by Mechel, a Public Joint Stock Company**, by entering into the Amendment Agreement to Suretyship Agreement No. 3732 - П/4 signed between Mechel, a Public Joint Stock Company (hereinafter referred to as the "Surety", "Pledgor"), and VTB Bank (Public Joint Stock Company) (hereinafter referred to as the "Bank" and/or "Creitor", "Pledgee") (hereinafter with the consideration of the Amendment Agreement – the "Suretyship Agreement"), as well as Secondary Share Pledge Agreement No. 3732-Д3/4 and Secondary Share Pledge Agreement No. 3732-Д3/5 between the Pledgee and the Pledgor (each of them is hereinafter referred to as the "Agreement" and together referred to as the "Pledge Agreements") in order to secure for the complete fulfillment by Chelyabinsk Metallurgical Plant, a Public Joint Stock Company (hereinafter referred to as the "Borrower"), of its obligations in respect of the Bank under Facility Agreement No. 3732 dd. September 09, 2015 with the consideration of all amendments and modifications (hereinafter referred to as the "Facility Agreement") on the following material terms and conditions:

"Credit/Credits" – funds granted by Creditor to Borrower based on the terms and conditions of the Facility Agreement;

"Principal" – at any effective date of the Facility Agreement it is the amount of the Credit/Credits granted and not repaid, including not repaid within the timelines stipulated by Facility Agreement;

"Mechel Group" is Mechel PAO and the companies for which the method of direct consolidation is used when including such companies into US GAAP or IFRS consolidated financial statements of Mechel PAO;

"VTB Group" – VTB Bank (PJSC) and its subsidiaries included into the Creditor's IFRS consolidated financial statements;

"Overdue payment" – financial liability not fulfilled by Borrower within the timelines stated by Facility Agreement;

"PXF Creditors" – creditors under facility agreement signed between Southern Kuzbass PAO and a syndicate of banks on September 06, 2010 (with further amendments and modifications) and under facility agreement signed between HC Yakutugol AO and a syndicate of banks on September 06, 2010 (with further amendments and modifications);

"CB RF key rate" – the Key rate of the Central Bank of the Russian Federation calculated on a daily basis based on the information published in the official web-site of the Central Bank of the Russian Federation (<http://cbr.ru> or any other official site of the Central Bank of the Russian Federation in case the above mentioned site is changed). In case if the Key rate of the Central Bank of the Russian Federation is cancelled and/or no more used by the Central Bank of the Russian Federation to define the cost of borrowing for the creditors of the Russian Federation, interest rates are to be calculated based on the similar rates used by the Central Bank of the Russian Federation to define the cost of refinancing by means of repot transactions and/or pledge of non-market assets depending on which of them is higher;

1.4.1. Under the Surety Agreement and Pledge Agreements Mechel, a Public Joint Stock Company, shall bear full responsibility for the Borrower's fulfillment of obligations under Facility Agreement, including:

1.4.1.1. Credits repayment under Facility Agreement amounting to 11,000,000,000.00 (Eleven billion 00/100) rubles.

Credit repayment (redemption) shall be effected in equal installments on a monthly basis on the date of interest payment, in particular: on the sixth day of each month following the month when the interest was repaid for the first time, starting from April 6, 2017 (the date of the first payment to repay the Principal) and also on the date of final repayment of the Principal in full scale that is on April 6, 2020 (inclusively).

1.4.1.2. Repayment of the interest on Credit under the Facility Agreement based on the following rate:

a) Key rate of the Central Bank of the Russian Federation plus 2.35 (two point thirty-five) percent per annum – from September 09, 2015 till January 6, 2018 (inclusively).

b) Key rate of the Central Bank of the Russian Federation plus 2.99 (two point ninety-nine) percent per annum – from January 7, 2018 (inclusively).

The revision of the CB RF Key rate shall be on a daily basis. In case if the CB RF Key rate changes the interest rate under the Credit shall be adjusted respectively by value of the respective CB RF Key rate change on the date such changed CB RF Key rate becomes effective.

Interest shall be accrued on the Principal amount and shall be repaid by Borrower as follows: interest to be paid on a monthly basis on day (Six) of each month starting from the date the first Credit was granted within the Facility line as well as on the final date of the Facility line repayment, i.e. on April 06, 2020 (inclusively). In case of Overdue Principal payment the final interest repayment shall be on the date of final Credits fact repayment (redemption).

1.4.1.2.1. The interest rate on the Credit shall be unilaterally increased by Creditor by 1 (One) percent per annum in case of non-fulfillment or undue fulfillment of the obligation stated in Sub-clause 20) of Clause 9.1. of the Facility Agreement, in particular:

Starting from the 1<sup>st</sup> (First) day of the second month of the quarter following the quarter when the Amendment was signed the Borrower shall provide for the total quarterly (for each calendar quarter) revenues received from sales by Mechel Group companies (except for Kuzbass Power Sales Company PAO), including the revenues received from Mechel Group companies be available on Settlement accounts and Settlement accounts in foreign currency opened in the Bank in arrears and the share of such revenues in the total volume of the revenues received from sales in banks shall correspond to the total loan indebtedness of Mechel Group companies before VTB Group in the total indebtedness of Mechel Group before all credit companies in the respective quarter.

Such adjusted interest rate shall become effective starting from the start date of the interest period following the interest period within which the above mentioned obligation was violated and till the start date of the interest period following the interest period within which the obligation stated in Sub-clause 20) of Clause 9.1. of the Facility Agreement was fulfilled in a due manner (inclusively).

The interest rate shall be considered adjusted without signing an amendment agreement. A written notification (in any form) shall be sent by Creditor to the Borrower informing the latter on the fact that the interest rate was increased. The above mentioned notification is to be sent by courier or by registered mail with the list of enclosures and recorded delivery. A copy of the notification shall be forwarded to the Surety.

1.4.1.3. In case of untimely repayment of the Principal a penalty (fine) amounting to 1/365 (366) (One three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.4.1.2. of this resolution on the amount of the Overdue Principal payment for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue Principal payment;

1.4.1.4. In case of untimely repayment of the interest/charges a penalty (fine) amounting to 2/365 (366) (Two three hundred sixty-fifth (three hundred sixty-sixth)) of the interest rate defined in Clause 1.4.1.2. of this resolution on the amount of the Overdue interest and/or charges payment by Credit and/or other payments under Facility Agreement for each day of delay shall be paid by Borrower on the date of the final fact repayment of the respective overdue interest and/or charges payment;

1.4.1.5. A penalty amounting to 10,000.00 (Ten thousand 00/100) rubles shall be charged by Creditor and paid by Borrower for each case of non-fulfillment or undue fulfillment by Borrower of each of the obligations related to the timely provision to the Creditor of the letters confirming the absence of outstanding tax liabilities and outstanding liabilities to non-budgetary funds and of the letters informing on the amendments to the constituent documents of the Borrower and any of the Sureties stated in the Facility Agreement within the timelines stipulated;

1.4.1.6. Early Credits repayment (redemption) shall be in the amount and in accordance with the order and procedure defined in Sub-clause 23) of Clause 9.1. of the Facility Agreement, in particular:

In case if the debt of Mechel Group (under facility agreements) to any of the below listed creditors – Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Creditors (collectively referred to as the “Other Major Creditors” and each separately referred to as “Another Major Creditor”) decreases, the debt of Mechel Group to the Creditor shall be subject to early repayment within 10 (Ten) Business days after such debt decrease (if the Creditor does not completely or partially refuse in writing from its right to get such early repayment) and the amount of such early repayment shall be not less than the least share of the debt of Mechel Group to such Creditor (before respective decrease) in the total amount of the debt of Mechel Group to such Creditor.

1.4.1.7. The Creditor shall be compensated for the expenses and losses borne by it due to the fulfillment of its obligations under the Facility Agreement and that shall be reimbursed by Borrower in accordance with the terms and conditions of the Facility Agreement as well as the expenses and losses borne by it due to Borrower’s non-fulfillment or undue fulfillment of its Obligations under Facility Agreement;

1.4.1.8. The funds borrowed to the Borrower and the interest on money had and received shall be reimbursed in full scale in case of the invalidity of the Facility Agreement.

The Suretyship under Contract is joint and several.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement the Surety shall pay to the Bank a penalty amounting to 1/365 (1/366) (One three hundred sixty-fifth (One three hundred sixty-sixth)) of the maximum effective interest rate under Facility Agreement of the amount of such non-fulfilled or unduly fulfilled obligation for each day of delinquency. The penalty is to be accrued starting from the date following the date when the Surety’s obligation under the Surety Agreement shall be fulfilled and till the date such obligations are completely and duly fulfilled by it inclusively. The penalty shall be paid by Surety based on Creditor’s request on the date of the final fulfillment of the overdue obligation.

In case of non-fulfillment or undue fulfillment by Surety of its obligations under Suretyship Agreement related to the provision of certain documents the Surety shall pay to the Bank a penalty amounting to 10,000.00 (Ten thousand) rubles for each case of non-fulfillment or undue fulfillment of each of the obligations. The penalty is to be paid within 10 (Ten) calendar days after respective request to pay such penalty was received from the Bank.

A loss of any of the security for the Borrower's fulfillment of its obligations, including the one that had existed for the moment the Surety undertook its suretyship obligation under Surety Agreement or worsening of the terms of securing for the Borrower’s fulfillment of its obligations due to any circumstances shall not be the ground for relieving the Surety of its responsibility and shall not result in the decreasing of the amount of Surety’s liability under Surety Agreement.

1.4.2. The following pledge subject is pledged by Pledgor with the Pledgee to secure for the fulfillment of the Obligations:

1.4.2.1.

Issuer of shares	CMP PAO, OGRN 1027402812777
Quantity of shares	684 880 (Six hundred eighty-four thousand eight hundred eighty) pieces, which is 21.66 (Twenty –one point sixty-six) percent minus 2 (Two) ordinary shares of the Issuer’s equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-00080-A

The Parties estimate the pledge subject defined in this Clause at 684,880.00 (Six hundred eighty-four thousand eight hundred eighty 00/100) rubles.

1.4.2.2.

Issuer of shares	Urals Stampings Plant PAO, OGRN 1027401141240
Quantity of shares	136 942 (One hundred thirty-six thousand nine hundred forty-two) pieces, which is 25 (Twenty-five) percent plus 1 (One) ordinary shares of the Issuer’s equity
Par value of one share	1.00 (One 00/100) ruble
Type of shares	ordinary
State registration number	1-01-32341-D

The Parties estimate the pledge subject defined in this Clause at 136,942.00 (One hundred thirty-six thousand nine hundred forty-two 00/100) rubles.

For the avoidance of any doubts the cost of the above listed pledge subjects is not the disposal price or the selling price (the starting sale price) of the pledge subject for the enforcement of the pledge subject.

Till the moment of the pledge termination the rights of the shareholder of the Issuer of shares (including the right to vote at the general shareholders’ meeting of the Issuer of shares and to participate in the management of the Issuer of shares) rest with the Pledgor except for the case if the Issuer of shares received a written notification from the Pledgee informing that the procedure of the pledge disposal was initiated due to the fact that the Borrower failed to fulfill its obligations under Facility Agreement or the Pledgor failed to fulfill its obligations under Pledge Agreement. The shareholder rights confirmed by shares (all of them or the ones listed in the notification) belong to the Pledgee starting from the moment such notification was received by Issuer of shares. Respective notification shall be sent to the Pledgor as well.

In case if the Issuer of shares issues shares in addition to the existing ones that were pledged with the Pledgee or to replace them as per effective procedure in accordance with the active RF law (by means of conversion, change of rights, adjustment of the par value, consolidation, splitting, Issuer’s reorganization and by any other means) the shares received by Pledgor as a result of such issue as well as the shares of the

Issuer that are to be additionally accrued to the Pledgor's depot account (including the shares the rights of ownership for which appeared as a result of additional issue as a result of other transactions) shall be considered to be pledged with the Pledgee in such quantity that the quantity of shares pledged with the Pledgee would be not less than the percentage of the total quantity of shares in the Issuer's equity stated in Clauses 1.4.2.1. – 1.4.2.2. of the present resolution.

In case of Issuer's reorganization in accordance with the active RF law into a legal entity of another type (another organizational and legal form), the Pledgor shall transfer the shares (deposits) of the equity of the newly established legal entity received by it as a result of such reorganization to the Pledgee and comply with the condition related to the certain quantity of shares (deposits) amounting to the certain percentage of the Issuer's equity that shall be pledged with the Pledgee defined in Clauses 1.4.2.1. – 1.4.2.2. of this resolution not later than 30 (Thirty) calendar days from the date of the state registration of the legal entity established as a result of reorganization.

It is possible for the Pledgor to sign a Secondary Pledge Agreement with a third party if the following conditions are met:

- 1) The secondary pledge agreement shall stipulate the same procedure for the enforcement of the pledge subject and the same ways of the disposal of the pledged property as in Contract;
  - 2) The secondary pledge agreement shall prohibit the secondary pledgee to claim for the accelerated performance by the debtor of its obligation secured for by secondary pledge in case if the previous Pledgor enforced collateral on the pledged property;
  - 3) If the collateral is enforced on the pledge subject by secondary pledger, the previous Pledgor will also claim for collateral enforcement on the pledged property. In this case the right to choose the enforcement proceeding and the way the pledged property is to be disposed of shall rest with the previous Pledgor. The estimator and auctioneer and the selling price shall be defined as per terms and conditions of the Pledge Agreement signed with the previous Pledgor.

In case of non-fulfillment or undue fulfillment of any of the Obligations and in other cases provided for the active legislation the Pledgor is entitled to choose at its own discretion whether to enforce collateral on the pledge subject within judicial enforcement proceeding or within extrajudicial enforcement proceeding, including in any combination of the following:

- 1) in case of judicial enforcement:
  - 1) by means of selling the pledge subject at open auction within enforcement proceeding;
  - 2) by means of selling the pledge subject by Pledgee to a third party (third parties);
  - 3) by means of retention of title of the pledge subject by Pledgee;
- 2) in case of extrajudicial enforcement:
  - 1) by means of selling the pledge subject within tendering procedures

The Pledgee shall be entitled at its own discretion to enforce collateral both on the whole pledge subject and on certain shares that are a part of the pledge subject and retains its right to enforce collateral on the remaining shares that are parts of the pledge subject

1.4.3. The security on form of signing a Suretyship Agreement and Pledge Agreement shall remain valid till April 6, 2023 (inclusively). There shall be an early termination of the Security in case of termination of the secured Obligations.

## **The 2<sup>th</sup> issue on the agenda: 2. On approval of related party transactions between Bank GPB (JSC) and the Company.**

**Draft resolution: 2.1. Approve the related party transaction – Amendment Agreement No. 1 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 84-85/13-B-II-2 dd. June 18, 2013 (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the following material terms and conditions:**

Transaction Parties:

- Mechel, Public Joint Stock Company, further on referred to as the “Surety”,
- Gazprombank (Joint Stock Company), further on referred to as the “Creditor” or “Bank”,

Beneficiaries:

- Coal Company “Southern Kuzbass”, Public Joint Stock Company,
- Holding Company Yakutugol, Joint Stock Company.

Subject, price and other material conditions of the Transaction:

It was agreed by the Parties that the Suretyship contract shall be amended and restated as follows (further on referred to as the “**Amended suretyship contract**”) based on the following conditions:

2.1.1. The Surety undertakes jointly and severally with:

- Coal Company “Southern Kuzbass”, Public Joint Stock Company, primary state registration number OGRN 1024201388661; ITIN 4214000608, to be held liable before the Creditor for the fulfillment by Southern Kuzbass PAO of its obligations owed to the Creditor arising from Credit facility agreement No. 84/13-B dd. April 26, 2013 (Credit facility agreement No. 1) with the consideration of adjustments and amendments to it introduced by Amendment agreement No. 1 dd. August 28, 2015 and amendments and adjustments to it;
- Holding Company Yakutugol, Joint Stock Company, primary state registration number OGRN 1021401009057, ITIN 1434026980, to be held liable before the Creditor for the fulfillment by HC Yakutugol of its obligations owed to the Creditor arising from Credit facility agreement No. 85/13-B dd. April 26, 2013 (Credit facility agreement No. 2) with the consideration of adjustments and amendments to it introduced by Amendment agreement No. 1 dd. August 28, 2015 and amendments and adjustments to it;

- Holding Company Yakutugol, Joint Stock Company, primary state registration number OGRN 1021401009057, ITIN to be held liable before the Creditor for the fulfillment by HC Yakutugol of its obligations owed to the Creditor arising from Credit facility agreement No.226/12-B dd. April 27, 2012 (Credit facility agreement No.3) with the consideration of adjustments and amendments to it introduced by Amendment agreement No. 1 dd. June 18, 2013 as well as with the consideration of adjustments and amendments introduced by Amendment agreement No. 2 dd. August 20, 2015 and amendments and adjustments to it;
- Coal Company “Southern Kuzbass”, Public Joint Stock Company, primary state registration number OGRN 1024201388661, ITIN 4214000608 to be held liable before the Creditor for the fulfillment by Southern Kuzbass PAO of its obligations owed to the Creditor arising from Credit facility agreement No.227/12-B dd. April 27, 2012 (Credit facility agreement No. 4) with the consideration of adjustments and amendments to it introduced by Amendment agreement No. 1 dd. June 18, 2013 as well as with the consideration of adjustments and amendments introduced by Amendment agreement No. 2 dd. August 20, 2015 and amendments and adjustments to it.

Coal Company “Southern Kuzbass”, Public Joint Stock Company, and Holding Company Yakutugol, Joint Stock Company, each separately shall be referred to as the “**Debtor**” or “**Borrower**”. Each facility agreement mentioned in this Clause 1.1 with the consideration of respective Amendment agreement to it shall be referred to as the “**Facility agreement**” and together shall be referred to as the “**Facility agreements**”. The Amendment agreements mentioned in this Clause 1.1 shall be collectively referred to as the “**Amendment agreements to Facility agreements**”, and each individually referred to as «**Amendment agreement to Facility agreement**».

- 2.1.2. The Surety read and understood all the terms and conditions of the Facility agreements and Amendment agreements to the Facility agreements mentioned in Clause 2.1.1. of this decision that had been read and understood by Surety prior to signing the Contract and the Surety has copies of thereof.

The liabilities of the Parties under Facility agreement shall be considered amended the way they are described in the Amendment agreement to Facility agreement as soon as the conditions suspended stated in the Amendment agreement to Facility agreement have been complied with starting from the date stated in the Reconciliation statement as this term is defined in Amendment agreement to Facility agreement, wherein said date may not be later than March 31, 2016 (further on referred to as the “Effective date”).

**Terms and conditions of the secured obligation:**

- The limit of the indebtedness under Credit facility agreement No.1 (the maximum amount of the aggregated indebtedness under credit line) is: 400,000, 000 (four hundred million) US dollars, in rubles on the Effective Date on January 28., 2016 amounted to 30,400,000,000 (thirty billion, four hundred million) rubles.

- The limit of the indebtedness under Credit facility agreement No.2 (the maximum amount of the aggregated indebtedness under credit line) is: 385,776,778 (three hundred eighty-five million seven hundred seventy-six thousand seven hundred seventy-eight) US dollars in rubles on the Effective Date on January 26, 2016 amounted to 30,476,365,411 (thirty billion four hundred seventy-six million three hundred sixty-five thousand four hundred and eleven) rubles;;

- The limit of the indebtedness under Credit facility agreement No.3 (the maximum amount of the aggregated indebtedness under credit line) is: 300,000,000 (three hundred million) US dollars in rubles on the Effective Date on January 13, 2016 amounted to 22,821,000,000 (twenty-two billion eight hundred twenty-one million) rubles;

- The limit of the indebtedness under Credit facility agreement No.3 (the maximum amount of the aggregated indebtedness under credit line) is: 200,000,000 (two hundred million) US dollars in rubles on the Effective Date on January 12, 2016 amounted to 15,260,000,000 (fifteen billion two hundred sixty million) rubles;
- Lending purpose: investments into the financial and operating activities.

- Credit line shall be disbursed by Credit Tranches. Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of the 4<sup>th</sup> day of the month following the Deferment Date of the principal and starting from this date.

In case if:

Any of the Additional conditions is not complied with; or

No Event of restructuring happens before the Date of restructuring,

The above described repayment procedure shall be amended starting from respective Amendment date and is to be as follows: Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of April 4, 2017.

In case if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

- The Credit provided to the Borrower shall be repaid to the Bank in full scale not later that on April 20, 2020 and in case if: (i) all Additional conditions are complied with; and (ii) the Event of restructuring occurred before the Date of restructuring – it shall be repaid not later than on April 20, 2022. In the last month of using the Credit the repayment shall be on the 4<sup>th</sup> day and the 20<sup>th</sup> day of the month. if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

The Borrower has the right for early repayment of the debt and interest accrued for the actual period of the Loan provided that the Bank is informed of the intention beforehand in writing. Based on Bank’s request the Borrower shall perform early repayment of the debt by respectively Credit as per conditions of the respectively Facility agreement in case of event of non-fulfillment of the obligations listed in the Facility agreement as well as perform early repayment of the debt by Credit after the date the Cash sweep mechanism was agreed with the bank to automatically transfer funds from the free cash flow to the accounts in the amount as per procedure stipulated by such Cash sweep mechanism and respectively Facility agreement.

- Starting from the date when the Facility agreement was signed till the Date of final repayment of the indebtedness by Credit line (inclusively) the Debtor shall unconditionally and irrevocably repay to the Creditor the interest by Credit line accrued on the amount of the outstanding Principal by Credit line for each calendar day based on the following rate:

- before Enforcement date – 7.5 (seven point five) percent per annum;

- from Enforcement date - the rate shall be the key rate of the Bank of Russia plus 1.5 (One point five) percent per annum, in case if: (i) any of the Additional conditions is not complied with; or (ii) the Event of restructuring does not happen till the Date of restructuring:

- From the date following the respective Amendment date when the credit conditions were changed the interest rate shall be defined at the level of the rate defined by the Bank of Russia plus 3.5 (three point five) percent per annum; and

- The Borrower undertakes to additionally pay the interest accrued for the period from the Effective date till respective Amendment date (that is not the Effective date) when the credit conditions were changed (inclusively) that were accrued on the effective balance of the Principal, including the amount of the interest that was capitalized during the above mentioned interest period under the Credit line for each calendar day at the rate of 2 (Two) percent per annum. The amount of such additionally accrued interest shall be capitalized by means of adding it to the Principal amount on respective Amendment date when the credit conditions were changed. Repayment of the additionally accrued interest shall be as per schedule in accordance with the Facility agreement.

- The key rate is defined by Board of directors of the Bank of Russia and published on the website of the Bank of Russia and in open sources.

- The interest rate by Credit line is to be changed starting from the date the key rate is changed by the Bank of Russia.

- Interest repayment for the Credit usage shall be within the timelines with the consideration of the Interest periods:

• From the date the first Tranche of the Credit was provided till July 25, 2014 (inclusively):

- The first Interest period is from the date the first Tranche of the Credit was provided (not including this date) till the last calendar day of the first month of using the Credit (inclusively). The date of interest repayment shall be the last Business day of the first month of using the Credit.

- The Second Interest period is from the first day till 25th (Twenty-fifth) day of the second month of using the Credit (inclusively). The date of interest repayment shall be 25th (Twenty-fifth) day of the second month of using the Credit.

In respect of the Credit facility agreement No.1:

From July 26, 2014 till the Effective date (not including such date):

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower as per procedure:

untill December 31, 2015 (inclusively) a single payment of not less than 14,686,436 (fourteen million six hundred eighty-six thousand four hundred thirty-six) rubles. At the same time, if the Effective Date occurs before December 31, 2015, the payment is made in rubles, and if after 31 December 2015 - in US dollars at the exchange rate of the Bank of Russia on the date of payment,

after December 31, 2015 - monthly payments of not less than 117 491 490.28 (one hundred seventeen million four hundred ninety-one thousand four hundred ninety 28/100) rubles on the 4<sup>th</sup> day of each month of credit use, starting with the month in which the Effective Date, and if the Effective Date falls on the day after the 4<sup>th</sup> day, from the 4<sup>th</sup> day of the following month and up to March 31, 2017 (inclusive) (in this case, in March 2017 interest payment made on March 4, and on March 31, in the amount of remaining debt on interest accrued for the period from July 26, 2014 and before the Effective Date (not including this date)).

The payment of interest accrued from July 26, 2014 and before the Effective Date (excluding such date) is separate from the payment of interest accrued after the Effective Date, and without taking into account the procedure and mechanism of payment specified in the Credit facility agreement.

In respect of the Credit facility agreement No.2:

From July 26, 2014 till the Effective date (not including such date):

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower as per procedure:

untill December 31, 2015 (inclusively) a single payment of not less than 14,167,874 (fourteen million one hundred and sixty-seven thousand eight hundred seventy-four) rubles. At the same time, if the Effective Date occurs before December 31, 2015, the payment is made in rubles, and if after 31 December 2015 - in US dollars at the exchange rate of the Bank of Russia on the date of payment,

after December 31, 2015 - monthly payments of not less than 113 342 994.46 (one hundred thirteen million three hundred forty-two thousand nine hundred ninety-four 46/100) rubles on the 4<sup>th</sup> day of each month of credit use, starting with the month in which the Effective Date, and if the Effective Date falls on the day after the 4<sup>th</sup> day, from the 4<sup>th</sup> day of the following month and up to March 31, 2017 (inclusive) (in this case, in March 2017 interest payment made on March 4, and on March 31, in the amount of remaining debt on interest accrued for the period from July 26, 2014 and before the Effective Date (not including this date)).

The payment of interest accrued from July 26, 2014 and before the Effective Date (excluding such date) is separate from the payment of interest accrued after the Effective Date, and without taking into account the procedure and mechanism of payment specified in the Credit facility agreement.

In respect of the Credit facility agreement No.3:

From July 26, 2014 till the Effective date (not including such date):

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower as per procedure:

untill December 31, 2015 (inclusively) a single payment of not less than 11,017,673 (Eleven million twelve thousand six hundred seventy-three rubles). At the same time, if the Effective Date occurs before December 31, 2015, the payment is made in rubles, and if after 31 December 2015 - in US dollars at the exchange rate of the Bank of Russia on the date of payment,

after December 31, 2015 - monthly payments of not less than 88 141 381.73 (eighty-eight million, one hundred and forty-one thousand three hundred eighty-one and 73/100) rubles on the 4<sup>th</sup> day of each month of credit use, starting with the month in which the Effective Date, and if the Effective Date falls on the day after the 4<sup>th</sup> day, from the 4<sup>th</sup> day of the following month and up to March 31, 2017 (inclusive) (in this case, in March 2017 interest payment made on March 4, and on March 31, in the amount of remaining debt on interest accrued for the

period from July 26, 2014 and before the Effective Date (not including this date)).

The payment of interest accrued from July 26, 2014 and before the Effective Date (excluding such date) is separate from the payment of interest accrued after the Effective Date, and without taking into account the procedure and mechanism of payment specified in the Credit facility agreement.

In respect of the Credit facility agreement No.4:

From July 26, 2014 till the Effective date (not including such date):

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower as per procedure:

untill December 31, 2015 (inclusively) a single payment of not less than 7,344,357 (seven million three hundred forty-four thousand three hundred fifty-seven) rubles. At the same time, if the Effective Date occurs before December 31, 2015, the payment is made in rubles, and if after 31 December 2015 - in US dollars at the exchange rate of the Bank of Russia on the date of payment,

after December 31, 2015 - monthly payments of not less than 58 754 852.35 (fifty-eight million, seven hundred and fifty-four thousand eight hundred fifty-two 35/100) rubles on the 4<sup>th</sup> day of each month of credit use, starting with the month in which the Effective Date, and if the Effective Date falls on the day after the 4<sup>th</sup> day, from the 4<sup>th</sup> day of the following month and up to March 31, 2017 (inclusive) (in this case, in March 2017 interest payment made on March 4, and on March 31, in the amount of remaining debt on interest accrued for the period from July 26, 2014 and before the Effective Date (not including this date)).

The payment of interest accrued from July 26, 2014 and before the Effective Date (excluding such date) is separate from the payment of interest accrued after the Effective Date, and without taking into account the procedure and mechanism of payment specified in the Credit facility agreement.

From Effective date till Deferral date of interest payment (inclusively):

- The first Interest period is from Effective date till the 4<sup>th</sup> day of the month which the Effective date falls into (inclusively). In case if the Effective date falls into the period after the 4<sup>th</sup> day, the first Interest period will end on the 4<sup>th</sup> day of the next calendar month (inclusively), and in case if this day of the month is not a Business day, the end date shall be the first Business day following this day. The date of interest repayment shall be the 4<sup>th</sup> day of the month after the Effective date, and in case if this day of the month is not a Business day, it shall be the first Business day following this day.

- The second and further Interest periods shall be the period starting from the day following the end date of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, it shall be the first Business day following this day. Interest shall be repaid on a monthly basis on the 4<sup>th</sup> day of each calendar month and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous period till Deferral date of interest payment (inclusively). The date of interest repayment shall be Deferral date of interest payment.

Interest repayment during the period from the Effective date till Deferral date of interest payment (inclusively) shall be as follows:

- The biggest of the following amounts shall be paid to Creditor:
  - o 50 (Fifty) percent of the amount of each monthly interest payment calculated in accordance with the terms and conditions of the respectively Facility agreement; or
  - o Sum of interest per annum accrued on the effective balance of the Principal calculated based on the rate stated in the table below and defined depending on the total debt to EBITDA ratio as per the latest consolidated financial statement of the Joint-Stock Company Mechel on the actual amount of the principal debt.

Total debt to EBITDA ratio	Interest rate per annum (%)
6.01 and higher	8.75 (Eight point seventy-five)
from 5.01 to 6.0	9.5 (Nine point five)
from 4.01 to 5.0	10.5 (Ten point five)
4.0 and less	Current interest rate by Credit line

The interest rate stated in the table above shall be applied for the calculation of interest payments starting from the Interest period that directly follows the date the certificate containing the calculation of financial liabilities and stating that the Total debt to EBITDA ratio exceeds the threshold stipulated in the Sub-clause above was provided as per clause 8.6.6 of the respectively Facility agreement.

- The remaining part of each monthly interest payment of the Borrower shall not be paid to the Creditor but shall be capitalized by means of adding it to the amount of the Principal.

The capitalized interest shall be added to the amount of the Principal (capitalized) on the end dates of Interest periods. Starting from the first day following the date of capitalization of the interest to the Principal amount the interest shall be accrued on the amount of the indebtedness by Principal with the consideration of the capitalized interest.

From the date following the Deferral date of interest payment till the Final repayment date by Credit line:

- The first Interest period is from the day following the Deferral date of interest payment till the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively).

The date of interest repayment - the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively). In case if this day of the month is not a Business day, this date shall be the first Business day following this day.



- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Final payment date by Principal by Credit line (inclusively). Interest payment date shall be the Final repayment date by Principal under Credit line.

- The Creditor is entitled to unilaterally revise the interest rate in case if the following events occur simultaneously:

- The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and

- In case of material economic change in the markets of bank services and / or of general economic situation in the country,

And either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

Starting from the day a delinquency by Principal under Credit line occurred till the Final repayment date by Principal under Credit line the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the overdue Principal debt under Credit line for each day of delinquency.

Starting from the date following the date of interest payment delinquency occurrence till the date such delinquency is finally repaid the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the interest in arrears under Credit line for each day of delinquency.

In case of non-fulfillment or undue fulfillment by Borrower of its obligations related to the repayment of the interest accrued for the period from July 26, 2014 till the Effective date the Bank is entitled to claim for payment of the penalty for the Borrower's failure to fulfil its obligations related to interest repayment, Principal repayment and other Borrower's obligations as per terms and conditions of the Facility agreement that were valid before the Effective date.

- 2.1.3. In case of non-fulfillment or undue fulfillment by Debtor of the obligation secured for by suretyship the Surety and respective Debtor shall be jointly and severally responsible towards the Creditor. The Surety bears the same scope of responsibility as respective Debtor, including repayment of the credit amount (the principal), interest repayment, and payment of penalties (fines) and other payments stipulated by Facility agreements as well as legal costs reimbursement related to debt collection and damages of the Creditor resulting from obligations non-fulfillment or undue fulfillment by respective Debtor.
- 2.1.4. Alterations made to the Debtor's obligations under Facility agreements shall not be the ground for the suretyship termination. In case of Surety's refusal to make respective amendments to the Contract the Suretyship shall be liable to the Creditor based on the original terms and conditions of the obligation secured for by suretyship as if no amendments were introduced to the obligation.
- 2.1.5. The Surety also agrees to bear complete joint and several responsibility together with the Debtor for the fulfillment of obligations under Facility agreements by new debtor(s) who succeeded the rights and obligations of respective Debtor under Facility agreements by law of succession and in accordance with the terms and conditions of the Facility agreement.
- 2.1.6. In case of Surety's failure to fulfill its obligation stated in Clause 2.2 of the Contract the Creditor is entitled to claim for payment of the penalty (fine) amounting to 0.045 (Zero point zero forty-five) percent of the amount of such non-fulfilled or undue fulfilled obligation for each day of delinquency by sending to the Surety of the respective written notification on the necessity to pay such penalty. In such case the penalty shall be accrued by Creditor for the period starting from the date the Surety failed to fulfil its obligation under Contract. The penalty stated in this Clause cannot be accrued on fines accrued as per terms and conditions of the Facility agreement.
- 2.1.7. In accordance with the Contract, the Surety shall be jointly and severally responsible towards the Creditor (be liable) for the Debtor's fulfillment of its obligations towards the Creditor arising from court decisions related to the enforcement of implications of an invalidated transaction (Facility agreement). The Surety and Debtor shall be jointly and severally responsible for the Borrower's non-fulfillment or undue fulfillment of the restitution obligation stated in this Clause. The Surety bears the same scope of responsibility towards the Creditor as the Debtor, including repayment of the credit amount (the principal), interest repayment, payment of penalties (fines) and other payments stipulated by Facility agreement, RF legislation and respective court decision as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Debtor's non-fulfillment or undue fulfillment of its obligations stated in this clause.
- 2.1.8. The Contract comes into force from the date it is signed by Parties (with the consideration of the date the amendments came into force as it is stated in the Amendment agreement) and shall remain valid till April 20, 2025. The fulfilment of duties and exercise of the rights of the Parties under the Agreement due to the date of entry into force, as specified in the Agreement. Early termination of the Contract (early termination of the suretyship) shall be in case of termination of the surety-secured obligations.

The sole executive body of the Company is hereby instructed (with the right of substitution) to define and agree the form and conditions of the final terms and conditions of the Amendment agreement within material terms and conditions approved by competent management bodies of the Company and to sign (with the right of substitution) the documents mentioned and other related documents on behalf of the Company, and the sole executive body of the Company is hereby empowered (with the right of substitution) to introduce further amendments to the above mentioned documentation and other related documents within material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/or amendment agreements and sign all other necessary documents in connection with such powers.

**2.2. Approve the related party transaction – Suretyship contract (further on referred to as the “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the following material terms and conditions:**

Transaction parties:

- Mechel, Public Joint Stock Company, further on referred to as the “Surety”,
- Gazprombank (Joint Stock Company), further on referred to as the “Creditor” or “Bank”,

Beneficiarie:

- Coal Company “Southern Kuzbass”, Public Joint Stock Company

Subject, price and other material terms of the transaction:

2.2.1. The Surety undertakes jointly and severally with Coal Company “Southern Kuzbass”, Public Joint Stock Company, primary state registration number OGRN 1024201388661; ITIN 4214000608, further on referred to as the Debtor or Southern Kuzbass PAO, to be held liable before the Creditor:

- for the fulfillment by Debtor of its obligations owed to the Creditor related to the repayment (redemption) of the Share of the principal and of the interest accrued under Credit facility agreement No. 2612-195-K dd. May 03, 2012 with the consideration of adjustments and amendments to it introduced by Amendment agreement w/o number dd. November 9, 2012 and Amendment agreement w/o number dd. April 23, 2013 signed between the Creditor and Debtor and transferred as per debt transfer Agreement signed between the Creditor, Mechel Service OOO and Southern Kuzbass PAO (further on referred to as the “**Debt transfer Agreement**”), and
- for the fulfillment by Debtor of its obligations owed to the Creditor under facility agreement mentioned in Clause 2.1.1. of this decision with the consideration of the amendments provided for by the following Amendment agreement No. 3 (“**Amendment agreement to Facility agreement**”) (“**Facility agreement**”), including obligations related to payment of interest, fines (penalties) and other payments and other obligations of the Debtor under Facility agreement,

collectively referred to as the “**Secured obligations**”.

- 2.2.2. The Surety knows all Contract conditions of the transfer of the debt, Facility agreement and Amendment agreements to Facility agreement listed in Clause 2.2.1 of this decision, the text of which was read and understood by Surety prior to signing the Contract and the Surety has copies of thereof.

The liabilities of the Parties under Facility agreement shall be considered amended the way they are described in the Amendment agreement to Facility agreement as soon as the conditions suspended stated in the respective Amendment agreement to Facility agreement have been complied with starting from the date notification of compliance with the conditions suspended stated in the Amendment agreement to Facility agreement and such date shall not be later than March 31, 2016 (further on referred to as the “Effective date”).

**Terms and conditions of the secured obligation:**

- The limit of the Credit line (the maximum amount of the aggregated indebtedness under credit line) is: 11, 000, 000, 000 (eleven billion) rubles. The Share of the principal - PAO “Southern Kuzbass” is 6,500,000,000 (Six billion five hundred million) rubles;
- Lending purpose: investments into the financial and operating activities.

- Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of the 4<sup>th</sup> day of the month following the Deferment Date of the principal and starting from this date.

In case if:

Any of the Additional conditions is not complied with; or

No Event of restructuring happens before the Date of restructuring,

The above described repayment procedure shall be amended starting from respective Amendment date and is to be as follows: Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of April 4, 2017.

In case if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.”

- The Credit provided to the Borrower shall be repaid to the Bank in full scale not later that on April 20, 2020 and in case if: (i) all Additional conditions are complied with; and (ii) the Event of restructuring occurred before the Date of restructuring – it shall be repaid not later than on April 20, 2022. In the last month of using the Credit the repayment shall be on the 4<sup>th</sup> day and the 20<sup>th</sup> day of the month. if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

The Borrower has the right for early repayment of the debt and interest accrued for the actual period of the Loan provided that the Bank is informed of the intention beforehand in writing. Based on Bank’s request the Borrower shall perform early repayment of the debt by Credit as per conditions of the Facility agreement in case of event of non-fulfillment of the obligations listed in the Facility agreement as well as perform early repayment of the debt by Credit after the date the cash sweep mechanism was agreed with the bank to automatically transfer funds from the free cash flow to the accounts in the amount as per procedure stipulated by such cash sweep mechanism and Facility agreement.

Starting from the date when the Facility agreement was signed and till the Date of final repayment of the indebtedness by Credit line (inclusively) the Debtor shall unconditionally and irrevocably repay to the Creditor the interest by Credit line accrued on the amount of the outstanding Principal by Credit line for each calendar day based on the following rate:

- Till the date stated in the notification of the Creditor of the fact that the conditions suspended stated in the Amended agreement to Facility agreement; this date cannot be later than March 31, 2016 (“Effective date”):
  - for the period of the Credit Tranche that is up to 90 days inclusively the rate shall be 8.55 (Eight point fifty-five) percent per annum;
  - for the period of the Credit Tranche that is from 91 up to 180 days inclusively the rate shall be 9.15 (Nine point fifteen) percent per annum;
  - for the period of the Credit Tranche that is from 181 up to 365 days inclusively the rate shall be 9.5 (Nine point five) percent per annum;
  - for the period of the Credit Tranche that is from 366 up to 540 days inclusively the rate shall be 9.75 (Nine point seventy-five) percent per annum;

- for the period of the Credit Tranche that is from 541 up to 730 days inclusively the rate shall be 10.2 (Ten point two) percent per annum;
- for the period of the Credit Tranche that is from 731 up to 1825 days inclusively the rate shall be 10.5 (Ten point five) percent per annum.
- From Enforcement date the rate shall be the key rate of the Bank of Russia plus 1.5 (One point five) percent per annum, in case if: (i) any of the Additional conditions is not complied with; or (ii) the Event of restructuring does not happen till the Date of restructuring:
  - From the date following the respective Amendment date when the credit conditions were changed the interest rate shall be defined at the level of the rate defined by the Bank of Russia plus 3.5 (Three point five) percent per annum and
  - The Borrower undertakes to additionally pay the interest accrued for the period from the Effective date till respective Amendment date (that is not the Effective date) when the credit conditions were changed (inclusively) that were accrued on the effective balance of the Principal, including the amount of the interest that was capitalized during the above mentioned interest period under the Credit line for each calendar day at the rate of 2 (Two) percent per annum. The amount of such additionally accrued interest shall be capitalized by means of adding it to the Principal amount on respective Amendment date when the credit conditions were changed. Repayment of the additionally accrued interest shall be as per schedule in accordance with the Facility agreement.

The key rate is defined by Board of directors of the Bank of Russia and published on the website of the Bank of Russia and in open sources.

The interest rate by Credit line is to be changed starting from the date the key rate is changed by the Bank of Russia.

- Interest repayment for the Credit usage shall be within the timelines with the consideration of the Interest periods:

From the date the first Tranche of the Credit was provided till July 25, 2014 (inclusively):

- The first Interest period is from the date the first Tranche of the Credit was provided (not including this date) till the last calendar day of the first month of using the Credit (inclusively). The date of interest repayment shall be the last Business day of the first month of using the Credit.

- The Second Interest period is from the first day till 25th (Twenty-fifth) day of the second month of using the Credit (inclusively). The date of interest repayment shall be 25th (Twenty-fifth) day of the second month of using the Credit.

- Further Interest periods is a period from 26th (Twenty-sixth) day of the month preceding the current one till 25th (Twenty-fifth) day of the current month (inclusively). Interest shall be repaid on a monthly basis; the interest repayment date shall be the 25th (Twenty-fifth) day of each calendar month.

- Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower not later than on March 31, 2017 (inclusively).

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed separately from repayment of the interest accrued after the Effective date and without consideration of the order and mechanism of the repayment of such interest stated in the Facility agreement.

From Effective date till Deferral date of interest payment (inclusively):

- The first Interest period is from Effective date till the 4<sup>th</sup> day of the month which the Effective date falls into (inclusively). In case if the Effective date falls into the period after the 4<sup>th</sup> day, the first Interest period will end on the 4<sup>th</sup> day of the next calendar month (inclusively), and in case if this day of the month is not a Business day, the end date shall be the first Business day following this day. The date of interest repayment shall be the 4<sup>th</sup> day of the month after the Effective date, and in case if this day of the month is not a Business day, it shall be the first Business day following this day.

- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous period till Deferral date of interest payment (inclusively). The date of interest repayment shall be Deferral date of interest payment.

Interest repayment during the period from the Effective date till Deferral date of interest payment (inclusively) shall be as follows:

- The biggest of the following amounts shall be paid to Creditor:
  - o 50 (Fifty) percent of the amount of each monthly interest payment calculated in accordance with the terms and conditions of the respectively Facility agreement; or
  - o Sum of interest per annum accrued on the effective balance of the Principal calculated based on the rate stated in the table below and defined depending on the total debt to EBITDA ratio as per the latest consolidated financial statement of the Joint-Stock Company Mechel on the actual amount of the principal debt.

Total debt to EBITDA ratio	Interest rate per annum (%)
6.01 and higher	8.75 (Eight point seventy-five)
from 5.01 to 6.0	9.5 (Nine point five)
from 4.01 to 5.0	10.5 (Ten point five)
4.0 and less	Current interest rate by Credit line

The interest rate stated in the table above shall be applied for the calculation of interest payments starting from the Interest period that directly follows the date the certificate containing the calculation of financial liabilities and stating that the Total debt to EBITDA ratio exceeds the threshold stipulated in the Sub-clause above was provided as per clause 8.6.6 of the respectively Facility agreement.

- The remaining part of each monthly interest payment of the Borrower shall not be paid to the Creditor but shall be capitalized by means of adding it to the amount of the Principal.

The capitalized interest shall be added to the amount of the Principal (capitalized) on the end dates of Interest periods. Starting from the first day following the date of capitalization of the interest to the Principal amount the interest shall be accrued on the amount of the indebtedness by Principal with the consideration of the capitalized interest.

From the date following the Deferral date of interest payment till the Final repayment date by Credit line:

- The first Interest period is from the day following the Deferral date of interest payment till the 4th day of the month following the Deferral date of interest payment (inclusively).

The date of interest repayment - the 4th day of the month following the Deferral date of interest payment (inclusively). In case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Final payment date by Principal by Credit line (inclusively). Interest payment date shall be the Final repayment date by Principal under Credit line.

- The Creditor is entitled to unilaterally revise the interest rate in case if the following events occur simultaneously:

- The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and

- In case of material economic change in the markets of bank services and / or of general economic situation in the country,

And either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

Starting from the day a delinquency by Principal under Credit line occurred till the Final repayment date by Principal under Credit line the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the overdue Principal debt under Credit line for each day of delinquency.

Starting from the date following the date of interest payment delinquency occurrence till the date such delinquency is finally repaid the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the interest in arrears under Credit line for each day of delinquency.

In case of non-fulfillment or undue fulfillment by Debtor of its obligations related to the repayment of the interest accrued for the period from July 26, 2014 till the Effective date (excluding this date) the Bank is entitled to claim for payment of the penalty for the Debtor's failure to fulfil its obligations related to interest repayment, Principal repayment and other Debtor's obligations as per terms and conditions of the Facility agreement that were valid before the Effective date.

2.2.3. In case of non-fulfillment or undue fulfillment by Debtor - Southern Kuzbass PAO of the Secured obligations the Surety and the Debtor shall be jointly and severally responsible towards the Creditor. The Surety bears the same scope of responsibility as the Debtor, including repayment (redemption) of the Share of the principal, and payment of the indebtedness by accrued and not repaid interest that was transferred based on debt transfer agreement, interest repayment, payment of penalties (fines) and other payments stipulated by Facility agreement as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Debtor's non-fulfillment or undue fulfillment of its obligations.

2.2.4. Any alteration made to the Debtor's obligations - Southern Kuzbass PAO under Facility agreement, including an increase in the debt amount owed to the Creditor and/or amount of interest shall not be the ground for the suretyship termination. In case of Surety's refusal to make respective amendments to the Contract the Suretyship shall be liable to the Creditor based on the original terms and conditions of the obligation secured for by suretyship as if no amendments were introduced to the obligations.

In case of refusal from the fulfilment of the Amendment agreement to Facility agreement, in accordance with Clause 4.4 of the Amendment agreement to Facility agreement, the Bank undertakes based on Debtor's request to sign Contract termination agreement during 15 (Fifteen) Business days starting from the date respective notification of the refusal to fulfil the Amendment agreement to Facility agreement was provided to the Debtor (and provided that the below mentioned agreement was signed by Debtor and provided by Debtor).

2.2.5. In accordance with the Contract, the Surety shall be jointly and severally responsible towards the Creditor (be liable) for the Debtor's fulfillment (Southern Kuzbass PAO) of its obligations towards the Creditor arising from court decisions related to the enforcement of implications of an invalidated transaction (Facility agreement). The Surety and Debtor shall be jointly and severally responsible for the Borrower's non-fulfillment or undue fulfillment of the restitution obligation stated in this Clause. The Surety bears the same scope of responsibility towards the Creditor as the Debtor, including repayment of the credit amount (the principal), interest repayment, payment of penalties (fines) and other payments stipulated by Facility agreement, RF legislation and respective court decision as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Debtor's non-fulfillment or undue fulfillment of its obligations stated in this clause.

2.2.6. The Surety also agrees to bear complete joint and several responsibility together with the Debtor f - Southern Kuzbass PAO or the fulfillment of obligations under Facility agreements by new debtor(s) who succeeded the rights and obligations of the Debtor under Facility agreements by law of succession and in accordance with the terms and conditions of the Facility agreement.

2.2.7. In case of Surety's failure to fulfill its obligation the Creditor is entitled to claim for payment of the penalty (fine) amounting to 0.045 (Zero point zero forty-five) percent of the amount of such non-fulfilled or undue fulfilled obligation for each day of delinquency by sending to the Surety of the respective written notification on the necessity to pay such penalty. In such case

the penalty shall be accrued by Creditor for the period starting from the date the Surety failed to fulfil its obligation under Contract. The penalty stated in this Clause cannot be accrued on fines accrued as per terms and conditions of the Facility agreement.

- 2.2.8. The Contract comes into force from the date it is signed by Parties and shall remain valid till April 20, 2025. The fulfillment of duties and exercise of the rights of the Parties under the Agreement due to the date of entry into force, as specified in the Agreement. Early termination of the Contract (early termination of the suretyship) shall be in case of termination of the surety-secured obligations

The sole executive body of the Company is hereby instructed (with the right of substitution) to define and agree the form and conditions of the final terms and conditions of the Agreement within material terms and conditions approved by competent management bodies of the Company and to sign (with the right of substitution) the documents mentioned and other related documents on behalf of the Company, and the sole executive body of the Company is hereby empowered (with the right of substitution) to introduce further amendments to the above mentioned documentation and other related documents within material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/or amendment agreements and sign all other necessary documents in connection with such powers.

**2.3. Approve the related party transaction – Amendment Agreement No. 5 (further on referred to as the “Amendment agreement”) to Suretyship contract No.2612-195-K-II dd. June 25, 2012 (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the following material terms and conditions:**

Transaction Parties:

- Mechel, Public Joint Stock Company, further on referred to as the “Surety”,
- Gazprombank (Joint Stock Company), further on referred to as the “Creditor” or “Bank”,

Beneficiarie:

- Mechel Service, Limited Liability Company

Subject, price and other material conditions of the Transaction:

2.3.1. The Surety undertakes jointly and severally with Mechel Service, Limited Liability Company, primary state registration number 1057746840524, ITIN 7704555837, further on referred to as the “Borrower”, to be held liable before the Creditor for the fulfillment by Borrower of its obligations owed to the Creditor related to the repayment (redemption) of the Share of the principal, of the accrued interest and other obligations of the Borrower, including its obligations of a joint and several promisor in respect of the Debtors (further on referred to as the “Secured obligations”) arising from Credit facility agreement No. 2612-195-K dd. May 3, 2012 with the consideration of adjustments and amendments to it introduced by Amendment agreement w/o number dd. November 9, 2012 and Amendment agreement w/o number dd. April 23, 2013 as well as with the consideration of adjustments and amendments introduced by the following Amendment agreement (further on referred to as the “Amendment agreement to Facility agreement”) signed between the Creditor, Borrower, Southern Kuzbass PAO, CMP PAO, Mechel Coke OOO and Urals Stampings Plant PAO (“Facility agreement”).

2.3.2. The Surety read and understood all the terms and conditions of the Facility agreement and Amendment agreement to the Facility agreement prior to signing the Contract and the Surety has copies of thereof.

The liabilities of the Parties under Facility agreement shall be considered amended the way they are described in the Amendment agreement to Facility agreement as soon as the conditions suspended stated in the respective Amendment agreement to Facility agreement have been complied with starting from the date stated in the Creditor’s notification of compliance with the conditions suspended stated in the Amendment agreement to Facility agreement and such date shall not be later than March 31, 2016 (further on referred to as the “Effective date”).

**Terms and conditions of the secured obligation:**

- The limit of the indebtedness under Credit line (the maximum amount of the aggregated indebtedness under credit line) is: of 11,000,000,000 (eleven billion) rubles.

- Lending purpose: investments into the financial and operating activities.

- Credit line shall be disbursed by Credit Tranches. Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of the 4<sup>th</sup> day of the month following the Deferment Date of the principal and starting from this date.

In case if:

Any of the Additional conditions is not complied with; or

No Event of restructuring happens before the Date of restructuring,

The above described repayment procedure shall be amended starting from respective Amendment date and is to be as follows: Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of April 4, 2017.

In case if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

- The Credit provided to the Borrower shall be repaid to the Bank in full scale not later than on April 20, 2020 and in case if: (i) all Additional conditions are complied with; and (ii) the Event of restructuring occurred before the Date of restructuring – it shall be repaid not later than on April 20, 2022. In the last month of using the Credit the repayment shall be on the 4<sup>th</sup> day and the 20<sup>th</sup> day of the month. if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

- The Borrower has the right for early repayment of the debt and interest accrued for the actual period of the Loan provided that the Bank is informed of the intention beforehand in writing. Based on Bank’s request the Borrower shall perform early repayment of the debt by Credit as per conditions of the Facility agreement in case of event of non-fulfillment of the obligations listed in the Facility agreement as well as perform early repayment of the debt by Credit after the date the cash sweep mechanism was agreed with the bank to automatically transfer funds from the free cash flow to the accounts in the amount as per procedure stipulated by such cash sweep mechanism and Facility agreement.

Starting from the date when the Facility Agreement was signed till the Date of final repayment of the indebtedness by Credit line (inclusively) the Borrower shall unconditionally and irrevocably repay to the Creditor the interest by Credit line accrued on the amount of the outstanding Principal by Credit line for each calendar day based on the following rate:

- Till the date stated in the notification of the Creditor of the fact that the conditions suspended stated in the Amended agreement to Facility agreement; this date cannot be later than March 31, 2016 (“Effective date”):

- for the period of the Credit Tranche that is up to 90 days inclusively the rate shall be 8.55 (Eight point fifty-five) percent per annum;
- for the period of the Credit Tranche that is from 91 up to 180 days inclusively the rate shall be 9.15 (Nine point fifteen) percent per annum;
- for the period of the Credit Tranche that is from 181 up to 365 days inclusively the rate shall be 9.5 (Nine point five) percent per annum;
- for the period of the Credit Tranche that is from 366 up to 540 days inclusively the rate shall be 9.75 (Nine point seventy-five) percent per annum;
- for the period of the Credit Tranche that is from 541 up to 730 days inclusively the rate shall be 10.2 (Ten point two) percent per annum;
- for the period of the Credit Tranche that is from 731 up to 1825 days inclusively the rate shall be 10.5 (Ten point five) percent per annum.

- From Enforcement date the rate shall be the key rate of the Bank of Russia plus 1.5 (One point five) percent per annum, in case if: (i) any of the Additional conditions is not complied with; or (ii) the Event of restructuring does not happen till the Date of restructuring:

- From the date following the respective Amendment date when the credit conditions were changed the interest rate shall be defined at the level of the rate defined by the Bank of Russia plus 3.5 (three point five) percent per annum; and

- The Borrower undertakes to additionally pay the interest accrued for the period from the Effective date till respective Amendment date (that is not the Effective date) when the credit conditions were changed (inclusively) that were accrued on the effective balance of the Principal, including the amount of the interest that was capitalized during the above mentioned interest period under the Credit line for each calendar day at the rate of 2 (Two) percent per annum. The amount of such additionally accrued interest shall be capitalized by means of adding it to the Principal amount on respective Amendment date when the credit conditions were changed. Repayment of the additionally accrued interest shall be as per schedule in accordance with the Facility agreement.

The key rate is defined by Board of directors of the Bank of Russia and published on the website of the Bank of Russia and in open sources.

The interest rate by Credit line is to be changed starting from the date the key rate is changed by the Bank of Russia.

- Interest repayment for the Credit usage shall be within the timelines with the consideration of the Interest periods:

From the date the first Tranche of the Credit was provided till July 25, 2014 (inclusively):

- The first Interest period is from the date the first Tranche of the Credit was provided (not including this date) till the last calendar day of the first month of using the Credit (inclusively). The date of interest repayment shall be the last Business day of the first month of using the Credit.

- The Second Interest period is from the first day till 25th (Twenty-fifth) day of the second month of using the Credit (inclusively). The date of interest repayment shall be 25th (Twenty-fifth) day of the second month of using the Credit.

- Further Interest periods is a period from 26th (Twenty-sixth) day of the month preceding the current one till 25th (Twenty-fifth) day of the current month (inclusively). Interest shall be repaid on a monthly basis; the interest repayment date shall be the 25th (Twenty-fifth) day of each calendar month.

- Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower not later than on March 31, 2017 (inclusively).

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed separately from repayment of the interest accrued after the Effective date and without consideration of the order and mechanism of the repayment of such interest stated in the Facility agreement.

From the Effective date till Deferral date of interest payment (inclusively):

- The first Interest period is from Effective date till the 4<sup>th</sup> day of the month which the Effective date falls into (inclusively). In case if the Effective date falls into the period after the 4<sup>th</sup> day, the first Interest period will end on the 4<sup>th</sup> day of the next calendar month (inclusively), and in case if this day of the month is not a Business day, the end date shall be the first Business day following this day. The date of interest repayment shall be the 4<sup>th</sup> day of the month after the Effective date, and in case if this day of the month is not a Business day, it shall be the first Business day following this day.

- The second and further Interest periods shall be the period starting from the day following the end date of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, it shall be the first Business day following this day. Interest shall be repaid on a monthly basis on the 4<sup>th</sup> day of each calendar month and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous period till the Deferral date of interest payment (inclusively). The date of interest repayment shall be the Deferral date of interest payment.

Interest repayment during the period from the Effective date till the Deferral date of interest payment (inclusively) shall be as follows:

- The biggest of the following amounts shall be paid to Creditor:
  - 50 (Fifty) percent of the amount of each monthly interest payment of the Borrower calculated in accordance with the terms and conditions of the Facility agreement; or
  - Sum of interest per annum accrued on the effective balance of the Principal calculated based on the rate stated in the table below and defined depending on the total debt to EBITDA ratio as per the latest consolidated financial statement of the Join-Stock Company Mechel on the actual amount of the principal debt.

Total debt to EBITDA ratio	Interest rate per annum (%)
----------------------------	-----------------------------

6.01 and higher	8.75 (Eight point seventy-five)
from 5.01 to 6.0	9.5 (Nine point five)
from 4.01 to 5.0	10.5 (Ten point five)
4.0 and less	Current interest rate by Credit line

The interest rate stated in the table above shall be applied for the calculation of interest payments starting from the Interest period that directly follows the date the certificate containing the calculation of financial liabilities and stating that the Total debt to EBITDA ratio exceeds the threshold stipulated in the Sub-clause above was provided as per clause 8.6.6 of the respectively Facility agreement

– The remaining part of each monthly interest payment shall not be paid to the Creditor but shall be capitalized by means of adding it to the amount of the Principal.

The capitalized interest shall be added to the Principal debt (capitalized) on the end dates of Interest periods. Starting from the first day following the date of capitalization of the interest to the Principal amount the interest shall be accrued on the amount of the indebtedness by Principal with the consideration of the capitalized interest.

From the day following the Deferral date of interest payment till the Final repayment date by Credit line:

- The first Interest period is from the day following the Deferral date of interest payment till the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively). Interest payment shall be on the 4<sup>th</sup> day of the month following the Deferral date of interest payment. If this day of the month is not a Business day, this date shall be the first Business day following this day.

- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Final payment date by Principal by Credit line (inclusively). Interest payment date shall be the Final repayment date by Principal under Credit line.

- The Creditor is entitled to unilaterally revise the interest rate in case if the following events occur simultaneously:

– The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and

– In case of material economic change in the markets of bank services and / or of general economic situation in the country,

And either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

- Starting from the day a delinquency by Principal under Credit line occurred till the Final repayment date by Principal under Credit line the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the overdue Principal debt under Credit line for each day of delinquency.

Starting from the date following the date of interest payment delinquency occurrence till the date such delinquency is finally repaid the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the interest in arrears under Credit line for each day of delinquency.

In case of non-fulfillment or undue fulfillment by Borrower of its obligations related to the repayment of the interest accrued for the period from July 26, 2014 till the Effective date (excluding this date) the Bank is entitled to claim for payment of the penalty for the Borrower's failure to fulfil its obligations related to interest repayment, Principal repayment and other Borrower's obligations as per terms and conditions of the Facility agreement that were valid before the Effective date.

2.3.3. In case of non-fulfillment or undue fulfillment by Borrower of the Secured obligations the Surety and the Borrower shall be jointly and severally responsible towards the Creditor. The Surety bears the same scope of responsibility as the Borrower, including repayment of the Share of the principal, interest repayment, payment of penalties (fines) and other payments stipulated by Facility agreement as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Borrower's non-fulfillment or undue fulfillment of its obligations.

2.3.4. Any alteration made to the Borrower's obligations under Facility agreement shall not be the ground for the suretyship termination. In case of Surety's refusal to make respective amendments to the Contract the Suretyship shall be liable to the Creditor based on the original terms and conditions of the obligation secured for by suretyship as if no amendments were introduced to the obligations.

2.3.5. The Surety undertakes to the Creditor also be jointly and severally liable (responsible) for the fulfillment by the Borrower to the Lender the Borrower's obligations arising from court decisions on the application of the consequences of the invalidity of the transaction (the Credit Facility agreement). In case of non-fulfillment or undue fulfillment by Borrower of the obligation specified in this paragraph the obligation of restitution of the Surety and the Borrower jointly liable to the Creditor in accordance with the Contract.

2.3.6. The Surety shall be liable before the Creditor to the same extent as the Borrower, including a refund of the shares of Principal, interest payments, the payment of penalties (fines) and other payments under the Credit Facility Agreement, the legislation of the Russian Federation and the relevant decision of the court, as well as the reimbursement of the costs of debt collection and other losses of the Creditor, related to non-fulfillment or undue fulfillment of obligations by the Borrower, referred to in this paragraph.

In case of Surety's failure to fulfill its obligation stated in Clause 2.2 of the Contract the Creditor is entitled to claim for payment of the penalty (fine) amounting to 0.045 (Zero point zero forty-five) percent of the amount of such non-fulfilled or undue fulfilled obligation for each day of delinquency by sending to the Surety of the respective written notification on the necessity to pay such penalty. In such case the penalty shall be accrued by Creditor for the period starting from the date the Surety failed to fulfil its obligation under Contract. The penalty stated in this Clause cannot be accrued on fines accrued as per terms and conditions of the Facility agreement.

2.3.7. The Surety also agrees to bear complete joint and several responsibility together with the Debtor for the fulfillment of obligations under Facility agreements by new debtor(s) who succeeded the rights and obligations of respective Debtor under Facility agreements by law of succession and in accordance with the terms and conditions of the Facility agreement.

2.3.8. The Contract comes into force from the date it is signed by Parties (with the consideration of the date the amendments came into force as it is stated in the Amendment agreement) and shall remain valid till April 20, 2025. The fulfilment of duties and exercise of the rights of the Parties under the Agreement due to the date of entry into force, as specified in the Agreement. Early termination of the Contract (early termination of the suretyship) shall be in case of termination of the surety-secured obligations.

The sole executive body of the Company is hereby instructed (with the right of substitution) to define and agree the form and conditions of the final terms and conditions of the Amendment agreement within material terms and conditions approved by competent management bodies of the Company and to sign (with the right of substitution) the documents mentioned and other related documents on behalf of the Company, and the sole executive body of the Company is hereby empowered (with the right of substitution) to introduce further amendments to the above mentioned documentation and other related documents within material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/or amendment agreements and sign all other necessary documents in connection with such powers.

**2.4. Approve the related party transaction – Amendment Agreement No. 4 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 2612-196-K-II dd. June 25, 2012 (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the following material terms and conditions:**

Transaction Parties:

- Mechel, Public Joint Stock Company, further on referred to as the “Surety”,
- Gazprombank (Joint Stock Company), further on referred to as the “Creditor” or “Bank”,

Beneficiarie:

- MECHEL ENERGO, Limited Liability Company

Subject, price and other material conditions of the Transaction:

2.4.1. The Surety undertakes jointly and severally with MECHEL ENERGO, Limited Liability Company, primary state registration number 1027700016706, ITIN 7722245108, further on referred to as the “Borrower”, to be held liable before the Creditor for the fulfillment by Borrower of its obligations owed to the Creditor related to the repayment (redemption) of the Share of the principal, of the accrued interest and other obligations of the Borrower, including its obligations of a joint and several promisor in respect of the Debtors (further on referred to as the “Secured obligations”) arising from Credit facility agreement No. 2612-196-K dd. May 4, 2012 with the consideration of adjustments and amendments to it introduced by Amendment agreement w/o number dd. April 23, 2013 as well as with the consideration of adjustments and amendments introduced by Amendment agreement No. 2 (further on referred to as the “Amendment agreement to Facility agreement”) signed between the Creditor, Borrower, Southern Kuzbass PAO, CMP PAO, and Urals Stampings Plant PAO (“Facility agreement”).

2.4.2. The Surety read and understood all the terms and conditions of the Facility agreement and Amendment agreement to the Facility agreement prior to signing the Contract and the Surety has copies of thereof.

The liabilities of the Parties under Facility agreement shall be considered amended the way they are described in the Amendment agreement to Facility agreement as soon as the conditions suspended stated in the Amendment agreement to Facility agreement have been complied with starting from the date stated in the Reconciliation statement as this term is defined in Amendment agreement to Facility agreement, wherein said date may not be later than March 31, 2016 (further on referred to as the “Effective date”).

**Terms and conditions of the secured obligation:**

- The limit of the Credit line (the maximum amount of the aggregated indebtedness under credit line) is: 5,000,000,000 (Five billion) rubles;
- Lending purpose: investments into the financial and operating activities.
  - Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of the 4<sup>th</sup> day of the month following the Deferment Date of the principal and starting from this date.

In case if:

Any of the Additional conditions is not complied with; or

No Event of restructuring happens before the Date of restructuring,

The above described repayment procedure shall be amended starting from respective Amendment date and is to be as follows: Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of April 4, 2017.

In case if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.”

- The Credit provided to the Borrower shall be repaid to the Bank in full scale not later than on April 20, 2020 and in case if: (i) all Additional conditions are complied with; and (ii) the Event of restructuring occurred before the Date of restructuring – it shall be repaid not later than on April 20, 2022. In the last month of using the Credit the repayment shall be on the 4<sup>th</sup> day and the 20<sup>th</sup> day of the month. if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

The Borrower has the right for early repayment of the debt and interest accrued for the actual period of the Loan provided that the Bank is informed of the intention beforehand in writing. Based on Bank's request the Borrower shall perform early repayment of the debt by



Credit as per conditions of the Facility agreement in case of event of non-fulfillment of the obligations listed in the Facility agreement as well as perform early repayment of the debt by Credit after the date the cash sweep mechanism was agreed with the bank to automatically transfer funds from the free cash flow to the accounts in the amount as per procedure stipulated by such cash sweep mechanism and Facility agreement.

- Starting from the date when the Facility agreement was signed till the Date of final repayment of the indebtedness by Credit line (inclusively) the Debtor shall unconditionally and irrevocably repay to the Creditor the interest by Credit line accrued on the amount of the outstanding Principal by Credit line for each calendar day based on the following rate:

- Till the date stated in the notification of the Creditor of the fact that the conditions suspended stated in the Amended agreement to Facility agreement; this date cannot be later than March 31, 2016 (“Effective date”):

- for the period of the Credit Tranche that is up to 90 days inclusively the rate shall be 8.55 (Eight point fifty-five) percent per annum;
- for the period of the Credit Tranche that is from 91 up to 180 days inclusively the rate shall be 9.15 (Nine point fifteen) percent per annum;
- for the period of the Credit Tranche that is from 181 up to 365 days inclusively the rate shall be 9.5 (Nine point five) percent per annum;
- for the period of the Credit Tranche that is from 366 up to 540 days inclusively the rate shall be 9.75 (Nine point seventy-five) percent per annum;
- for the period of the Credit Tranche that is from 541 up to 730 days inclusively the rate shall be 10.2 (Ten point two) percent per annum;
- for the period of the Credit Tranche that is from 731 up to 1825 days inclusively the rate shall be 10.5 (Ten point five) percent per annum.

- From Enforcement date the rate shall be the key rate of the Bank of Russia plus 1.5 (One point five) percent per annum, in case if: (i) any of the Additional conditions is not complied with; or (ii) the Event of restructuring does not happen till the Date of restructuring:

- From the date following the respective Amendment date when the credit conditions were changed the interest rate shall be defined at the level of the rate defined by the Bank of Russia plus 3.5 (three point five) percent per annum; and

- The Borrower undertakes to additionally pay the interest accrued for the period from the Effective date till respective Amendment date (that is not the Effective date) when the credit conditions were changed (inclusively) that were accrued on the effective balance of the Principal, including the amount of the interest that was capitalized during the above mentioned interest period under the Credit line for each calendar day at the rate of 2 (Two) percent per annum. The amount of such additionally accrued interest shall be capitalized by means of adding it to the Principal amount on respective Amendment date when the credit conditions were changed. Repayment of the additionally accrued interest shall be as per schedule in accordance with the Facility agreement.

The interest rate by Credit line is to be changed starting from the date the key rate is changed by the Bank of Russia.

- Interest repayment for the Credit usage shall be within the timelines with the consideration of the Interest periods:

From the date the first Tranche of the Credit was provided till July 25, 2014 (inclusively):

- The first Interest period is from the date the first Tranche of the Credit was provided (not including this date) till the last calendar day of the first month of using the Credit (inclusively). The date of interest repayment shall be the last Business day of the first month of using the Credit.

- The Second Interest period is from the first day till 25th (Twenty-fifth) day of the second month of using the Credit (inclusively). The date of interest repayment shall be 25th (Twenty-fifth) day of the second month of using the Credit.

- Further Interest periods is a period from 26th (Twenty-sixth) day of the month preceding the current one till 25th (Twenty-fifth) day of the current month (inclusively). Interest shall be repaid on a monthly basis; the interest repayment date shall be the 25th (Twenty-fifth) day of each calendar month.

- Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower not later than on March 31, 2017 (inclusively).

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed separately from repayment of the interest accrued after the Effective date and without consideration of the order and mechanism of the repayment of such interest stated in the Facility agreement.

From the Effective date till Deferral date of interest payment (inclusively):

- The first Interest period is from Effective date till the 4<sup>th</sup> day of the month which the Effective date falls into (inclusively). In case if the Effective date falls into the period after the 4<sup>th</sup> day, the first Interest period will end on the 4<sup>th</sup> day of the next calendar month (inclusively), and in case if this day of the month is not a Business day, the end date shall be the first Business day following this day. The date of interest repayment shall be the 4<sup>th</sup> day of the month after the Effective date, and in case if this day of the month is not a Business day, it shall be the first Business day following this day.

- The second and further Interest periods shall be the period starting from the day following the end date of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, it shall be the first Business day following this day. Interest shall be repaid on a monthly basis on the 4<sup>th</sup> day of each calendar month and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous period till the Deferral date of interest payment (inclusively). The date of interest repayment shall be the Deferral date of interest payment.

Interest repayment during the period from the Effective date till the Deferral date of interest payment (inclusively) shall be as follows:

- The biggest of the following amounts shall be paid to Creditor:

- 50 (Fifty) percent of the amount of each monthly interest payment of the Borrower calculated in accordance with the terms and conditions of the Facility agreement; or

- Sum of interest per annum accrued on the effective balance of the Principal calculated based on the rate stated in the table below and defined depending on the total debt to EBITDA ratio as per the latest consolidated financial statement of the Join-Stock Company Mechel on the actual amount of the principal debt.

Total debt to EBITDA ratio	Interest rate per annum (%)
----------------------------	-----------------------------

6.01 and higher	8.75 (Eight point seventy-five)
from 5.01 to 6.0	9.5 (Nine point five)
from 4.01 to 5.0	10.5 (Ten point five)
4.0 and less	Current interest rate by Credit line

The interest rate stated in the table above shall be applied for the calculation of interest payments starting from the Interest period that directly follows the date the certificate containing the calculation of financial liabilities and stating that the Total debt to EBITDA ratio exceeds the threshold stipulated in the Sub-clause above was provided as per clause 8.6.6 of the respectively Facility agreement

– The remaining part of each monthly interest payment shall not be paid to the Creditor but shall be capitalized by means of adding it to the amount of the Principal.

The capitalized interest shall be added to the Principal debt (capitalized) on the end dates of Interest periods. Starting from the first day following the date of capitalization of the interest to the Principal amount the interest shall be accrued on the amount of the indebtedness by Principal with the consideration of the capitalized interest.

From the day following the Deferral date of interest payment till the Final repayment date by Credit line:

- The first Interest period is from the day following the Deferral date of interest payment till the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively). Interest payment shall be on the 4<sup>th</sup> day of the month following the Deferral date of interest payment. If this day of the month is not a Business day, this date shall be the first Business day following this day.

- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Final payment date by Principal by Credit line (inclusively). Interest payment date shall be the Final repayment date by Principal under Credit line.

- The Creditor is entitled to unilaterally revise the interest rate in case if the following events occur simultaneously:

– The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and

– In case of material economic change in the markets of bank services and / or of general economic situation in the country,

And either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

- Starting from the day a delinquency by Principal under Credit line occurred till the Final repayment date by Principal under Credit line the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the overdue Principal debt under Credit line for each day of delinquency.

Starting from the date following the date of interest payment delinquency occurrence till the date such delinquency is finally repaid the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the interest in arrears under Credit line for each day of delinquency.

In case of non-fulfillment or undue fulfillment by Borrower of its obligations related to the repayment of the interest accrued for the period from July 26, 2014 till the Effective date (excluding this date) the Bank is entitled to claim for payment of the penalty for the Borrower's failure to fulfil its obligations related to interest repayment, Principal repayment and other Borrower's obligations as per terms and conditions of the Facility agreement that were valid before the Effective date.

2.4.3. In case of non-fulfillment or undue fulfillment by Borrower of the Secured obligations the Surety and the Borrower shall be jointly and severally responsible towards the Creditor. The Surety bears the same scope of responsibility as the Borrower, including repayment of the Share of the principal, repayment of interest, payment of fines (penalties) and other payments stipulated by Facility agreement as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Borrower's non-fulfillment or undue fulfillment of its obligations.

2.4.4. Alterations made to the Debtor's obligations under Facility agreements shall not be the ground for the suretyship termination. In case of Surety's refusal to make respective amendments to the Contract the Suretyship shall be liable to the Creditor based on the original terms and conditions of the obligation secured for by suretyship as if no amendments were introduced to the obligation.

2.4.5. In accordance with the Contract, the Surety shall be jointly and severally responsible towards the Creditor (be liable) for the Borrower's fulfillment of its obligations towards the Creditor arising from court decisions related to the enforcement of implications of an invalidated transaction (Facility agreement). The Surety and Borrower shall be jointly and severally responsible for the Borrower's non-fulfillment or undue fulfillment of the restitution obligation stated in this Clause. The Surety shall be liable before the Creditor to the same extent as the Borrower, including a refund of the shares of Principal, interest payments, the payment of penalties (fines) and other payments under the Credit Facility Agreement, the legislation of the Russian Federation and the relevant decision of the court, as well as the reimbursement of the costs of debt collection and other losses of the Creditor, related to non-fulfillment or undue fulfillment of obligations by the Borrower, referred to in this paragraph.

2.4.6. The Surety also agrees to bear complete joint and several responsibility together with the Borrower for the fulfillment of the Secured obligations by new debtor who succeeded the rights and obligations of the Borrower under Facility agreement by law of succession.

2.4.7. In case of Surety's failure to fulfill its obligations the Creditor is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent of the amount of such non-fulfilled or undue fulfilled obligation for each day of delinquency by sending respective written notification on the necessity to pay such penalty. In such case the penalty shall be accrued by Creditor for the period starting from the date the Surety failed to fulfil its obligation under Contract provided that the notification does not prescribe any other later period for penalty (fine) accrual. The penalty stated in this Clause cannot be accrued on fines accrued as per

terms and conditions of the Facility agreement.

- 2.4.8. The Contract comes into force from the date it is signed by Parties (with the consideration of the date the amendments came into force as it is stated in the Amendment agreement) and shall remain valid till April 20, 2025. The fulfilment of duties and exercise of the rights of the Parties under the Agreement due to the date of entry into force, as specified in the Agreement. Early termination of the Contract (early termination of the suretyship) shall be in case of termination of the surety-secured obligations.

The sole executive body of the Company is hereby instructed (with the right of substitution) to define and agree the form and conditions of the final terms and conditions of the Amendment agreement within material terms and conditions approved by competent management bodies of the Company and to sign (with the right of substitution) the documents mentioned and other related documents on behalf of the Company, and the sole executive body of the Company is hereby empowered (with the right of substitution) to introduce further amendments to the above mentioned documentation and other related documents within material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/or amendment agreements and sign all other necessary documents in connection with such powers.

**2.5. Approve the related party transaction – Amendment Agreement No. 3 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 31/09-B-II dd. June 29, 2010 (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the following material terms and conditions:**

Transaction Parties:

- Mechel, Public Joint Stock Company, further on referred to as the “Surety”,
- Gazprombank (Joint Stock Company), further on referred to as the “Creditor” or “Bank”,

Beneficiarie:

- Holding Company Yakutugol, Joint Stock Company

Subject, price and other material conditions of the Transaction:

2.5.1. The Surety undertakes jointly and severally with Holding Company Yakutugol, Joint Stock Company, primary state registration number 1021401009057, ITIN 1434026980, further on referred to as the “Debtor”, to be held liable before the Creditor for the fulfillment by Debtor of its obligations owed to the Creditor related to the repayment (redemption) of the Share of the principal, of the accrued interest and other obligations of the Borrower, including its obligations of a joint and several promisor in respect of the Debtors (further on referred to as the “Secured obligations”) arising from Credit facility agreement No. 31/09-B dd. February 06, 2009 with the consideration of adjustments and amendments to it introduced by Amendment agreement No. 1 dd. February 24, 2010, Amendment agreement No. 2 dd. December 31, 2010, Amendment agreement No. 3 dd. July 29, 2011, Amendment agreement No. 4 dd. October 25, 2011, Amendment agreement No. 5 dd. February 14, 2012, Amendment agreement No. 6 dd. June 28, 2012 and Amendment agreement No. 7 dd. June 18, 2013 as well as with the consideration of adjustments and amendments introduced by Amendment agreement No. 8 dd. August 20, 2015 (“Amendment agreement to Facility agreement”) (Facility agreement”) signed between the Creditor and the Debtor.

2.5.2. The Surety knows all Contract conditions of the transfer of the debt, Facility agreement and Amendment agreements to Facility agreement listed in Clause 2.5.1 of this decision, the text of which was read and understood by Surety prior to signing the Contract and the Surety has copies of thereof.

The liabilities of the Parties under Facility agreement shall be considered amended the way they are described in the Amendment agreement to Facility agreement as soon as the conditions suspended stated in the respective Amendment agreement to Facility agreement have been complied with starting from the date stated in the Reconciliation statement as this term is defined in respective Amendment agreement to Facility agreement and such date shall not be later than March 31, 2016 (further on referred to as the “Effective date”).

**Terms and conditions of the secured obligation:**

- The limit of the Credit line (the maximum amount of the aggregated indebtedness under credit line) is: 103,112,111 (one hundred and three million one hundred twelve hundred thousand one hundred eleven) US dollars, in rubles on the Effective Date on March 31, 2016 amounted to 6,929,133 895.49 (six billion, nine hundred twenty-nine million one hundred and thirty-three thousand eight hundred ninety-five and 49/100) rubles;

- Lending purpose: investments into the financial and operating activities.

- Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of the 4<sup>th</sup> day of the month following the Deferment Date of the principal and starting from this date.

In case if:

Any of the Additional conditions is not complied with; or

No Event of restructuring happens before the Date of restructuring,

The above described repayment procedure shall be amended starting from respective Amendment date and is to be as follows: Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of April 4, 2017.

In case if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.”

- The Credit provided to the Borrower shall be repaid to the Bank in full scale not later that on April 20, 2020 and in case if: (i) all Additional conditions are complied with; and (ii) the Event of restructuring occurred before the Date of restructuring – it shall be repaid not later than on April 20, 2022. In the last month of using the Credit the repayment shall be on the 4<sup>th</sup> day and the 20<sup>th</sup> day of the month. if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

The Borrower has the right for early repayment of the debt and interest accrued for the actual period of the Loan provided that the Bank is informed of the intention beforehand in writing. Based on Bank’s request the Borrower shall perform early repayment of the debt by Credit as per conditions of the Facility agreement in case of event of non-fulfillment of the obligations listed in the Facility agreement as well as perform early repayment of the debt by Credit after the date the cash sweep mechanism was agreed with the bank to automatically transfer funds from the free cash flow to the accounts in the amount as per procedure stipulated by such cash sweep mechanism and Facility agreement.

Starting from the date when the Facility agreement was signed and till the Date of final repayment of the indebtedness by Credit line (inclusively) the Debtor shall unconditionally and irrevocably repay to the Creditor the interest by Credit line accrued on the amount of the outstanding Principal by Credit line for each calendar day based on the following rate:

- for the period of the Credit Tranche that is up February 24, 2010 inclusively the rate shall be 14.0 (fourteen) percent per annum;
  - for the period from February 25, 2010 until December 30, 2010 inclusively the rate shall be 9.0 (nine) percent per annum;
  - for the period from December 31, 2010 until March 30, 2011 inclusively the rate shall be 8.0 (eight) percent per annum;
  - for the period from March 31, 2011 until September 25, 2011 inclusively the rate shall be 7.5 (seven point five) percent per annum;
  - for the period from September 26, 2011 until the Effective date inclusively the rate shall be LIBOR increase of 5.25 (five point twenty five) percent per annum;
  - From Enforcement date the rate shall be the key rate of the Bank of Russia plus 1.5 (One point five) percent per annum, in case if: (i) any of the Additional conditions is not complied with; or (ii) the Event of restructuring does not happen till the Date of restructuring:
    - From the date following the respective Amendment date when the credit conditions were changed the interest rate shall be defined at the level of the rate defined by the Bank of Russia plus 3.5 (three point five) percent per annum; and
    - The Borrower undertakes to additionally pay the interest accrued for the period from the Effective date till respective Amendment date (that is not the Effective date) when the credit conditions were changed (inclusively) that were accrued on the effective balance of the Principal, including the amount of the interest that was capitalized during the above mentioned interest period under the Credit line for each calendar day at the rate of 2 (Two) percent per annum. The amount of such additionally accrued interest shall be capitalized by means of adding it to the Principal amount on respective Amendment date when the credit conditions were changed. Repayment of the additionally accrued interest shall be as per schedule in accordance with the Facility agreement.
- The interest rate by Credit line is to be changed starting from the date the key rate is changed by the Bank of Russia.
- Interest repayment for the Credit usage shall be within the timelines with the consideration of the Interest periods:

From the date the first Tranche of the Credit was provided till July 25, 2014 (inclusively):

- The first Interest period is from the date the first Tranche of the Credit was provided (not including this date) till the last calendar day of the first month of using the Credit (inclusively). The date of interest repayment shall be the last Business day of the first month of using the Credit.

- The Second Interest period is from the first day till 25th (Twenty-fifth) day of the second month of using the Credit (inclusively). The date of interest repayment shall be 25th (Twenty-fifth) day of the second month of using the Credit.

- Further Interest periods is a period from 26th (Twenty-sixth) day of the month preceding the current one till 25th (Twenty-fifth) day of the current month (inclusively). Interest shall be repaid on a monthly basis; the interest repayment date shall be the 25th (Twenty-fifth) day of each calendar month.

From July 26, 2014 till the Effective date (not including such date):

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower as per procedure:

until December 31, 2015 (inclusively) a single payment of not less than 2,783,660 (two million seven hundred eighty-three thousand six hundred and sixty) rubles. At the same time, if the Effective Date occurs before December 31, 2015, the payment is made in rubles, and if after 31 December 2015 - in US dollars at the exchange rate of the Bank of Russia on the date of payment,

after December 31, 2015 - monthly payments of not less than 22 269 281.18 (twenty two million two hundred and sixty-nine thousand two hundred eighty-one 18/100) rubles on the 4<sup>th</sup> day of each month of credit use, starting with the month in which the Effective Date, and if the Effective Date falls on the day after the 4<sup>th</sup> day, from the 4<sup>th</sup> day of the following month and up to March 31, 2017 (inclusive) (in this case, in March 2017 interest payment made on March 4, and on March 31, in the amount of remaining debt on interest accrued for the period from July 26, 2014 and before the Effective Date (not including this date)).

The payment of interest accrued from July 26, 2014 and before the Effective Date (excluding such date) is separate from the payment of interest accrued after the Effective Date, and without taking into account the procedure and mechanism of payment specified in the Credit facility agreement.

From Effective date till Deferral date of interest payment (inclusively):

- The first Interest period is from Effective date till the 4<sup>th</sup> day of the month which the Effective date falls into (inclusively). In case if the Effective date falls into the period after the 4<sup>th</sup> day, the first Interest period will end on the 4<sup>th</sup> day of the next calendar month (inclusively), and in case if this day of the month is not a Business day, the end date shall be the first Business day following this day. The date of interest repayment shall be the 4<sup>th</sup> day of the month after the Effective date, and in case if this day of the month is not a Business day, it shall be the first Business day following this day.

- The second and further Interest periods shall be the period starting from the day following the end date of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, it shall be the first Business day following this day. Interest shall be repaid on a monthly basis on the 4<sup>th</sup> day of each calendar month and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous period till Deferral date of interest payment (inclusively). The date of interest repayment shall be Deferral date of interest payment.

Interest repayment during the period from the Effective date till Deferral date of interest payment (inclusively) shall be as follows:

- The biggest of the following amounts shall be paid to Creditor:
  - o 50 (Fifty) percent of the amount of each monthly interest payment calculated in accordance with the terms and conditions of the respectively Facility agreement; or
  - o Sum of interest per annum accrued on the effective balance of the Principal calculated based on the rate stated in the table below and defined depending on the total debt to EBITDA ratio as per the latest consolidated financial statement of the Joint-Stock Company Mechel on the actual amount of the principal debt.

Total debt to EBITDA ratio	Interest rate per annum (%)
6.01 and higher	8.75 (Eight point seventy-five)
from 5.01 to 6.0	9.5 (Nine point five)
from 4.01 to 5.0	10.5 (Ten point five)
4.0 and less	Current interest rate by Credit line

The interest rate stated in the table above shall be applied for the calculation of interest payments starting from the Interest period that directly follows the date the certificate containing the calculation of financial liabilities and stating that the Total debt to EBITDA ratio exceeds the threshold stipulated in the Sub-clause above was provided as per clause 8.6.6 of the respectively Facility agreement.

- The remaining part of each monthly interest payment of the Borrower shall not be paid to the Creditor but shall be capitalized by means of adding it to the amount of the Principal.

The capitalized interest shall be added to the amount of the Principal (capitalized) on the end dates of Interest periods. Starting from the first day following the date of capitalization of the interest to the Principal amount the interest shall be accrued on the amount of the indebtedness by Principal with the consideration of the capitalized interest.

From the date following the Deferral date of interest payment till the Final repayment date by Credit line:

- The first Interest period is from the day following the Deferral date of interest payment till the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively).

The date of interest repayment - the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively). In case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Final payment date by Principal by Credit line (inclusively). Interest payment date shall be the Final repayment date by Principal under Credit line.

- The Creditor is entitled to unilaterally revise the interest rate in case if the following events occur simultaneously:

– The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and

– In case of material economic change in the markets of bank services and / or of general economic situation in the country,

And either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

- Starting from the day a delinquency by Principal under Credit line occurred till the Final repayment date by Principal under Credit line the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the overdue Principal debt under Credit line for each day of delinquency.

Starting from the date following the date of interest payment delinquency occurrence till the date such delinquency is finally repaid the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the interest in arrears under Credit line for each day of delinquency.

In case of non-fulfillment or undue fulfillment by Borrower of its obligations related to the repayment of the interest accrued for the period from July 26, 2014 till the Effective date (excluding this date) the Bank is entitled to claim for payment of the penalty for the Borrower's failure to fulfil its obligations related to interest repayment, Principal repayment and other Borrower's obligations as per terms and conditions of the Facility agreement that were valid before the Effective date.

2.5.3. In case of non-fulfillment or undue fulfillment by Debtor of the obligation secured for by suretyship the Surety and respective Debtor shall be jointly and severally responsible towards the Creditor. The Surety bears the same scope of responsibility as Debtor, including repayment of the credit amount (the principal), interest repayment, and payment of penalties (fines) and other payments stipulated by Facility agreements as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from obligations non-fulfillment or undue fulfillment by respective Debtor.

2.5.4. Alterations made to the Debtor's obligations under Facility agreements shall not be the ground for the suretyship termination. In case of Surety's refusal to make respective amendments to the Contract the Suretyship shall be liable to the Creditor based on the original terms and conditions of the obligation secured for by suretyship as if no amendments were introduced to the obligation.

2.5.5. In accordance with the Contract, the Surety shall be jointly and severally responsible towards the Creditor (be liable) for the Borrower's fulfillment of its obligations towards the Creditor arising from court decisions related to the enforcement of implications of an invalidated transaction (Facility agreement). The Surety and Borrower shall be jointly and severally responsible for the Borrower's non-fulfillment or undue fulfillment of the restitution obligation stated in this Clause. The Surety shall be liable before the Creditor to the same extent as the Borrower, including a refund of the shares of Principal, interest payments, the payment of penalties (fines) and other payments under the Credit Facility Agreement, the legislation of the Russian Federation and the relevant decision of the court, as well as the reimbursement of the costs of debt collection and other losses of the Creditor, related to non-fulfillment or undue fulfillment of obligations by the Borrower, referred to in this paragraph.

2.5.6. The Surety also agrees to bear complete joint and several responsibility together with the Borrower for the fulfillment of the Secured

obligations by new debtor who succeeded the rights and obligations of the Borrower under Facility agreement by law of succession.

2.5.7. In case of Surety's failure to fulfill its obligation stated in Clause 2.2 of the Contract the Creditor is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent of the amount of such non-fulfilled or undue fulfilled obligation for each day of delinquency by sending respective written notification on the necessity to pay such penalty. In such case the penalty shall be accrued by Creditor for the period starting from the date the Surety failed to fulfil its obligation under Contract provided that the notification does not prescribe any other later period for penalty (fine) accrual. The penalty stated in this Clause cannot be accrued on fines accrued as per terms and conditions of the Facility agreement.

2.5.8. The Contract comes into force from the date it is signed by Parties (with the consideration of the date the amendments came into force as it is stated in the Amendment agreement) and shall remain valid till April 20, 2025. The fulfilment of duties and exercise of the rights of the Parties under the Agreement due to the date of entry into force, as specified in the Agreement. Early termination of the Contract (early termination of the suretyship) shall be in case of termination of the surety-secured obligations.

The sole executive body of the Company is hereby instructed (with the right of substitution) to define and agree the form and conditions of the final terms and conditions of the Amendment agreement within material terms and conditions approved by competent management bodies of the Company and to sign (with the right of substitution) the documents mentioned and other related documents on behalf of the Company, and the sole executive body of the Company is hereby empowered (with the right of substitution) to introduce further amendments to the above mentioned documentation and other related documents within material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/or amendment agreements and sign all other necessary documents in connection with such powers.

**2.6. Approve the related party transaction – Amendment Agreement No. 1 (further on referred to as the “Amendment agreement”) to Suretyship contract No. 2612-200-K-II-1 dd. June 14, 2013 (further on referred to as the “Suretyship contract” and/or “Contract”) being signed between Gazprombank (Joint Stock Company) and Mechel, Public Joint Stock Company (further on collectively referred to as the “Parties”) on the following material terms and conditions:**

Transaction Parties:

- Mechel, Public Joint Stock Company, further on referred to as the “Surety”,
- Gazprombank (Joint Stock Company), further on referred to as the “Creditor” or “Bank”,

Beneficiarie: Chelyabinsk Metallurgical Plant, Public Joint Stock Company.

Subject, price and other material conditions of the Transaction:

2.6.1. The Surety undertakes jointly and severally with Chelyabinsk Metallurgical Plant, Public Joint Stock Company, primary state registration number 1027402812777, ITIN 7450001007, further on referred to as the “**Debtor**” or “**Borrower**”, to be held liable before the Creditor for the fulfillment by Debtor of its obligations owed to the Creditor arising from Credit facility agreement No. 2612-200-K dd. May 02, 2012 with the consideration of adjustments and amendments to it introduced by Amendment agreement dd. April 23, 2013 as well as with the consideration of adjustments and amendments introduced by Amendment agreement No.2 dd. August 25, 2015 as amended and restated by Amendment agreement No. 1 dd. December 18, 2015 (“**Amendment agreement to Facility agreement**”) (“**Facility agreement**”), signed between the Creditor and the Debtor.

2.6.2. The Surety knows all Contract conditions of the transfer of the debt, Facility agreement and Amendment agreements to Facility agreement listed in Clause 2.6.1 of this decision, the text of which was read and understood by Surety prior to signing the Contract and the Surety has copies of thereof.

The liabilities of the Parties under Facility agreement shall be considered amended the way they are described in the Amendment agreement to Facility agreement as soon as the conditions suspended stated in the respective Amendment agreement to Facility agreement have been complied with starting from the date stated in the Creditor's notification of compliance with the conditions suspended stated in the Amendment agreement to Facility agreement and such date shall not be later than March 31, 2016 (further on referred to as the “Effective date”).

**Terms and conditions of the secured obligation:**

- The limit of the indebtedness under Credit line (the maximum amount of the aggregated indebtedness under credit line) is: 6,000,000,000 (Six billion) rubles.

- Lending purpose: investments into the financial and operating activities.

- Credit line shall be disbursed by Credit Tranches. Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of the 4<sup>th</sup> day of the month following the Deferment Date of the principal and starting from this date.

In case if:

Any of the Additional conditions is not complied with; or

No Event of restructuring happens before the Date of restructuring,

The above described repayment procedure shall be amended starting from respective Amendment date and is to be as follows: Credit repayment shall be in equal monthly installments that are equal shares of the Principal balance (with the consideration of the capitalized interest) as of April 4, 2017.

In case if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.”

- The Credit provided to the Borrower shall be repaid to the Bank in full scale not later that on April 20, 2020 and in case if: (i) all Additional conditions are complied with; and (ii) the Event of restructuring occurred before the Date of restructuring – it shall be repaid not later than on April 20, 2022. In the last month of using the Credit the repayment shall be on the 4<sup>th</sup> day and the 20<sup>th</sup> day of the month. if the day of the Credit repayment as per this sub-clause falls on a day that is not a Business day, this date shall be the first Business day following this day.

The Borrower has the right for early repayment of the debt and interest accrued for the actual period of the Loan provided that the Bank is informed of the intention beforehand in writing. Based on Bank's request the Borrower shall perform early repayment of the debt by Credit as per conditions of the Facility agreement in case of event of non-fulfillment of the obligations listed in the Facility agreement as well as perform early repayment of the debt by Credit after the date the cash sweep mechanism was agreed with the bank to automatically transfer

funds from the free cash flow to the accounts in the amount and as per procedure stipulated by such cash sweep mechanism and Facility agreement.

- Starting from the date when the Facility agreement was signed till the Date of final repayment of the indebtedness by Credit line (inclusively) the Debtor shall unconditionally and irrevocably repay to the Creditor the interest by Credit line accrued on the amount of the outstanding Principal by Credit line for each calendar day based on the following rate:

- Till the date stated in the notification of the Creditor of the fact that the conditions suspended stated in the Amended agreement to Facility agreement; this date cannot be later than March 31, 2016 (“Effective date”):

- for the period of the Credit Tranche that is up to 90 days inclusively the rate shall be 8.55 (Eight point fifty-five) percent per annum;
- for the period of the Credit Tranche that is from 91 up to 180 days inclusively the rate shall be 9.15 (Nine point fifteen) percent per annum;

- for the period of the Credit Tranche that is from 181 up to 365 days inclusively the rate shall be 9.5 (Nine point five) percent per annum;

- for the period of the Credit Tranche that is from 366 up to 540 days inclusively the rate shall be 9.75 (Nine point seventy-five) percent per annum;

- for the period of the Credit Tranche that is from 541 up to 730 days inclusively the rate shall be 10.2 (Ten point two) percent per annum;

- for the period of the Credit Tranche that is from 731 up to 1825 days inclusively the rate shall be 10.5 (Ten point five) percent per annum.

- From Enforcement date the rate shall be the key rate of the Bank of Russia plus 1.5 (One point five) percent per annum, in case if: (i) any of the Additional conditions is not complied with; or (ii) the Event of restructuring does not happen till the Date of restructuring:

- From the date following the respective Amendment date when the credit conditions were changed the interest rate shall be defined at the level of the rate defined by the Bank of Russia plus 3.5 (three point five) percent per annum; and

- The Borrower undertakes to additionally pay the interest accrued for the period from the Effective date till respective Amendment date (that is not the Effective date) when the credit conditions were changed (inclusively) that were accrued on the effective balance of the Principal, including the amount of the interest that was capitalized during the above mentioned interest period under the Credit line for each calendar day at the rate of 2 (Two) percent per annum. The amount of such additionally accrued interest shall be capitalized by means of adding it to the Principal amount on respective Amendment date when the credit conditions were changed. Repayment of the additionally accrued interest shall be as per schedule in accordance with the Facility agreement.

The key rate is defined by Board of directors of the Bank of Russia and published on the website of the Bank of Russia and in open sources.

The interest rate by Credit line is to be changed starting from the date the key rate is changed by the Bank of Russia.

- Interest repayment for the Credit usage shall be within the timelines with the consideration of the Interest periods:

- From the date the first Tranche of the Credit was provided till July 25, 2014 (inclusively):

- The first Interest period is from the date the first Tranche of the Credit was provided (not including this date) till the last calendar day of the first month of using the Credit (inclusively). The date of interest repayment shall be the last Business day of the first month of using the Credit.

- The Second Interest period is from the first day till 25th (Twenty-fifth) day of the second month of using the Credit (inclusively). The date of interest repayment shall be 25th (Twenty-fifth) day of the second month of using the Credit.

- Further Interest periods is a period from 26th (Twenty-sixth) day of the month preceding the current one till 25th (Twenty-fifth) day of the current month (inclusively). Interest shall be repaid on a monthly basis; the interest repayment date shall be the 25th (Twenty-fifth) day of each calendar month.

- Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed by Borrower not later than on March 31, 2017 (inclusively).

Repayment of interest accrued from July 26, 2014 till the Effective date (not including such date) shall be performed separately from repayment of the interest accrued after the Effective date and without consideration of the order and mechanism of the repayment of such interest stated in the Facility agreement.

From Effective date till Deferral date of interest payment (inclusively):

- The first Interest period is from Effective date till the 4<sup>th</sup> day of the month which the Effective date falls into (inclusively). In case if the Effective date falls into the period after the 4<sup>th</sup> day, the first Interest period will end on the 4<sup>th</sup> day of the next calendar month (inclusively), and in case if this day of the month is not a Business day, the end date shall be the first Business day following this day. The date of interest repayment shall be the 4<sup>th</sup> day of the month after the Effective date, and in case if this day of the month is not a Business day, it shall be the first Business day following this day.

- The second and further Interest periods shall be the period starting from the day following the end date of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, it shall be the first Business day following this day. Interest shall be repaid on a monthly basis on the 4<sup>th</sup> day of each calendar month and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Deferral date of interest payment (inclusively). The date of interest repayment - the Deferral date of interest payment.

Interest repayment during the period from the Effective date till Deferral date of interest payment (inclusively) shall be as follows:

The biggest of the following amounts shall be paid to the Creditor:

- o 50 (Fifty) percent of the amount of each monthly interest payment calculated in accordance with the terms and conditions of the Facility agreement; or

- o Sum of interest per annum accrued on the effective balance of the Principal under the Credit line calculated based on the rate stated in the table below and defined depending on the total debt to EBITDA ratio as per the latest consolidated financial statement of the Joint-Stock Company Mechel on the actual amount of the principal debt.

<b>Total debt to EBITDA ratio</b>	<b>Interest rate per annum (%)</b>
6.01 and higher	8.75 (Eight point seventy-five)
from 5.01 to 6.0	9.5 (Nine point five)
from 4.01 to 5.0	10.5 (Ten point five)
4.0 and less	Current interest rate by Credit line

The interest rate stated in the table above shall be applied for the calculation of interest payments starting from the Interest period that directly follows the date the certificate containing the calculation of financial liabilities and stating that the Total debt to EBITDA ratio exceeds the threshold stipulated in the Sub-clause above was provided as per Clause 8.6.6 of the Facility agreement,

- The remaining part of each monthly interest payment of the Borrower shall not be paid to the Creditor but shall be capitalized by means of adding it to the amount of the Principal.

The capitalized interest shall be added to the Principal (capitalized) on the end dates of Interest periods. Starting from the first day following the date of capitalization of the interest to the Principal amount the interest shall be accrued on the amount of the indebtedness by Principal with the consideration of the capitalized interest.

- From the day following the Deferral date of interest payment till the Final repayment date by Credit line:

- The first Interest period is from the day following the Deferral date of interest payment till the 4<sup>th</sup> day of the month following the Deferral date of interest payment (inclusively). Interest payment shall be on the 4<sup>th</sup> day of the month following the Deferral date of interest payment. If this day of the month is not a Business day, this date shall be the first Business day following this day.

- The second and further Interest periods is the period starting from the day following the final day of the previous interest period till the 4<sup>th</sup> day of each calendar month (inclusively), and in case if this day of the month is not a Business day, this date shall be the first Business day following this day. Interest payment shall be on a monthly basis on the 4<sup>th</sup> day of each calendar month, and in case if this day of the month is not a Business day, this date shall be the first Business day following this day.

- The last Interest period is the period starting from the day following the final day of the previous interest period till the Final payment date by Principal by Credit line (inclusively). Interest payment date shall be the Final repayment date by Principal under Credit line.

- The Creditor is entitled to unilaterally revise the interest rate in case if the following events occur simultaneously:

- The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and

- In case of material economic change in the markets of bank services and / or of general economic situation in the country,

And either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

- Starting from the day a delinquency by Principal under Credit line occurred till the Final repayment date by Principal under Credit line the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the overdue Principal debt under Credit line for each day of delinquency.

Starting from the date following the date of interest payment delinquency occurrence till the date such delinquency is finally repaid the Bank is entitled to claim for payment of the penalty amounting to 0.045 (Zero point zero forty-five) percent per annum accrued on the amount of the interest in arrears under Credit line for each day of delinquency.

In case of non-fulfillment or undue fulfillment by Borrower of its obligations related to the repayment of the interest accrued for the period from July 26, 2014 till the Effective date (not including such date) the Bank is entitled to claim for payment of the penalty for the Borrower's failure to fulfil its obligations related to interest repayment, Principal repayment and other Borrower's obligations as per terms and conditions of the Facility agreement that were valid before the Effective date.

In case of non-fulfillment or undue fulfillment by Debtor of the obligation secured for by suretyship the Surety and respective Debtor shall be jointly and severally responsible towards the Creditor. The Surety bears the same scope of responsibility as the Debtor, including repayment of the credit amount (the principal), interest repayment, payment of penalties (fines) and other payments stipulated by Facility agreement as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Debtor's non-fulfillment or undue fulfillment of its obligations.

2.6.3. Any alteration made to the Debtor's obligations under Facility agreement shall not be the ground for the suretyship termination. In case of Surety's refusal to make respective amendments to the Contract the Suretyship shall be liable to the Creditor based on the original terms and conditions of the obligation secured for by suretyship as if no amendments were introduced to the obligation.

2.6.4. The Surety also agrees to bear complete joint and several responsibility together with the Debtor for the fulfillment of obligations under Facility agreements by new debtor(s) who succeeded the rights and obligations of respective Debtor under Facility agreements by law of succession and in accordance with the terms and conditions of the Facility agreement. In case of Surety's failure to fulfill its obligation stated in Clause 2.2 of the Contract the Creditor is entitled to claim for payment of the penalty (fine) amounting to 0.045 (Zero point zero forty-five) percent of the amount of such non-fulfilled or undue fulfilled obligation for each day of delinquency by sending to the Surety of the respective written notification on the necessity to pay such penalty. In such case the penalty shall be accrued by Creditor for the period starting from the date the Surety failed to fulfil its obligation under Contract. The penalty stated in this Clause cannot be accrued on fines accrued as per terms and conditions of the Facility agreement.

2.6.5. In accordance with the Contract, the Surety shall be jointly and severally responsible towards the Creditor (be liable) for the Debtor's fulfillment of its obligations towards the Creditor arising from court decisions related to the enforcement of implications of an invalidated transaction (Facility agreement). The Surety and Debtor shall be jointly and severally responsible for the Borrower's non-fulfillment or undue fulfillment of the restitution obligation stated in this Clause. The Surety bears the same scope of responsibility towards the Creditor as the Debtor, including repayment of the credit amount (the principal), interest repayment, payment of penalties (fines) and other payments stipulated by Facility agreement, RF legislation and respective court decision as well as legal costs reimbursement related to debt collection and other damages of the Creditor resulting from Debtor's non-fulfillment or undue fulfillment of its obligations stated in this clause.

2.6.6. The Contract comes into force from the date it is signed by Parties (with the consideration of the date the amendments came into force dated in Amendment agreement No. 1 to Contract) and shall remain valid till April 20, 2025. The fulfilment of duties and exercise of the rights of the Parties under the Agreement due to the date of entry into force, as specified in the Agreement. Early termination of the Contract (early termination of the suretyship) shall be in case of termination of the surety-secured obligations.

The sole executive body of the Company is hereby instructed (with the right of substitution) to define and agree the form and conditions of the final terms and conditions of the Amendment agreement within material terms and conditions approved by competent management bodies of



the Company and to sign (with the right of substitution) the documents mentioned and other related documents on behalf of the Company, and the sole executive body of the Company is hereby empowered (with the right of substitution) to introduce further amendments to the above mentioned documentation and other related documents within material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/or amendment agreements and sign all other necessary documents in connection with such powers.

**The 3<sup>th</sup> issue on the agenda: 3. On approval of related party transactions between the Company and Sberbank.**

**Draft Resolution: 3. Approve participation of Mechel, Public Joint Stock Company (further on referred to as the “Company”), in the following related party transactions between Sberbank of Russia, Public Joint Stock Company (Sberbank PJSC), further on referred to as the “Creditor” or “Bank”, and Mechel, Public Joint Stock Company (Mechel PAO), further on referred to as the “Surety” by making:**

**A) Amendment agreements to the following suretyship contracts:**

- **to Suretyship contract No. 5703/1 dd. December 19, 2013** under which the Surety is liable for the fulfillment by the Borrowers – Izhstal (Izhstal OAO), Korshunov Mining Plant, Open Joint Stock company (Korshunov Mining Plant OAO), Chelyabinsk Metallurgical Plant, Public Joint Stock Company (CMP PAO), of all their obligations towards the Creditor under Facility agreement 1, Facility agreement 2, Facility agreement 3, Facility agreement 4 and Facility agreement 5 as they are enumerated below;
- **to Suretyship contract No. 5609/1 dd. December 20, 2012** under which the Surety is liable for the fulfillment by Company Mechel Trading AG, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 6, as it is enumerated below;
- **to Suretyship contract No. 5624/1 dd. April 30, 2013** under which the Surety is liable for the fulfillment by Company Mechel Trading AG, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 7, as it is enumerated below;
- **to Suretyship contract No. 5321-nop-1 dd. October 13, 2010** under which the Surety is liable for the fulfillment by Chelyabinsk Metallurgical Plant, Public Joint Stock Company, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 8, as it is enumerated below;
- **to Suretyship contract No. II-5593/3 dd. October 09, 2012** under which the Surety is liable for the fulfillment by Coal Company “Southern Kuzbass”, Public Joint Stock Company, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 9, as it is enumerated below;
- **to Suretyship contract No. II-5594/3 dd. October 09, 2012** under which the Surety is liable for the fulfillment by Coal Company “Southern Kuzbass”, Public Joint Stock Company, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 10, as it is enumerated below;
- **to Suretyship contract No. II-8507/3 dd. October 09, 2012** under which the Surety is liable for the fulfillment by Coal Company “Southern Kuzbass”, Public Joint Stock Company, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 11, as it is enumerated below;
- **to Suretyship contract No. II-8508/3 dd. October 09, 2012** under which the Surety is liable for the fulfillment by Coal Company “Southern Kuzbass”, Public Joint Stock Company, acting as a Borrower, of all its obligations towards the Creditor under Facility agreement 12, as it is enumerated below;

**B) Amendment agreement to Securities pledge agreement No. 3-5703 dd. December 19, 2013** for the pledge of 25% + 1 ordinary registered shares of Mechel Mining, Open Joint Stock Company, to secure for the fulfillment by the Borrowers of all their obligations towards the Creditor under Facility agreement 1, Facility agreement 2, Facility agreement 3, Facility agreement 4, Facility agreement 5, Facility agreement 6, Facility agreement 7, Facility agreement 8, Facility agreement 9, Facility agreement 10, Facility agreement 11 and Facility agreement 12, as they are enumerated below,

(further on collectively referred to as the “Amendment agreements”) made to secure for the following facility agreements:

- Non-revolving Credit facility agreement No.5703 dd. December 19, 2013 (further on referred to as Facility agreement 1), signed between Chelyabinsk Metallurgical Plant, Public Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.4-НКЛ-И dd. February 13, 2009 (further on referred to as Facility agreement 2), signed between Izhstal, Open Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.12-НКЛ-И dd. July 22, 2010 (further on referred to as Facility agreement 3), signed between Izhstal, Open Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.028 dd. March 16, 2010 (further on referred to as Facility agreement 4), signed between Korshunov Mining Plant, Open Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.029 dd. March 16, 2010 (further on referred to as Facility agreement 5), signed between Korshunov Mining Plant, Open Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.5609 dd. December 20, 2012 (further on referred to as Facility agreement 6), signed between Company Mechel Trading AG, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.5624 dd. April 30, 2013 (further on referred to as Facility agreement 7), signed between Company Mechel Trading AG, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.5321 dd. October 13, 2010 (further on referred to as Facility agreement 8), signed between Chelyabinsk Metallurgical Plant, Public Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.5593 dd. October 09, 2012 (further on referred to as Facility agreement 9), signed between Coal company “Southern Kuzbass, Public Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.5594 dd. October 09, 2012 (further on referred to as Facility agreement 10), signed between Coal company “Southern Kuzbass, Public Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.8507 dd. October 09, 2012 (further on referred to as Facility agreement 11), signed between Coal company “Southern Kuzbass, Public Joint Stock Company, acting as a Borrower, and the Creditor;
  - Non-revolving Credit facility agreement No.8508 or dd. October 09, 2012 (further on referred to as Facility agreement 12), signed between Coal company “Southern Kuzbass, Public Joint Stock Company, acting as a Borrower, and the Creditor;
- (further on collectively referred to as the “Facility agreements”), with the consideration of the amendments to the terms and conditions of the Facility agreements, including but not limited to each of the following Facility agreements (further on referred to as the “Amendments to Facility agreements”):
- extension of the timelines for using the credits under Facility agreements but such extension shall be till not later than April 10, 2023;
  - changing interest rates under Facility agreements:

i) The interest rate for credits in US dollars shall be equal to LIBOR 3M existing for the listing day plus 7 (Seven) percent per annum. LIBOR (London Interbank Offered Rate) is London interbank offered rate for deposits in US dollars fixed by ICE Benchmark Administration Limited (it is published by Thomson Reuters in page LIBOR01 of information system Reuters); The Creditor is entitled to unilaterally and on its own discretion change the value of the interest rate and of conditions of defining such interest rates for credits in US dollars causing changes in the value of the interest rate, including but not limited to by means of replacement of LIBOR 3M for LIBOR defined for another period if there is a ground for such replacement: in case if the situation in the foreign and domestic financial markets changed vs. the situation that had existed on the date of Contract signing (including due to an increase in the daily volatility of LIBOR exceeding 10 (Ten) percent during 30 (Thirty) calendar days;

ii) The interest rate for credits in rubles shall be equal to the effective value of the key rate of the Bank of Russia plus 3.5 (Three point five) percent per annum. The key rate is published on the website of the Bank of Russia and in open sources. The interest rate is to be changed starting from the date the key rate is changed by the Bank of Russia.

The Creditor is entitled to unilaterally revise the value of the interest rates for credits in rubles in case if the following events occur simultaneously:

- The key rate defined by the Bank of Russia shall not be a market indicator for the Creditor based on its motivated judgement to define the interest rate for facility/loan agreements; and
- In case of material economic change in the markets of bank services and / or of general economic situation in the country, and either define another rate as a basic rate that the Creditor believes to be a market indicator for defining the interest rate for facility/loan agreements for the current moment; or in case if the Creditor believes there is no such basic rate that may be such market indicator the Creditor is entitled to define a fixed interest rate at its own discretion provided that such unilaterally increased interest rate does not in any way exceed 20 (Twenty) percent per annum.

- Capitalization of a part of accrued interest;

- as well as defining additional grounds for the Creditor to be entitled to claim for the Borrowers' accelerated repayment of the credit amounts and of interest accrued and respective change in the scope of the obligations of Mechel PAO arising from such changes as of the Surety that secures for the borrowers' obligations under Facility agreements.

With the consideration of the above listed Amendments to Facility agreements:

- The amount of Surety's obligations under each of the listed Suretyship agreements shall not exceed:

(i) 53 100 000 000 (fifty-three billion one hundred million) rubles for obligations in rubles.

(ii) 565 600 000 (five hundred sixty-five million six hundred thousand) US dollars for obligations in US dollars.

- The effective period of each suretyship and pledge is till April 10, 2026.

- The pledge shall secure for the borrowers' obligations with the consideration of the above listed Amendments to Facility agreements.

The sole executive body of the Company is hereby empowered to agree with the Creditor the final terms and conditions of amendment agreements as well as further amendments to the conditions of the main obligation (of the facility agreement) within the transactions parameters approved by this decision without any additional approvals on the part of the General meeting of the Sin accordance with the procedure prescribed by legislation and stated in the Articles of Association of Mechel PAO.

#### **The 4th issue on the agenda: 4. On approval of related party transactions between the Company and the syndicate of creditors.**

##### **Draft resolution:**

**4. Approve the performance by Mechel PAO (hereinafter referred to as the "Company") of the related party transactions (hereinafter collectively referred to as the "Transactions" and separately as the "Transaction") because the terms and conditions of the syndicate credit (hereinafter referred to as the "Credit") provided to Southern Kuzbass Coal Company, a Public Joint Stock Company (hereinafter referred to as "Southern Kuzbass") were changed based on the following contracts (agreements) and documents (hereinafter referred to as the "Credit documentation on Southern Kuzbass Credit"):**

- a) Amendment contract(s) (agreement(s)) to the facility agreement introducing changes and/or amendments to its (their) terms and conditions in respect of the Southern Kuzbass Credit and/or restating and amending it;
- b) Engagement letters on consideration and/or commissions payment related to the facility agreement and/or other Credit documentation on Southern Kuzbass Credit;
- c) Movable and immovable assets pledge or mortgage Contract(s) (including, but not limited to shares, interests in the equity, rights) and/or amendment contract(s) (agreement(s)) on introducing changes and/or amendments into this (these) contract(s) or redrafting this (these) contract(s);
- d) Contract(s) on security assignment and/or other title encumbrance on export and other contract and /or contract(s) (agreement(s)) on changing and/or amending the terms and condition of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or on redrafting this (these) contract(s);
- e) Contract(s) on bank account and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- f) Contract(s) on pledge (assignment) and/or other title encumbrance on bank account(s) (including rights under a relevant bank account contract(s)) and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- g) Contract(s) on guarantee (suretyship) and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or amending this (these) contract(s);
- h) Contract(s) (agreement(s)) on assigning a Creditors Coordination Committee;
- i) Contracts (agreements) on confirmation of obligations; and/or
- j) Other contracts (agreements) and documents made (signed) based on the above mentioned contracts (agreements) and documents and/or in connection with them and/or in accordance with them,

The ones being signed by Southern Kuzbass acting as a borrower, pledger and/or assignor and/or party liable and/or in any other role stated in the Credit documentation on Southern Kuzbass Credit, with any of the following entity(ies) (including any subsidiaries, representation offices, branches and / or other detached subdivisions of the latter): ABN AMRO Bank N.V., Amsterdam Trade Bank N.V., Barclays Bank Plc, BNP Paribas SA, Caterpillar Financial Services Corporation, Commerzbank AG, Credit Europe Bank N.V., Deutsche Bank AG, Erste Group Bank AG, Federated Project and Trade Finance Core Fund, Galena Commodity Trade Finance BV, GarantiBank International N.V., Goldman Sachs Lending Partners LLC, ICBC (London) Plc, ICICI Bank Limited, ING Bank N.V., London Forfaiting Company Limited, NATIXIS, Promeritum Fund SPC, Raiffeisen Bank International AG, Rochdale International Trade Fixed Income Fund, Societe Generale, UniCredit Bank Austria AG, VTB BANK PJSC, VTB Capital PLC, as well as any of their parent and/or subsidiary (dependent) companies (undertakings) and/or any of their affiliates as well as any other entities stated in Credit documentation on Southern Kuzbass Credit (hereinafter collectively referred to as the “**Creditors on Southern Kuzbass Credit**” and each of them separately referred to as the “**Creditor on Southern Kuzbass Credit**”), Creditors on Yakutugol Credit (as defined below), Agent on Yakutugol Credit (as defined below) as facilitating agents, coordinators (hereinafter referred to as the “**Coordinators**”), creditors, facility agent(s) (hereinafter referred to as the “**Agent on Southern Kuzbass Credit**”), triparty agent(s), trustee in respect of security, account(s) bank(s) and/or servicing bank(s) (including authorized bank(s) and/or the banks located beyond the borders of the Russian Federation (including London, Great Britain) (hereinafter referred to as the “**Foreign servicing bank on Southern Kuzbass Credit**”), joint and several creditor (hereinafter referred to as the “**Joint and several creditor on Southern Kuzbass Credit**”), bank(s) offering a fix (special) interest rate (hereinafter referred to as the “**Fixed interest rate banks on Southern Kuzbass Credit**”), fixed (special) interest rate agent(s) (hereinafter referred to as the “**Fixed interest rate agent on Southern Kuzbass Credit**”), and/or in other roles provided for by Credit documentation on Southern Kuzbass Credit.

**Transaction(s) subject:** The Company secures for the timely fulfillment by Southern Kuzbass and/or other debtors by Credit documentation on Southern Kuzbass Credit of their obligations based on the following contracts (agreements) and other documents (hereinafter referred to as the “**Collateral documentation on Southern Kuzbass Credit of the Company**”):

- 1.1 Contract(s) on guarantee (suretyship), and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s), and/or redrafting this (these) contract(s), and/or on confirmation of guarantee (suretyship);
- 1.2 Contract(s) (agreement(s)) on confirmation of obligations; and
- 1.3 Contract(s) (agreement(s)) pledge and/or mortgage of any other tangible and intangible property owned by Company (including but not limited to shares, stakes in equity, rights) and/or contract(s) (agreement(s)) on making changes and/or amendments to the terms and conditions of the agreement(s) and/or restatement of such agreement(s) and / or on the presentation of the (-s) agreement (s) in the new edition;
- 1.4 Contract(s) on security assignment and/or other title encumbrance of the Company on export and other contracts and/or agreement(s) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- 1.5 Contract(s) on bank account and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- 1.6 Contract(s) on pledge (assignment) and/or other title encumbrance of the Company on bank account(s) (including the rights under the existing contract(s) on bank account) and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- 1.7 Other contracts (agreements) and documents on securing performance of obligations;
- 1.8 Other contracts (agreements) and documents made (signed) based on the above mentioned contracts (agreements) and documents and/or in connection with them and/or in accordance with them

Being signed between the following Transaction(s) parties: the company, on the one hand, and Agent on Southern Kuzbass Credit, Joint and several creditor, trustee in respect of security and/or triparty agent as well as with any other of the Creditors on Southern Kuzbass Credit and/or other entities stated in the Collateral documentation on Southern Kuzbass Credit of the Company for the period till the complete fulfillment of the secured obligations under Credit documentation on Southern Kuzbass Credit based on the following material terms and conditions:

- (i) The total Credit amount of Southern Kuzbass: not more than 550,000,000 (five hundred fifty million) US dollars;
- (ii) The final due date for Southern Kuzbass Credit repayment: not later than December 31, 2023;
- (iii) Repayment of overdue interest on Southern Kuzbass Credit shall be within 18 months starting from the date the amendment contract(s) (agreement(s)) to the facility agreement introducing changes and/or amendments to its (their) terms and conditions in respect of the Southern Kuzbass Credits and/or restating and amending it was (were) signed;
- (iv) Interest rate of Southern Kuzbass Credit shall be defined in interest per annum and may be equal to the following:
  - Margin in the amount not exceeding 5.5 per annum;
  - LIBOR rate for respective period of interest accrual or a fixed (or another special) interest rate separately agreed by Southern Kuzbass, Southern Kuzbass Credit fixed rate Banks, Southern Kuzbass Credit fixed rate Agent and/or Agent on Southern Kuzbass Credit; and
  - Additions to interest rate (mandatory costs) covering for the costs of Creditors on Southern Kuzbass Credit related to compliance with the requirements of the Central Bank and/or other bank regulation and supervision authorities and/or other competent regulatory and supervisory bodies in respective jurisdictions that are subject to be paid under Credit documentation on Southern Kuzbass Credit;
- (v) The fines and penalties to be accrued on the amount of the overdue payment and paid by Southern Kuzbass in case of delinquency in payment shall be: not more than 2 percent per annum added to the Southern Kuzbass Credit interest rate;
- (vi) Amount of commission for change in the terms of Southern Kuzbass Credit: maximum 1 percent of the total amount of Southern Kuzbass Credit;
- (vii) Amount of other commissions and payments is established by letters of agreement on payment of fees and/or commissions and/or other Credit documentation on Southern Kuzbass Credit;
- (viii) Other security of performance of obligations under the Credit documentation on Southern Kuzbass Credit provided by Yakutugol Joint Stock Holding Company, other Guarantors on Southern Kuzbass Credit (as defined below), Mechel Trans OOO and/or other entities, including Mechel Mining OAO, the Company and subsidiaries (dependent) entities and/or affiliated companies of Mechel Mining OAO and/or the Companies (hereinafter referred to as the “**Entities Liable under Southern Kuzbass Credit**”, and separately as the “**Entity Liable under Southern Kuzbass Credit**”):

- Guarantees (suretyships) to be provided jointly and severally together with the Company by following entities: HC Yakutugol AO, and CMP, by Mechel Mining OAO and Korshunov Mining Plant OAO, by Mechel Carbon AG and Mechel Carbon Singapore Pte Ltd, Mechel Trading AG, Urals Stampings Plant PAO, as well as by other subsidiaries (dependent) companies and/or affiliated companies of Mechel Mining OAO and/or Company and/or other entities (hereinafter collectively referred to as the “Guarantors on Southern Kuzbass Credit” and each separately referred to as the “Guarantor on Southern Kuzbass Credit”), each of them is to secure for the complete and timely fulfillment of obligations by Southern Kuzbass, other Guarantors on Southern Kuzbass Credit and/or other debtors under Credit documentation on Southern Kuzbass Credit;
- Assignment of and/or another encumbrance upon the rights (including rights for receiving payments) of Southern Kuzbass and/or other entities, including other Entities Liable under Southern Kuzbass Credit by export contracts signed (being signed) by it(them) with Mechel Carbon AG, Mechel Carbon Singapore Pte Ltd, Mechel Trading AG and/or other entities, including other Entities Liable under Southern Kuzbass Credit;
- Assignment of and/or another encumbrance upon the rights of Mechel Carbon AG, Mechel Carbon Singapore Pte Ltd, Mechel Trading AG, and/or other entities, including other Entities Liable under Southern Kuzbass Credit, including rights for receiving payments (including those based on letters of credit and/or other payment (settlement) agreements and documents) by sales and purchase (supply) agreements signed (being signed) by it;
- Assignment of and/or another encumbrance upon the rights by bank account(s) (including the rights by respective bank account agreement(s) in respect of accounts in US dollars, euro, rubles and/or other currencies opened (being opened) by Southern Kuzbass, Mechel Carbon AG, Mechel Carbon Singapore Pte Ltd and Mechel Trading AG and/or other entities, including other Entities Liable under Southern Kuzbass Credit in the banks located outside and within the borders of the Russian Federation (including those located in London, Great Britain), including Foreign servicing bank on Southern Kuzbass Credit;
- Pledge of the shares (interests) owned by the Entities Liable under Southern Kuzbass Credit and/or other entities in the equity of HC Yakutugol AO, Southern Kuzbass, and/or other entities, including other Entities Liable under Southern Kuzbass Credit;
- Pledge and mortgage of movables and real estate (including but not limited to shares, interest in the equity, rights) owned by HC Yakutugol AO,;
- Southern Kuzbass, and/or other entities, including other Entities Liable under Southern Kuzbass Credit;
- Contract(s) (agreement(s)) on confirmation of obligations being signed by Southern Kuzbass and/or Guarantors on Southern Kuzbass Credit; and/or
- Another security provided by Southern Kuzbass, and/or other entities, including other Entities Liable under Southern Kuzbass Credit. .

**Beneficiaries** under Collateral documentation on Southern Kuzbass Credit of the Company are Southern Kuzbass, Guarantors on Southern Kuzbass Credit (other than the Company) and/or other debtors under Credit documentation on Southern Kuzbass Credit.

**The cap on liability** of the Company under Collateral documentation of the Company shall not exceed 50% of the Company balance-sheet total or the equivalent of the above mentioned amount in foreign currency calculated based on the official exchange rate of the Central Bank of the Russian Federation valid for the date when the Collateral documentation of the Company was signed.

**The value of the assets** that are the Transaction subject exceeds 2% but is not less than 50% of the book value of the Company assets stated in its accounting statements as of the last accounting date and is in compliance with the market conditions.

The sole executive body of the Company shall be ordered and instructed (with the right of substitution) to define and agree the form and contents of the final versions of the Collateral documentation of the Company, for Southern Kuzbass Credit and Security Documentation on Yakutugol Credit of the Company within the material terms and conditions approved by competent management bodies of the Company and to sign the above mentioned documentation and other documents related to such documentation on behalf of the Company (with the right of substitution). The sole executive body of the Company shall be authorized (with the right of substitution) to make further amendments to the above mentioned documentation and other documents related to such documentation within the material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/amendment agreements and sign all other necessary documents related to such authorization.

The total balance value of movable and immovable property owned by the Company (including but not limited to shares, interests in the equity, rights) transferred to pledge and/or other encumbrance to secure performance of obligations amounts to more than 2 percent of the balance value of the Company’s assets according to the financial statements as of the last reporting date.

**2. Approve the performance by Mechel PAO (hereinafter referred to as the “Company”) of the related party transactions (hereinafter collectively referred to as the “Transactions”, and separately as the “Transaction”) because the terms and conditions of the syndicate credit (hereinafter referred to as the “Yakutugol Credit”) provided to Holding Company Yakutugol AO (hereinafter referred to as “Yakutugol”) were changed based on the following contracts (agreements) and documents (hereinafter referred to as the “Credit documentation on Yakutugol Credit”):**

- a) Amendment contract(s) (agreement(s)) to the facility agreement introducing changes and/or amendments to its (their) terms and conditions in respect of the Yakutugol Credit and/or restating and amending it;
- b) Letters of agreement on payment of fee and/or commission related to credit contract and/or other Credit documentation on Yakutugol Credit;
- c) Contract(s) on pledge and/or mortgage of movable and immovable property (including but not limited to shares, interests in the equity, rights) and/or contract(s) (agreements(s)) on changing and/or amending the terms and conditions of this (these) contracts and/or redrafting this (these) contract(s);
- d) Contract(s) on security assignment and/or new title encumbrance on export and other contract(s) and/or agreement(s) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- e) Contract(s) on bank account and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);

- f) Contract(s) on pledge (assignment) and/or other title encumbrance on bank account(s) (including rights under the relevant bank account contract(s)) and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- g) Contract(s) on guarantee (suretyship) and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- h) Contract(s) (agreement(s)) on assignment of Creditors Coordination Committee;
- i) Contract(s) (agreement(s)) on confirmation of obligations; and/or
- j) Other contracts (agreements) and documents made (signed) based on the above mentioned contracts (agreements) and documents and/or in connection with them and/or in accordance with them;

The ones being signed by Yakutugol acting as a borrower, pledger and/or assignor and/or party liable and/or in any other role stated in the Credit documentation on Yakutugol Credit, with any of the following entity(ies) (including any subsidiaries, representation offices, branches and / or other detached subdivisions of the latter): ABN AMRO Bank N.V., Amsterdam Trade Bank N.V., Barclays Bank Plc, BNP Paribas SA, Caterpillar Financial Services Corporation, Commerzbank AG, Credit Europe Bank N.V., Deutsche Bank AG, Erste Group Bank AG, Federated Project and Trade Finance Core Fund, Galena Commodity Trade Finance BV, GarantiBank International N.V., Goldman Sachs Lending Partners LLC, ICBC (London) Plc, ICICI Bank Limited, ING Bank N.V., London Forfaiting Company Limited, NATIXIS, Promeritum Fund SPC, Raiffeisen Bank International AG, Rochdale International Trade Fixed Income Fund, Societe Generale, UniCredit Bank Austria AG, VTB BANK PJSC, VTB Capital PLC, as well as any of their parent and/or subsidiary (dependent) companies (undertakings) and/or any of their affiliates as well as any other entities stated in Credit documentation on Yakutugol Credit (hereinafter collectively referred to as the “Creditors on Yakutugol Credit” and each of them separately referred to as the “Creditor on Yakutugol Credit”), Creditors on Yakutugol Credit (as defined below), Agent on Yakutugol Credit (as defined below), as facilitating agents, coordinators (hereinafter referred to as the “**Coordinators**”), creditors, facility agent(s) (hereinafter referred to as the “**Agent on Yakutugol Credit**”), triparty agent(s), trustee in respect of security, account(s) bank(s) and/or servicing bank(s) (including authorized bank(s) and/or the banks located beyond the borders of the Russian Federation (including London, Great Britain) (hereinafter referred to as the “**Foreign servicing bank on Yakutugol Credit**”), joint and several creditor (hereinafter referred to as the “**Joint and several creditor on Yakutugol Credit**”), bank(s) offering a fix (special) interest rate (hereinafter referred to as the “**Fixed interest rate banks on Yakutugol Credit**”), fixed (special) interest rate agent(s) (hereinafter referred to as the “**Fixed interest rate agent on Yakutugol Credit**”), and/or in other roles provided for by Credit documentation.

**Transaction(s) subject:** The Company secures for the timely fulfillment by Yakutugol and/or other debtors by Credit documentation on Yakutugol Credit of their obligations based on the following contracts (agreements) and other documents (hereinafter referred to as the “**Collateral documentation on Yakutugol Credit of the Companies**”):

- 1.1. Contract(s) on guarantee (suretyship), and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s), and/or redrafting this (these) contract(s), and/or on confirmation of guarantee (suretyship);
- 1.2. Contracts (agreement(s)) on confirmation of obligations;
- 1.3. Contract(s) (agreement(s)) pledge and/or mortgage of any other tangible and intangible property owned by Company (including but not limited to shares, stakes in equity, rights) and/or contract(s) (agreement(s)) on making changes and/or amendments to the terms and conditions of the agreement(s) and/or restatement of such agreement(s) and / or on the presentation of the (-s) agreement (s) in the new edition;
- 1.4. Contract(s) on security assignment and/or other title encumbrance of the Company on export and other contracts and/or agreement(s) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- 1.5. Contract(s) on bank account and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- 1.6. Contract(s) on pledge (assignment) and/or other title encumbrance of the Company on bank account(s) (including the rights under the existing contract(s) on bank account) and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s) and related contract(s) with a security trustee and/or a security agent and/or contract(s) (agreement(s)) on changing and/or amending the terms and conditions of this (these) contract(s) and/or redrafting this (these) contract(s);
- 1.7. Other contracts (agreements) and documents on securing performance of obligations;
- 1.8. Other contracts (agreements) and documents made (signed) based on the above mentioned contracts (agreements) and documents and/or in connection with them and/or in accordance with them

Being signed between the following Transaction(s) parties: the company, on the one hand, and Agent on Yakutugol Credit, Joint and several creditor on Yakutugol Credit, trustee in respect of security and/or triparty agent as well as with any other of the Creditors on Yakutugol Credit and/or other entities stated in the Collateral documentation on Yakutugol Credit of the Company for the period till the complete fulfillment of the secured obligations under Credit documentation on Yakutugol Credit based on the following material terms and conditions:

- (i) The total Credit amount of Yakutugol: not more than 550,000,000 (five hundred fifty million) US dollars;
- (ii) The final due date for Credits on Yakutugol Credit repayment: not later than December 31, 2023;
- (iii) Repayment of overdue interest on Yakutugol Credit shall be within 18 months starting from the date the amendment contract(s) (agreement(s)) to the facility agreement introducing changes and/or amendments to its (their) terms and conditions in respect of the Yakutugol Credit and/or restating and amending it was (were) signed;
- (iv) Interest rate on Yakutugol Credit shall be defined in interest per annum and may be equal to the following:
  - Margin in the amount not exceeding 5.5 per annum;
  - LIBOR rate for respective period of interest accrual or a fixed (or another special) interest rate separately agreed by Yakutugol, fixed rate Banks on Yakutugol Credit, fixed rate Agent on Yakutugol Credit and/or Agent on Yakutugol Credit; and
  - Additions to interest rate (mandatory costs) covering for the costs of Creditors on Yakutugol Credit related to compliance with the requirements of the Central Bank and/or other bank regulation and supervision authorities and/or other competent

regulatory and supervisory bodies in respective jurisdictions that are subject to be paid under Credit documentation on Yakutugol Credit;

- (v) The fines and penalties to be accrued on the amount of the overdue payment and paid by Yakutugol AO in case of delinquency in payment shall be: not more than 2 percent per annum added to the Yakutugol Credit interest rate;
- (vi) Amount of commission for change in the terms of Yakutugol Credit: maximum 1 percent of the total amount of Yakutugol Credit;
- (vii) (viii) Amount of other commissions and payments is established by letters of agreement on payment of fees and/or commissions and/or other Credit documentation on Yakutugol Credit
- (ix) Other security of performance of obligations under the Credit documentation on Yakutugol Credit provided by Southern Kuzbass PAO, other Guarantors on Yakutugol Credit (as defined below), Mechel Trans OOO and/or other entities, including Mechel Mining OAO, the Company and subsidiaries (dependent) entities and/or affiliated companies of Mechel Mining OAO and/or the Companies (hereinafter referred to as the “**Entities Liable under Yakutugol Credit**”, and separately as the “**Entity Liable under Yakutugol Credit**”):

- Guarantees (suretyships) to be provided jointly and severally together with the Company by following entities: HC Yakutugol and CMP PAO, by Mechel Mining OAO and Korshunov Mining Plant OAO I, by Mechel Carbon AG and Mechel Carbon Singapore Pte Ltd, Mechel Trading AG, and Urals Stampings Plant PAO, as well as by other subsidiaries (dependent) companies and/or affiliated companies of Mechel Mining OAO and/or Company and/or other entities (hereinafter collectively referred to as the “Guarantors on Yakutugol Credit” and each separately referred to as the “Guarantor on Yakutugol Credit”), each of them is to secure for the complete and timely fulfillment of obligations by Southern Kuzbass, other Guarantors on Southern Kuzbass Credit and/or other debtors under Credit documentation on Southern Kuzbass Credit;
- Assignment of and/or another encumbrance upon the rights (including rights for receiving payments) of Yakutugol, and and/or other entities, including other Entities Liable under Yakutugol Credit by export contracts signed (being signed) by it with Mechel Carbon AG, Mechel Carbon Singapore Pte Ltd, Mechel Trading AG and/or other entities, including with other Entities Liable under Yakutugol Credit;
- Assignment of and/or another encumbrance upon the rights of Mechel Carbon AG, Mechel Carbon Singapore Pte Ltd, Mechel Trading AG, and/or other entities, including Entities Liable under Yakutugol Credit including rights for receiving payments (including those based on letters of credit and/or other payment (settlement) agreements and documents) by sales and purchase (supply) agreements signed (being signed) by it;
- Assignment of and/or another encumbrance upon the rights by bank account(s) (including the rights by respective bank account agreement(s) in respect of accounts in US dollars, euro, rubles and/or other currencies opened (being opened) by Yakutugol, Southern Kuzbass, Mechel Carbon AG, Mechel Carbon Singapore Pte Ltd and Mechel Trading AG and/or other entities, including Entities Liable under Yakutugol Credit, in the banks located within and outside the borders of the Russian Federation (including those located in London, Great Britain), including Foreign servicing bank on Yakutugol Credit;
- Pledge of the shares (interest) owned by Entities Liable under Yakutugol Credit and/or other entities in the equity of ;
- Southern Kuzbass PAO, Yakutugol, and/or other entities, including other Entities Liable under Yakutugol Credit ;
- Pledge and mortgage of movables and real estate (including but not limited to shares, interest in the equity, rights) owned by Southern Kuzbass PAO, Yakutugol, and/or other entities, including Entities Liable under Yakutugol Credit;
- Contract(s) (agreement(s)) on confirmation of obligations being signed by Yakutugol and/or Guarantors on Yakutugol Credit; and/or
- Another security provided HC Yakutugol, and/or other entities, including other entities, including Entities Liable under Yakutugol Credit.

**Beneficiaries** under Collateral documentation on Yakutugol Credit of the Company are Yakutugol, Guarantors on Yakutugol Credit (other than the Company) and/or other debtors under Credit documentation on Yakutugol Credit.

**The cap on liability** of the Company under Collateral documentation of the Company shall not exceed 50% of the Company balance-sheet total or the equivalent of the above mentioned amount in foreign currency calculated based on the official exchange rate of the Central Bank of the Russian Federation valid for the date when the Collateral documentation of the Company was signed.

**The value of the assets** that are the Transaction subject exceeds 2% but is not less than 50% of the book value of the Company assets stated in its accounting statements as of the last accounting date and is in compliance with the market conditions.

The sole executive body of the Company shall be ordered and instructed (with the right of substitution) to define and agree the form and contents of the final versions of the Collateral documentation on Yakutugol Credit of the Company within the material terms and conditions approved by competent management bodies of the Company and to sign the above mentioned documentation and other documents related to such documentation on behalf of the Company (with the right of substitution). The sole executive body of the Company shall be authorized (with the right of substitution) to make further amendments to the above mentioned documentation and other documents related to such documentation within the material terms and conditions approved by competent management bodies of the Company and to make respective amendments and/amendment agreements and sign all other necessary documents related to such authorization.

The total balance value of movable and immovable property owned by the Company (including but not limited to shares, interests in the equity, rights) transferred to pledge and/or other encumbrance to secure performance of obligations amounts to more than 2 percent of the balance value of the Company’s assets according to the financial statements as of the last reporting date.