

**RECOMMENDATIONS OF THE BOARD OF DIRECTORS OF THE COMPANY
REGARDING ISSUES TO BE DISCUSSED AT THE GENERAL SHAREHOLDERS
MEETING DUE MAY 26, 2016**

In view of the unanimous opinion of the Committee of the independent directors of the Board of Directors, based on the fairness opinion of the independent consultant - **Renaissance Capital – Financial Consultant Ltd** regarding the transactions that need to be approved by extraordinary general meeting of shareholders of Mechel PAO that is due to be held on May 26, 2016, it is recommended to the general meeting of shareholders of Mechel PAO to approve the transactions of providing and changing suretyships and pledges provided by the Company to the following Creditors: Sberbank PJSC, Gazprombank (Joint Stock Company), VTB Bank (PJSC) and the syndicate of banks as transactions that meet the interests of Mechel PAO.