

**RECOMMENDATIONS OF THE COMPANY'S BOARD OF DIRECTORS ON THE
DISTRIBUTION OF PROFIT, INCLUDING THE AMOUNT OF DIVIDEND ON THE
COMPANY SHARES AND PROCEDURE TO PAY IT BASED ON THE 2020 FINANCIAL
YEAR RESULTS.**

To recommend the General Shareholders' Meeting to make decision not to pay out dividends on ordinary registered non-documentary shares.

To recommend the General Shareholders' Meeting to make decision to pay out dividends on preferred registered non-documentary shares in the amount of **1 rubles 17 kopeks** per share.

To propose to the General Shareholders' Meeting to set the date of compiling the list of persons entitled to receive dividends on preferred registered non-documentary shares, - 13 July 2021.

To recommend the General Shareholders' Meeting to approve distribution of the part of the accumulated profits from previous years as follows:

- dividend payment in respect of placed preferred shares of the Company amounted to - **162 345 590, 55 RUB**
- profit balance of **7 408 477 471, 33 RUB** to be left undistributed "

Notes:

Number of preferred shares: **138 756 915** shares

Number of ordinary shares: **416,270,745** shares

The above calculations are based on the following assumptions:

Profit for the year 2020 attributable to shareholders of Mechel IFRS in rubles: 808 mln

Profit for the year 2019 attributable to shareholders of Mechel IFRS in rubles: 2 409 mln