

DRAFT RESOLUTIONS OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS as of
27.02.2017:

The 1th issue on the agenda: «1. About passing a resolution to authorize a related party transactions between VTB Bank (public joint-stock company) and the Company.»

Draft resolution:

1.1. To pass a resolution to give consent to the pledging by Public Joint Stock Company Mechel when making a related party transaction in the form of concluding **Addendum to Contract of Guarantee No. K2600/10-0709.IB/Д000-П/4 dated September 29, 2015** (hereinafter referred to as Addendum No.3) between VTB Bank (Public Joint Stock Company), hereinafter referred to as the Bank, the Lender and Public Joint Stock Company Mechel (hereinafter referred to as the Guarantor) in order to secure the fulfillment of the obligations of **Public Joint Stock Company Southern Kuzbass Coal Company (hereinafter - the Borrower)** to VTB Bank (Public Joint Stock Company) **under Contract on credit line No. K2600/10-0709.IB/Д000 dated February 07, 2011** with all amendments and addenda thereto (hereinafter referred to as the Credit Agreement), in full, on the following material conditions:

Related person (persons): Igor Vladimirovich Zyuzin, Irina Nikolaevna Ipeeva.

Grounds on which a person (each such person) is considered to be a related person:

Member of the Board of Directors of the Guarantor I.V. Zyuzin is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor I.N. Ipeeva is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Subject matter, price and other essential conditions of the transaction:

Terms and definitions used in this resolution:

Sales Revenue - funds obtained/receivable by companies of Mechel Group (except for Kuzbassenergosbyt OAO) from sales of manufactured products, services, works (except for payments made as repayment of loans and borrowings of the Mechel Group companies);

Credit/Credits - funds provided by the Lender to the Borrower on the terms specified in the Credit Agreement;

The key rate of the Central Bank of the Russian Federation - key rate of the Central Bank of the Russian Federation determined on the ground of information specified at the official website of the Central Bank of the Russian Federation (<http://cbr.ru> or other official website of the Central Bank in case it changes) on a daily basis. If the key rate of the Central Bank of the Russian Federation is abolished and/or is no longer used by the Central Bank of the Russian Federation to determine price conditions of financing by credit institutions of the Russian Federation the interest shall be calculated on the basis of a similar rate set by the Central Bank of the Russian Federation for refinancing operations' pricing through repurchase transactions and/or upon security of non-marketable assets, depending on which rate is higher;

Addendum No. 9 to the Credit Agreement - Addendum No. 9 the Credit Agreement;

Liable Entities - the Borrower and guarantors under the Credit Agreement and for the purpose of sub-clause 1.1.3. hereof - borrowers and guarantors under credits 1-5 as well;

Principal debt - as of any date of the Credit Agreement, granted and outstanding amount of the Credit/Credits including amount not repaid within the specified period of the Credit Agreement including interest capitalized in accordance with the Credit Contract;

Credit 1 - Credit Agreement No. 3732 dated September 09, 2015 concluded between the Lender and Chelyabinsk Metallurgical Plant PAO with amendments and additions thereto;

Credit 2 - Credit Agreement No. KC – 757000/2008/00021 dated November 27, 2008 between the Lender and Yakutugol Holding Company AO with amendments and additions thereto;

Credit 3 - Credit Agreement No. 2640 dated December 27, 2010 between the Lender and Mechel PAO with amendments and additions thereto;

Credit 4 - Credit Agreement No. KC-743000/2008/00104 dated November 26, 2008 between the Lender and Southern Kuzbass PAO with amendments and additions thereto;

Credit 5 - Credit Agreement No. 4114 dated December 23, 2016 concluded between the Bank and ChMK PAO for the purpose of granting loans to Mechel PAO where a part of the principal amount under the Credit of which Mechel PAO is informed by ChMK PAO is repaid by Mechel PAO;

Construction - construction of access railway track to the Elga coal deposit from Ulak station to Elga station, purpose: rail transport structures, length - 317000 m, address (location) of the asset: Amur region, Zeysk district; Sakha (Yakutia) Republic, Neryungrinsky District; cadastral (reference) number: 0:0:0:277 (ownership is certified by the entry in the Unified State Register of rights to immovable property and transactions therewith No. 00-00 / 001-00 / 001/001 / 2016-14 / 2 dated March 23, 2016) or corresponding real estate items, ownership right in relation to which is registered after the completion of construction as well as leasehold of land on which the above mentioned objects are located;

Payable interest rate - the following value as per cent per annum:

- 8.75 (eight and seventy-five hundredths) per cent if Net debt/EBIDTA ratio is 6.01x or above;
- 9.50 (nine and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 5.01x and less than 6.00x;
- 10.50 (ten and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 4.01x and less than 5.00x.

Net debt/EBIDTA ratio is used from the latest provided Certificate of Conformity which is provided in accordance with sub-clause 11 of clause 5.1. of the Credit Agreement. Until the Certificate of Conformity as of December 31, 2016 is provided the payable interest rate shall be considered to be equal to 8.75 (eight and seventy-five hundredths) per cent starting from April 1,

2016.

This term was introduced solely for the purpose of calculating a part of the amount of the accrued interest which is not subject to capitalization in accordance with sub-clause 3.3.1. of clause 3.3. of the Credit Agreement and is payable on interest payment dates in accordance with sub-clause 3.4.1. of clause 3.4. of the Credit Agreement.

1.1.1. Public Joint Stock Company Mechel shall give to the Bank a pledge under the Contract of Guarantee taking into account Addendum No. 3 to be responsible for the fulfillment of obligations by the Borrower under the Credit Agreement in full, including all amendments and addenda thereto, including but not limited to those referred to herein:

1.1.1.1. the obligation to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 1,644,551 689.76 (one billion six hundred forty-four million five hundred fifty-one thousand six hundred eighty-nine 76/100) rubles in accordance with clauses 3.7.1. and 3.7.2. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (less the part of the Principal debt resulting from the capitalization of interest, which is paid on the date of final repayment of the Principal debt referred to in sub-clause 3.7.2. of clause 3.7. of the Credit Agreement) shall be made in equal monthly installments on the sixth (06) day of each month starting from April 6, 2020 (the date of the first payment to repay the Principal debt);
- ii. The final repayment of the Principal debt in full shall be made on April 06, 2022 or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement.

1.1.1.2. the obligation to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

- i. interest at the rate specified in clause 6.1. of the Credit Agreement as in force prior to the Date of restructuring shall be paid by the Borrower in the following order: accrued but not paid till September 09, 2015 - in equal installments on the sixth (6) and the twenty-first (21) day of each month till December 21, 2015 (inclusive), starting from October 06, 2015;
- ii. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid by the Borrower in the following order:

The first payment of interest accrued on the Credit amount specified in clause 3.1. of the Credit Agreement starting from September 09, 2015 shall be made on October 6, 2015 and thereafter on the sixth (06) day of each month following the month of the first payment of interest;

- iii. interest at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent per annum shall be paid by the Borrower in the following order:
 - (a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 3.4.1. of clause 3.4. of the Credit agreement in the following order:
 - starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 9 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
 - starting from the interest period in which Addendum No. 9 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);
 - for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022);
 - (b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month and shall be payable by the Borrower on the date of the final repayment of the Principal debt (April 06 2022).

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the accrued interest shall be payable in full in accordance with the procedure specified in sub-clause 3.4 .1. of clause 3.4. of the Credit Agreement (in this case the condition of capitalization of a part of interest shall not be applicable).

If the interest rate specified in sub-clause 3.2.2. of clause 3.2. of the Credit Agreement (key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) per annum on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 3.2.

of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - interest shall not be capitalized (not added to the Principal debt) and shall be payable in full in accordance with the procedure specified in sub-clause 3.4.1. of clause 3.4. of the Credit Agreement;

- (c) starting from April 07, 2020 (inclusive) the interest shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 3.4.1.2. of clause 3.4. of the Credit Agreement within five (5) business days starting from the sixth (6) day of each month (inclusive) and for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022).
- (d) in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

1.1.1.3. to pay interest increased by the Lender unilaterally in accordance with clause 3.9. of the Credit Agreement by one (1) per cent per annum in case of non-performance/improper performance by the Borrower of the obligation provided by sub-clause 17) of clause 5.1. of the Credit Agreement, namely: the obligation to ensure starting from the fourth (4) calendar quarter of 2016 according to the results of the preceding calendar quarter actual receipt of proceeds from the sale received from the third parties and companies of Mechel Group on current accounts and current accounts in foreign currency of Mechel Group companies (except Kuzbassenergosbyt OAO) opened in the Bank to the extent that the share of above mentioned proceeds in total amount of the Sales revenue obtained from the third parties in all banks based on actual data for the quarter preceding the past quarter corresponds to the share of aggregate outstanding loans of Mechel Group companies in VTB Group in the aggregate outstanding loans of Mechel Group companies in all credit institutions in the past calendar quarter.

Amended in accordance with clause 3.9. of the Credit Agreement interest rate shall become effective starting from the commencing date of the interest period following the interest period in which the breach of the obligation was revealed and till the commencing date of the interest period following the interest period in which the obligation under sub-clause 17) of clause 5.1. of the Loan Agreement is duly fulfilled (inclusive).

The interest rate shall be considered to be amended without concluding an addendum. In this case the Lender shall send to the Borrower a written notice (in no particular form) on the increase of the interest rates by courier or registered mail with a schedule of enclosures and an acknowledgment of receipt. A copy of the notice shall be sent to the Guarantor;

1.1.1.4. to pay a penalty (fine) in case of late repayment of indebtedness under the Principal debt in the amount of one three hundred and sixty fifth/one three hundred and sixty sixth ($1/365$ ($1/366$)) of the interest rate specified in clause 6.1. of the Credit Agreement of the amount of overdue indebtedness under the Principal debt for each day of delay. Penalty value shall be rounded to the second digit after the point. The penalty shall be calculated starting from the date following the date on which the obligation to repay indebtedness under the Principal debt was due and till the date of final repayment of past due indebtedness under the Principal debt. The penalty (fine) shall be paid by the Borrower on the date of final repayment of the corresponding overdue indebtedness under the Principal debt;

1.1.1.5. to pay a penalty (fine) in case of late repayment of indebtedness under interest/commission fees in the amount of two three hundred and sixty fifth/two three hundred and sixty sixth ($2/365$ ($2/366$)) of the interest rate specified in clause 6.1. of the Credit Agreement of the amount of the past due indebtedness under interest and/or commission fees and/or other payments under the Credit Agreement for each day of delay. Penalty value shall be rounded to the second digit after the point. The penalty shall be calculated starting from the date following the date on which the obligation to pay interest/commission fees was due and till the date of final repayment of past due indebtedness under interest/commission fees. The penalty (fine) shall be paid by the Borrower on the date of final repayment of the corresponding overdue indebtedness under interest/commission fees;

1.1.1.6. to pay a penalty (fine) for each case of non-performance or improper performance by the Borrower of each of obligations specified in sub-clauses 6) and 8) of clause 9.1. of the Credit Agreement in the amount of 10,000.00 (ten thousand 00/100) rubles accrued by the Lender and payable by the Borrower in accordance with clause 11.4 of the Credit Agreement within ten (10) calendar days after the receipt of the request of the Bank to pay the penalty (fine);

1.1.1.7. to early repay (pay back) Credits according to the procedure and in the amount provided for in sub-clause 20) of clause 5.1. of the Credit Agreement, namely: if the indebtedness of Mechel Group (under credit agreements) to any of the following lenders: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as the Other Major Lenders and individually referred to as the Other Major Lender) reduces then within ten (10) business days after such reduction the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender;

1.1.1.8. to reimburse to the Lender costs and losses that it may incur in connection with the performance of its obligations under the Credit Agreement and reimbursable by the Borrower in accordance with the terms of the Credit Agreement as well as in connection with non-performance or improper performance of the obligations of the Borrower under the Credit Agreement;

1.1.1.9. to repay funds received by the Borrower and to pay interest for the use of borrowed funds in full in the event of invalidity of the Credit Agreement.

Guarantee shall be granted for a period up to April 6, 2025 (inclusive) and shall be early terminated in the event of termination of secured obligations. The loss of other security of obligations including those existing at the time when the guarantee under the Contract of Guarantee is granted or deterioration in the terms of their securing for any reason whatsoever shall not be the ground to relieve the Guarantor from liability and shall not involve the reduction of the extent of its liability under the Contract of Guarantee.

1.1.2. In case if within the period from December 23, 2016 to March 31, 2017 (inclusive):

- The Borrower or any person providing security under the Credit Agreement (including the Liable entity) violates any obligations (including payment), specified in Annex 2 to Addendum No. 9 to the Credit Agreement the content of which is specified in clause 1.1.3. hereof and/or any of events specified in Annex 2 to Addendum No. 9 to the Credit Agreement occurs regardless of its materiality, time and extent of violations; and / or
- addenda to contracts of guarantee with Mechel PAO securing the fulfillment of the Borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5 does not come into effect, namely:
 - Addendum No. 2 to Contract of Guarantee No. 3732-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Addendum No. 3 to Contract of Guarantee No. KC-743000/2008/00104-П/3 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Addendum No. 3 to Contract of Guarantee No. KC-757000/2008/00021-П/3 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 2;
 - Addendum No. 1 to Contract of Guarantee No. 4114-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5;
 - Addendum No. 3 to Contract of Guarantee No. K2600/10-0709ЛБ/Д000-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under the Credit Agreement;

and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each addendum to each contract of guarantee securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5, on behalf of Mechel PAO according to which Mechel PAO is liable for the fulfillment by borrowers of obligations under the Credit Agreement and Credits 1, 2, 4, 5, with all amendments and addenda thereto in full; and/or

- pledge contracts in relation to 46.66 (Forty-six point sixty-six) per cent of ordinary shares minus one ordinary share in the authorized share capital of Public Joint Stock Company Chelyabinsk Metallurgical Plant securing borrowers' obligations under the Credit Agreement and Credits 1, 2, 4 5, namely:
 - Contract of second pledge of shares No. 3732-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/4 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 2;
 - Contract of second pledge of shares No. K2600/10-0709ЛБ-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under the Credit Agreement;
 - Contract of second pledge of shares No. 4114-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5; and/or

- pledge contracts in relation to twenty-five (25) per cent + one (1) ordinary share in the authorized share capital of Public Joint Stock Company Urals Stampings Plant securing borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5, namely:
 - Contract of second pledge of shares No. 3732-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/5 securing the fulfillment of

the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;

- Contract of second pledge of shares No. KC-757000/2008/00021-Д3/5 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 2;
- Contract of second pledge of shares No. K2600/10-0709JIB-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under the Credit Agreement;
- Contract of second pledge of shares No. 4114-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5; and/or

- obligation specified in sub-clause 23) of clause 5.1. of the Credit Agreement is in breach namely: within a period of no longer than seventy (70) calendar days from the date of signing Addendum No. 9 to ensure the submission to the general meeting of shareholders of ChMK PAO of the matter of conclusion by ChMK PAO in order to secure obligations of each of the borrowers under the Credit Agreement and Credit 2 - of 4 addenda to existing contracts of guarantee establishing the scope of responsibility of ChMK PAO to the full scope of obligations of the corresponding borrower and in case if the general meeting of shareholders of ChMK PAO approve the said transactions within ten (10) Business days after the corresponding resolution to ensure that the abovementioned addenda to contracts of guarantee are concluded; and/or
 - on March 31, 2017 the Borrower and/or any of entities that provided security under the Contract Agreement and Credits 1-5 fail to provide letters of representation signed by the sole executive body (or other duly authorized person) and bearing the seal of corresponding person (if any) regarding the absence of violations of their obligations and absence of events of debt acceleration specified in clause 1.1.3. hereof.

Borrower's letter of representation shall be signed by the General Director of the Borrower (or other duly authorized person) and sealed by the Borrower's seal (if any).

of which the Lender shall send written notice to the Borrower (with the specification of the obligation breached and/or the event involving the Lender's right to demand debt acceleration under the Credit Agreement) and to entities that provided security under the Credit Agreement up to 12.00 Moscow time on April 5, 2017 (inclusive) by any of the methods referred to in clause 12.3. of the Credit Agreement (in the meantime the Lender shall itself determine a violation, presence or absence of events and shall not be obliged to provide their proof to the Borrower and/or entities that provided security under the Credit Agreement)

then from **April 7, 2017** rights and obligations of the parties under the Credit Agreement as well as under the Contract of Guarantee shall be deemed modified: legal relations of the parties under the Credit Agreement set forth in clauses 3.2, 3.7 (including sub-clauses), and sub-clause 3.3.1. of clause 3.3. of the Credit Agreement shall be governed by clauses 3.2., 3.7 (including sub-clauses) and sub-clause 3.3.1. of clause 3.3. of the Credit Agreement as worded in clause 27 of Addendum No. 9 to the Credit Agreement and under the Contract of Guarantee the Guarantor will be liable to the Bank for the fulfillment by the Borrower of obligations specified in sub-clauses 1.1.1.1. – 1.1.1.2. of clause 1.1.1. hereof in the following wording:

«1.1.1.1. to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 1,644,551 689.76 (one billion six hundred forty-four million five hundred fifty-one thousand six hundred eighty-nine 76/100) rubles in accordance with clause 3.7. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (including the part of the Principal debt resulting from the capitalization of interest) shall be made in equal monthly installments on the sixth (06) day of each month starting from May 06, 2017 (the date of the first payment to repay the Principal debt);
- ii. the final repayment of the Principal debt in full shall be made by the Borrower on **April 06, 2020** or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement;

1.1.1.2 to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

- i. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid by the Borrower in the following order:

The first payment of interest accrued on the Credit amount specified in clause 3.1. of the Credit Agreement starting from September 09, 2015 shall be made on October 6, 2015 and thereafter on the sixth (06) day of each month following the month of the first payment of interest;

- ii. interest accrued for the period from April 01, 2016 to April 06, 2017 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) per cent per annum shall be paid by the Borrower in the following order:

a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in the following order:

- starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 9 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
- starting from the interest period in which Addendum No. 9 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);

b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month.

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the condition of capitalization of a part of interest shall not be applicable.

If the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 3.2. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - condition of capitalization shall not be applied;

- iii. interest accrued for the period from **April 7, 2017** at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five hundredths) per cent per annum and from **January 7, 2018** (inclusive) - at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.99 (two point ninety-nine hundredths) per cent per annum shall not be capitalized (added to the Principal debt) and shall be paid by the Borrower in full according to the following procedure:

within five (5) business days starting from the sixth (6) day of each month (inclusive);

for the last interest period - on the date of final repayment of the Principal debt (**April 06, 2020**);

- in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

Non-receipt by the Borrower/Guarantor of the notice of revealed violations/events sent by the Lender in accordance with conditions of clause 27 of Addendum No. 9 to the Credit Agreement shall not be a ground to cancel modifications referred to above in this clause.

1.1.3. Conditions of Annex No. 2 to Addendum No. 9 to the Credit Agreement:

The terms used below shall be defined in accordance with definitions set forth in the Credit Agreement and Credits 1-5.

The Borrowers' obligations (the following obligations shall not modify and shall not terminate obligations under the Credit Agreement and Credits 1-5): The Borrower shall be obliged:

1. To obtain (ensure obtaining) prior written consent of the Lender to the following types of actions/transactions made by Mechel Group members and/or Liable entities:
 - a. the acquisition of assets and shares and / or shares in the authorized share capital of legal entities (except for transactions in the ordinary course of business) of Mechel Group companies from third parties in aggregate amounting over 25,000,000.00 (twenty five million 00/100) U.S dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) for the period from the date of **Addendum No. 9** to March 31, 2017 (inclusive);
 - б. the extension in favor of/the obtaining from the third parties not being members of Mechel Group of credits, loans and other Financial debt (in terms of prepayment received by Mechel Group members this sub-clause only limits received prepayment for the period over 180 calendar days) and other instruments with economic substance of granting/raising debt funds. The granting on the instruction of Mechel Group companies of VAT recovery banking guarantees shall be an exclusion. For the avoidance of doubt it shall be prohibited for Mechel Group companies to make guarantees and pledges under obligations of third parties that are not Mechel Group members;
 - в. to alienate assets (including stocks and shares) in favor of third parties that are not Mechel Group members except:
 - i. sales in the ordinary course of business;
 - ii. transactions in the aggregate amount of up to 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of April 01, 2017) for the period from the date of **Addendum No. 9** to March 31, 2017 (inclusive);
 - г. encumbrance of assets or rights;
 - д. other transactions that are in violation of the following conditions:
 - a) amount of the transaction/transactions of any Liable entity exceeds 10.00% of balance-sheet value of assets of any relevant Liable entity based on RAS statements for the Russian Federation resident or other applicable

- reporting for the Russian Federation non-resident in the aggregate for each past twelve (12) months;
 - b) amount of the transaction/transactions of a Mechel Group member in conjunction with other similar transactions of Mechel Group members exceeds 10.00% of balance-sheet value of assets of Mechel Group determined on the basis of the latest audited consolidated annual financial statements of Mechel Group according to US GAAP or IFRS, in the aggregate for each past twelve (12) months;
 - e. reorganization (except for reorganization of Mechel Group companies only if it does not affect the Liable entities and if quarterly revenue of and reorganized company of Mechel Group does not exceed 1,000,000.00 (one million 00/100) US dollars or equivalent in another currency at the exchange rate of the Bank Russia as of the date of reorganization according to the latest statements of the relevant company);
 - ж. change of core business;
 - з. dividend payments to third parties that are not members of Mechel Group except for the payment of dividends on preferred shares of Mechel PAO in the amount of no more than 7,500,000.00 (seven million five hundred thousand 00/100) rubles per year;
2. to coordinate (to ensure coordination) modification of conditions (reduction in total and/or average weighted term, increase of the rate over the interest rate specified in clause 3.2. of the Credit Agreements for credits in rubles and 8% per annum for loans in US dollars or euros or other payments (including but not limited to fees, penalties etc.) or the provision of additional collateral under credit agreements between any company of Mechel Group and any of the following lenders: PXF Lenders, Sberbank PJSC and Gazprombank (Joint Stock Company);
 3. to maintain (enforce maintaining) ratio of Mechel Group's debt to the Lender to Mechel Group's debt (under credit agreements) to any of the following lenders as of the date of signing of Addendum No. 9: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as Other Major Lenders and individually referred to as Other Major Lender).

Whereupon obligation specified in clause 3 shall be fulfilled as follows: in case if the said debt of Mechel Group to any of the Other Major Lenders reduces then within ten (10) business days after such reduction (but no later than March 31, 2017) the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender.

Debt acceleration events.

The events mentioned below shall not modify or terminate events under which the Bank is entitled to demand accelerated debt repayment under the Credit Agreement and/or Credits 1-5 provided by the Credit Agreement and/or Credits 1-5:

1. Violation by the borrower under the Credit Agreement and/or Credits 1-5 or Liable entity of the term of performance of any financial obligation to the Lender except for cases where the Lender is the PXF Lender and cases where late payment was caused solely by administrative or technical error and was actually performed within five (5) Business days from the date when the corresponding payment was due but no later than March 31, 2017;
2. Non-performance or improper performance by any Liable entity or any company of Mechel Group of any financial obligation to any extent under any contract to an entity which in accordance with the Legislation is an affiliate of the Lender or an entity belonging to a group of entities to which the Lender belongs and if these violations are not remedied within five (5) Business days from the date of their occurrence but no later than March 31, 2017;
3. The Lender has information about acceleration of the Financial debt of the Liable entity or any company of Mechel Group in the amount exceeding 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) in aggregate under principal debt and/or other obligations and/or on the commencement of lenders' foreclosure on pledged items except for foreclosure on pledged items and reporting of cases of debt acceleration of which the borrower informed the Lender in writing prior to the date of Addendum No. 9 (inclusive);
4. The Lender has information that the borrower and/or Mechel Group company and/or third parties has made or have the intention to carry out actions aimed to terminate or reduce pledge, to recognize transactions securing fulfillment of obligations of Mechel Group companies under the Credit Agreement and Credits 1- 5 to be ineffective or void and in case if the Bank, the third parties in a judicial procedure file a claim in relation to the pledged item including measures to secure such claims including in connection with the commencement of Pledgor bankruptcy proceedings;
5. Collection letters, payment orders, order of enforcement are issued in relation to the Current Account and/or Current Account in foreign currency as well as other accounts of the borrower in the Bank and/or funds in the said accounts in the total amount of more than 5,000,000.00 (five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of the corresponding date) are blocked provided that these restrictions are not lifted within twenty (20) Business days from the date of their occurrence but not later than March 31, 2017;
6. The Borrower submits an application to terminate the contract on the Current Account and/or contract on the Current account in foreign currency on which basis the Current Account and the Current Account in foreign currency were opened;
7. The authorized management body of the borrower and/or the Liable entity made decision of liquidation, reorganization of the borrower and/or the Liable entity respectively;
8. In respect of the borrower and/or the Liable entity any of bankruptcy procedures is initiated;
9. The pledge under the Credit Agreement and Credits 1-5 is lost (in full or in part);
10. Forfeiture of the property of the borrower and/or any of the Liable entities the value of which exceeds five (5) percent of the book value of assets of any relevant Liable entity as of the date of forfeiture of the property (calculated on the basis of statements under RAS for the resident of the Russian Federation or other applicable reporting for a non-resident of the Russian Federation);
11. Revocation from the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license/licenses according to which in aggregate more than ten (10.00) percent of total coal production of Mechel Group were mined for the preceding calendar year or the period of validity of a license/licenses expired and a license/licenses was/were not renewed/extended or obtained within thirty (30) calendar days from the date of its/their revocation (expiration);

12. Cancellation or revocation from the the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license required to carry out core business (except the one specified in clause 11 above), or the license expired and it (license) was not extended or received within thirty (30) calendar days from the date of its revocation (expiry) / the borrower or the pledgor ceased to be a member in the self-regulatory organization (if in accordance with the Legislation this is required to carry out core business) and have not yet joined another self-regulatory organization/have not restored membership in the self-regulatory organization within thirty (30) calendar days from the date of membership termination;
13. Initiation of criminal proceedings or criminal liability in respect of the sole executive body, members of the management body of any of the Liable entities in connection with the exercise of their duties to the relevant entity;
14. Failure by any of Mechel Group companies to comply with tax liabilities or other obligations for a period of more than ninety (90) calendar days in respect of budget and non-budgetary funds in the aggregate amount of more than 750,000,000.00 (seven hundred and fifty million 00/100) rubles (or equivalent in foreign currency at the exchange rate of the Bank of Russia as of April 01, 2017) subject to the entry into force of a court decision on recovery of relevant tax obligation or other obligations in relation to budget and non-budgetary funds except for the restructuring of debt of Trade House Mechel OOO to tax authorities in the amount of 2,500,000,000.00 (two billion five hundred million 00/100) rubles;
15. Share of ownership of I.V. Zyuzin and his family members of ordinary shares in the authorized share capital of Mechel PAO reduces below fifty one (51) percent of the total amount of ordinary shares, directly or indirectly through third parties;
16. Mechel PAO no longer owns, directly or indirectly through third parties, more than 50 (Fifty) percent of the authorized share capital of Liable entities (without taking into account ownership of preferred shares);
17. Failure to comply with a court decision to recover from any of Mechel Group companies more than 25,000,000.00 (twenty five million 00/100) US dollars (or its equivalent in rubles/other currency at the exchange rate of the Bank of Russia as of the date of entry into force of the relevant court decision) except for cases of non-fulfillment of an enforceable court decision due to technical problems related to the payment within five (5) Business days from the date of entry into force of a court decision and in case when entered into force court's decision is challenged by Mechel Group;
18. Non-fulfillment/improper fulfillment by ChMK PAO of obligation of the proper use of credits under Credit 5;
19. The Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 are recognized to be ineffective or void or actions aimed to recognize the Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 to be ineffective or void are performed.

1.2. To pass a resolution to give consent to the pledging by Public Joint Stock Company Mechel when making a related party transaction in the form of concluding **Addendum to Contract of Guarantee No. KC – 743000/2008/00104-II/3 dated September 29, 2015** (hereinafter referred to as Addendum No.3) between VTB Bank (Public Joint Stock Company), hereinafter referred to as the Bank, the Lender and Public Joint Stock Company Mechel (hereinafter referred to as the Guarantor) in order to secure the fulfillment of the obligations of **Public Joint Stock Company Southern Kuzbass Coal Company** (hereinafter - the Borrower) to VTB Bank (Public Joint Stock Company) under Credit Agreement **No. KC-743000/2008/00104 dated November 26, 2008** with all amendments and addenda thereto (hereinafter referred to as the Credit Agreement), in full, on the following material conditions:

Related person (persons): Igor Vladimirovich Zyuzin, Irina Nikolaevna Ipeeva.

Grounds on which a person (each such person) is considered to be a related person:

Member of the Board of Directors of the Guarantor I.V. Zyuzin is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor I.N. Ipeeva is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Subject matter, price and other essential conditions of the transaction:

Terms and definitions used in this resolution:

Sales Revenue - funds obtained/receivable by companies of Mechel Group (except for Kuzbassenergosbyt OAO) from sales of manufactured products, services, works (except for payments made as repayment of loans and borrowings of the Mechel Group companies);

Credit/Credits - funds provided by the Lender to the Borrower on the terms specified in the Credit Agreement;

The key rate of the Central Bank of the Russian Federation - key rate of the Central Bank of the Russian Federation determined on the ground of information specified at the official website of the Central Bank of the Russian Federation (<http://cbr.ru> or other official website of the Central Bank in case it changes) on a daily basis. If the key rate of the Central Bank of the Russian Federation is abolished and/or is no longer used by the Central Bank of the Russian Federation to determine price conditions of financing by credit institutions of the Russian Federation the interest shall be calculated on the basis of a similar rate set by the Central Bank of the Russian Federation for refinancing operations' pricing through repurchase transactions and/or upon security of non-marketable assets, depending on which rate is higher;

Addendum No. 19 to the Credit Agreement - Addendum No. 19 to the Credit Agreement;

Liable Entities - the Borrower and guarantors under the Credit Agreement and for the purpose of sub-clause 1.2.3. hereof - borrowers and guarantors under Credits 1-5 as well;

Principal debt - as of any date of the Credit Agreement, granted and outstanding amount of the Credit/Credits including amount not repaid within the specified period of the Credit Agreement including interest capitalized in accordance with the Credit Contract;

Credit 1 - Credit Agreement No. 3732 dated September 09, 2015 between the Bank and ChMK PAO with amendments and addenda thereto;

Credit 2 - Credit Agreement No. KC-757000/2008/00021 between the Bank and Yakutugol Holding Company AO dated November 27, 2008 with amendments and addenda thereto;

Credit 3 - Credit Agreement No. 2640 dated December 27, 2010 between the Bank and Mechel PAO with amendments and addenda thereto;

Credit 4 - contract on credit line No. K2600/10-0709JIB/Д000 between the Bank and Southern Kuzbass PAO dated February 07, 2011 with amendments and addenda thereto;

Credit 5 - Credit Agreement No. 4114 dated December 23, 2016 concluded between the Bank and ChMK PAO for the purpose of granting loans to Mechel PAO where a part of the principal amount of which Mechel PAO is informed by ChMK PAO is repaid by Mechel PAO;

Construction - construction of access railway track to the Elga coal deposit from Ulak station to Elga station, purpose: rail transport structures, length - 317000 m, address (location) of the asset: Amur region, Zeysk district; Sakha (Yakutia) Republic, Neryungrinsky District; cadastral (reference) number: 0:0:0:277 (ownership is certified by the entry in the Unified State Register of rights to immovable property and transactions therewith No. 00-00 / 001-00 / 001/001 / 2016-14 / 2 dated March 23, 2016) or corresponding real estate items, ownership right in relation to which is registered after the completion of construction as well as leasehold of land on which the above mentioned objects are located;

Payable interest rate - the following value as per cent per annum:

- 8.75 (eight and seventy-five hundredths) per cent if Net debt/EBIDTA ratio is 6.01x or above;
- 9.50 (nine and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 5.01x and less than 6.00x;
- 10.50 (ten and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 4.01x and less than 5.00x.

Net debt/EBIDTA ratio is used from the latest provided Certificate of Conformity which is provided in accordance with sub-clause 11 of clause 5.1. of the Credit Agreement. Until the Certificate of Conformity as of December 31, 2016 is provided the payable interest rate shall be considered to be equal to 8.75 (eight and seventy-five hundredths) per cent starting from April 1, 2016.

This term was introduced solely for the purpose of calculating a part of the amount of the accrued interest which is not subject to capitalization in accordance with sub-clause 3.3.1. of clause 3.3. of the Credit Agreement and is payable on interest payment dates in accordance with sub-clause 3.4.1. of clause 3.4. of the Credit Agreement.

1.2.1. Public Joint Stock Company Mechel shall give to the Bank a pledge under the Contract of Guarantee taking into account Addendum No. 3 to be responsible for the fulfillment of obligations by the Borrower under the Credit Agreement in full, including all amendments and addenda thereto, including but not limited to those referred to herein:

1.2.1.1. obligation to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 10,007,537 959.18 (Ten billion seven million five hundred thirty-seven thousand nine hundred fifty-nine 18/100) rubles in accordance with clauses 3.7.1. and 3.7.2. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (less the part of the Principal debt resulting from the capitalization of interest, which is paid on the date of final repayment of the Principal debt referred to in sub-clause 3.7.2. of clause 3.7. of the Credit Agreement) shall be made in equal monthly installments on the sixth (06) day of each month starting from April 6, 2020 (the date of the first payment to repay the Principal debt);
- ii. The final repayment of the Principal debt in full shall be made on April 06, 2022 or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement.

1.2.1.2. the obligation to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

- i. interest at the rate specified in sub-clause 3.2.1 of clause 3.2. of the Credit Agreement as in force prior to the Date of restructuring shall be paid by the Borrower in the following order:

accrued but not paid until September 9, 2015 - in equal installments on the sixth (6) and twenty-first (21) day of each month till December 21, 2015 (inclusive), starting from October 6, 2015;

- ii. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid by the Borrower in the following order:

The first payment of interest accrued on the Credit amount specified in clause 3.1. of the Credit Agreement starting from September 09, 2015 shall be made on October 6, 2015 and thereafter on the sixth (06) day of each month following the month of the first payment of interest;

- iii. interest at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent per annum shall be paid by the Borrower in the following order:

- (a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 3.4.1 of clause 3.4. of the Credit Agreement in the following order:

- starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 19 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;

- starting from the interest period in which Addendum No. 19 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);
 - for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022);
- (b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month and shall be payable by the Borrower on the date of the final repayment of the Principal debt (April 06 2022).

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the accrued interest shall be payable in full in accordance with the procedure specified in sub-clause 3.4 .1. of clause 3.4. of the Credit Agreement (in this case the condition of capitalization of a part of interest shall not be applicable).

If the interest rate specified in sub-clause 3.2.2. of clause 3.2. of the Credit Agreement (key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) per annum on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 3.2. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - interest shall not be capitalized (not added to the Principal debt) and shall be payable in full in accordance with the procedure specified in sub-clause 3.4.1. of clause 3.4. of the Credit Agreement;

- (c) starting from April 07, 2020 (inclusive) the interest shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 3.4.1.2. of clause 3.4. of the Credit Agreement within five (5) business days starting from the sixth (6) day of each month (inclusive) and for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022).
- (d) in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

1.2.1.3. obligation to pay interest increased by the Lender unilaterally in accordance with clause 3.9. of the Credit Agreement by one (1) per cent per annum in case of non-performance/improper performance by the Borrower of the obligation provided by sub-clause 17) of clause 5.1. of the Credit Agreement, namely:

to ensure starting from the fourth (4) calendar quarter of 2016 according to the results of the preceding calendar quarter actual receipt of proceeds from the sale received from the third parties and companies of Mechel Group on current accounts and current accounts in foreign currency of Mechel Group companies (except Kuzbassenergosbyt OAO) opened in the Bank to the extent that the share of above mentioned proceeds in total amount of the Sales revenue obtained from the third parties in all banks based on actual data for the quarter preceding the past quarter corresponds to the share of aggregate outstanding loans of Mechel Group companies in VTB Group in the aggregate outstanding loans of Mechel Group companies in all credit institutions in the past calendar quarter.

Amended in accordance with clause 3.9. of the Credit Agreement interest rate shall become effective starting from the commencing date of the interest period following the interest period in which the breach of the obligation was revealed and till the commencing date of the interest period following the interest period in which the obligation under sub-clause 17) of clause 5.1. of the Loan Agreement is duly fulfilled (inclusive).

The interest rate shall be considered to be amended without concluding an addendum. In this case the Lender shall send to the Borrower a written notice (in no particular form) on the increase of the interest rates by courier or registered mail with a schedule of enclosures and an acknowledgment of receipt. A copy of the notice shall be sent to the Guarantor.

- 1.2.1.4. to pay a penalty (fine) in case of late repayment of indebtedness under the Principal debt in the amount of one three hundred and sixty fifth/one three hundred and sixty sixth (1/365 (1/366)) of the interest rate specified in clause 3.2. of the Credit Agreement of the amount of overdue indebtedness under the Principal debt for each day of delay and paid by the Borrower in accordance with clause 7.2. of the Credit Agreement on the date of final actual repayment of the corresponding overdue indebtedness under the Principal debt. Penalty value shall be rounded to the second digit after the point;
- 1.2.1.5. to pay a penalty (fine) in case of late repayment of indebtedness under interest/commission fees in the amount of two three hundred and sixty fifth/two three hundred and sixty sixth (2/365 (2/366)) of the interest rate specified in clause 3.2. of the Credit Agreement of the amount of overdue indebtedness under interest and/or commission fees of the Credit Line for each day of delay and paid by the Borrower in accordance with clause 7.3. of the Credit Agreement on the date of final actual repayment of the corresponding overdue indebtedness under interest/commission fees. Penalty value shall be rounded to the second digit after the point;
- 1.2.1.6. to pay a penalty (fine) for each case of non-performance or improper performance by the Borrower of each of obligations specified in sub-clauses 3) and 5) of clause 5.1. of the Credit Agreement in the amount of 10,000.00 (ten

thousand 00/100) rubles accrued by the Lender and payable by the Borrower in accordance with clause 7.4 of the Credit Agreement within ten (10) calendar days after the receipt of the request of the Bank to pay the penalty (fine);

- 1.2.1.7. to early repay (pay back) Credits according to the procedure and in the amount provided for in sub-clause 20) of clause 5.1. of the Credit Agreement, namely: if the indebtedness of Mechel Group (under credit agreements) to any of the following lenders: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as the Other Major Lenders and individually referred to as the Other Major Lender) reduces then within ten (10) business days after such reduction the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender;
- 1.2.1.8. to reimburse to the Lender costs and losses that it may incur in connection with the performance of its obligations under the Credit Agreement and reimbursable by the Borrower in accordance with the terms of the Credit Agreement as well as in connection with non-performance or improper performance of the obligations of the Borrower under the Credit Agreement;
- 1.2.1.9. to repay funds received by the Borrower and to pay interest for the use of borrowed funds in full in the event of invalidity of the Credit Agreement.

Guarantee shall be granted for the period till April 6, 2025 (inclusive). Guarantee shall be early terminated in case if secured obligations are terminated. The loss of other security of obligations including those existing at the time when the guarantee under the Contract of Guarantee is granted or deterioration in the terms of their securing for any reason whatsoever shall not be the ground to relieve the Guarantor from liability and shall not involve the reduction of the extent of its liability under the Contract of Guarantee.

1.2.2. In case if within the period from December 23, 2016 to March 31, 2017 (inclusive):

- The Borrower or any person providing security under the Credit Agreement (including the Liable person) violates any obligations (including payment), specified in Annex 2 to Addendum No. 19 to the Credit Agreement the content of which is specified in clause 1.2.3. hereof and/or any of events specified in Annex 2 to Addendum No. 19 to the Credit Agreement occurs regardless of its materiality, time and extent of violations; and / or
- addenda to contracts of guarantee with Mechel PAO securing the fulfillment of the Borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5 does not come into effect, namely:
 - Addendum No. 2 to Contract of Guarantee No. 3732-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Addendum No. 3 to Contract of Guarantee No. KC-743000/2008/00104-П/3 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under the Credit Agreement;
 - Addendum No. 3 to Contract of Guarantee No. KC-757000/2008/00021-П/3 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 2;
 - Addendum No. 3 to Contract of Guarantee No. K2600/10-0709ПБ/П000-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Addendum No. 1 to Contract of Guarantee No. 4114-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5.

and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each addendum to each contract of guarantee securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5, on behalf of Mechel PAO according to which Mechel PAO is liable for the fulfillment by borrowers of obligations under the Credit Agreement and Credits 1, 2, 4, 5, with all amendments and addenda thereto in full; and/or

- pledge contracts in relation to 46.66 (Forty-six point sixty-six) per cent of ordinary shares minus one ordinary share in the authorized share capital of Public Joint Stock Company Chelyabinsk Metallurgical Plant securing borrowers' obligations under the Credit Agreement and Credits 1, 2, 4 5, namely:
 - Contract of second pledge of shares No. 3732-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Contract of second pledge of shares No. KC-743000/2008/00104-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under the Credit Agreement;
 - Contract of second pledge of shares No. KC-757000/2008/00021-П/4 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 2;
 - Contract of second pledge of shares No. K2600/10-0709ПБ-П/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;

- Contract of second pledge of shares No. 4114-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5 and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5; and/or
- pledge contracts in relation to twenty-five (25) per cent + one (1) ordinary share in the authorized share capital of Public Joint Stock Company Urals Stampings Plant securing borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5, namely:
 - Contract of second pledge of shares No. 3732-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under the Credit Agreement;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/5 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 2;
 - Contract of second pledge of shares No. K2600/10-0709JIB-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5 and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5; and/or
- obligation specified in sub-clause 23) of clause 5.1. of the Credit Agreement, namely:
 - within a period of no longer than seventy (70) calendar days from the date of signing Addendum No. 19 to ensure the submission to the general meeting of shareholders of ChMK PAO of the matter of conclusion by ChMK PAO in order to secure obligations of each of the borrowers under the Credit Agreement and Credit 2 - of 4 addenda to existing contracts of guarantee establishing the scope of responsibility of ChMK PAO to the full scope of obligations of the corresponding borrower and in case if the general meeting of shareholders of ChMK PAO approve the said transactions within ten (10) Business days after the corresponding resolution to ensure that the abovementioned addenda to contracts of guarantee are concluded; and/or
 - on March 31, 2017 the Borrower and/or any of entities that provided security under the Contract Agreement and Credits 1-5 fail to provide letters of representation signed by the sole executive body (or other duly authorized person) and bearing the seal of corresponding person (if any) regarding the absence of violations of their obligations and absence of events of debt acceleration specified in clause 1.2.3. hereof.

Borrower's letter of representation shall be signed by the General Director of the Borrower (or other duly authorized person) and sealed by the Borrower's seal (if any).

of which the Lender shall send written notice to the Borrower (with the specification of the obligation breached and/or the event involving the Lender's right to demand debt acceleration under the Credit Agreement) and to entities that provided security under the Credit Agreement up to 12.00 Moscow time on April 5, 2017 (inclusive) by any of the methods referred to in clause 12.3. of the Credit Agreement (in the meantime the Lender shall itself determine a violation, presence or absence of events and shall not be obliged to provide their proof to the Borrower and/or entities that provided security under the Credit Agreement)

then from **April 7, 2017** rights and obligations of the parties under the Credit Agreement as well as under the Contract of Guarantee shall be deemed modified: legal relations of the parties under the Credit Agreement set forth in clauses 3.2, 3.7 (including sub-clauses), and sub-clause 3.3.1. of clause 3.3. of the Credit Agreement shall be governed by clauses 3.2., 3.7 (including sub-clauses) and sub-clause 3.3.1. of clause 3.3. of the Credit Agreement as worded in clause 27 of Addendum No. 19 to the Credit Agreement and under the Contract of Guarantee and the Guarantor will be liable to the Bank for the fulfillment by the Borrower of obligations specified in sub-clauses 1.2.1.1. – 1.2.1.2. hereof in the following wording:

«1.2.1.1. to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 10,007,537 959.18 (Ten billion seven million five hundred thirty-seven thousand nine hundred fifty-nine 18/100) rubles in accordance with clause 3.7. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (including the part of the Principal debt resulting from the capitalization of interest) shall be made in equal monthly installments on the sixth (06) day of each month starting from May 06, 2017 (the date of the first payment to repay the Principal debt);
- ii. the final repayment of the Principal debt in full shall be made by the Borrower on **April 06, 2020** or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement.

1.2.1.2 to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

- i. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid by the Borrower in the following order:

the first payment of interest accrued on the Credit amount specified in clause 3.1. of the Credit Agreement starting from September 09, 2015 shall be made on October 6, 2015 and thereafter on the sixth (06) day of each month following the month of the first payment of interest;

- ii. interest accrued for the period from April 01, 2016 to April 06, 2017 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) per cent per annum shall be paid by the Borrower in the following order:

a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in the following order:

- starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 19 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
- starting from the interest period in which Addendum No. 19 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);

b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month.

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the condition of capitalization of a part of interest shall not be applicable.

If the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 3.2. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - condition of capitalization shall not be applied;

- iii. interest accrued for the period from **April 7, 2017** at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five hundredths) per cent per annum and from **January 7, 2018** (inclusive) - at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.99 (two point ninety-nine hundredths) per cent per annum shall not be capitalized (added to the Principal debt) and shall be paid by the Borrower in full according to the following procedure:

within five (5) business days starting from the sixth (6) day of each month (inclusive);

for the last interest period - on the date of final repayment of the Principal debt (**April 06, 2020**);

- in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

Non-receipt by the Borrower/Guarantor of the notice of revealed violations/events sent by the Lender in accordance with conditions of clause 27 of Addendum No. 19 to the Credit Agreement shall not be a ground to cancel modifications referred to above in this clause.

1.2.3. Conditions of Annex No. 2 to Addendum No. 19 to the Credit Agreement:

The terms used below shall be defined in accordance with definitions set forth in the Credit Agreement and Credits 1-5.

Borrower's obligations.

The following obligations shall not modify and shall not terminate obligations under the Credit Agreement.
The Borrower shall be obliged:

1. To obtain (ensure obtaining) prior written consent of the Lender to the following types of actions/transactions made by Mechel Group members and/or Liable entities:
 - a. the acquisition of assets and shares and / or shares in the authorized share capital of legal entities (except for transactions in the ordinary course of business) of Mechel Group companies from third parties in aggregate amounting over 25,000,000.00 (twenty five million 00/100) U.S dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) for the period from the date of **Addendum No. 19** to March 31, 2017 (inclusive);
 - b. the extension in favor of/the obtaining from the third parties not being members of Mechel Group of credits, loans and other Financial debt (in terms of prepayment received by Mechel Group members this sub-clause only limits received prepayment for the period over 180 calendar days) and other instruments with economic substance of granting/raising debt funds. The granting on the instruction of Mechel Group companies of VAT recovery banking guarantees shall be an exclusion. For the avoidance of doubt it shall be prohibited for Mechel Group companies to make guarantees and pledges under obligations of third parties that are not Mechel Group members;
 - c. to alienate assets (including stocks and shares) in favor of third parties that are not Mechel Group members except:
 - i. sales in the ordinary course of business;
 - ii. transactions in the aggregate amount of up to 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of April 01, 2017) for the period from the date of **Addendum No. 19** to March 31, 2017 (inclusive);
 - d. encumbrance of assets or rights;
 - e. other transactions that are in violation of the following conditions:
 - a) amount of the transaction/transactions of any Liable entity exceeds 10.00% of balance-sheet value of assets of any relevant Liable entity based on RAS statements for the Russian Federation resident or other applicable reporting for the Russian Federation non-resident in the aggregate for each past twelve (12) months;
 - b) amount of the transaction/transactions of a Mechel Group member in conjunction with other similar transactions of Mechel Group members exceeds 10.00% of balance-sheet value of assets of Mechel Group determined on the basis of the latest audited consolidated annual financial statements of Mechel Group according to US GAAP or IFRS, in the aggregate for each past twelve (12) months;
 - f. reorganization (except for reorganization of Mechel Group companies only if it does not affect the Liable entities and if quarterly revenue of and reorganized company of Mechel Group does not exceed 1,000,000.00 (one million 00/100) US dollars or equivalent in another currency at the exchange rate of the Bank Russia as of the date of reorganization according to the latest statements of the relevant company);
 - g. change of core business;
 - h. dividend payments to third parties that are not members of Mechel Group except for the payment of dividends on preferred shares of Mechel PAO in the amount of no more than 7,500,000.00 (seven million five hundred thousand 00/100) rubles per year;
2. to coordinate (to ensure coordination) modification of conditions (reduction in total and/or average weighted term, increase of the rate over the interest rate specified in clause 3.2. of the Credit Agreements for credits in rubles and 8% per annum for loans in US dollars or euros or other payments (including but not limited to fees, penalties etc.) or the provision of additional collateral under credit agreements between any company of Mechel Group and any of the following lenders: PXF Lenders, Sberbank PJSC and Gazprombank (Joint Stock Company);
3. to maintain (enforce maintaining) ratio of Mechel Group's debt to the Lender to Mechel Group's debt (under credit agreements) to any of the following lenders as of the date of signing of Addendum No. 19: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as Other Major Lenders and individually referred to as Other Major Lender).

Whereupon obligation specified in clause 3 shall be fulfilled as follows: in case if the said debt of Mechel Group to any of the Other Major Lenders reduces then within ten (10) business days after such reduction (but no later than March 31, 2017) the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender.

Debt acceleration events.

The events mentioned below shall not modify or terminate events under which the Bank is entitled to demand accelerated debt repayment under the Credit Agreement and/or Credits 1-5 provided by the Credit Agreement and/or Credits 1-5:

1. Violation by the borrower under the Credit Agreement and/or Credits 1-5 or Liable entity of the term of performance of any financial obligation to the Lender except for cases where the Lender is the PXF Lender and cases where late payment was caused solely by administrative or technical error and was actually performed within five (5) Business days from the date when the corresponding payment was due but no later than March 31, 2017;
2. Non-performance or improper performance by any Liable entity or any company of Mechel Group of any financial obligation to any extent under any contract to an entity which in accordance with the Legislation is an affiliate of the Lender or an entity belonging to a group of entities to which the Lender belongs and if these violations are not remedied within five (5) Business days from the date of their occurrence but no later than March 31, 2017;
3. The Lender has information about acceleration of the Financial debt of the Liable entity or any company of Mechel Group in the amount exceeding 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of

- the Bank of Russia as of March 31, 2017) in aggregate under principal debt and/or other obligations and/or on the commencement of lenders' foreclosure on pledged items except for foreclosure on pledged items and reporting of cases of debt acceleration of which the borrower informed the Lender in writing prior to the date of Addendum No. 19 (inclusive);
4. The Lender has information that the borrower and/or Mechel Group company and/or third parties has made or have the intention to carry out actions aimed to terminate or reduce pledge, to recognize transactions securing fulfillment of obligations of Mechel Group companies under the Credit Agreement and Credits 1- 5 to be ineffective or void and in case if the Bank, the third parties in a judicial procedure file a claim in relation to the pledged item including measures to secure such claims including in connection with the commencement of Pledgor bankruptcy proceedings;
 5. Collection letters, payment orders, order of enforcement are issued in relation to the Current Account and/or Current Account in foreign currency as well as other accounts of the borrower in the Bank and/or funds in the said accounts in the total amount of more than 5,000,000.00 (five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of the corresponding date) are blocked provided that these restrictions are not lifted within twenty (20) Business days from the date of their occurrence but not later than March 31, 2017;
 6. The Borrower submits an application to terminate the contract on the Current Account and/or contract on the Current account in foreign currency on which basis the Current Account and the Current Account in foreign currency were opened;
 7. The authorized management body of the borrower and/or the Liable entity made decision of liquidation, reorganization of the borrower and/or the Liable entity respectively;
 8. In respect of the borrower and/or the Liable entity any of bankruptcy procedures is initiated;
 9. The pledge under the Credit Agreement and Credits 1-5 is lost (in full or in part);
 10. Forfeiture of the property of the borrower and/or any of the Liable entities the value of which exceeds five (5) percent of the book value of assets of any relevant Liable entity as of the date of forfeiture of the property (calculated on the basis of statements under RAS for the resident of the Russian Federation or other applicable reporting for a non-resident of the Russian Federation);
 11. Revocation from the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license/licenses according to which in aggregate more than ten (10.00) percent of total coal production of Mechel Group were mined for the preceding calendar year or the period of validity of a license/licenses expired and a license/licenses was/were not renewed/extended or obtained within thirty (30) calendar days from the date of its/their revocation (expiration);
 12. Cancellation or revocation from the the borrower or the pledgor under the Credit Agreement of a license required to carry out core business (except the one specified in clause 11 above), or the license expired and it (license) was not extended or received within thirty (30) calendar days from the date of its revocation (expiry) / the borrower or the pledgor ceased to be a member in the self-regulatory organization (if in accordance with the Legislation this is required to carry out core business) and have not yet joined another self-regulatory organization/have not restored membership in the self-regulatory organization within thirty (30) calendar days from the date of membership termination;
 13. Initiation of criminal proceedings or criminal liability in respect of the sole executive body, members of the management body of any of the Liable entities in connection with the exercise of their duties to the relevant entity;
 14. Failure by any of Mechel Group companies to comply with tax liabilities or other obligations for a period of more than ninety (90) calendar days in respect of budget and non-budgetary funds in the aggregate amount of more than 750,000,000.00 (seven hundred and fifty million 00/100) rubles (or equivalent in foreign currency at the exchange rate of the Bank of Russia as of April 01, 2017) subject to the entry into force of a court decision on recovery of relevant tax obligation or other obligations in relation to budget and non-budgetary funds except for the restructuring of debt of Trade House Mechel OOO to tax authorities in the amount of 2,500,000,000.00 (two billion five hundred million 00/100) rubles;
 15. Share of ownership of I.V. Zyuzin and his family members of ordinary shares in the authorized share capital of Mechel PAO reduces below fifty one (51) percent of the total amount of ordinary shares, directly or indirectly through third parties;
 16. Mechel PAO no longer owns, directly or indirectly through third parties, more than 50 (Fifty) percent of the authorized share capital of Liable entities (without taking into account ownership of preferred shares);
 17. Failure to comply with a court decision to recover from any of Mechel Group companies more than 25,000,000,00 (twenty five million 00/100) US dollars (or its equivalent in rubles/other currency at the exchange rate of the Bank of Russia as of the date of entry into force of the relevant court decision) except for cases of non-fulfillment of an enforceable court decision due to technical problems related to the payment within five (5) Business days from the date of entry into force of a court decision and in case when entered into force court's decision is challenged by Mechel Group;
 18. Non-fulfillment/improper fulfillment by ChMK PAO of obligation of the proper use of credits under Credit 5;
 19. The Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 are recognized to be ineffective or void or actions aimed to recognize the Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 to be ineffective or void are performed.

1.3. To pass a resolution to give consent to the pledging by Public Joint Stock Company Mechel when making a related party transaction in the form of concluding **Addendum to Contract of Guarantee No. KC-757000/2008/00021-II/3 dated September 29, 2015** (hereinafter referred to as Addendum No.3) between VTB Bank (Public Joint Stock Company), hereinafter referred to as the Bank, the Lender and Public Joint Stock Company Mechel (hereinafter referred to as the Guarantor) in order to secure the fulfillment of the obligations of **Joint Stock Holding Company Yakutugol (hereinafter - the Borrower)** to VTB Bank (Public Joint Stock Company) under **Credit Agreement No. KC-757000/2008/00021 dated November 27, 2008** with all amendments and addenda thereto (hereinafter referred to as the Credit Agreement), in full, on the following material conditions:
Related person (persons): Igor Vladimirovich Zyuzin, Pavel Viktorovich Shtark

Grounds on which a person (each such person) is considered to be a related person:

Member of the Board of Directors of the Guarantor I.V. Zyuzin is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor P.V. Shtark is at the same time a member of the

Board of Directors of the Borrower that is a beneficiary in the transaction.

Subject matter, price and other essential conditions of the transaction:

Terms and definitions used in this resolution:

Sales Revenue - funds obtained/receivable by companies of Mechel Group (except for Kuzbassenergosbyt OAO) from sales of manufactured products, services, works (except for payments made as repayment of loans and borrowings of the Mechel Group companies);

Credit/Credits - funds provided by the Lender to the Borrower on the terms specified in the Credit Agreement;

The key rate of the Central Bank of the Russian Federation - key rate of the Central Bank of the Russian Federation determined on the ground of information specified at the official website of the Central Bank of the Russian Federation (<http://cbr.ru> or other official website of the Central Bank in case it changes) on a daily basis. If the key rate of the Central Bank of the Russian Federation is abolished and/or is no longer used by the Central Bank of the Russian Federation to determine price conditions of financing by credit institutions of the Russian Federation the interest shall be calculated on the basis of a similar rate set by the Central Bank of the Russian Federation for refinancing operations' pricing through repurchase transactions and/or upon security of non-marketable assets, depending on which rate is higher;

Addendum No. 14 to the Credit Agreement - Addendum No. 14 to the Credit Agreement;

Liable Entities - the Borrower and guarantors under the Credit Agreement and for the purpose of sub-clause 1.3.3. hereof - borrowers and guarantors under Credits 1-5 as well;

Principal debt - as of any date of the Credit Agreement, granted and outstanding amount of the Credit/Credits including amount not repaid within the specified period of the Credit Agreement including interest capitalized in accordance with the Credit Contract;

Credit 1 - Credit Agreement No. 3732 dated September 09, 2015 between the Bank and ChMK PAO with amendments and addenda thereto;

Credit 2 - Credit Agreement No. KC-743000/2008/00104 between the Bank and Southern Kuzbass PAO dated November 26, 2008 with amendments and addenda thereto;

Credit 3 - Credit Agreement No. 2640 dated December 27, 2010 between the Bank and Mechel PAO with amendments and addenda thereto;

Credit 4 - contract on credit line No. K2600/10-0709JIB/Д000 between the Bank and Southern Kuzbass PAO dated February 07, 2011 with amendments and addenda thereto;

Credit 5 - Credit Agreement No. 4114 dated December 23, 2016 concluded between the Bank and ChMK PAO for the purpose of granting loans to Mechel PAO where a part of the principal amount under the Credit of which Mechel PAO is informed by ChMK PAO is repaid by Mechel PAO;

Construction - construction of access railway track to the Elga coal deposit from Ulak station to Elga station, purpose: rail transport structures, length - 317000 m, address (location) of the asset: Amur region, Zeysk district; Sakha (Yakutia) Republic, Neryungrinsky District; cadastral (reference) number: 0:0:0:277 (ownership is certified by the entry in the Unified State Register of rights to immovable property and transactions therewith No. 00-00 / 001-00 / 001/001 / 2016-14 / 2 dated March 23, 2016) or corresponding real estate items, ownership right in relation to which is registered after the completion of construction as well as leasehold of land on which the above mentioned objects are located;

Payable interest rate - the following value as per cent per annum:

- 8.75 (eight and seventy-five hundredths) per cent if Net debt/EBIDTA ratio is 6.01x or above;
- 9.50 (nine and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 5.01x and less than 6.00x;
- 10.50 (ten and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 4.01x and less than 5.00x.

Net debt/EBIDTA ratio is used from the latest provided Certificate of Conformity which is provided in accordance with sub-clause 11 of clause 5.1. of the Credit Agreement. Until the Certificate of Conformity as of December 31, 2016 is provided the payable interest rate shall be considered to be equal to 8.75 (eight and seventy-five hundredths) per cent starting from April 1, 2016.

This term was introduced solely for the purpose of calculating a part of the amount of the accrued interest which is not subject to capitalization in accordance with sub-clause 3.3.1. of clause 3.3. of the Credit Agreement and is payable on interest payment dates in accordance with sub-clause 3.4.1. of clause 3.4. of the Credit Agreement.

1.3.1. Public Joint Stock Company Mechel shall give to the Bank a pledge under the Contract of Guarantee taking into account Addendum No. 3 to be responsible for the fulfillment of obligations by the Borrower under the Credit Agreement in full, including all amendments and addenda thereto, including but not limited to those referred to herein:

1.3.1.1. obligation to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 5,818,336,163.08 (Five billion eight hundred and eighteen million three hundred thirty-six thousand one hundred sixty-three 08/100) rubles in accordance with clauses 3.7.1. and 3.7.2. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (less the part of the Principal debt resulting from the capitalization of interest, which is paid on the date of final repayment of the Principal debt referred to in sub-clause 3.7.2. of clause 3.7. of the Credit Agreement) shall be made in equal monthly installments on the sixth (06) day of each month starting from April 6, 2020 (the date of the first payment to repay the Principal debt);
- ii. The final repayment of the Principal debt in full shall be made on April 06, 2022 or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement.

1.3.1.2. the obligation to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

- i. interest at the rate specified in sub-clause 3.2.1 of clause 3.2. of the Credit Agreement as in force prior to the Date of restructuring shall be paid by the Borrower in the following order:

accrued but not paid until September 9, 2015 - in equal installments on the sixth (6) and twenty-first (21) day of each month till December 21, 2015 (inclusive), starting from October 6, 2015;

- ii. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid by the Borrower in the following order:

the first payment of interest accrued on the Credit amount specified in clause 3.1. of the Credit Agreement starting from September 09, 2015 shall be made on October 6, 2015 and thereafter on the sixth (06) day of each month following the month of the first payment of interest;

ii. interest at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent per annum shall be paid by the Borrower in the following order:

- (a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 3.4.1 of clause 3.4. of the Credit Agreement in the following order:
 - starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 14 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
 - starting from the interest period in which Addendum No. 14 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);
 - for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022);
- (b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month and shall be payable by the Borrower on the date of the final repayment of the Principal debt (April 06 2022).

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the accrued interest shall be payable in full in accordance with the procedure specified in sub-clause 3.4.1. of clause 3.4. of the Credit Agreement (in this case the condition of capitalization of a part of interest shall not be applicable).

If the interest rate specified in sub-clause 3.2.2. of clause 3.2. of the Credit Agreement (key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) per annum on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 3.2. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - interest shall not be capitalized (not added to the Principal debt) and shall be payable in full in accordance with the procedure specified in sub-clause 3.4.1. of clause 3.4. of the Credit Agreement;

- (c) starting from April 07, 2020 (inclusive) the interest shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 3.4.1.2. of clause 3.4. of the Credit Agreement within five (5) business days starting from the sixth (6) day of each month (inclusive) and for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022).
- (d) in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

1.3.1.3. obligation to pay interest increased by the Lender unilaterally in accordance with clause 3.9. of the Credit Agreement by one (1) per cent per annum in case of non-performance/improper performance by the Borrower of the obligation provided by sub-clause 17) of clause 5.1. of the Credit Agreement, namely:

to ensure starting from the fourth (4) calendar quarter of 2016 according to the results of the preceding calendar quarter actual

receipt of proceeds from the sale received from the third parties and companies of Mechel Group on current accounts and current accounts in foreign currency of Mechel Group companies (except Kuzbassenergosbyt OAO) opened in the Bank to the extent that the share of above mentioned proceeds in total amount of the Sales revenue obtained from the third parties in all banks based on actual data for the quarter preceding the past quarter corresponds to the share of aggregate outstanding loans of Mechel Group companies in VTB Group in the aggregate outstanding loans of Mechel Group companies in all credit institutions in the past calendar quarter.

Amended in accordance with clause 3.9. of the Credit Agreement interest rate shall become effective starting from the commencing date of the interest period following the interest period in which the breach of the obligation was revealed and till the commencing date of the interest period following the interest period in which the obligation under sub-clause 17) of clause 5.1. of the Loan Agreement is duly fulfilled (inclusive).

The interest rate shall be considered to be amended without concluding an addendum. In this case the Lender shall send to the Borrower a written notice (in no particular form) on the increase of the interest rates by courier or registered mail with a schedule of enclosures and an acknowledgment of receipt. A copy of the notice shall be sent to the Guarantor.

1.3.1.4. to pay a penalty (fine) in case of late repayment of indebtedness under the Principal debt in the amount of one three hundred and sixty fifth/one three hundred and sixty sixth (1/365 (1/366)) of the interest rate specified in clause 3.2. of the Credit Agreement of the amount of overdue indebtedness under the Principal debt for each day of delay and paid by the Borrower in accordance with clause 7.2. of the Credit Agreement on the date of final actual repayment of the corresponding overdue indebtedness under the Principal debt. Penalty value shall be rounded to the second digit after the point;

1.3.1.5. to pay a penalty (fine) in case of late repayment of indebtedness under interest/commission fees in the amount of two three hundred and sixty fifth/two three hundred and sixty sixth (2/365 (2/366)) of the interest rate specified in clause 3.2. of the Credit Agreement of the amount of overdue indebtedness under interest and/or commission fees of the Credit Line for each day of delay and paid by the Borrower in accordance with clause 7.3. of the Credit Agreement on the date of final actual repayment of the corresponding overdue indebtedness under interest/commission fees. Penalty value shall be rounded to the second digit after the point;

1.3.1.6. to pay a penalty (fine) for each case of non-performance or improper performance by the Borrower of each of obligations specified in sub-clauses 3) and 5) of clause 5.1. of the Credit Agreement in the amount of 10,000.00 (ten thousand 00/100) rubles accrued by the Lender and payable by the Borrower in accordance with clause 7.4 of the Credit Agreement within ten (10) calendar days after the receipt of the request of the Bank to pay the penalty (fine);

1.3.1.7. to early repay (pay back) Credits according to the procedure and in the amount provided for in sub-clause 20) of clause 5.1. of the Credit Agreement, namely: if the indebtedness of Mechel Group (under credit agreements) to any of the following lenders: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as the Other Major Lenders and individually referred to as the Other Major Lender) reduces then within ten (10) business days after such reduction the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender;

1.3.1.8. to reimburse to the Lender costs and losses that it may incur in connection with the performance of its obligations under the Credit Agreement and reimbursable by the Borrower in accordance with the terms of the Credit Agreement as well as in connection with non-performance or improper performance of the obligations of the Borrower under the Credit Agreement;

1.3.1.9. to repay funds received by the Borrower and to pay interest for the use of borrowed funds in full in the event of invalidity of the Credit Agreement.

Guarantee shall be granted for a period up to April 6, 2025 (inclusive) and shall be early terminated in the event of termination of secured obligations. The loss of other security of obligations including those existing at the time when the guarantee under the Contract of Guarantee is granted or deterioration in the terms of their securing for any reason whatsoever shall not be the ground to relieve the Guarantor from liability and shall not involve the reduction of the extent of its liability under the Contract of Guarantee.

1.3.2. In case if within the period from December 23, 2016 to March 31, 2017 (inclusive):

- The Borrower or any person providing security under the Credit Agreement (including the Liable person) violates any obligations (including payment), specified in Annex 2 to Addendum No. 14 to the Credit Agreement which conditions are reflected in clause 1.3.3. hereof and/or any of events specified in Annex 2 to Addendum No. 14 to the Credit Agreement occurs regardless of its materiality, time and extent of violations; and / or
- addenda to contracts of guarantee with Mechel PAO securing the fulfillment of the Borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5 does not come into effect, namely:
 - Addendum No. 2 to Contract of Guarantee No. 3732-II/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Addendum No. 3 to Contract of Guarantee No. KC-743000/2008/00104-II/3 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Addendum No. 3 to Contract of Guarantee No. K2600/10-0709JIB/II000-II/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Addendum No. 1 to Contract of Guarantee No. 4114-II/4 securing the fulfillment of the

- obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5;
- Addendum No. 3 to Contract of Guarantee No. KC-757000/2008/00021-П/3 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under the Credit Agreement;

and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each addendum to each contract of guarantee securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5, on behalf of Mechel PAO according to which Mechel PAO is liable for the fulfillment by borrowers of obligations under the Credit Agreement and Credits 1, 2, 4, 5, with all amendments and addenda thereto in full; and/or

- pledge contracts in relation to 46.66 (Forty-six point sixty-six) per cent of ordinary shares minus one ordinary share in the authorized share capital of Public Joint Stock Company Chelyabinsk Metallurgical Plant securing borrowers' obligations under the Credit Agreement and Credits 1, 2, 4 5, namely:
 - Contract of second pledge of shares No. 3732-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/4 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under the Credit Agreement;
 - Contract of second pledge of shares No. K2600/10-0709ЛИБ-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5; and/or

- pledge contracts in relation to twenty-five (25) per cent + one (1) ordinary share in the authorized share capital of Public Joint Stock Company Urals Stampings Plant securing borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5, namely:
 - Contract of second pledge of shares No. 3732-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 1;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/5 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under the Credit Agreement;
 - Contract of second pledge of shares No. K2600/10-0709ЛИБ-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 1, 2, 4, 5; and/or

- obligation specified in sub-clause 23) of clause 5.1. of the Credit Agreement, namely: within a period of no longer than seventy (70) calendar days from the date of signing Addendum No. 14 to ensure the submission to the general meeting of shareholders of ChMK PAO of the matter of conclusion by ChMK PAO in order to secure obligations of each of the borrowers under the Credit Agreement and Credit 2 - of 4 addenda to

existing contracts of guarantee establishing the scope of responsibility of ChMK PAO to the full scope of obligations of the corresponding borrower and in case if the general meeting of shareholders of ChMK PAO approve the said transactions within ten (10) Business days after the corresponding resolution to ensure that the abovementioned addenda to contracts of guarantee are concluded; and/or

- on March 31, 2017 the Borrower and/or any of entities that provided security under the Contract Agreement and Credits 1-5 fail to provide letters of representation signed by the sole executive body (or other duly authorized person) and bearing the seal of corresponding person (if any) regarding the absence of violations of their obligations and absence of events of debt acceleration specified in clause 1.3.3. hereof.

Borrower's letter of representation shall be signed by the General Director of the Borrower (or other duly authorized person) and sealed by the Borrower's seal (if any).

of which the Lender shall send written notice to the Borrower (with the specification of the obligation breached and/or the event involving the Lender's right to demand debt acceleration under the Credit Agreement) and to entities that provided security under the Credit Agreement up to 12.00 Moscow time on April 5, 2017 (inclusive) by any of the methods referred to in clause 12.3. of the Credit Agreement (in the meantime the Lender shall itself determine a violation, presence or absence of events and shall not be obliged to provide their proof to the Borrower and/or entities that provided security under the Credit Agreement)

then from **April 7, 2017** rights and obligations of the parties under the Credit Agreement as well as under the Contract of Guarantee shall be deemed modified: legal relations of the parties under the Credit Agreement set forth in clauses 3.2, 3.7 (including sub-clauses), and sub-clause 3.3.1. of clause 3.3. of the Credit Agreement shall be governed by clauses 3.2., 3.7 (including sub-clauses) and sub-clause 3.3.1. of clause 3.3. of the Credit Agreement as worded in clause 27 of Addendum No. 14 to the Credit Agreement and under the Contract of Guarantee and the Guarantor will be liable to the Bank for the fulfillment by the Borrower of obligations specified in sub-clauses 1.3.1.1. – 1.3.1.2. of clause 1.3.1. hereof:

«1.3.1.1. to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 5,818,336,163.08 (Five billion eight hundred and eighteen million three hundred thirty-six thousand one hundred sixty-three 08/100) rubles in accordance with clause 3.7. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (including the part of the Principal debt resulting from the capitalization of interest) shall be made in equal monthly installments on the sixth (06) day of each month starting from May 06, 2017 (the date of the first payment to repay the Principal debt);
- ii. the final repayment of the Principal debt in full shall be made by the Borrower on **April 06, 2020** or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement;

1.3.1.2. to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

- i. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid by the Borrower in the following order:

the first payment of interest accrued on the Credit amount specified in clause 3.1. of the Credit Agreement starting from September 09, 2015 shall be made on October 6, 2015 and thereafter on the sixth (06) day of each month following the month of the first payment of interest;

- ii. interest accrued for the period from April 01, 2016 to April 06, 2017 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) per cent per annum shall be paid by the Borrower in the following order:

a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in the following order:

- starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 14 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
- starting from the interest period in which Addendum No. 14 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);

b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month.

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the condition of capitalization of a part of interest shall not be applicable.

If the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 3.2. of

the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - condition of capitalization shall not be applied;

iii. interest accrued for the period from **April 7, 2017** at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five hundredths) per cent per annum and from **January 7, 2018** (inclusive) - at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.99 (two point ninety-nine hundredths) per cent per annum shall not be capitalized (added to the Principal debt) and shall be paid by the Borrower in full according to the following procedure:

within five (5) business days starting from the sixth (6) day of each month (inclusive);

for the last interest period - on the date of final repayment of the Principal debt (**April 06, 2020**);

- in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

Non-receipt by the Borrower/Guarantor of the notice of revealed violations/events sent by the Lender in accordance with conditions of clause 27 of Addendum No. 14 to the Credit Agreement shall not be a ground to cancel modifications referred to above in this clause.

1.3.3. Conditions of Annex No. 2 to Addendum No. 14 to the Credit Agreement:

The terms used below shall be defined in accordance with definitions set forth in the Credit Agreement and Credits 1-5.

Borrower's obligations.

The following obligations shall not modify and shall not terminate obligations under the Credit Agreement.

The Borrower shall be obliged:

1. To obtain (ensure obtaining) prior written consent of the Lender to the following types of actions/transactions made by Mechel Group members and/or Liable entities:
 - a. the acquisition of assets and shares and / or shares in the authorized share capital of legal entities (except for transactions in the ordinary course of business) of Mechel Group companies from third parties in aggregate amounting over 25,000,000.00 (twenty five million 00/100) U.S dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) for the period from the date of **Addendum No. 14** to March 31, 2017 (inclusive);
 - b. the extension in favor of/the obtaining from the third parties not being members of Mechel Group of credits, loans and other Financial debt (in terms of prepayment received by Mechel Group members this sub-clause only limits received prepayment for the period over 180 calendar days) and other instruments with economic substance of granting/raising debt funds. The granting on the instruction of Mechel Group companies of VAT recovery banking guarantees shall be an exclusion. For the avoidance of doubt it shall be prohibited for Mechel Group companies to make guarantees and pledges under obligations of third parties that are not Mechel Group members;
 - c. to alienate assets (including stocks and shares) in favor of third parties that are not Mechel Group members except:
 - i. sales in the ordinary course of business;
 - ii. transactions in the aggregate amount of up to 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of April 01, 2017) for the period from the date of **Addendum No. 14** to March 31, 2017 (inclusive);
 - d. encumbrance of assets or rights;
 - e. other transactions that are in violation of the following conditions:
 - a) amount of the transaction/transactions of any Liable entity exceeds 10.00% of balance-sheet value of assets of any relevant Liable entity based on RAS statements for the Russian Federation resident or other applicable reporting for the Russian Federation non-resident in the aggregate for each past twelve (12) months;
 - b) amount of the transaction/transactions of a Mechel Group member in conjunction with other similar transactions of Mechel Group members exceeds 10.00% of balance-sheet value of assets of Mechel Group determined on the basis of the latest audited consolidated annual financial statements of Mechel Group according to US GAAP or IFRS, in the aggregate for each past twelve (12) months;
 - f. reorganization (except for reorganization of Mechel Group companies only if it does not affect the Liable entities and if quarterly revenue of and reorganized company of Mechel Group does not exceed 1,000,000.00 (one million 00/100) US dollars or equivalent in another currency at the exchange rate of the Bank Russia as of the date of reorganization according to the latest statements of the relevant company);
 - g. change of core business;
 - h. dividend payments to third parties that are not members of Mechel Group except for the payment of dividends on preferred shares of Mechel PAO in the amount of no more than 7,500,000.00 (seven million five hundred thousand 00/100) rubles per year;
2. to coordinate (to ensure coordination) modification of conditions (reduction in total and/or average weighted term, increase of the rate over the interest rate specified in clause 3.2. of the Credit Agreements for credits in rubles and 8% per annum for loans in US dollars or euros or other payments (including but not limited to fees, penalties etc.) or the

provision of additional collateral under credit agreements between any company of Mechel Group and any of the following lenders: PXF Lenders, Sberbank PJSC and Gazprombank (Joint Stock Company);

3. to maintain (enforce maintaining) ratio of Mechel Group's debt to the Lender to Mechel Group's debt (under credit agreements) to any of the following lenders as of the date of signing of Addendum No. 14: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as Other Major Lenders and individually referred to as Other Major Lender).

Whereupon obligation specified in clause 3 shall be fulfilled as follows: in case if the said debt of Mechel Group to any of the Other Major Lenders reduces then within ten (10) business days after such reduction (but no later than March 31, 2017) the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender.

Debt acceleration events.

The events mentioned below shall not modify or terminate events under which the Bank is entitled to demand accelerated debt repayment under the Credit Agreement and/or Credits 1-5 provided by the Credit Agreement and/or Credits 1-5:

1. Violation by the borrower under the Credit Agreement and/or Credits 1-5 or Liabe entity of the term of performance of any financial obligation to the Lender except for cases where the Lender is the PXF Lender and cases where late payment was caused solely by administrative or technical error and was actually performed within five (5) Business days from the date when the corresponding payment was due but no later than March 31, 2017;
2. Non-performance or improper performance by any Liabe entity or any company of Mechel Group of any financial obligation to any extent under any contract to an entity which in accordance with the Legislation is an affiliate of the Lender or an entity belonging to a group of entities to which the Lender belongs and if these violations are not remedied within five (5) Business days from the date of their occurrence but no later than March 31, 2017;
3. The Lender has information about acceleration of the Financial debt of the Liabe entity or any company of Mechel Group in the amount exceeding 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) in aggregate under principal debt and/or other obligations and/or on the commencement of lenders' foreclosure on pledged items except for foreclosure on pledged items and reporting of cases of debt acceleration of which the borrower informed the Lender in writing prior to the date of Addendum No. 14 (inclusive);
4. The Lender has information that the borrower and/or Mechel Group company and/or third parties has made or have the intention to carry out actions aimed to terminate or reduce pledge, to recognize transactions securing fulfillment of obligations of Mechel Group companies under the Credit Agreement and Credits 1- 5 to be ineffective or void and in case if the Bank, the third parties in a judicial procedure file a claim in relation to the pledged item including measures to secure such claims including in connection with the commencement of Pledgor bankruptcy proceedings;
5. Collection letters, payment orders, order of enforcement are issued in relation to the Current Account and/or Current Account in foreign currency as well as other accounts of the borrower in the Bank and/or funds in the said accounts in the total amount of more than 5,000,000.00 (five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of the corresponding date) are blocked provided that these restrictions are not lifted within twenty (20) Business days from the date of their occurrence but not later than March 31, 2017;
6. The Borrower submits an application to terminate the contract on the Current Account and/or contract on the Current account in foreign currency on which basis the Current Account and the Current Account in foreign currency were opened;
7. The authorized management body of the borrower and/or the Liabe entity made decision of liquidation, reorganization of the borrower and/or the Liabe entity respectively;
8. In respect of the borrower and/or the Liabe entity any of bankruptcy procedures is initiated;
9. The pledge under the Credit Agreement and Credits 1-5 is lost (in full or in part);
10. Forfeiture of the property of the borrower and/or any of the Liabe entities the value of which exceeds five (5) percent of the book value of assets of any relevant Liabe entity as of the date of forfeiture of the property (calculated on the basis of statements under RAS for the resident of the Russian Federation or other applicable reporting for a non-resident of the Russian Federation);
11. Revocation from the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license/licenses according to which in aggregate more than ten (10.00) percent of total coal production of Mechel Group were mined for the preceding calendar year or the period of validity of a license/licenses expired and a license/licenses was/were not renewed/extended or obtained within thirty (30) calendar days from the date of its/their revocation (expiration);
12. Cancellation or revocation from the the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license required to carry out core business (except the one specified in clause 11 above), or the license expired and it (license) was not extended or received within thirty (30) calendar days from the date of its revocation (expiry) / the borrower or the pledgor ceased to be a member in the self-regulatory organization (if in accordance with the Legislation this is required to carry out core business) and have not yet joined another self-regulatory organization/have not restored membership in the self-regulatory organization within thirty (30) calendar days from the date of membership termination;
13. Initiation of criminal proceedings or criminal liability in respect of the sole executive body, members of the management body of any of the Liabe entities in connection with the exercise of their duties to the relevant entity;
14. Failure by any of Mechel Group companies to comply with tax liabilities or other obligations for a period of more than ninety (90) calendar days in respect of budget and non-budgetary funds in the aggregate amount of more than 750,000,000.00 (seven hundred and fifty million 00/100) rubles (or equivalent in foreign currency at the exchange rate of the Bank of Russia as of April 01, 2017) subject to the entry into force of a court decision on recovery of relevant tax obligation or other obligations in relation to budget and non-budgetary funds except for the restructuring of debt of Trade House Mechel OOO to tax authorities in the amount of 2,500,000,000.00 (two billion five hundred million 00/100) rubles;

15. Share of ownership of I.V. Zyuzin and his family members of ordinary shares in the authorized share capital of Mechel PAO reduces below fifty one (51) percent of the total amount of ordinary shares, directly or indirectly through third parties;
16. Mechel PAO no longer owns, directly or indirectly through third parties, more than 50 (Fifty) percent of the authorized share capital of Liable entities (without taking into account ownership of preferred shares);
17. Failure to comply with a court decision to recover from any of Mechel Group companies more than 25,000,000,00 (twenty five million 00/100) US dollars (or its equivalent in rubles/other currency at the exchange rate of the Bank of Russia as of the date of entry into force of the relevant court decision) except for cases of non-fulfillment of an enforceable court decision due to technical problems related to the payment within five (5) Business days from the date of entry into force of a court decision and in case when entered into force court's decision is challenged by Mechel Group;
18. Non-fulfillment/improper fulfillment by ChMK PAO of obligation of the proper use of credits under Credit 5;
19. The Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 are recognized to be ineffective or void or actions aimed to recognize the Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 to be ineffective or void are performed.

1.4. To pass a resolution to give consent to the pledging by Public Joint Stock Company Mechel when making a related party transaction in the form of concluding **Addendum to Contract of Guarantee No. 3732-II/4 dated September 29, 2015** (hereinafter referred to as Addendum No.2) between VTB Bank (Public Joint Stock Company), hereinafter referred to as the Bank, the Lender and Public Joint Stock Company Mechel (hereinafter referred to as the Guarantor) in order to secure the fulfillment of the obligations of **Public Joint Stock Company Chelyabinsk Metallurgical Plant (hereinafter - the Borrower) to the Bank under Credit Agreement No. 3732 dated September 09, 2015** with all amendments and addenda thereto (hereinafter referred to as the Credit Agreement), in full, on the following material conditions:

Related person (persons): Igor Vladimirovich Zyuzin, Andrey Alexandrovich Ponomarev, Natalia Olegovna Trubkina

Grounds on which a person (each such person) is considered to be a related person:

Member of the Board of Directors of the Guarantor I.V. Zyuzin is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor A.A. Ponomarev is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor N.O. Trubkina is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Subject matter, price and other essential conditions of the transaction:

Terms and definitions used in this resolution:

Sales Revenue - funds obtained/receivable by companies of Mechel Group (except for Kuzbassenergosbyt OAO) from sales of manufactured products, services, works (except for payments made as repayment of loans and borrowings of the Mechel Group companies);

Credit/Credits - funds provided by the Lender to the Borrower on the terms specified in the Credit Agreement;

The key rate of the Central Bank of the Russian Federation - key rate of the Central Bank of the Russian Federation determined on the ground of information specified at the official website of the Central Bank of the Russian Federation (<http://cbr.ru> or other official website of the Central Bank in case it changes) on a daily basis. If the key rate of the Central Bank of the Russian Federation is abolished and/or is no longer used by the Central Bank of the Russian Federation to determine price conditions of financing by credit institutions of the Russian Federation the interest shall be calculated on the basis of a similar rate set by the Central Bank of the Russian Federation for refinancing operations' pricing through repurchase transactions and/or upon security of non-marketable assets, depending on which rate is higher;

Addendum No. 1 to the Credit Agreement - Addendum No. 1 to the Credit Agreement;

Liable Entities - the Borrower and guarantors under the Credit Agreement and for the purpose of sub-clause 1.4.3. hereof - borrowers and guarantors under Credits 1-5 as well;

Principal debt - as of any date of the Credit Agreement, granted and outstanding amount of the Credit/Credits including amount not repaid within the specified period of the Credit Agreement including interest capitalized in accordance with the Credit Contract;

Credit 1 - Credit Agreement No. 2640 dated December 27, 2010 between the Bank and Mechel PAO with amendments and addenda thereto;

Credit 2 - Credit Agreement No. KC-743000/2008/00104 between the Bank and Southern Kuzbass PAO dated November 26, 2008 with amendments and addenda thereto;

Credit 3 - Credit Agreement No. KC-757000/2008/00021 between the Bank and Yakutugol Holding Company AO dated November 27, 2008 with amendments and addenda thereto;

Credit 4 - contract on credit line No. K2600/10-0709JIB/Д000 between the Bank and Southern Kuzbass PAO dated February 07, 2011 with amendments and addenda thereto;

Credit 5 - Credit Agreement No. 4114 dated December 23, 2016 concluded between the Bank and ChMK PAO for the purpose of granting loans to Mechel PAO where a part of the principal amount under the Credit of which Mechel PAO is informed by ChMK PAO is repaid by Mechel PAO;

Construction - construction of access railway track to the Elga coal deposit from Ulak station to Elga station, purpose: rail transport structures, length - 317000 m, address (location) of the asset: Amur region, Zeysk district; Sakha (Yakutia) Republic, Neryungrinsky District; cadastral (reference) number: 0:0:0:277 (ownership is certified by the entry in the Unified State Register of rights to immovable property and transactions therewith No. 00-00 / 001-00 / 001/001 / 2016-14 / 2 dated March 23, 2016) or corresponding real estate items, ownership right in relation to which is registered after the completion of construction as well as leasehold of land on which the above mentioned objects are located;

Payable interest rate - the following value as per cent per annum:

- 8.75 (eight and seventy-five hundredths) per cent if Net debt/EBIDTA ratio is 6.01x or above;
- 9.50 (nine and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 5.01x and less than 6.00x;
- 10.50 (ten and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 4.01x and less than 5.00x.

Net debt/EBIDTA ratio is used from the latest provided Certificate of Conformity which is provided in accordance with sub-clause 14 of clause 9.1. of the Credit Agreement. Until the Certificate of Conformity as of December 31, 2016 is provided the payable interest rate shall be considered to be equal to 8.75 (eight and seventy-five hundredths) per cent starting from April 1, 2016.

This term was introduced solely for the purpose of calculating a part of the amount of the accrued interest which is not subject to capitalization in accordance with clause 6.2.1. of the Credit Agreement and is payable on interest payment dates in accordance with sub-clause 6.3.1. of the Credit Agreement.

- 1.4.1. Public Joint Stock Company Mechel shall give to the Bank a pledge under the Contract of Guarantee taking into account Addendum No. 2 to be responsible for the fulfillment of obligations by the Borrower under the Credit Agreement in full, including all amendments and addenda thereto, including but not limited to those referred to herein:
- 1.4.1.1. obligation to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 11,000,000,000.00 (Eleven billion 00/100) rubles in accordance with clauses 7.1. and 7.2. of the Credit Agreement in the following order:
- a. repayment (redemption) of the Principal debt (less the part of the Principal debt resulting from the capitalization of interest, which is paid on the date of final repayment of the Principal debt referred to in clause 7.2. of the Credit Agreement) shall be made in equal monthly installments on the sixth (06) day of each month starting from April 6, 2020 (the date of the first payment to repay the Principal debt);
 - b. The final repayment of the Principal debt in full shall be made on April 06, 2022 or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement.
- 1.4.1.2. the obligation to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:
- i. interest accrued from the date following the date of extension of the first Credit in the framework of the Credit line to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty five hundredths) per cent per annum shall be paid by the Borrower according to the following procedure:
on the sixth (6) day of each month starting from the date of extension of the first credit under the Credit Line;
 - ii. interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid monthly, on the sixth (6) day of each month starting from the date of extension of the first credit under the Credit Line as well as on the date of final repayment of the Credit Line referred to in paragraph 2 of sub-clause 2.1.1. of the Contract;
 - iii. interest at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent per annum shall be paid by the Borrower in the following order:
 - a. part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 6.3.1. of the Credit Agreement in the following order:
 - starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 1 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
 - starting from the interest period in which Addendum No. 1 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);
 - for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022);
 - b. the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2020 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month and shall be payable by the Borrower on the date of the final repayment of the Principal debt (April 06 2022).

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the

interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the accrued interest shall be payable in full in accordance with the procedure specified in sub-clause 6.3.1. of the Credit Agreement (in this case the condition of capitalization of a part of interest shall not be applicable).

If the interest rate specified in sub-clause 6.1.2. of clause 6.1. of the Credit Agreement (key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) per annum on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 6.1. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - interest shall not be capitalized (not added to the Principal debt) and shall be payable in full in accordance with the procedure specified in sub-clause 6.3.1. of clause 6.3. of the Credit Agreement;

- c. starting from April 07, 2020 (inclusive) the interest shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 6.3.1.2. of clause 6.3. of the Credit Agreement within five (5) business days starting from the sixth (6) day of each month (inclusive) and for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022).
- d. in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

- 1.4.1.3. obligation to pay interest increased by the Lender unilaterally in accordance with clause 6.6. of the Credit Agreement by one (1) per cent per annum in case of non-performance/improper performance by the Borrower of the obligation provided by sub-clause 20) of clause 9.1. of the Credit Agreement, namely:

to ensure starting from the fourth (4) calendar quarter of 2016 according to the results of the preceding calendar quarter actual receipt of proceeds from the sale received from the third parties and companies of Mechel Group on current accounts and current accounts in foreign currency of Mechel Group companies (except Kuzbassenergosbyt OAO) opened in the Bank to the extent that the share of above mentioned proceeds in total amount of the Sales revenue obtained from the third parties in all banks based on actual data for the quarter preceding the past quarter corresponds to the share of aggregate outstanding loans of Mechel Group companies in VTB Group in the aggregate outstanding loans of Mechel Group companies in all credit institutions in the past calendar quarter.

Amended in accordance with clause 6.6. of the Credit Agreement interest rate shall become effective starting from the commencing date of the interest period following the interest period in which the breach of the obligation was revealed and till the commencing date of the interest period following the interest period in which the obligation under sub-clause 20) of clause 9.1. of the Loan Agreement is duly fulfilled (inclusive).

The interest rate shall be considered to be amended without concluding an addendum. In this case the Lender shall send to the Borrower a written notice (in no particular form) on the increase of the interest rates by courier or registered mail with a schedule of enclosures and an acknowledgment of receipt. A copy of the notice shall be sent to the Guarantor.

- 1.4.1.4. to pay a penalty (fine) in case of late repayment of indebtedness under the Principal debt in the amount of one three hundred and sixty fifth/one three hundred and sixty sixth (1/365 (1/366)) of the interest rate specified in clause 6.1. of the Credit Agreement of the amount of overdue indebtedness under the Principal debt for each day of delay. Penalty value shall be rounded to the second digit after the point. The penalty shall be calculated starting from the date following the date on which the obligation to repay indebtedness under the Principal debt was due and till the date of final repayment of past due indebtedness under the Principal debt. The penalty (fine) shall be paid by the Borrower on the date of final repayment of the corresponding overdue indebtedness under the Principal debt;
- 1.4.1.5. to pay a penalty (fine) in case of late repayment of indebtedness under interest/commission fees in the amount of two three hundred and sixty fifth/two three hundred and sixty sixth (2/365 (2/366)) of the interest rate specified in clause 6.1. of the Credit Agreement of the amount of the past due indebtedness under interest and/or commission fees and/or other payments under the Credit Agreement for each day of delay. Penalty value shall be rounded to the second digit after the point. The penalty shall be calculated starting from the date following the date on which the obligation to pay interest/commission fees was due and till the date of final repayment of past due indebtedness under interest/commission fees. The penalty (fine) shall be paid by the Borrower on the date of final repayment of the corresponding overdue indebtedness under interest/commission fees;
- 1.4.1.6. to pay a penalty (fine) for each case of non-performance or improper performance by the Borrower of each of obligations specified in sub-clauses 6) and 8) of clause 9.1. of the Credit Agreement in the amount of 10,000.00 (ten thousand 00/100) rubles accrued by the Lender and payable by the Borrower in accordance with clause 11.4 of the Credit Agreement within ten (10) calendar days after the receipt of the request of the Bank to pay the penalty (fine);

- 1.4.1.7. to early repay (pay back) Credits according to the procedure and in the amount provided for in sub-clause 23) of clause 9.1. of the Credit Agreement, namely: if the indebtedness of Mechel Group (under credit agreements) to any of the following lenders: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as the Other Major Lenders and individually referred to as the Other Major Lender) reduces then within ten (10) business days after such reduction the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender;
- 1.4.1.8. to reimburse to the Lender costs and losses that it may incur in connection with the performance of its obligations under the Credit Agreement and reimbursable by the Borrower in accordance with the terms of the Credit Agreement as well as in connection with non-performance or improper performance of the obligations of the Borrower under the Credit Agreement including in connection with the foreclosure on the Pledged Item and its sale under the Contract;
- 1.4.1.9. to repay funds received by the Borrower and to pay interest for the use of borrowed funds in full in the event of invalidity of the Credit Agreement.

Guarantee shall be granted for a period up to April 6, 2025 (inclusive) and shall be early terminated in the event of termination of secured Obligations. The loss of other security of obligations including those existing at the time when the guarantee under the Contract of Guarantee is granted or deterioration in the terms of their securing for any reason whatsoever shall not be the ground to relieve the Guarantor from liability and shall not involve the reduction of the extent of its liability under the Contract of Guarantee.

- 1.4.2. In case if within the period from December 23, 2016 to March 31, 2017 (inclusive):
- The Borrower or any person providing security under the Credit Agreement (including the Liable person) violates any obligations (including payment), specified in Annex 2 to Addendum No. 1 to the Credit Agreement which conditions are reflected in clause 1.4.3. hereof and/or any of events specified in Annex 2 to Addendum No. 1 to the Credit Agreement occurs regardless of its materiality, time and extent of violations; and / or
 - addenda to contracts of guarantee with Mechel PAO securing the fulfillment of the Borrowers' obligations under the Credit Agreement and Credits 2-5 does not come into effect, namely:
 - Addendum No. 2 to Contract of Guarantee No. 3732-Π/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under the Credit Agreement;
 - Addendum No. 3 to Contract of Guarantee No. KC-743000/2008/00104-Π/3 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Addendum No. 3 to Contract of Guarantee No. KC-757000/2008/00021-Π/3 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 3;
 - Addendum No. 3 to Contract of Guarantee No. K2600/10-0709ΠB/Π000-Π/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Addendum No. 1 to Contract of Guarantee No. 4114-Π/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5.

and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each addendum to each contract of guarantee securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 2-5, on behalf of Mechel PAO according to which Mechel PAO is liable for the fulfillment by borrowers of obligations under the Credit Agreement and Credits 2-5, with all amendments and addenda thereto in full; and/or
 - pledge contracts in relation to 46.66 (Forty-six point sixty-six) per cent of ordinary shares minus one ordinary share in the authorized share capital of Public Joint Stock Company Chelyabinsk Metallurgical Plant securing borrowers' obligations under the Credit Agreement and Credits 2-5, namely:
 - Contract of second pledge of shares No. 3732-Π3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under the Credit Agreement;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Π3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Π3/4 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 3;
 - Contract of second pledge of shares No. K2600/10-0709ΠB-Π3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Π3/4 securing the fulfillment of the obligations of

Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 2-5; and/or

- pledge contracts in relation to twenty-five (25) per cent + one (1) ordinary share in the authorized share capital of Public Joint Stock Company Urals Stampings Plant securing borrowers' obligations under the Credit Agreement and Credits 2-5, namely:
 - Contract of second pledge of shares No. 3732-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under the Credit Agreement;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/5 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 3;
 - Contract of second pledge of shares No. K2600/10-0709JIB-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5
- and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 2-5; and/or
- obligation specified in sub-clause 27) of clause 9.1. of the Credit Agreement, namely:

within a period of no longer than seventy (70) calendar days from the date of signing Addendum No. 1 to ensure the submission to the general meeting of shareholders of ChMK PAO of the matter of conclusion by ChMK PAO in order to secure obligations of each of the borrowers under the Credit Agreement and Credit 2 - of 4 addenda to existing contracts of guarantee establishing the scope of responsibility of ChMK PAO to the full scope of obligations of the corresponding borrower and in case if the general meeting of shareholders of ChMK PAO approve the said transactions within ten (10) Business days after the corresponding resolution to ensure that the abovementioned addenda to contracts of guarantee are concluded; and/or
- on March 31, 2017 the Borrower and/or any of entities that provided security under the Contract Agreement and Credits 1-5 fail to provide letters of representation signed by the sole executive body (or other duly authorized person) and bearing the seal of corresponding person (if any) regarding the absence of violations of their obligations and absence of events of debt acceleration specified in clause 1.4.3. hereof.

Borrower's letter of representation shall be signed by the General Director of the Borrower (or other duly authorized person) and sealed by the Borrower's seal (if any),

of which the Lender shall send written notice to the Borrower (with the specification of the obligation breached and/or the event involving the Lender's right to demand debt acceleration under the Credit Agreement) and to entities that provided security under the Credit Agreement up to 12.00 Moscow time on April 05, 2017 (inclusive) by any of the methods referred to in clause 16.3. of the Credit Agreement (in the meantime the Lender shall itself determine a violation, presence or absence of events and shall not be obliged to provide their proof to the Borrower and/or entities that provided security under the Credit Agreement)

then from April 7, 2017 rights and obligations of the parties under the Credit Agreement as well as under the Contract of Guarantee shall be deemed modified: legal relations of the parties under the Credit Agreement set forth in clauses 6.1., 7.1 and 7.2. and sub-clause 6.2.1. (including sub-clauses) of the Credit Agreement shall be governed by clauses 6.1., 7.1 and 7.2. and sub-clause 6.2.1. (including sub-clauses) of the Credit Agreement as worded in clause 27 of Addendum No. 1 to the Credit Agreement and under the Contract of Guarantee the Guarantor will be liable to the Bank for the fulfillment by the Borrower of obligations specified in sub-clauses 1.4.1.1. – 1.4.1.2 hereof:

«1.4.1.1. to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 11,000,000,000.00 (Eleven billion 00/100) rubles in accordance with clauses 7.1. and 7.2. of the Credit Agreement in the following order:

- i. repayment (redemption) of the Principal debt (including the part of the Principal debt resulting from the capitalization of interest) shall be made in equal monthly installments on the sixth (06) day of each month starting from May 06, 2017 (the date of the first payment to repay the Principal debt);
- ii. the final repayment of the Principal debt in full shall be made by the Borrower on **April 06, 2020** or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement;

1.4.1.2. to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:

interest accrued for the period from September 09, 2015 to March 31, 2016 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five) per cent per annum shall be paid monthly, on the sixth (6) day of each month starting from the date of extension of the first credit under the Credit Line as well as on the date of final repayment of the Credit Line referred to in paragraph 2 of sub-clause 2.1.1. of the Contract;

- i. interest accrued for the period from April 01, 2016 to April 06, 2017 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) per cent per annum shall be paid by the Borrower in the following order:

a) part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in the following order:

- starting from April 01, 2016 till the date of expiry of the interest period (inclusive) preceding the interest period in which Addendum No. 1 to the Credit Agreement was concluded (inclusive) - on the sixth (6) day of each month;
- starting from the interest period in which Addendum No. 1 to the Credit Agreement was concluded - within five (5) business days from the sixth (6) day of each month (inclusive);

b) the remaining part of the interest accrued from April 01, 2016 (inclusive) to April 06, 2017 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month.

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the condition of capitalization of a part of interest shall not be applicable.

If the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 6.1. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - condition of capitalization shall not be applied;

b) interest accrued for the period from **April 7, 2017** at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five hundredths) per cent per annum and from **January 7, 2018** (inclusive) - at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.99 (two point ninety-nine hundredths) per cent per annum shall not be capitalized (added to the Principal debt) and shall be paid by the Borrower in full according to the following procedure:

within five (5) business days starting from the sixth (6) day of each month (inclusive);

for the last interest period - on the date of final repayment of the Principal debt (**April 06, 2020**);

- in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

Non-receipt by the Borrower/Guarantor of the notice of revealed violations/events sent by the Lender in accordance with conditions of clause 27 of Addendum No. 1 to the Credit Agreement shall not be a ground to cancel modifications referred to above in this clause.

1.4.3. Conditions of Annex No. 2 to Addendum No. 1 to the Credit Agreement:

The terms used below shall be defined in accordance with definitions set forth in the Credit Agreement and Credits 1-5.

Borrower's obligations.

The following obligations shall not modify and shall not terminate obligations under the Credit Agreement.

The Borrower shall be obliged:

1. To obtain (ensure obtaining) prior written consent of the Lender to the following types of actions/transactions made by Mechel Group members and/or Liable entities:
 - a. the acquisition of assets and shares and / or shares in the authorized share capital of legal entities (except for transactions in the ordinary course of business) of Mechel Group companies from third parties in aggregate amounting over 25,000,000.00 (twenty five million 00/100) U.S dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) for the period from the date of Addendum No. 1 to March 31, 2017 (inclusive);
 - b. the extension in favor of/the obtaining from the third parties not being members of Mechel Group of credits, loans and other Financial debt (in terms of prepayment received by Mechel Group members this sub-clause only limits received prepayment for the period over 180 calendar days) and other instruments with economic substance of granting/raising debt funds. The granting on the instruction of Mechel Group companies of VAT recovery banking guarantees shall be an exclusion. For the avoidance of doubt it shall be prohibited for Mechel Group companies to make guarantees and pledges under obligations of third parties that are not Mechel Group members;
 - c. to alienate assets (including stocks and shares) in favor of third parties that are not Mechel Group members except:
 - i. sales in the ordinary course of business;
 - ii. transactions in the aggregate amount of up to 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of April 01, 2017) for the period from the date of **Addendum No. 1** to March 31, 2017 (inclusive);
 - d. encumbrance of assets or rights;
 - e. other transactions that are in violation of the following conditions:
 - a) amount of the transaction/transactions of any Liable entity exceeds 10.00% of balance-sheet value of assets of any relevant Liable entity based on RAS statements for the Russian Federation resident or other applicable reporting for the Russian Federation non-resident in the aggregate for each past twelve (12) months;
 - b) amount of the transaction/transactions of a Mechel Group member in conjunction with other similar transactions of Mechel Group members exceeds 10.00% of balance-sheet value of assets of Mechel Group determined on the basis of the latest audited consolidated annual financial statements of Mechel Group according to US GAAP or IFRS, in the aggregate for each past twelve (12) months;
 - f. reorganization (except for reorganization of Mechel Group companies only if it does not affect the Liable entities and if quarterly revenue of and reorganized company of Mechel Group does not exceed 1,000,000.00 (one million 00/100) US dollars or equivalent in another currency at the exchange rate of the Bank Russia as of the date of reorganization according to the latest statements of the relevant company);
 - g. change of core business;
 - h. dividend payments to third parties that are not members of Mechel Group except for the payment of dividends on preferred shares of Mechel PAO in the amount of no more than 7,500,000.00 (seven million five hundred thousand 00/100) rubles per year;
2. to coordinate (to ensure coordination) modification of conditions (reduction in total and/or average weighted term, increase of the rate over the interest rate specified in clause 6.1. of the Credit Agreements for credits in rubles and 8% per annum for loans in US dollars or euros or other payments (including but not limited to fees, penalties etc.) or the provision of additional collateral under credit agreements between any company of Mechel Group and any of the following lenders: PXF Lenders, Sberbank PJSC and Gazprombank (Joint Stock Company);
3. to maintain (enforce maintaining) ratio of Mechel Group's debt to the Lender to Mechel Group's debt (under credit agreements) to any of the following lenders as of the date of signing of Addendum No. 1: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as Other Major Lenders and individually referred to as Other Major Lender).

Whereupon obligation specified in clause 3 shall be fulfilled as follows: in case if the said debt of Mechel Group to any of the Other Major Lenders reduces then within ten (10) business days after such reduction (but no later than March 31, 2017) the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender.

Debt acceleration events.

The events mentioned below shall not modify or terminate events under which the Bank is entitled to demand accelerated debt repayment under the Credit Agreement and/or Credits 1-5 provided by the Credit Agreement and/or Credits 1-5:

1. Violation by the borrower under the Credit Agreement and/or Credits 1-5 or Liable entity of the term of performance of any financial obligation to the Lender except for cases where the Lender is the PXF Lender and cases where late payment was caused solely by administrative or technical error and was actually performed within five (5) Business days from the date when the corresponding payment was due but no later than March 31, 2017;
2. Non-performance or improper performance by any Liable entity or any company of Mechel Group of any financial obligation to any extent under any contract to an entity which in accordance with the Legislation is an affiliate of the Lender or an entity belonging to a group of entities to which the Lender belongs and if these violations are not remedied within five (5) Business days from the date of their occurrence but no later than March 31, 2017;
3. The Lender has information about acceleration of the Financial debt of the Liable entity or any company of Mechel Group in

- the amount exceeding 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) in aggregate under principal debt and/or other obligations and/or on the commencement of lenders' foreclosure on pledged items except for foreclosure on pledged items and reporting of cases of debt acceleration of which the borrower informed the Lender in writing prior to the date of Addendum No. 1;
4. The Lender has information that the Borrower and/or Mechel Group company and/or third parties has made or have the intention to carry out actions aimed to terminate or reduce pledge, to recognize transactions securing fulfillment of obligations of Mechel Group companies under the Credit Agreement and Credits 1- 5 to be ineffective or void and in case if the Bank, the third parties in a judicial procedure file a claim in relation to the pledged item including measures to secure such claims including in connection with the commencement of Pledgor bankruptcy proceedings;
 5. Collection letters, payment orders, order of enforcement are issued in relation to the Current Account and/or Current Account in foreign currency as well as other accounts of the borrower in the Bank and/or funds in the said accounts in the total amount of more than 5,000,000.00 (five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of the corresponding date) are blocked provided that these restrictions are not lifted within twenty (20) Business days from the date of their occurrence but not later than March 31, 2017;
 6. The Borrower submits an application to terminate the contract on the Current Account and/or contract on the Current account in foreign currency on which basis the Current Account and the Current Account in foreign currency were opened;
 7. The authorized management body of the borrower and/or the Liable entity made decision of liquidation, reorganization of the borrower and/or the Liable entity respectively;
 8. In respect of the borrower and/or the Liable entity any of bankruptcy procedures is initiated;
 9. The pledge under the Credit Agreement and Credits 1-5 is lost (in full or in part);
 10. Forfeiture of the property of the borrower and/or any of the Liable entities the value of which exceeds five (5) percent of the book value of assets of any relevant Liable entity as of the date of forfeiture of the property (calculated on the basis of statements under RAS for the resident of the Russian Federation or other applicable reporting for a non-resident of the Russian Federation);
 11. Revocation from the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license/licenses according to which in aggregate more than ten (10.00) percent of total coal production of Mechel Group were mined for the preceding calendar year or the period of validity of a license/licenses expired and a license/licenses was/were not renewed/extended or obtained within thirty (30) calendar days from the date of its/their revocation (expiration);
 12. Cancellation or revocation from the the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license required to carry out core business (except the one specified in clause 11 above), or the license expired and it (license) was not extended or received within thirty (30) calendar days from the date of its revocation (expiry) / the Borrower or the pledgor ceased to be a member in the self-regulatory organization (if in accordance with the Legislation this is required to carry out core business) and have not yet joined another self-regulatory organization/have not restored membership in the self-regulatory organization within thirty (30) calendar days from the date of membership termination;
 13. Initiation of criminal proceedings or criminal liability in respect of the sole executive body, members of the management body of any of the Liable entities in connection with the exercise of their duties to the relevant entity;
 14. Failure by any of Mechel Group companies to comply with tax liabilities or other obligations for a period of more than ninety (90) calendar days in respect of budget and non-budgetary funds in the aggregate amount of more than 750,000,000.00 (seven hundred and fifty million 00/100) rubles (or equivalent in foreign currency at the exchange rate of the Bank of Russia as of April 01, 2017) subject to the entry into force of a court decision on recovery of relevant tax obligation or other obligations in relation to budget and non-budgetary funds except for the restructuring of debt of Trade House Mechel OOO to tax authorities in the amount of 2 500,000,000.00 (two billion five hundred million 00/100) rubles;
 15. Share of ownership of I.V. Zyuzin and his family members of ordinary shares in the authorized share capital of Mechel PAO reduces below fifty one (51) percent of the total amount of ordinary shares, directly or indirectly through third parties;
 16. Mechel PAO no longer owns, directly or indirectly through third parties, more than 50 (Fifty) percent of the authorized share capital of Liable entities (without taking into account ownership of preferred shares);
 17. Failure to comply with a court decision to recover from any of Mechel Group companies more than 25,000,000.00 (twenty five million 00/100) US dollars (or its equivalent in rubles/other currency at the exchange rate of the Bank of Russia as of the date of entry into force of the relevant court decision) except for cases of non-fulfillment of an enforceable court decision due to technical problems related to the payment within five (5) Business days from the date of entry into force of a court decision and in case when entered into force court's decision is challenged by Mechel Group;
 18. Non-fulfillment/improper fulfillment by ChMK PAO of obligation of the proper use of credits under Credit 5;
 19. The Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 are recognized to be ineffective or void or actions aimed to recognize the Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 to be ineffective or void are performed.

1.5. To pass a resolution to give consent to the pledging by Public Joint Stock Company Mechel when making a related party transaction in the form of concluding **Addendum to Contract of Guarantee No. 4114-II/4 dated December 23, 2016** (hereinafter referred to as the Addendum and the Contract of Guarantee) between VTB Bank (Public Joint Stock Company), hereinafter referred to as the Bank, the Lender and Public Joint Stock Company Mechel (hereinafter referred to as the Guarantor) in order to secure the fulfillment of the obligations of **Public Joint Stock Company Chelyabinsk Metallurgical Plant (hereinafter - the Borrower)** to the Bank under Credit Agreement No. 4114 dated December 23, 2016 (hereinafter referred to as the Credit Agreement).

Related person (persons): Igor Vladimirovich Zyuzin, Andrey Alexandrovich Ponomarev, Natalia Olegovna Trubkina

Grounds on which a person (each such person) is considered to be a related person:

Member of the Board of Directors of the Guarantor I.V. Zyuzin is at the same time a member of the Board of Directors of the

Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor A.A. Ponomarev is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Guarantor N.O. Trubkina is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

The decision to grant a pledge shall be made on the following terms and conditions taking into account the terms and definitions set forth in this resolution:

Sales Revenue - funds obtained/receivable by companies of the Group (except for Kuzbassenergosbyt OAO) from sales of manufactured products, services, works (except for payments made as repayment of loans and borrowings of the Mechel Group companies);

Mechel Group shall mean Mechel PAO and companies for the inclusion of which into consolidated financial statements of Mechel PAO according to US GAAP or IFRS a direct consolidation method is used;

The key rate of the Central Bank of the Russian Federation - key rate of the Central Bank of the Russian Federation determined on the ground of information specified at the official website of the Central Bank of the Russian Federation (<http://cbr.ru> or other official website of the Central Bank in case it changes) on a daily basis. If the key rate of the Central Bank of the Russian Federation is abolished and/or is no longer used by the Central Bank of the Russian Federation to determine price conditions of financing by credit institutions of the Russian Federation the interest shall be calculated on the basis of a similar rate set by the Central Bank of the Russian Federation for refinancing operations' pricing through repurchase transactions and/or upon security of non-marketable assets, depending on which rate is higher;

Credit 1 - Credit Agreement No. 2640 dated December 27, 2010 between the Lender and Mechel PAO with all amendments and addenda thereto;

Credit 2 - Credit Agreement No. KC-743000/2008/00104 dated November 26, 2008 between the Lender and Southern Kuzbass PAO with all amendments and addenda thereto;

Credit 3 - Credit Agreement No. KC-757000/2008/00021 dated November 27, 2008 between the Lender and Yakutugol Holding Company AO with all amendments and addenda thereto;

Credit 4 - contract on credit line No. K2600/10-0709JIB/Д000 between the Lender and Southern Kuzbass PAO dated February 07, 2011 with amendments and addenda thereto;

Credit 5 - Credit Agreement No. 3732 dated September 09, 2015 between the Lender and ChMK PAO with all amendments and addenda thereto;

PXF Lenders - lenders under the credit agreement concluded by Southern Kuzbass PAO with a bank syndicate on September 06, 2010 (as subsequently amended and supplemented), and under the credit agreement concluded by Yakutugol Holding Company AO with a bank syndicate on September 06, 2010 (as subsequently amended and supplemented);

Ordinary course of business - any deals and transactions that are made/performed in the course of current activities of a company that is a member of Mechel Group based on the market value of the subject matter of the transaction and using normal commercial conditions (including similar in terms of assets and turnover) but which are not related to the raising and granting of financing/loans, are not related to investments and capital investments and/or the sale of investments and capital investments are not contrary to the Law and do not lead to significant deterioration of the financial situation of a company that is a member of Mechel Group;

Liable Entities - the Borrower and guarantors under the Credit Agreement and for the purpose of sub-clause 1.5.7. hereof - borrowers and guarantors under Credits 1-5 as well;

Principal debt - as of any date of the Agreement, granted and outstanding amount of the Credit/Credits including amount not repaid within the specified period of the Agreement **including interest capitalized in accordance with the Agreement.**

Payable interest rate - the following value as per cent per annum:

- 8.75 (eight and seventy-five hundredths) per cent if Net debt/EBIDTA ratio is 6.01x or above;
- 9.50 (nine and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 5.01x and less than 6.00x;
- 10.50 (ten and fifty hundredths) per cent if Net debt/EBIDTA ratio is equal to a above 4.01x and less than 5.00x.

Net debt/EBIDTA ratio is used from the latest provided Certificate of Conformity which is provided in accordance with sub-clause 13 of clause 9.1. of the Credit Agreement. Until the Certificate of Conformity as of December 31, 2016 is provided the payable interest rate shall be considered to be equal to 8.75 (eight and seventy-five hundredths) per cent starting from the signing date of the Credit Agreement.

1.5.1. According to the Contract of Guarantee Public Joint Stock Company Mechel shall undertake to be responsible to the Bank for the performance of the Borrower's obligations under the Credit Agreement in full including:

1) obligation to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 30,000,000,000.00 (Thirty billion 00/100) rubles in accordance with clauses 7.1. and 7.2. of the Credit Agreement in the following order:

i. repayment (redemption) of the Principal debt (less the part of the Principal debt resulting from the capitalization of interest, which is paid on the date of final repayment of the Principal debt referred to in clause 7.2. of the Credit Agreement) shall be made in equal monthly installments on the sixth (06) day of each month starting from April 6, 2020 (the date of the first payment to repay the Principal debt), calculated from the amount of loan indebtedness formed on the date of expiration of the Total loan term or the date of full credit extension (whichever event occurs first);

The final repayment of the Principal debt in full shall be made on April 06, 2022 (inclusive) or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement.

2) the obligation to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt at the rate in the amount: The key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent per annum as follows:

- (a) part of the interest accrued from the date following the date of the first extension of the Credit to April 06, 2020 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with sub-clause 6.3.1. of the Credit Agreement in the following order:
 - starting from the date of extension of the first Credit - within five (5) business days starting from the sixth (6) day of each month (inclusive);
 - for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022);
- (b) the remaining part of the interest accrued from the date following the date of the first extension of the Credit to April 6, 2020 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month and shall be payable by the Borrower on the date of the final repayment of the Principal debt (April 06 2022).

The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.

If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the accrued interest shall be payable in full in accordance with the procedure specified in sub-clause 6.3.1. of the Credit Agreement (in this case the condition of capitalization of a part of interest shall not be applicable).

If the interest rate specified in sub-clause 6.3.1. of the Credit Agreement (key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) per annum on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 6.1. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - interest shall not be capitalized (not added to the Principal debt) and shall be payable in full in accordance with the procedure specified in sub-clause 6.3.1. of the Credit Agreement.

(c) starting from April 07, 2020 (inclusive) the interest shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower in accordance with clauses 6.3.1. – 6.3.2. of the Credit Agreement within five (5) business days starting from the sixth (6) day of each month (inclusive) and for the last interest period - on the date of final repayment of the Principal debt (April 06, 2022).

(d) In case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.

Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.

3) obligation to pay interest increased by the Lender unilaterally in accordance with clause 6.6. of the Credit Agreement by one (1) per cent per annum in case of non-performance/improper performance by the Borrower of the obligation provided by sub-clause 19) of clause 9.1. of the Credit Agreement, namely:

to ensure starting from the fourth (4) calendar quarter of 2016 according to the results of the preceding calendar quarter actual receipt of proceeds from the sale received from the third parties and companies of Mechel Group on current accounts and current accounts in foreign currency of Mechel Group companies (except Kuzbassenergosbyt OAO) opened in the Bank to the extent that the share of above mentioned proceeds in total amount of the Sales revenue obtained from the third parties in all banks based on actual data for the quarter preceding the past quarter corresponds to the share of aggregate outstanding loans of Mechel Group companies in VTB Group in the aggregate outstanding loans of Mechel Group companies in all credit institutions in the past calendar quarter.

Amended in accordance with clause 6.6. of the Credit Agreement interest rate shall become effective starting from the commencing date of the interest period following the interest period in which the breach of the obligation was revealed and till the commencing date of the interest period following the interest period in which the obligation under sub-clause 19) of clause 9.1. of the Loan Agreement is duly fulfilled (inclusive).

The interest rate shall be considered to be amended without concluding an addendum. In this case the Lender shall send to the Borrower a written notice (in no particular form) on the increase of the interest rates by courier or registered mail with a schedule of enclosures and an acknowledgment of receipt. A copy of the notice shall be sent to the Guarantor.

4) obligation to pay a penalty (fine) in case of late repayment of indebtedness under the Principal debt in the amount of one three hundred and sixty fifth one three hundred and sixty sixth ($1/365$ ($1/366$)) of the interest rate specified in clause 6.1. of the Credit Agreement of the amount of overdue indebtedness under the Principal debt for each day of delay. Penalty value shall be rounded to the second digit after the point. The penalty shall be calculated starting from the date following the date on which the obligation to repay indebtedness under the Principal debt was due and till the date of final repayment of past due indebtedness under the Principal debt. The penalty (fine) shall be paid by the Borrower on the date of final repayment of the corresponding overdue indebtedness under the Principal debt;

5) obligation to pay a penalty (fine) in case of late repayment of indebtedness under interest/commission fees in the amount of two three hundred and sixty fifth (two three hundred and sixty sixth) ($2/365$ (366)) of the interest rate specified in clause 6.1. of the Credit Agreement of the amount of the past due indebtedness under interest and/or commission fees and/or other payments under the Credit Agreement for each day of delay. Penalty value shall be rounded to the second digit after the point. The penalty shall be calculated starting from the date following the date on which the obligation to pay interest/commission fees was due and till the date of final repayment of past due indebtedness under interest/commission fees. The penalty (fine) shall be paid by the

Borrower on the date of final repayment of the corresponding overdue indebtedness under interest/commission fees.

6) obligation to pay penalty (fine) in the amount of 10,000.00 (ten thousand 00/100) rubles accrued by the Lender and payable by the Borrower for each case of non-performance or improper performance of each of the obligations specified in sub-clauses 6) and 8) of clause 9.1. of the Credit Agreement the Borrower shall undertake to pay a penalty (fine) within ten (10) calendar days after the receipt of the request of the Bank to pay the penalty (fine);

7) to early repay (pay back) Credits according to the procedure and in the amount provided for in sub-clause 22) of clause 9.1. of the Credit Agreement, namely:

to maintain ratio of Mechel Group's debt to the Lender to Mechel Group's debt (under credit agreements) to any of the following lenders as of the date of signing of the Credit Agreement: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as Other Major Lenders and individually referred to as Other Major Lender). This obligation shall be fulfilled as follows: in case if the said debt of Mechel Group to any of the Other Major Lenders reduces then within ten (10) business days after such reduction the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender;

8) to reimburse to the Lender costs and losses that it may incur in connection with the performance of its obligations under the Credit Agreement and reimbursable by the Borrower in accordance with the terms of the Credit Agreement as well as in connection with non-performance or improper performance of the obligations of the Borrower under the Credit Agreement;

9) to repay funds received by the Borrower and to pay interest for the use of borrowed funds in full in the event of invalidity of the Credit Agreement.

1.5.2. Guarantee under the Contract of Guarantee shall be joint.

1.5.3. In case of non-fulfillment or improper fulfillment of the Borrower's obligations the Bank shall be entitled on conditions of the bill of acceptance issued in advance to debit funds without the order of the Guarantor from the following accounts No. 40702810900160001038, No. 40702840200160001038 opened by the Guarantor in the Bank in order to satisfy the Bank's requirements secured by the guarantee in accordance with the terms of the Contract of Guarantee or to send to the Guarantor a written request to transfer the necessary amount of money to the Bank's correspondent account.

The Guarantor shall grant to the Bank its consent (bill of acceptance) to debit funds without its order from the account/accounts which is/are specified/listed in this clause hereof in order to meet the requirements of the Bank secured by a guarantee in accordance with the terms of the Contract of Guarantee with subsequent notification of the Guarantor of the debiting. The consent (bill of acceptance) of the Guarantor to the debiting of funds by the Bank from the accounts opened by the Guarantor in the Bank against the performance of obligations under the Contract of Guarantee shall be a bill of acceptance issued in advance and shall be granted in the amount of secured by the guarantee obligations of the Borrower and other payments due to the Bank in connection with the performance of the Contract of Guarantee without limitation by the number of executed by the Bank corresponding settlement documents under the terms of the Contract of Guarantee and obligations undertaken by the Guarantor under the Contract of Guarantee.

In case of absence or insufficiency of funds in the currency of obligations under the Credit Agreement on the account of the Guarantor opened in the Bank, the Guarantor authorizes the Bank to sell foreign currency from accounts opened in the Bank and to use obtained in the result of conversion amounts of money in rubles to repay corresponding receivables of the Guarantor under the Contract of Guarantee in accordance with applicable legislation of the Russian legislation. In the meantime the sale of foreign currency for rubles shall be performed at the exchange rate of the Bank as of the date of such transaction.

In case if the Guarantor opens any accounts in the Bank the Guarantor shall be obliged when concluding bank account contracts to provide to the Bank its consent (bill of acceptance) to the debiting of funds from them in order to meet the requirements of the Bank under the Contract and to sign necessary documents to enable the Bank to debit funds from accounts opened by the Guarantor in the Bank for the performance of obligations under the Contract.

1.5.4. In the case of non-performance or improper performance of obligations under the Contract of Guarantee the Guarantor shall pay a penalty equal to one three hundred and sixty-fifth (One three hundred and sixty sixth) (1/365 (1/366)) of the maximum effective interest rate under the Credit Agreement of the amount of non-performed improperly performed obligation for each day of delay. The penalty shall be accrued from the date following the date on which the obligation of the Guarantor under the Contract of Guarantee is due and till the date of full proper performance of such obligations inclusive. The penalty shall be paid at the request of the Lender by the Guarantor on the date of final fulfillment of the overdue obligation.

In case of non-performance or improper performance of obligations by the Guarantor under the Contract of Guarantee provided by sub-clauses 3.11.4., 3.11.5. of the Contract (to provide notarized copies of constituent documents within thirty (30) calendar days from the date of state registration of modifications, to provide letters signed by an authorized person, confirming the absence/presence of arrears and indebtedness under penalties, fines to the federal budget, budgets of constituent entities of the Russian Federation, local budgets and public non-budgetary funds), the Guarantor shall be obliged to pay to the Bank a penalty in the amount of 10,000.00 (ten thousand) rubles for each case of non-fulfillment and/or improper fulfillment of each of the obligations. The fine shall be payable within ten (10) calendar days after the receipt of the request of the Bank to pay the penalty.

1.5.5. The loss of security of obligations under the Credit Agreement including those existing at the time when the guarantee is granted or deterioration in the terms of their securing for any reason whatsoever shall not be the ground to relieve the Guarantor from liability and shall not involve the reduction of the extent of its liability under the Contract of Guarantee.

1.5.6. In case if within the period from the date of signing of the Credit agreement by the Parties to March 31, 2017 (inclusive):

- The Borrower or any person providing security under the Credit Agreement (including the Liable person) violates any obligations (including payment), specified in Annex 8 to the Credit Agreement the content of which is specified in sub-clause 1.5.7. hereof and/or any of events specified in Annex 8 to the Credit Agreement occurs regardless of its materiality, time and extent of violations; and / or
- addenda to contracts of guarantee with Mechel PAO securing the fulfillment of the Borrowers' obligations under the Credit Agreement and Credits 2-5 does not come into effect, namely:
 - Addendum No. 2 to Contract of Guarantee No. 3732-Π/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5;
 - Addendum No. 3 to Contract of Guarantee No. KC-743000/2008/00104-Π/3 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Addendum No. 3 to Contract of Guarantee No. KC-757000/2008/00021-Π/3 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 3;
 - Addendum No. 3 to Contract of Guarantee No. K2600/10-0709JIB/Д000-Π/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Addendum No. 1 to Contract of Guarantee No. 4114-Π/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under the Credit Agreement.

and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each addendum to each contract of guarantee securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 2-5, on behalf of Mechel PAO according to which Mechel PAO is liable for the fulfillment by borrowers of obligations under the Credit Agreement and Credits 2-5, with all amendments and addenda thereto in full; and/or

- pledge contracts in relation to 46.66 (Forty-six point sixty-six) per cent of ordinary shares minus one ordinary share in the authorized share capital of Public Joint Stock Company Chelyabinsk Metallurgical Plant securing borrowers' obligations under the Credit Agreement and Credits 2-5, namely:
 - Contract of second pledge of shares No. 3732-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/4 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 3;
 - Contract of second pledge of shares No. K2600/10-0709JIB-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Д3/4 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under the Credit Agreement

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations under the Credit Agreement and Credits 2-5; and/or

- pledge contracts in relation to twenty-five (25) per cent + one (1) ordinary share in the authorized share capital of Public Joint Stock Company Urals Stampings Plant securing borrowers' obligations under the Credit Agreement and Credits 2-5, namely:
 - Contract of second pledge of shares No. 3732-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under Credit 5;
 - Contract of second pledge of shares No. KC-743000/2008/00104-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 2;
 - Contract of second pledge of shares No. KC-757000/2008/00021-Д3/5 securing the fulfillment of the obligations of Joint Stock Holding Company Yakutugol under Credit 3;
 - Contract of second pledge of shares No. K2600/10-0709JIB-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Southern Kuzbass Coal Company under Credit 4;
 - Contract of second pledge of shares No. 4114-Д3/5 securing the fulfillment of the obligations of Public Joint Stock Company Chelyabinsk Metallurgical Plant under the Credit Agreement

and/or for any reason whatsoever after the entry of pledge contracts into force DEPO account entries regarding the encumbering of the specified shares with the pledge is not made and/or upon the Bank's request the following documents are not presented to the Bank: documents confirming compliance with statutory requirements and requirements of other corporate documents and legislation to the procedure of the approval of transactions in the form of originals/notarized copies/ extracts from corporate resolutions in the form of the minutes of the general meeting of shareholders on the matter of the approval of transactions and the minutes of voting results or another document confirming the making by the general meeting of shareholders of resolution to approve transactions, documents certifying authority of the person signing on behalf of Mechel PAO each pledge contract securing the fulfillment of the borrowers' obligations

- under the Credit Agreement and Credits 2-5; and/or
 - obligation specified in sub-clause 25) of clause 9.1. of the Credit Agreement; and/or
 - on March 31, 2017 the Borrower and/or any of entities that provided security under the Contract Agreement and Credits 1-5 fail to provide letters of representation signed by the sole executive body (or other duly authorized person) and bearing the seal of corresponding person (if any) regarding the absence of violations of their obligations and absence of events of debt acceleration specified in sub-clause 5.10 of this clause of the resolution on the Credit Agreement and Credits 1-5.
- of which the Lender shall send written notice to the Borrower (with the specification of the obligation breached and/or the event involving the Lender's right to demand debt acceleration under the Credit Agreement) and to entities that provided security under the Credit Agreement up to 12.00 Moscow time on April 05, 2017 (inclusive) by any of the methods referred to in clause 16.3. of the Credit Agreement (in the meantime the Lender shall itself determine a violation, presence or absence of events and shall not be obliged to provide their proof to the Borrower and/or entities that provided security under the Credit Agreement)
- then from **April 7, 2017** rights and obligations of the parties under the Credit Agreement as well as rights and obligations of the Parties under the Contract of Guarantee shall be deemed modified: legal relations of the parties under the Credit Agreement set forth in clauses 6.1., 7.1 and 7.2. and sub-clause 6.2.1. (including sub-clauses) of the Credit Agreement shall be governed by clauses 6.1., 7.1 and 7.2. and sub-clause 6.2.1. (including sub-clauses) of the Credit Agreement as worded in clause 14.5. of the Credit Agreement and under the Contract of Guarantee the Guarantor will be liable to the Bank for the fulfillment by the Borrower of obligations specified in sub-clauses 1) and 2) of clause 1.5.7. hereof in the following wording:
- 1) to repay the Principal debt, in particular, to repay Credits under the Credit Agreement in the amount of 30,000,000,000.00 (Thirty billion 00/100) rubles in accordance with clauses 7.1. and 7.2. of the Credit Agreement in the following order:
 - i. repayment (redemption) of the Principal debt (including the part of the Principal debt resulting from the capitalization of interest) shall be made in equal monthly installments on the sixth (06) day of each month starting from May 06, 2017 (the date of the first payment to repay the Principal debt);
 - ii. the final repayment of the Principal debt in full shall be made by the Borrower on **April 06, 2020** or no later than ten (10) calendar days after the receipt by the Borrower of the demand of early fulfillment of obligations in accordance with the terms of the Credit Agreement;
 - 2) to pay interest under the Credit Agreement accrued by the Lender on the Principal debt amount till the date of actual final repayment (redemption) of the Principal debt:
 - i. interest accrued for the period from the date following the date of extension of the first Credit to April 06, 2017 (inclusive) at the rate of the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) per cent per annum shall be paid by the Borrower in the following order:
 - a) part of the interest accrued from the date following the date of extension of the first Credit to April 06, 2017 (inclusive) calculated on the basis of the Payable interest rate shall not be capitalized (not added to the Principal debt) and shall be payable by the Borrower within five (5) business days starting from the sixth (6) day of each month (inclusive);
 - b) the remaining part of the interest accrued from the date following the date of extension of the first Credit to April 6, 2017 (inclusive) shall be capitalized (added to the Principal debt) on the sixth (6) day of each month.
- The value of the Payable interest rate shall be in force for the entire interest period from the interest period following the period in which the latest Certificate of Conformity was provided. In the meantime till the end of the interest period in which a new Certificate of Conformity is provided the previous value of the Payable interest rate shall be in force.
- If the Net debt / EBITDA ratio is 4.00x or less then starting from the interest period following the interest period in which the Certificate of Conformity confirming that ratio is provided the condition of capitalization of a part of interest shall not be applicable.
- If the key rate of the Central Bank of the Russian Federation increased by 1.5 (one and five tenths) percent) on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation in accordance with clause 6.1. of the Credit Agreement shall be set at the value less than the corresponding Payable interest rate - condition of capitalization shall not be applied;
- ii) interest accrued for the period from **April 7, 2017** at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.35 (two point thirty-five hundredths) per cent per annum and from **January 7, 2018** (inclusive) - at the rate equal to the key rate of the Central Bank of the Russian Federation increased by 2.99 (two point ninety-nine hundredths) per cent per annum shall not be capitalized (added to the Principal debt) and shall be paid by the Borrower in full according to the following procedure:
 - within five (5) business days starting from the sixth (6) day of each month (inclusive);
 - for the last interest period - on the date of final repayment of the Principal debt (April 06, 2020);
 - in case if there is a past-due indebtedness under the Principal debt the final payment of interest accrued on the Overdue indebtedness under the Principal debt shall be made on the date of the actual final repayment (redemption) of such Overdue indebtedness under the Principal debt.
- Key rate of the Central Bank of the Russian Federation shall be reviewed on a daily basis. If the key rate of the Central Bank of the Russian Federation is amended the interest rate shall be amended accordingly by the amount of change in the key rate of the Central Bank of the Russian Federation on the date of entry into force of the amended value of the key rate of the Central Bank of the Russian Federation.
- Non-receipt by the Borrower/Guarantor of the notice of revealed violations/events sent by the Lender in accordance with conditions of clause 14.5 of the Credit Agreement shall not be a ground to cancel modifications referred to above in this clause.
- 1.5.7. Conditions of Annex No. 8 to the Credit Agreement:**
 The terms used below shall be defined in accordance with definitions set forth in the Credit Agreement and Credits 1-5.
 The Borrowers' obligations (the following obligations shall not modify and shall not terminate obligations under the Credit Agreement and Credits 1-5):
 The Borrower shall be obliged:

1. To obtain (ensure obtaining) prior written consent of the Lender to the following types of actions/transactions made by Mechel Group members and/or Liable entities:
 - a. the acquisition of assets and shares and / or shares in the authorized share capital of legal entities (except for transactions in the ordinary course of business) of Mechel Group companies from third parties in aggregate amounting over 25,000,000.00 (twenty five million 00/100) U.S dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) for the period from the date of the Credit Agreement to March 31, 2017 (inclusive);
 - б. the extension in favor of/the obtaining from the third parties not being members of Mechel Group of credits, loans and other Financial debt (in terms of prepayment received by Mechel Group members this sub-clause only limits received prepayment for the period over 180 calendar days) and other instruments with economic substance of granting/raising debt funds. The granting on the instruction of Mechel Group companies of VAT recovery banking guarantees shall be an exclusion. For the avoidance of doubt it shall be prohibited for Mechel Group companies to make guarantees and pledges under obligations of third parties that are not Mechel Group members;
 - в. to alienate assets (including stocks and shares) in favor of third parties that are not Mechel Group members except:
 - i. sales in the ordinary course of business;
 - ii. transactions in the aggregate amount of up to 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of April 01, 2017) for the period from the date of **the Credit Agreement** 31.03.2017 to March 31, 2017 (inclusive);
 - г. encumbrance of assets or rights;
 - д. other transactions that are in violation of the following conditions:
 - a) amount of the transaction/transactions of any Liable entity exceeds 10.00% of balance-sheet value of assets of any relevant Liable entity based on RAS statements for the Russian Federation resident or other applicable reporting for the Russian Federation non-resident in the aggregate for each past twelve (12) months;
 - б) amount of the transaction/transactions of a Mechel Group member in conjunction with other similar transactions of Mechel Group members exceeds 10.00% of balance-sheet value of assets of Mechel Group determined on the basis of the latest audited consolidated annual financial statements of Mechel Group according to US GAAP or IFRS, in the aggregate for each past twelve (12) months;
 - е. reorganization (except for reorganization of Mechel Group companies only if it does not affect the Liable entities and if quarterly revenue of and reorganized company of Mechel Group does not exceed 1,000,000.00 (one million 00/100) US dollars or equivalent in another currency at the exchange rate of the Bank Russia as of the date of reorganization according to the latest statements of the relevant company);
 - ж. change of core business;
 - з. dividend payments to third parties that are not members of Mechel Group except for the payment of dividends on preferred shares of Mechel PAO in the amount of no more than 7,500,000.00 (seven million five hundred thousand 00/100) rubles per year;
2. to coordinate (to ensure coordination) modification of conditions (reduction in total and/or average weighted term, increase of the rate over the interest rate specified in clause 6.1. of the Credit Agreements for credits in rubles and 8% per annum for loans in US dollars or euros or other payments (including but not limited to fees, penalties etc.) or the provision of additional collateral under credit agreements between any company of Mechel Group and any of the following lenders: PXF Lenders, Sberbank PJSC and Gazprombank (Joint Stock Company);
3. to maintain (enforce maintaining) ratio of Mechel Group's debt to the Lender to Mechel Group's debt (under credit agreements) to any of the following lenders as of the date of signing of the Credit Agreement: Sberbank PJSC, Gazprombank (Joint Stock Company), PXF Lenders (collectively referred to as Other Major Lenders and individually referred to as Other Major Lender).

Whereupon obligation specified in clause 3 shall be fulfilled as follows: in case if the said debt of Mechel Group to any of the Other Major Lenders reduces then within ten (10) business days after such reduction (but no later than March 31, 2017) the debt of Mechel Group to the Lender shall be subject (unless the Lender in writing waves its right to early repayment in full or in part) to early repayment by the amount that corresponds to a portion of the debt of Mechel Group to the Lender that is not less than the portion that corresponds to the amount by which the indebtedness of Mechel Group to such Other Major Lender is reduced (to the corresponding reduction) in the aggregate amount of indebtedness of Mechel Group to such Other Major Lender.

Debt acceleration event (The events mentioned below shall not modify or terminate events under which the Bank is entitled to demand accelerated debt repayment under the Credit Agreement and/or Credits 1-5 provided by the Credit Agreement and/or Credits 1-5):

 1. Violation by the borrower under the Credit Agreement and/or Credits 1-5 or Liable entity of the term of performance of any financial obligation to the Lender except for cases where the Lender is the PXF Lender and cases where late payment was caused solely by administrative or technical error and was actually performed within five (5) Business days from the date when the corresponding payment was due but no later than March 31, 2017;
 2. Non-performance or improper performance by any Liable entity or any company of Mechel Group of any financial obligation to any extent under any contract to an entity which in accordance with the Legislation is an affiliate of the Lender or an entity belonging to a group of entities to which the Lender belongs and if these violations are not remedied within five (5) Business days from the date of their occurrence but no later than March 31, 2017;
 3. The Lender has information about acceleration of the Financial debt of the Liable entity or any company of Mechel Group in the amount exceeding 25,000,000.00 (twenty five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of March 31, 2017) in aggregate under principal debt and/or other obligations and/or on the commencement of lenders' foreclosure on pledged items except for foreclosure on pledged items and reporting of cases of debt acceleration of which the borrower informed the Lender in writing prior to the date of the Credit Agreement (inclusive);
 4. The Lender has information that the borrower and/or Mechel Group company and/or third parties has made or have the intention to carry out actions aimed to terminate or reduce pledge, to recognize transactions securing fulfillment of obligations of Mechel Group companies under the Credit Agreement and Credits 1- 5 to be ineffective or void and in case if the Bank, the third parties in a judicial procedure file a claim in relation to the pledged item including measures to secure such claims including in connection with the commencement of Pledgor bankruptcy proceedings;
 5. Collection letters, payment orders, order of enforcement are issued in relation to the Current Account and/or Current Account in foreign currency as well as other accounts of the borrower in the Bank and/or funds in the said accounts in the total amount of

more than 5,000,000.00 (five million 00/100) US dollars (or equivalent in rubles at the exchange rate of the Bank of Russia as of the corresponding date) are blocked provided that these restrictions are not lifted within twenty (20) Business days from the date of their occurrence but not later than March 31, 2017;

6. The Borrower submits an application to terminate the contract on the Current Account and/or contract on the Current account in foreign currency on which basis the Current Account and the Current Account in foreign currency were opened;
7. The authorized management body of the borrower and/or the Liable entity made decision of liquidation, reorganization of the borrower and/or the Liable entity respectively;
8. In respect of the borrower and/or the Liable entity any of bankruptcy procedures is initiated;
9. The pledge under the Credit Agreement and Credits 1-5 is lost (in full or in part);
10. Forfeiture of the property of the borrower and/or any of the Liable entities the value of which exceeds five (5) percent of the book value of assets of any relevant Liable entity as of the date of forfeiture of the property (calculated on the basis of statements under RAS for the resident of the Russian Federation or other applicable reporting for a non-resident of the Russian Federation);
11. Revocation from the borrower or the pledgor under the Credit Agreement and Credits 1-5 of a license/licenses according to which in aggregate more than ten (10.00) percent of total coal production of Mechel Group were mined for the preceding calendar year or the period of validity of a license/licenses expired and a license/licenses was/were not renewed/extended or obtained within thirty (30) calendar days from the date of its/their revocation (expiration);
12. Cancellation or revocation from the the borrower and/or the pledgor under the Credit Agreement and Credits 1-5 of a license required to carry out core business (except the one specified in clause 11 above), or the license expired and it (license) was not extended or received within thirty (30) calendar days from the date of its revocation (expiry) / the Borrower or the pledgor ceased to be a member in the self-regulatory organization (if in accordance with the Legislation this is required to carry out core business) and have not yet joined another self-regulatory organization/have not restored membership in the self-regulatory organization within thirty (30) calendar days from the date of membership termination;
13. Initiation of criminal proceedings or criminal liability in respect of the sole executive body, members of the management body of any of the Liable entities in connection with the exercise of their duties to the relevant entity;
14. Failure by any of Mechel Group companies to comply with tax liabilities or other obligations for a period of more than ninety (90) calendar days in respect of budget and non-budgetary funds in the aggregate amount of more than 750,000,000.00 (seven hundred and fifty million 00/100) rubles (or equivalent in foreign currency at the exchange rate of the Bank of Russia as of April 01, 2017) subject to the entry into force of a court decision on recovery of relevant tax obligation or other obligations in relation to budget and non-budgetary funds except for the restructuring of debt of Trade House Mechel OOO to tax authorities in the amount of 2,500,000,000.00 (two billion five hundred million 00/100) rubles;
15. Share of ownership of I.V. Zyuzin and his family members of ordinary shares in the authorized share capital of Mechel PAO reduces below fifty one (51) percent of the total amount of ordinary shares, directly or indirectly through third parties;
16. Mechel PAO no longer owns, directly or indirectly through third parties, more than 50 (Fifty) percent of the authorized share capital of Liable entities (without taking into account ownership of preferred shares);
17. Failure to comply with a court decision to recover from any of Mechel Group companies more than 25,000,000.00 (twenty five million 00/100) US dollars (or its equivalent in rubles/other currency at the exchange rate of the Bank of Russia as of the date of entry into force of the relevant court decision) except for cases of non-fulfillment of an enforceable court decision due to technical problems related to the payment within five (5) Business days from the date of entry into force of a court decision and in case when entered into force court's decision is challenged by Mechel Group;
18. Non-fulfillment/improper fulfillment by ChMK PAO of obligation of the proper use of credits under the Credit Agreement;
19. The Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 are recognized to be ineffective or void or actions aimed to recognize the Credit Agreement, Credits 1-5 as well as any of the addenda to the Credit Agreement, Credits 1-5 to be ineffective or void are performed.

The 2nd issue on the agenda: «2. About passing a resolution to authorize a related party transactions between Bank GPB (JSC) and the Company.»

Draft resolution:

2.1. To pass a resolution to authorize a related party transaction - Addendum No. 2 to Contract of Guarantee No. 84-85/13-B-II-2 dated June 18, 2013 (hereinafter referred to as the Contract of Guarantee), (hereinafter - the Addendum to the Contract of Guarantee) concluded between Gazprombank (Joint Stock Company) and Public Joint Stock Company Mechel on the following material terms and conditions:

Parties to the transaction:

- Public Joint Stock Company Mechel, hereinafter referred to as the Guarantor,
- Gazprombank (Joint Stock Company), hereinafter referred to as the Lender or the Bank

Beneficiary parties:

- Public Joint-Stock Company Southern Kuzbass Coal Company (Southern Kuzbass PAO)
- Joint-Stock Holding Company Yakutugol (Yakutugol Holding Company AO),

hereinafter individually referred to as the **Debtor** and jointly - as the **Debtors**

Related person (persons): Member of the Board of Directors of Mechel PAO I.V. Zyuzin, member of the Management Board of Mechel PAO I.N. Ipeeva, member of the Management Board of Mechel PAO P.V. Shtark

Grounds on which a person (each such person) is considered to be a related person:

I.V. Zyuzin, who is a member of the Board of Directors of Mechel PAO is at the same time a member of the Board of Directors of Southern Kuzbass PAO and Yakutugol AO (beneficiaries in the transaction);

I.N. Ipeeva, who is a member of the Management Board of Mechel PAO is at the same time a member of the Board of Directors of Southern Kuzbass PAO (beneficiary in the transaction);

P.V. Shtark, who is a member of the Board of Directors of Mechel PAO is at the same time a member of the Board of Directors of Yakutugol AO (beneficiary in the transaction);

Terms and definitions used in this resolution:

Effective Date - the date of signing of Addendum No. 2 (June 15, 2016).

Date of final repayment of the Principal tranche - the date of actual repayment in full of Principal tranche under the Line of Credit.

Additional condition - any of the following conditions:

(a) prevention (absence) of past-due indebtedness under the Additional debt paid in accordance with clause 6.4 of the Agreement within terms specified in this clause unless other terms are approved by the Bank; and

(b) prevention (absence) of past-due indebtedness under the Additional debt Interest paid in accordance with sub-clauses 6.7.3 and 6.7.4 of the Agreement within terms specified in these sub-clauses unless other terms are approved by the Bank, (collectively referred to as the **Additional conditions**).

Principal debt - the amount of the Principal tranche and the amount of Additional debt not repaid (not paid back) as of any date of the Agreement including amounts not repaid (not paid back) within the period specified by the Agreement.

Date of full repayment of the Additional debt - the date of actual repayment in full of the Additional debt.

the Principal tranche - the amount of Credit granted to the Borrower and not repaid (not paid back) as of any date of the Agreement including the amount not repaid (not paid back) within the period specified by the Agreement.

the Additional debt - the amount of interest accrued from July 26, 2014 to the Effective Date (inclusive) and not repaid as of the date of signing of Addendum No. 2 specified in clause 1.2 of Addendum No. 2 and capitalized on the date of signing of Addendum No. 2 in accordance with sub-clause 6.7.2.2 of the Agreement.

Interest on the Additional debt - interest accrued on the amount of actual debt under the Additional debt for each calendar day at the rate specified in sub-clause 6.7.3 of the Agreement.

Interest on the Principal tranche - interest on the Line of Credit accrued on the amount of actual debt under the Principal tranche for each calendar day at the rate specified in sub-clause 6.7.1 of the Agreement.

Repayment event - repayment by Yakutugol Holding Company AO on any date on or after the Effective Date of the following debt under Credit Agreements of Yakutugol Holding Company AO concluded between Yakutugol Holding Company AO and the Bank:

- debt under the Principal tranche in the amount of Repayment limit under Credit Agreements of Yakutugol Holding Company AO as these terms are defined in the relevant credit agreement; and
- debt under the Additional debt and the debt under accrued Interest on the Additional debt as these terms are defined in the relevant credit agreement.

Subject matter, price and other essential conditions of the transaction:

2.1.1. The Addendum shall be an integral part of the Contract of Guarantee. The Guarantor confirms that it is aware of the conditions:

2.1.1.1. of Addendum No. 2 dated March 31, 2016 to Addendum No. 1 dated August 28, 2015 to Credit Agreement on the opening of credit line No. 85 / 13-B dated April 26, 2013 concluded between the Bank and Joint Stock Holding Company Yakutugol;

2.1.1.2. of Addendum No. 2 dated March 31, 2016 to Addendum No. 2 dated August 20, 2015 to Credit Agreement on the opening of credit line No. 226/12-B dated April 27, 2012 concluded between the Bank and Joint Stock Holding Company Yakutugol;

2.1.1.3. of Addendum No. 2 dated March 31, 2016 to Addendum No. 2 dated August 20, 2015 to Credit Agreement on the opening of credit line No. 227/12-B dated April 27, 2012 concluded between the Bank and Public Joint Stock Company Southern Kuzbass Coal Company;

2.1.1.4. of Addendum No. 1 dated March 31, 2016 to Addendum No. 1 dated August 20, 2015 to Credit Agreement on the opening of credit line No. 84/13-B dated April 26, 2013 concluded between the Bank and Public Joint Stock Company Southern Kuzbass Coal Company;

2.1.1.5. of Addendum No. 2 dated June 15, 2016 to Credit Agreement on the opening of credit line No. 85 / 13-B dated April 26, 2013 concluded between the Bank and Joint Stock Holding Company Yakutugol;

2.1.1.6. of Addendum No. 3 dated June 15, 2016 to Credit Agreement on the opening of credit line No. 226/12-B dated April 27, 2012 concluded between the Bank and Joint Stock Holding Company Yakutugol;

- 2.1.1.7. of Addendum No. 3 dated June 16, 2016 to Credit Agreement on the opening of credit line No. 227/12-B dated April 27, 2012 concluded between the Bank and Public Joint Stock Company Southern Kuzbass Coal Company;
- 2.1.1.8. of Addendum No. 2 dated June 16, 2016 to Credit Agreement on the opening of credit line No. 84/13-B dated April 26, 2013 concluded between the Bank and Public Joint Stock Company Southern Kuzbass Coal Company,

and fulfillment of the obligations thereon is guaranteed by the Contract of Guarantee.

Joint Stock Holding Company Yakutugol and Public Joint Stock Company Southern Kuzbass Coal Company, hereinafter shall be individually referred to as the Debtor and collectively referred to as the Debtors; addenda listed in clauses 2.1.1.1. – 2.1.1.4 hereof hereinafter shall be referred to as the Addenda to the Addenda; addenda listed in clauses 2.1.1.5 – 2.1.1.8 hereof hereinafter shall be referred to as the Addenda to Credit Agreements.

The Guarantor confirms that it has read the text of the Addenda to the Addenda and the Addenda to Credit Agreements which copies are held by the Guarantor.

In accordance with the Addendum to the Contract of Guarantee the Guarantor shall agree liable to be liable to the Lender jointly and severally with the relevant Debtor for the fulfillment by the relevant Debtor of obligations to the Lender arising from:

- 2.1.1.9. Credit Agreement on the opening of credit line No. 84/13-B dated April 26, 2013 concluded between the Bank and Public Joint Stock Company Southern Kuzbass Coal Company;
- 2.1.1.10. Credit Agreement on the opening of credit line No. 85/13-B dated April 26, 2013 concluded between the Bank and Public Joint Stock Holding Company Yakutugol;
- 2.1.1.11. Credit Agreement on the opening of credit line No. 226/12-B dated April 27, 2012 concluded between the Bank and Public Joint Stock Holding Company Yakutugol; and
- 2.1.1.12. Credit Agreement on the opening of credit line No. 227/12-B dated April 27, 2012 concluded between the Bank and Public Joint Stock Company Southern Kuzbass Coal Company,

under modified conditions stipulated by corresponding Addenda to the Addenda and Addenda to Credit Agreements.

Public Joint Stock Company Southern Kuzbass Coal Company and Joint Stock Holding Company Yakutugol shall be individually referred to as the **Debtor** or the **Borrower**. Each Credit Agreement listed in this clause 1.1 taking into account the relevant Addendum thereto shall be referred to as the **Credit Agreement** and collectively - **Credit Agreements**. Addenda to Credit Agreements listed in this clause 2.1.1., shall be collectively referred to as the **Addenda to Credit Agreements** and individually as the **Addendum to the Credit Agreement**.

According to the terms of the Contract of Guarantee, taking into account the modifications introduced by the Addendum to the Contract of Guarantee, the Guarantor shall be liable to the Lender to the same extent as the Debtor including the repayment of the credit amount (principal debt), payment of interest, payment of penalties (fines) and other payments stipulated by the Credit Agreement as well as reimbursement of costs of litigation associated with the recovery of debt and other losses of the Lender due to non-fulfillment or improper fulfillment of obligations by the Debtor.

The limit of indebtedness under Credit Agreement No. 1 (maximum amount of aggregate debt under the line of credit) shall be: 400,000,000 (four hundred million) US dollars, in rubles as of the Effective Date January 28, 2016 was 30,400,000,000 (thirty billion four hundred million) rubles;

The limit of indebtedness under Credit Agreement No. 2 (maximum amount of aggregate debt under the line of credit) shall be: 385,776,778 (three hundred eighty five million seven hundred seventy six thousand seven hundred seventy eight) US dollars, in rubles as of the Effective Date January 26, 2016 was 30,476,365,410. 65 (thirty billion four hundred seventy six million three hundred sixty five thousand four hundred and ten) rubles 65 kopecks;

The limit of indebtedness under Credit Agreement No. 3 (maximum amount of aggregate debt under the line of credit) shall be: 300,000,000 (three hundred million) US dollars, in rubles as of the Effective Date January 13, 2016 was 22,821,000,000 (twenty two billion eight hundred twenty one million) rubles;

The limit of indebtedness under Credit Agreement No. 4 (maximum amount of aggregate debt under the line of credit) shall be: 200,000,000 (two hundred million) US dollars, in rubles as of the Effective Date January 12, 2016 was 15,260,000,000 (fifteen billion two hundred sixty million) rubles.

- Credit purpose: financing of financial and economic activity.

- Expiration of the Credit line use period: April 26, 2014

- Repayment of debt under the Principal tranche shall be performed by the Borrower on a monthly basis, on the fifteenth (15) day of each month of Credit use, in equal installments of the outstanding amount under the Principal tranche (taking into account interest capitalized in accordance with clause 6.7.2.3 of the Credit Agreement) as of the 15th day of the month following the Date of grace period of the Principal tranche and from that date.

In case if:

- (a) any of the Additional conditions is not respected; or
- (b) Restructuring event does not occur before the Date of restructuring,

above mentioned repayment procedure shall be modified from the corresponding Date of modification of credit conditions as follows:

- if the corresponding Date of modification of credit conditions is before April 15, 2017 - repayment of the debt under the Principal tranche shall be performed on a monthly basis, on the fifteenth (15) day of each month of Credit use, in equal installments of the outstanding amount under the Principal tranche (taking into account capitalized interest) as of April 15, 2017, starting from April 15, 2017;

- if the corresponding Date of modification of credit conditions is after April 15, 2017 - repayment of the debt under the Principal tranche shall be performed on a monthly basis, on the fifteenth (15) day of each month of Credit use, in equal installments of the outstanding amount under the Principal tranche (taking into account capitalized interest) as of the Date of modification of credit conditions starting from the fifteenth (15) day of the month following the Date of modification of credit conditions.

If the day of the month on which debt repayment under the Principal tranche is to be performed in accordance with this sub-clause is not a Business Day - debt repayment shall be performed on the first Business Day following such day.

- The debt under the Principal tranche (taking into account interest capitalized in accordance with clause 6.7.2.3 of the Credit Agreement) shall be fully repaid no later than **April 20, 2020**, whereupon in case if till March 30, 2018: (a) all Additional conditions are performed; and (b) Restructuring event occurs before the Date of restructuring - the deadline for the full and final repayment of the debt under the Principal tranche (taking into account interest capitalized in accordance with clause 6.7.2.3 of the Credit Agreement) shall be extended till **April 20, 2022**.

In the last month of the Principal tranche use repayment shall be performed on the 15-th and the 20-th day of the month.

If the day of the month on which debt repayment under the Principal tranche is to be performed in accordance with this clause is not a Business Day - on the first Business Day following such day.

- The debt under the Additional debt (taking into account interest capitalized in accordance with clause 6.7.4.1 of the Credit Agreement) shall be fully repaid no later than March 30, 2018 (unless another date is approved by the Bank).

- The Lender shall be entitled to refuse to grant the following Credit Tranche to the Borrower in full or in part if there are circumstances clearly indicating that the amount granted to the Borrower will not be repaid in due time.

Principal tranche value conditions

- From the date of signing of the Credit Agreement and till the Date of final repayment of the Principal tranche (inclusive), the Borrower shall unconditionally and irrevocably undertake to pay Interest on the Principal tranche at a rate equal to:

- before the Effective Date (inclusive) - ten point two (10.2) percent per annum;
- from the date following the Effective Date - the key rate of the Bank of Russia plus one and five tenths (1.5) per cent per annum, whereupon in case if: (a) any of the Additional conditions is not respected; or (b) the Restructuring event does not occur before the Date of restructuring;

- From the day following corresponding Date of modification of credit conditions the interest rate shall be set at the level - key rate of the Bank of Russia plus three and five tenths (3.5) per cent per annum; and

- The Borrower shall undertake to make an additional payment of interest accrued for the period from the Effective Date to the corresponding Date of modification of credit conditions (inclusive) in the amount of actual debt under the Principal tranche, including the amount of interest capitalized in accordance with clause 6.7.2.3 of the Credit Agreement for the specified period under the Line of credit for each calendar day at the rate of two (2) percent per annum. The amount of additionally accrued interest shall be capitalized through its addition to the amount of the Principal tranche on the corresponding Date of modification of credit conditions. Repayment of additionally accrued interest shall be performed in accordance with the schedule under clause 6.3 of the Credit Agreement.

The key rate shall be set by the Board of Directors of the Bank of Russia and published on the website of the Bank of Russia and in the public domain.

2.1.2. The interest rate under the Line of Credit shall change as from the date of key rate change by the Bank of Russia.

2.1.2.1. From the date of granting the first Credit tranche till July 25, 2014 (inclusive):

2.1.2.1.1. The First Interest Period - from the date of granting the first Credit Tranche (excluding this date) till the last calendar day of the first month of Credit use (inclusive).

Interest Payment Date - the last business day of the first month of Credit use.

2.1.2.1.2. The Second Interest Period - from the first to the twenty-fifth (25) day of the second month of Credit use (inclusive).

Interest Payment Date - the twenty-fifth (25) day of the second month of Credit use.

2.1.2.1.3. Further Interest Periods - from the twenty-sixth (26) day of the month preceding current

month till the twenty-fifth (25) day of the current month (inclusive).

Interest Payment Date - monthly, the twenty-fifth (25) day of each calendar month.

2.1.2.2. From July 26, 2014 and prior to the Effective Date (inclusive):

Interest accrued from July 26, 2014 till the Effective Date (inclusive) and outstanding prior to the date of signing of Addendum No. 2 shall be capitalized on the date of signing of Addendum No. 2 by adding to the amount of the Principal tranche and shall become the Additional debt within the Principal debt.

2.1.2.3. From the Effective Date (excluding such date) till the Date of deferral of interest payment (inclusive):

2.1.2.3.1. The First Interest Period - from the Effective Date till the 4-th day of the month in which the Effective Date falls (inclusive). If the Effective Date falls on a day after the 4th day the first Interest Period shall end on the 4th day of the following calendar month (inclusive), and if this day of the month is not a Business Day - on the first Business Day following such day.

Interest Payment Date - the seventh (7) business day in July 2016 (inclusive).

2.1.2.3.2. The second and subsequent Interest Periods shall be a period starting on a day following the last day of the preceding Interest Period till the 4th day of each calendar month (inclusive), and if this day of the month is not a Business Day - the first Business Day following such day.

Payment of interest for Interest Periods starting on the second to the sixth days - no later than the seventh (7) business days of July 2016 (inclusive).

Interest Payment Date for subsequent Interest Periods shall be monthly, the seventh (7) business day of each calendar month.

2.1.2.3.3. The Last Interest Period shall be the period starting on the day following the last day of the preceding Interest Period till the Date of deferral of interest payment (inclusive).

Interest Payment Date shall be the Date of deferral of interest payment.

In the meantime within the period from the Effective Date till the Date of deferral of interest payment (inclusive) Interest shall be paid as follows:

- The larger of the following amounts shall be paid to the Lender:
 - Fifty (50) percent of the amount of each monthly interest payment calculated in accordance with the provisions of this article; or
 - the amount of interest per annum calculated at the rate specified in the table below and determined depending on the ratio of the Aggregate debt to EBITDA in accordance with the last consolidated financial statements of the Company on the amount of actual debt under the Principal tranche

Ratio of the Aggregate debt to EBITDA	Interest rate, annual (%)
6.01 and over	8.75 (eight and seventy-five hundredths)
from 5.01 to 6.0	9.5 (nine and five tenths)
from 4.01 to 5.0	10.5 (ten and five tenths)
4.0 and less	current interest rate under the Line of Credit

The interest rate specified in the table above shall apply to the calculation of interest payments beginning with the Interest Period following immediately after the date of certificate extension in accordance with sub-clause 8.10.6. of the Agreement with the calculation of financial liabilities in which it is stated that the ratio of the Aggregate debt to EBITDA exceeds the value specified in a sub-clause above,

- the remaining part of each monthly interest payment shall not be paid to the Lender but shall be capitalized by adding it to the amount of the Principal tranche.

Capitalized interest shall be added to the amount of the Principal tranche (capitalized) on last dates of the Interest periods. Starting from the first day following the date of interest capitalization to the amount of the Principal tranche interest shall be accrued on the amount of debt under the Principal tranche considering capitalized interest.

2.1.2.4. Starting from the day following the Date of deferral of interest payment till the Date of final repayment of the Principal tranche (inclusive):

2.1.2.4.1. The first Interest Period - from the day following the Date of deferral of interest payment till the 4th day of the month following the Date of deferral of interest payment (inclusive), and if this day of the month is not a Business Day - the first Business Day following this day.

Interest Payment Date - the seventh (7) business day of the month following the Date of deferral of interest payment.

2.1.2.4.2. The second and subsequent Interest Periods shall be a period starting on a day following the last day of the preceding Interest Period till the 4th day of each calendar month (inclusive), and if this day of the month is not a Business Day - the first Business Day following such day.

Interest Payment Date - monthly, the seventh (7) business day of each calendar month.

2.1.2.4.3. The Last Interest Period shall be the period starting on the day following the last day of the preceding Interest Period till the Date of final repayment of the Principal tranche (inclusive).

Interest Payment Date - the Date of final repayment of the Principal tranche.

Additional debt value conditions

2.1.3. Starting from the date following the date of signing of the Addendum No. 2 till the Date of full repayment of the Additional debt (inclusive) the Borrower shall unconditionally and irrevocably undertake to pay to the Lender Interest on the Additional debt at the following interest rate:

2.1.3.1. the key rate of the Bank of Russia plus one and five tenths (1.5) per cent per annum, whereupon in case if: (a) any of the Additional conditions is not respected; or (b) the Restructuring event does not occur before the Date of restructuring:

2.1.3.1.1. From the day following corresponding Date of modification of credit conditions the interest rate shall be set at the level - key rate of the Bank of Russia plus three and five tenths (3.5) per cent per annum; and

2.1.3.1.2. The Borrower shall undertake to make an additional payment of interest accrued for the period from the date following the date of signing of Addendum No. 2 to the Date of modification of credit conditions (inclusive) in the amount of actual debt under the Additional debt, including the amount of interest capitalized in accordance with sub-clause 6.7.4.1 of the Agreement for the specified period for each calendar day at the rate of two (2) percent per annum. The amount of additionally accrued interest shall be capitalized through its addition to the amount of the Additional debt on the corresponding Date of modification of credit conditions. Repayment of additionally accrued interest shall be performed in accordance with the schedule under sub-clause 6.4 of the Agreement.

The key rate shall be set by the Board of Directors of the Bank of Russia and published on the website of the Bank of Russia and in the public domain.

The interest rate under the Line of Credit shall change as from the date of key rate change by the Bank of Russia.

2.1.4. Interest on the Additional debt shall be paid according to the following procedure and within the following interest periods:

2.1.4.1. From the date following the date of signing of Addendum No. 2 till March 31, 2017 (inclusive) Interest on Additional debt shall be capitalized by adding to the amount of the Additional debt taking into account the following interest periods:

2.1.4.1.1. The first interest period - from the date following the date of signing of Addendum No. 2 till the 4th day of the month following the month in which the date of signing of Addendum No. 2 falls.

Date of capitalization of interest - the 4-th day of the month following the month in which the date of signing of Addendum No. 2 falls.

2.1.4.1.2. The second and subsequent Interest Periods shall be a period starting on a day following the last day of the preceding Interest Period till the 4th day of each calendar month (inclusive), and if this day of the month is not a Business Day - the first Business Day following such day.

Date of capitalization of interest - monthly, the 4th day of each calendar month, and if this day of the month is not a Business Day - the first Business Day following this day

2.1.4.1.3. The last Interest Period - the period starting on March 5, 2017 (inclusive) till March 31,

2017 (inclusive).

Date of capitalization of interest - March 31, 2017ю

Interest on the Additional debt shall be accrued on the actual amount of debt under the Additional debt taking into account interest on the Additional debt capitalized in previous periods. If the day of the month in which the accrual of Interest on the Additional debt falls is not a Business Day the interest shall be accrued on the first Business Day following such day.

2.1.4.2. From April 1, 2017 till the Date of full repayment of the Additional debt (inclusive) the Interest on the the Additional debt shall be paid in the amount accrued for the relevant interest period:

2.1.4.2.1. The first interest period - from April 1, 2017 to April 4, 2017 (inclusive) and if this day of the month is not a Business Day - the first Business Day following this day.

Date of payment of Interest on the Additional debt - seventh (7) business day in April 2017.

2.1.4.2.2. The second and subsequent interest periods shall be a period starting on a day following the last day of the preceding Interest Period till the 4th day of each calendar month (inclusive), and if this day of the month is not a Business Day - the first Business Day following such day.

Interest Payment Date under the Additional debt - monthly, the seventh (7) Business Day of each calendar month.

2.1.4.2.3. The last interest period shall be the period starting on the day following the last day of the preceding Interest Period till the Date of full repayment of the Additional debt (inclusive).

Date of repayment of Interest on the Additional debt - Date of full repayment of the Additional debt.

2.1.5. The Lender shall be entitled to unilaterally revise the interest rate for the Interest on the Principal tranche and/or Interest on the Additional debt in case if the following events occur at the same time:

2.1.5.1. Key interest of Bank of Russia is not, on a reasoned judgment of the Lender, the market benchmark for setting the interest rate on the credit/loan agreements; and

2.1.5.2. in the event of significant change in economic conditions in the banking market and / or general economic conditions in the country,

and either to set a different rate as the base rates which, in the opinion of the Lender, is currently a market benchmark for the interest rate on the credit / loan agreements; or, if in the opinion of the Lender there is no base rate, which may be such a market benchmark, to set a fixed interest rate at its sole discretion, provided that the amount of the unilaterally increased interest rate in any case does not exceed Twenty (20) per cent per annum.

2.1.6. In case of early redemption (repayment) of the Credit subject to sub-clause 6.8.1 of the Agreement (except for cases of early redemption due to the modification by the Bank of credit conditions in accordance with clause 6.7.5 of the Agreement) (fully or partially) the Borrower shall be obliged:

2.1.6.1. in case of full repayment including cases of acceleration of the Credit by the Bank - at once to pay in full the entire amount of accrued interest (i.e. to pay the interest calculated on the outstanding amount under the Principal debt as of the beginning of a banking day on the Credit redemption (repayment) date;

2.1.6.2. in case of partial repayment - to pay interest within the period prescribed for the payment of interest.

2.1.7. The interest shall be calculated in accordance with applicable law.

The parties agreed that the debt of the Borrower under the Credit Agreement may be early repaid (in full or in part) by Yakutugol Holding Company AO in accordance with conditions set out in sub-clauses 6.8.4 - 6.8.9 of Credit Agreements of Yakutugol Holding Company AO.

Starting from the date following the date on which the arrears of interest occurs (including arrears of Interest on the Principal tranche and arrears of Interest on the Additional debt) and till the date of its final repayment the Bank shall be entitled to demand to pay penalty at the rate of 0.045 (zero point forty five thousandths) percent accrued on the amount of interest arrears (including arrears of Interest on the Principal tranche and arrears of Interest on the Additional debt) for each day of delay.

The following order of debt repayment (subject to the chronological order of Credit Tranches) shall be established in

case if the Borrower does not have sufficient funds to perform financial obligations under the Agreement in full:

- past due Interest on the Additional debt;
- past due Interest on the Principal tranche;
- past due debt under the Additional debt;
- past due debt under the Principal tranche;
- Interest on the Additional debt;
- Interest on the Principal tranche;
- the Additional debt;
- the Principal tranche;
- penalty (fine) accrued on the past due Interest on the Additional debt;
- penalty (fine) accrued on the past due Interest on the Principal tranche;
- penalty (fine) accrued on the past due debt under the Additional debt;
- penalty (fine) accrued on the past due debt under the Principal tranche.

Borrower's obligations shall be supplemented by the following obligations:

- No later than 30 June 2016 to ensure conclusion between the Company and the Bank of a contract on the granting the Bank or its affiliates a priority right to submit an offer and to match the best offered price upon the condition of comparable quality and quantity in respect of any investment and banking services, including but not limited to transactions of purchase and sale of assets/shares of the Group companies as well as cash management and payment services, provision by the Bank of payroll program management services, conducting foreign exchange transactions and the placement of deposits.
- To provide to the Bank a duly approved by the management bodies of the corresponding surety (guarantor) and/or the pledgor consent of the surety (guarantor) and pledgors to be liable for obligations of the Borrower under the Credit Agreement on terms modified by Addendum No. 2 within three (3) Business Days from the date of approval of corresponding contract by appropriate management body of the guarantor and/or pledgor, but in any case not later than Seventeen (17) Business Days from the date of signing of Addendum No. 2. The Borrower shall undertake to ensure that the relevant contracts (addenda) are submitted for approval by the appropriate management bodies of respective guarantors and pledgors within two (2) Business Days from the day following the date of signing of Addendum No. 2.
- The Borrower shall undertake to ensure the fulfillment of a condition specified in sub-clause 3.1.8 of Addendum No. 1 to the Credit Agreement within thirty (30) days from the date of invoice issued by the Bank for the payment of legal and other costs related to the preparation and approval of the Addendum and documents referred to in sub-clauses 3.1.17 and 3.1.18 of Addendum No. 1 to the Credit Agreement.

Starting from January 1, 2017 the Borrower shall undertake to ensure that companies of the Group make purchases through the use of Electronic trading platform of the Lender to the extent of not less than half of all purchases made through open electronic trading platforms, whereupon these services shall be provided for remuneration of participants on terms not worse than those in force and system functionality shall be updated in accordance with the requirements of companies of the Group.

The Borrower shall undertake to ensure that companies of the Group make payments under lease contracts concluded between companies of the Group and Gazprombank Leasing AO (legal address: building 40, Miklukho-Maklaya street, Moscow, 117342, PSRN: 1037728033606, TIN: 7728294503), including payments past due as of the date of signing of Addendum No. 2 as well as payments expected to be accrued and paid in 2016, on a monthly basis, starting from June 2016 till December 2016 in the amount of not less than 83,610,714 (Eighty-three million six hundred and ten thousand seven hundred fourteen) rubles.

Obligations of the Borrower shall be secured (in addition to the collateral listed in clause 5.1 of the Credit Agreement), with a pledge of asset portfolio of Ulak-Elga railway¹ and/or certain real estate items included into this asset portfolio determined in the mortgage contract dated March 24, 2016 concluded between the Bank and Elga-railway OOO.

If Restructuring event does not occur before the Date of restructuring the Bank shall undertake no later than the date falling forty five (45) Business Days from the Date of restructuring to sign the necessary documents and agreements to terminate Additional pledge of shares and Additional mortgage and to lift corresponding encumbrance upon condition that the relevant pledgor provides these documents signed on its behalf. The Borrower shall ensure that the relevant pledgor provides signed documents and agreements to terminate Additional pledge of shares and Additional mortgage and to lift corresponding encumbrance.

¹ Construction - construction of access railway track to the Elga coal deposit from Ulak station to Elga station, purpose: rail transport structures, length - 317000 m, degree of completion of the construction-in-progress asset - 91%, address (location) of the asset: Amur region, Zeyksk district; Sakha (Yakutia) Republic, Neryungrinsky District; cadastral (or reference) number: 0:0:0:277

Bank's obligation referred to in the preceding paragraph shall not occur if Repayment event occurs before the Date of restructuring and the Bank has fulfilled the obligation provided by clause 5.4 of the Agreement.

For the purpose of compliance with the pre-trial dispute resolution procedure mandatory under provisions of the Arbitration Procedure Code of the Russian Federation the Parties determined:

- Period for consideration by the Guarantor of claims of the Lender and to take measures for pre-trial claim resolution (in the aggregate) shall be no more than twenty (20) calendar days from the date of receipt of the claim by the Guarantor (the date on which the claim is deemed to be received by the Guarantor in accordance with the legislation).
- Period for consideration by the Lender of claims of the Guarantor and to take measures for pre-trial claim resolution (in the aggregate) shall be thirty (30) calendar days from the date of receipt of the claim by the Lender (the date on which the claim is deemed to be received by the Lender in accordance with the legislation).

The Addendum to the Contract of Guarantee shall enter into force on the date of signing. Termination of the Addendum to the Contract of Guarantee shall not mean the termination of the Contract of Guarantee. In case if Addendum No. 2 dated June 17, 2016 to the Credit Agreement is held invalid provisions of the Contract of Guarantee shall be applied to the rights and obligations of the parties to the Contract of Guarantee without taking into account modifications introduced by the Addendum to the Contract of Guarantee.

To instruct the sole executive body of the Company (with the right of substitution) to determine and approve the form and content of the final terms of the Addendum to the Contract of Guarantee in terms of essential terms and conditions approved by competent management bodies of the Company and to sign on behalf of the Company (with the right of substitution) such documentation and other related documents as well as to authorize the sole executive body of the Company (with the right of substitution) to introduce subsequent amendments into the said documents and other related documents in terms of essential conditions approved by competent management bodies of the Company, to conclude relevant amendments and/or addenda and to sign all other necessary documents in connection with this authorization.

2.2. To pass a resolution to give consent to the related party transaction in the form of concluding a Share Pledge Contract (hereinafter - the Contract) between Gazprombank (Joint Stock Company) hereinafter referred to as the Pledgee, the Lender or the Bank Public Joint Stock Company Mechel hereinafter referred to as the Pledgor or the Company on the following essential conditions:

Parties to the transaction:

- Gazprombank (Joint Stock Company), hereinafter referred to as the Pledgee, the Lender or the Bank
- Public Joint Stock Company Mechel, hereinafter referred to as the Pledgor or the Company

Beneficiary parties:

- Joint-Stock Holding Company Yakutugol (Yakutugol Holding Company AO)
 - Public Joint-Stock Company Southern Kuzbass (Southern Kuzbass PAO)
 - Joint-Stock Company Trade Port Posiet (Trade Port Posiet AO)
 - Public Joint-Stock Company Urals Stampings Plant (Urals Stampings Plant PAO)
 - Public Joint-Stock Company Chelyabinsk Metallurgical Plant (ChMK PAO)
 - Joint-Stock Company Beloretsk Metallurgical Plant (BMP PAO)
 - Limited Liability Company Mechel Coke (Mechel Coke OOO)
 - Limited Liability Company Mechel Service (Mechel Service OOO)
 - Limited Liability Company Mechel Energo (Mechel Energo OOO)
- hereinafter collectively referred to as the **Borrowers**

Related person (persons): Igor Vladimirovich Zyuzin, Pavel Viktorovich Shtark

Grounds on which a person (each such person) is considered to be a related person:

Member of the Board of Directors of the Pledgor I.V. Zyuzin is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Member of collective executive body (Management Board) of the Pledgor P.V. Shtark is at the same time a member of the Board of Directors of the Borrower that is a beneficiary in the transaction.

Terms and definitions used in this resolution:

Depository - Depository and Operation Department of Gazprombank (Joint Stock Company), regional depository No. 101.

Legislation - is laws and regulations in force on the territory of registration of the relevant company of the Group.

Credit Agreement No. 1 - Credit Agreement on the opening of credit line No. 226/12-B dated April 27, 2012 concluded between the Pledgee and Yakutugol Holding Company AO taking into account modifications introduced by addenda No. 1 dated June 18, 2013, No.2 dated August 20, 2015 and addenda No. 1 dated December 25, 2015 and No. 2 dated March 31, 2016 to addendum No. 2 dated August 20, 2015, as well as addenda No. 3 dated June 15, 2016 and No. 4 dated December 28, 2016.

Credit Agreement No. 2 - Credit Agreement on the opening of credit line No. 227/12-B dated April 27, 2012 concluded between the Pledgee and Southern Kuzbass PAO taking into account modifications introduced by addenda No. 1 dated June 18, 2013, No.2 dated August 20, 2015 and addenda No. 1 dated December 24, 2015 and No. 2 dated March 31, 2016 to addendum No. 2 dated August 20, 2015, as well as addenda No. 3 dated June 16, 2016 and No. 4 dated December 28, 2016.

Credit Agreement No. 3 - Credit Agreement on the opening of credit line No. 4211-051 dated September 30, 2011 concluded between the Pledgee and Trade Port Posiet AO taking into account modifications introduced by addendum No. 1 dated August 31, 2015 as well as addendum No. 1 dated December 24, 2015 to addendum No. 1 dated August 31, 2015 as well as addenda No. 2 dated June 15, 2016 and No. 3 dated December 29, 2016.

Credit Agreement No. 4 - Credit Agreement on the opening of credit line No. 2613-173-K dated April 12, 2013 concluded between the Pledgee and Urals Stampings Plant PAO taking into account modifications introduced by addendum No. 1 dated August 25, 2015 as well as addendum No. 1 dated December 18, 2015 to addendum No. 1 dated August 25, 2015 as well as addenda No. 2 dated June 17, 2016 and No. 3 dated December 29, 2016.

Credit Agreement No. 5 - Credit Agreement on the opening of credit line No. 2612-200-K dated May 02, 2012 concluded between the Pledgee and ChMK PAO taking into account modifications introduced by addendum w/o number dated April 23, 2013, No. 2 dated August 25, 2015 as well as addendum No. 1 dated December 18, 2015 to addendum No. 2 dated August 25, 2015 as well as addenda No. 3 dated June 15, 2016 and No. 4 dated December 29, 2016.

Credit Agreement No. 6 - Credit Agreement on the opening of credit line No. 2613-172-K dated April 12, 2013 concluded between the Pledgee and BMP PAO taking into account modifications introduced by addendum No. 1 dated August 25, 2015 as well as addendum No. 1 dated December 22, 2015 to addendum No. 1 dated August 25, 2015 as well as addenda No. 2 dated June 17, 2016 and No. 3 dated December 29, 2016.

Credit Agreement No. 7 - Credit Agreement on the opening of credit line No. 49/11-P dated March 15, 2011 concluded between the Pledgee and Mechel-Coke OOO taking into account modifications introduced by addenda No. 1 dated July 29, 2011, No. 2 dated July 13, 2012, No. 3 dated June 28, 2013, No. 4 dated August 25, 2015 as well as addendum No. 1 dated December 24, 2015 to addendum No. 4 dated August 25, 2015 as well as addenda No. 5 dated June 16, 2016 and No. 6 dated June 29, 2016.

Credit Agreement No. 8 – Overdraft Credit Contract No. 2615-187-K dated June 25, 2015 concluded between the Bank and Mechel-Service OOO taking into account modifications introduced by addenda No.1 dated August 28, 2015, No. 2 dated December 25, 2015, No. 3 dated December 25, 2016, No. 4 dated December 29, 2016

Credit Agreement No. 9 – Overdraft Credit Contract No. 2615-188-K dated June 25, 2015 concluded between the Bank and ChMK PAO taking into account modifications introduced by addenda No.1 dated August 28, 2015, No. 2 dated December 25, 2015, No. 3 dated December 25, 2015, No. 4 dated December 29, 2016

Credit Agreement No. 10 - Credit Agreement on the opening of credit line No. 84/13-B dated April 26, 2013 concluded between the Bank and Southern Kuzbass PAO taking into account modifications introduced by addendum No. 1 dated August 28, 2015 as well as addenda No. 1 dated December 25, 2015 and No. 2 dated March 31, 2015 to addendum No. 1 dated August 28, 2015 as well as addenda No. 2 dated June 16, 2016 and No. 3 dated December 28, 2016.

Credit Agreement No. 11 - Credit Agreement on the opening of credit line No. 31/09-B dated February 6, 2009 concluded between the Bank and Yakutugol Holding Company AO taking into account modifications introduced by addenda No. 1 dated February 24, 2010, No. 2 dated December 31, 2010, No. 3 dated July 29, 2011, No. 4 dated October 25, 2011, No. 5 dated February 14, 2012, No. 6 dated June 28, 2012, No. 7 dated June 18, 2013, No. 8 dated August 20, 2015 as well as addenda No. 1 dated December 24, 2015 and No. 2 dated March 31, 2015 to addendum No. 8 dated August 20, 2015 as well as addenda No. 9 dated June 15, 2016 and No. 10 dated December 28, 2016.

Credit Agreement No. 12 - Credit Agreement on the opening of credit line No. 85/13-B dated April 26, 2013 concluded between the Bank and Yakutugol Holding Company AO taking into account modifications introduced by addendum No. 1 dated August 28, 2015 as well as addenda No. 1 dated December 25, 2015 and No. 2 dated March 31, 2015 to addendum No. 1 dated August 28, 2015 as well as addenda No. 2 dated June 15, 2016 and No. 3 dated December 28, 2016.

Credit Agreement No. 13 – Credit Agreement on the opening of credit line No. 2612-196-K dated May 4, 2012 taking into account modifications introduced by addendum No. 1 dated April 23, 2013, No. 2 dated December 22, 2015, No.3 dated June 16, 2016 and No. 4 dated December 29, 2016 concluded between the Pledgee and Mechel-Energo OOO, Southern Kuzbass PAO, ChMK PAO, and Urals Stampings Plant PAO.

Credit Agreement No. 14 – Credit Agreement on the opening of credit line No. 2612-195-K dated May 3, 2012 taking into account modifications introduced by addendum No. 1 dated November 09, 2012, No. 2 dated April 23, 2013, No. 3 dated February 04, 2016, No. 4 dated June 15, 2016 and No. 5 dated December 29, 2016 concluded between the Pledgee and Mechel-Service OOO, Southern Kuzbass PAO, ChMK PAO, and Urals Stampings Plant PAO.

Credit Agreements - Credit Agreement No.1, Credit Agreement No.2, Credit Agreement No.3, Credit Agreement No.4, Credit Agreement No.5, Credit Agreement No.6, Credit Agreement No.7, Credit Agreement No.8, Credit Agreement No.9, Credit Agreement No.10, Credit Agreement No.11, Credit Agreement No.12, Credit Agreement No.13, Credit Agreement No.14.

Issuer - Joint Stock Company Mechel Mining registered under Primary State Registration Number 1085406013846, TIN 5406437129.

Subject matter, price and other essential conditions of the transaction:

- 2.2.1. To secure proper performance of the following obligations:
 - 2.2.1.1. obligations of Yakutugol Holding Company AO to the Pledgee arising from Credit Agreement No.1;
 - 2.2.1.2. obligations of Southern Kuzbass PAO to the Pledgee arising from Credit Agreement No.2;
 - 2.2.1.3. obligations of Trade Port Posiet AO to the Pledgee arising from Credit Agreement No.3;
 - 2.2.1.4. obligations of Urals Stampings Plant PAO to the Pledgee arising from Credit Agreement No.4;
 - 2.2.1.5. obligations of ChMK PAO to the Pledgee arising from Credit Agreement No.5;
 - 2.2.1.6. obligations of BMP AO to the Pledgee arising from Credit Agreement No.6;
 - 2.2.1.7. obligations of Mechel-Coke OOO to the Pledgee arising from Credit Agreement No.7;
 - 2.2.1.8. obligations of Mechel-Service OOO to the Pledgee arising from Credit Agreement No.8;
 - 2.2.1.9. obligations of ChMK PAO to the Pledgee arising from Credit Agreement No.9;
 - 2.2.1.10. obligations of Southern Kuzbass PAO to the Pledgee arising from Credit Agreement No.10;

- 2.2.1.11. obligations of Yakutugol Holding Company AO to the Pledgee arising from Credit Agreement No.11;
- 2.2.1.12. obligations of Yakutugol Holding Company AO to the Pledgee arising from Credit Agreement No.12;
- 2.2.1.13. obligations of Mechel-Energo OOO, Southern Kuzbass PAO, ChMK PAO and Urals Stampings Plant PAO to the Pledgee arising from Credit Agreement No.13;
- 2.2.1.14. obligations of Mechel-Service OOO, Southern Kuzbass PAO, ChMK PAO and Urals Stampings Plant PAO to the Pledgee arising from Credit Agreement No.14;

Pursuant to the terms and procedures set forth in the Agreement the Pledgor shall pledge owned by it and the Pledgee shall take in pledge securities - shares of the Issuer in the quantity of 3,644,450,001 (three billion six hundred forty-four million four hundred fifty thousand one) shares (hereinafter referred to as the Shares, the Property or the Pledged Item), amounting to twenty five (25) per cent + one (1) share of the total number of ordinary shares of the Issuer and having the following details:

Details of the pledged Shares are as follows:

- Issuer: Open Joint-Stock Company Mechel-Mining;
 - Share type: registered ordinary share;
 - Share form: uncertificated share;
- 2.2.2. The Pledge shall secure performance of obligations including obligations arising after the date of the Contract:
 - 2.2.2.1. obligations of Yakutugol Holding Company AO to the Pledgee arising from Credit Agreement No. 1;
 - 2.2.2.2. obligations of Southern Kuzbass PAO to the Pledgee arising from Credit Agreement No. 2;
 - 2.2.2.3. obligations of Trade Port Posiet AO to the Pledgee arising from Credit Agreement No. 3;
 - 2.2.2.4. obligations of Urals Stampings Plant PAO to the Pledgee arising from Credit Agreement No. 4;
 - 2.2.2.5. obligations of ChMK PAO to the Pledgee arising from Credit Agreement No. 5;
 - 2.2.2.6. obligations of BMP AO to the Pledgee arising from Credit Agreement No. 6;
 - 2.2.2.7. obligations of Mechel-Coke OOO to the Pledgee arising from Credit Agreement No. 7;
 - 2.2.2.8. obligations of Mechel-Service OOO to the Pledgee arising from Credit Agreement No. 8;
 - 2.2.2.9. obligations of ChMK PAO to the Pledgee arising from Credit Agreement No. 9;
 - 2.2.2.10. obligations of Southern Kuzbass PAO to the Pledgee arising from Credit Agreement No. 10;
 - 2.2.2.11. obligations of Yakutugol Holding Company AO to the Pledgee arising from Credit Agreement No. 11;
 - 2.2.2.12. obligations of Yakutugol Holding Company AO to the Pledgee arising from Credit Agreement No. 12;
 - 2.2.2.13. obligations of Mechel-Energo OOO, Southern Kuzbass PAO, ChMK PAO and Urals Stampings Plant PAO to the Pledgee arising from Credit Agreement No.13;
 - 2.2.2.14. obligations of Mechel-Service OOO, Southern Kuzbass PAO, ChMK PAO and Urals Stampings Plant PAO to the Pledgee arising from Credit Agreement No.14;

in the text of which the Pledgee - Gazprombank (Joint Stock Company) is referred to as the **Bank** or the **Lender** and Yakutugol Holding Company AO, Southern Kuzbass PAO, Trade Port Posiet AO, Urals Stampings Plant PAO, ChMK PAO, BMP AO, Mechel-Coke OOO, Mechel-Energo OOO and Mechel-Service OOO are referred to as the **Borrower**, hereinafter shall be collectively referred to as the **Borrowers** the text of which has been read by the Pledgor before signing the Contract and copies of which are held by the Pledgor.

- 2.2.3. The Pledge shall also secure performance of Borrowers' obligations obligations that arose (arising) of judicial acts (judgments, rulings, orders, etc.) regarding the invalidity of the Credit Agreements, the application of the consequences of their invalidity, the declaring the credit agreements void and regarding the recovery of monies owed to the Pledgee in case if the Credit Agreements are recognized to be void including redemption of the amount of the Credit (Principal debt), interest payment (including - for the use of borrowed money), the return of unjustified enrichment, payment of penalties (fines) and other fees provided by the legislation of the Russian Federation and relevant judicial act as well as reimbursement of legal costs to collect the debt and other losses of the Bank due to failure to fulfill or improper fulfillment of obligations by the Borrower.
- 2.2.4. The Pledged Item shall not be insured.
- 2.2.5. The Pledged Item value is estimated by the Parties in the amount of (the pledge value is) 34,444,500,010 (thirty-four billion four hundred forty-four million five hundred thousand ten) rubles.

The Pledged Item value referred to in this clause of the resolution shall not be recognized as the sale price (initial sale price) of the Pledged Item when it is subject to recovering payment.

- 2.2.6. The Pledged Item shall remain to be owned and used by the Pledgor.
- 2.2.7. The Pledgor shall on its behalf exercise all the rights certified by Issuer's Shares pledged by it.
- 2.2.8. Shares shall be transferred to the Pledgee as a pledge until all obligations under the Credit Agreements are performed by the Borrowers in full.
- 2.2.9. Other securities resulting from conversion or exchange of Shares, including in connection with the actions of the Issuer, shall be considered to be pledged to the Pledgee under the same conditions as laid down in accordance with the terms of the Share Agreement referred to in clause 2.2.1. of this paragraph.

If during the term of the Contract in accordance with the Russian legislation the Pledgor due to the fact that it is the owner of the Shares in addition to the Shares on a non-repayable basis receives other securities or other property such securities or such property shall be pledged to the Pledgee on Contract conditions from the moment the Pledgor gains the property right to the relevant securities or other property.

- 2.2.10. In the case of conversion or exchange of Shares, including in connection with the actions of the Issuer, securities resulting from the conversion or exchange of the Shares shall be considered to be pledged to the Pledgee. The Pledgor shall be obliged to sign all necessary documents provided by the legislation of the Russian Federation as well as the terms and conditions of depository activities in the Depository in order to document the pledge of securities received as a result of such actions in the quantity corresponding to pledged under the Contract part of securities of the total number of ordinary shares of the Issuer as of the date of the Contract after the sale to the Pledgor providing the scope of rights similar to securities pledged under the Contract, including:
 - 2.2.10.1. to ensure the availability of an opened DEPO account at the Depository and to take all steps necessary to transfer securities obtained as a result of the conversion to the DEPO account of the Pledgor at the Depository;

- 2.2.10.2. to take all steps necessary to document (record) the pledge of securities obtained a result of conversion, on the Pledger's account at the Depository, including, but not limited to instructing the Depository to perform corresponding inventory operation, payment of all costs associated with the opening of the Pledger's account at the Depository and documentation (record) of the pledge at the Depository;
 - 2.2.10.3. to provide to the Pledgee the original of the statement of the DEPO account of the Pledger at the Depository confirming the fact of documentation (record) of the pledge of securities obtained as a result of the conversion of the Issuer's shares.
 - 2.2.10.4. to perform other actions necessary to document (record) the pledge of the specified securities at the Depository.
- 2.2.11. The Contract shall enter into force upon its signing and shall be valid until complete fulfillment of the obligations secured by the Contract.
- The provisions of Article 367, clause 6 of the Civil Code of the Russian Federation providing for the terms and conditions of the termination of the pledge shall not be applicable to the Contract.
- 2.2.12. The pledge shall be terminated upon termination of obligations secured by the pledge as well as upon other grounds provided by the civil legislation of the Russian Federation as well as in case if the sale of the Pledged Item to satisfy claims of the Pledgee in accordance with the procedure established by the law and if its sale turned out to be impossible.
- 2.2.13. The Pledge shall not be terminated if the Pledgee refuses to accept the performance offered by the Borrowers or the Pledgor in case if it was proposed to the Pledgee to conclude a termination fee agreement or if the Pledgee declined the offer to change the procedure or method of performance of the obligation secured by the pledge.
- 2.2.14. The Pledgee shall be entitled (the Pledgee shall have the right):
- If the Pledger fails to comply with requirements of clauses 2.2.1.-2.2.9. hereof as well as other obligations of the Pledger under the Contract to require the Borrowers to make early repayment of the Credit and to pay interest under the Credit Agreements.
 - In the event of non-performance or improper performance by the Borrowers (any of the Borrowers) of secured obligations under the Credit Agreements (any of the Credit Agreements) (non-payment or late payment of debt amount (Credit, interest, penalties) in full or in part) to foreclose on the Pledged Item in accordance with the requirements of the legislation of the Russian Federation and conditions of the Contract.
- 2.2.15. To instruct the sole executive body of the Company or an authorized representative of the Company to approve the final draft of the Contract as well as any documents, addenda and annexes relating to the Addendum.