

Dear Shareholder!

Novolipetsk Steel (NLMK), 2, Metallurgov sq., 398040, Lipetsk, hereby notifies of the convocation of NLMK's Extraordinary General Shareholders' Meeting (EGM) in the form of absentee voting, with the deadline for accepting the voting ballots (date of holding the Extraordinary General Shareholders' Meeting in the form of absentee voting) being 7 June 2019, in line with the following agenda:

1. Payment (declaration) of Q1 2019 dividends.

Owners of NLMK's registered uncertified common stock (state registration number 1-01-00102-A dd. 09.04.2004, ISIN RU0009046452) are entitled to vote on all the agenda items of the EGM.

Date upon which the persons entitled to participate in the EGM are determined is set as 13 May 2019.

The postal address for the filled-in voting ballots is Russia, 398040, Lipetsk, 2 Metallurgov Sq., NLMK, Office of the Corporate Secretary.

Internet website for filling out the e-forms of voting ballots: www.nlmk.com/ru/about/governance/meeting-of-shareholders/

Please note that the persons entitled to participate in the Meeting may do so by filling out an e-form of a voting ballot on the following Internet site www.nlmk.com/ru/about/governance/meeting-of-shareholders/.

The electronic voting ballots will be open for filling by shareholders registered on the State Services Portal, who:

- have their share rights registered in NLMK's shareholder register - from 18 May 2019;
- are clients of nominal holders - when nominal holders submit data on the persons entitled to participate in the Meeting to the holder of NLMK's shareholder register, i.e. Agency "Regional Independent Registrar", but not earlier than by 18 May 2019.

Only ballots received by NLMK before the deadline shall be taken into account when determining the meeting quorum and voting results.

In case the voting ballot is signed by a shareholder's representative it shall be supplemented with a document (a proxy executed as per the requirements of the Federal Law "On Joint-Stock Companies", copy of a proxy, duly notarized, or another document as the law requires) confirming the representative's authority:

- *a representative of a private shareholder shall present a proxy issued by that private shareholder and the representative's personal identity document(s); and a legal representative of a private shareholder shall present their credentials;*
- *a representative of a corporate shareholder acting without a proxy by operation of law or incorporation documents shall present a copy of the corporate shareholder's incorporation documents and (a) document(s) confirming their powers (copy of resolution on their election or appointment, etc.), and personal identity document(s);*
- *a representative of a corporate shareholder shall present a proxy issued by that corporate shareholder and a copy of the representative's personal identity document(s);*
- *a representative of a government or municipal shareholder, acting without a proxy by operation of federal laws or regulatory acts by competent government agencies, shall provide (a) document(s) confirming their respective powers (official ID, voting instructions, etc.) and a copy of personal identity document(s);*
- *heirs and assigns of the persons included into the list of those entitled to participate in the General Shareholders' Meeting shall provide documents confirming their succession rights as statutorily required in the Russian Federation.*

The information (materials) provided ahead of the Extraordinary General Meeting of Shareholders will be available from 7 May 2019 (on workdays from 10 a.m. till 4 p.m.) at: Lipetsk, 2, Metallurgov sq., NLMK, Head Office, Rooms 531, 603 (phone number: (4742) 444-463, 444-989), and on NLMK's website at www.nlmk.com.

NLMK Board of Directors

***We would like to bring the following information to the attention of private shareholders whose share rights are registered in NLMK's Shareholder Register:**

When a resolution on dividend payment on NLMK's outstanding common shares is passed, **the payment shall be effected by cashless settlement only.** Private shareholders, whose payment details are lacking in the Shareholder's Register or are outdated, shall submit updated bank and other details for a wire transfer before 13 June 2019 to NLMK's Shareholder Register keeper – Regional Independent Registrar Agency. For more details on the submission procedure and forms of documents, please contact NLMK's Registrar (RIR Agency) at 10B, 9 Maya street, 398017, Lipetsk, tel: (4742) 443-095; website: www.a-rnr.ru.

We would like to draw your attention to the fact that a person registered in NLMK's Shareholder Register is required to inform the Register-keeper in time in case their details changed.

****We would like to bring the following information to the attention of corporate shareholders whose share rights are registered in NLMK's Shareholder Register:**

When a resolution on dividend payment on NLMK's outstanding common shares is passed with regard to a corporate shareholder, **preferential taxation may be applied to the income paid in the form of dividends** (for this purpose it is necessary to submit documents /confirmation/ as statutorily required in the Russian Federation before 21 June 2019 to the following address: Russia, 398040 Lipetsk, 2, Metallurgov sq., Corporate Secretary Office).

According to the operating Russian Tax Law, the documents to be submitted shall be in Russian and duly certified by consular legalization or apostilled, if necessary. The documents (besides those to be notarized) shall be certified by the signature of an authorized person (persons) and the company's stamp, and the powers of respective signatories shall be verified (certified copies of resolutions (orders) on election (appointment), powers of attorney and/or other documents shall be submitted). Documents containing several pages shall be bound securely and pages shall be numbered.

Non-residents legal entities shall submit:

a) in case the owner of NLMK's shares is a non-resident legal entity they shall submit confirmation that at time of income distribution they have permanent domicile in the state, with which Russia has an international taxation treaty in place (if entered into), which must be certified by a competent body of the respective foreign state, as well as confirmation that such entity is in fact entitled to the respective income, and other documents providing for the possibility of using reduced tax rates or exemption from taxes in accordance with Art. 312 of the Russian Tax Code. In case this confirmation is in a foreign language, it shall be translated into Russian (Art. 312 of the Russian Tax Code).

b) If dividends on NLMK's shares are to be received by a permanent establishment of a non-resident legal entity:

— a notary-certified copy of the Certificate on Tax Registration with the Russian Tax Authorities, executed not earlier than within the preceding tax period

(if the distributed income is related to the permanent establishment of the income recipient in Russia);

— a notice that the distributed income refers to its permanent establishment.

Please note that according to the Russian Law exemption from taxes at source or withholding of taxes at source at lower rates shall be performed in cases when **documents that govern tax exemptions have been delivered to a tax agent that will be paying the income before that income payment date**, i.e. the documents must be submitted as soon as possible after the General Shareholders' Meeting approves the resolution on payment, but not later than 21 June 2019.

In case of failure to submit the above documents or their untimely submission, NLMK shall not be held liable for the respective tax rates not being applied. Owners of NLMK shares and their authorized representatives shall control the completeness and relevance of the details required for the payment (transfer) of dividends (including bank account details) provided by them to the Registrar keeping NLMK's Shareholder Register. In case of failure to submit the details or their untimely submission, NLMK shall not be held liable for delays in the payment (transfer) of dividends.

*****Advice to shareholder on how to protect their rights:**

There were cases reported when shareholders were approached with solicitations to sell their NLMK shares or asked for an update of their personal details. Such solicitations may come from dishonest participants of the securities market.

In these cases, NLMK shareholders should follow the following guidelines:

1. For the purpose of selling your shares, engage the services of investment or broker companies that have a high professional standing in the securities market. We recommend that you check the information received from potential buyers, including on the websites of respective investment or broker companies.
2. To avoid possible fraud, never disclose your passport, bank card details and other personal details to unknown persons.
3. When a shareholder needs to change (update) their personal details recorded in the place of registration of shares (a shareholders' register or a depository), they should notify the registrar keeping the register of NLMK's shareholders /please inquire about the procedure of submission and forms of necessary documents from NLMK's registrar (RIR Agency) at 10B, 9 Maya street, 398017, Lipetsk, tel: (4742) 443-095; web-site: www.a-rnr.ru/ or a respective depository. NLMK also recommends updating the e-mail addresses whereto the required information may be sent.

EXPLANATORY NOTE

/to Item 1 on the agenda of NLMK's Extraordinary General Shareholders' Meeting to be held on 7 June 2019: "Payment (declaration) of Q1 2019 dividends"/

In accordance with the Federal Law "On Joint-Stock Companies", resolutions on profit distribution, including payment (declaration), fall within the remit of NLMK's General Shareholders' Meeting. At the same time, NLMK's Board of Directors is responsible for giving recommendations to the General Shareholders' Meeting regarding the amount of dividend to be paid and the dividend payment procedure.

NLMK seeks to pay interim dividends on a quarterly basis, provided that the current financial position is stable.

In accordance with the revised version of NLMK's Dividend Policy, approved by NLMK's Board of Directors at the meeting held on 1 March 2019, dividend payout is subject to the following conditions:

- *NLMK has generated profit attributable to the Company's shareholders determined in line with the Company's IFRS (International Financial Reporting Standards) consolidated financial statements in the reporting period;*
- *There are no restrictions on dividend payment stipulated by the Russian legislation;*
- *NLMK's financial position remains sustainable and provides for its further development;*
- *The Board of Directors has issued recommendations on the amount of dividends;*
- *A relevant resolution is passed by the General Shareholders' Meeting.*

The amount of dividends shall be determined in line with NLMK's Dividend Policy and shall meet the following criteria:

Dividends shall be paid to NLMK shareholders out of its net profit determined on the basis of its financial statements prepared in line with the Russian legislation of the Russian Federation.

Dividends are paid annually, and the Company strives to pay out interim dividends on a quarterly basis, provided that its current financial position is stable.

When preparing recommendations for the General Shareholders' Meeting regarding the dividend amount, NLMK's Board of Directors shall be guided by the following principles:

- *f Net Debt/EBITDA is below 1.0x, the payout amount shall be equivalent to or above 100% of free cash flow, based on the Company's consolidated IFRS financial statements for the reporting period;*
- *If Net Debt/EBITDA is above 1.0x, the payout amount shall be equivalent to or above 50% of free cash flow, based on the Company's consolidated IFRS financial statements for the reporting period;*

When preparing recommendations on the amount of dividend payout, NLMK's Board of Directors may also rely on indicators other than the indicators specified in NLMK's Dividend Policy.

The recommended dividend amount per share shall be determined based on the amount allocated to dividend payout and converted at the exchange rate of the Bank of Russia as of the end of the reporting period, and the number of outstanding shares.

Recommendations of NLMK's Board of Directors on the dividend amount are given to shareholders to assist them in passing the final resolution. The resolution on dividend payout and dividend amount shall be passed by the General Shareholders' Meeting. The dividend amount shall not exceed the amount recommended by the Board of Directors.

The General Shareholders' Meeting has the right to disagree with the recommendation of the Board of Directors on the amount of dividends by passing the resolution to pay dividends in the amount less than the one recommended by the Board of Directors, or to pay no dividends on shares.

The amount of Q1 2019 dividend payout recommended by NLMK's Board of Directors at the meeting held on 19 April 2019 and dividend payment procedure comply with the effective NLMK's Dividend Policy, particularly with the aforementioned conditions for dividend payment.

Draft resolution:

To pay (declare) Q1 2019 dividends on common shares in cash in the amount of RUB 7.34 per common share, including out of previous profits. To set the date on which the persons entitled to dividends are determined as 19 June 2019.

**Draft resolutions
of NLMK's Extraordinary General Shareholders' Meeting**

Item 1 of the meeting agenda: *Payment (declaration) of Q1 2019 dividends.*

Wording of the resolution: To pay (declare) Q1 2019 dividends on common shares in cash in the amount of RUB 7.34 per common share, including out of previous profits. To set the date on which the persons entitled to dividends are determined as 19 June 2019.

Sample Power of Attorney,

for issue by a shareholder to their representative for participation in NLMK's General Shareholders' Meeting; and information on certifying such a power of attorney

POWER OF ATTORNEY No. _____

(place of issue)

(date /day, month, year, written out in words)

(full name of the principal)

Passport: series _____ No. _____, issued _____, division code _____

(date and place of issue, authority that issued the document)

registered at: _____

(if the Principal is a legal entity:

(name of legal entity)

located at: _____

represented by _____

(full name of authorized person)

acting on the basis of _____

(type of identification document (specify the details, issued by whom and where)

being owner of _____

(specify the quantity)

ordinary shares of NLMK, hereby authorizes

(full name of authorized person)

Passport: series _____ No. _____, issued _____, division code _____

(date and place of its issue, authority that issued the document)

registered at: _____

to represent the interests of the principal at NLMK's General Shareholders' Meeting, which will take place on _____ 20__ with the right to vote with all the ordinary shares of NLMK in their possession on all agenda items of the Meeting and also with the right to:

- participate in the discussion of the agenda items;
- receive materials distributed among the participants of the General Shareholders' Meeting;
- address statements and make suggestions to the working bodies of the General Shareholders' Meeting;
- perform other actions in relation to representation of the interests of the principal at the General Shareholders' Meeting.

This Power of Attorney shall be valid for _____

(power of attorney validity)

and may not (*may*) be assigned to a third party.

Signature _____ is certified by me.

(full name of authorized person)

(signature)

Principal:

_____/_____

(full name)

(signature)

Note:

According to Art. 57 of the Federal Law "On Joint-Stock Companies" the power of attorney for voting shall be executed in accordance with the requirements of Clauses 3 and 4 of Art. 185.1 of the Civil Code or shall be notarized.

In accordance with the specified rules:

- a power of attorney issued on behalf of a corporate shareholder shall be signed by its manager or another person so entitled by the constituent documents (Cl. 4 Art. 185.1)
- power of attorney issued on behalf of a Russian resident private shareholder shall be certified by the organization in which the shareholder works or studies or by administration of an inpatient medical institution in which they receive medical treatment (Cl. 3 Art. 185.1) or be notarized. A power of attorney certified in accordance with Cl.3 Art. 185.1 must be supplemented by relevant certificates confirming employment, academic or medical status.
- shareholders that are foreign residents issue powers of attorney in line with the prevailing legislation of their respective states. Such powers of attorney must be duly authorized and translated into Russian, with the translation notarized. The same certification procedure applies to powers of attorney issued by foreign corporate shareholders.