

Dear Shareholder!

Novolipetsk Steel (NLMK), 2, Metallurgov sq., 398040 Lipetsk, hereby notifies of the convocation of the Extraordinary General Meeting of its shareholders in the form of absentee voting, with the deadline for accepting the voting ballots (date of holding the Extraordinary General Meeting in the form of absentee voting) set as 23 December 2016, with the following agenda:

1. *Payment (declaration) of dividends for 9M 2016.*
2. *Approval of the company's internal documents.*

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

Date as of which the list of persons entitled to participate in the Extraordinary General Shareholders' Meeting of NLMK is determined (set) as 28 November 2016.

The address for mailing filled-in voting ballots: 2, Metallurgov sq., Lipetsk, 398040 Russia, Corporate Secretary Office.

Only the ballots received by NLMK before the deadline for the voting ballot receipt shall be taken into account when determining the meeting quorum and vote counting.

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

- *a representative of an individual shareholder shall supplement a proxy issued by that individual shareholder and copies of the representative's ID document(s), and a legal representative of a shareholder shall supplement copies of authorizing documents;*
- *a representative of a corporate shareholder, acting without a proxy by operation of law or constituent documents, shall supplement a copy of the corporate shareholder's constituent documents and (a) document(s) confirming their powers (copy of the decision their election or appointment, etc.), and a copy of their ID document(s);*
- *a representative of a corporate shareholder shall supply a proxy issued by that legal entity and a copy of the representative's ID document(s);*
- *a representative of a government or municipal shareholder, operating without a proxy by operation of federal laws or acts by the respective state or local authorities, shall supplement (a) document(s) confirming the respective powers (certificate of employment, voting instructions, etc.) and a copy of ID document(s);*
- *heirs and successors of the persons listed as those entitled to participate in the General Shareholders' Meeting shall supplement the documents confirming their succession rights in accordance with the Russian legislation.*

The information (materials) provided for preparation for the Extraordinary General Shareholders' Meeting is available starting from 22 November 2016 (on workdays from 8 am till 3 pm) at NLMK Headquarters, 2, Metallurgov sq., Lipetsk, rooms: 531, 603 (tel.: (4742) 444-463, 444-989), as well as at NLMK's web-site: <http://www.nlmk.com>.

NLMK's Board of Directors

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

When the resolution on dividend payment on NLMK's common shares for 9M 2016 is adopted, the **payment shall be effected by cashless settlement only.**

In case the payment details of an individual shareholder entitled for the dividends are lacking from the Shareholder Register or are outdated, this individual shareholder shall submit updated bank and other details not later than 30 December 2016 for cashless funds (dividends) transfer to the keeper of NLMK's Shareholder Register, JSC Regional Independent Registrar Agency. For submission procedure and document forms, please contact NLMK's Registrar (JSC RIR Agency at the following address: 10 B, 9 May Street, 398017 Lipetsk, tel: (4742) 443-095; web-site: <http://www.a-rnr.ru>).

We would like to draw your attention to the fact that a person registered in NLMK's Shareholder Register is obliged to promptly notify the Register-keeper in case of such changes.

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

When the resolution on dividend payment on NLMK's common shares for 9M 2016 is approved with regard to a shareholder – legal entity, **preferential taxation conditions may be applied to the income paid in the form of dividends** (for this purpose it is necessary to submit documents /confirmation/ established by the Russian Law before 17 January 2017 at the latest to the following address: 2, Metallurgov sq., Lipetsk, 398040 Russia, Corporate Secretary Office.

According to the Russian Tax Law in force the documents to be submitted shall be in Russian and duly certified by consular legalization or apostilled, if necessary. The documents (apart from those to be notarized) shall be certified by the signature of an authorized person (persons) and stamped by the company; authorization of signatories shall be certified (certified copies of resolutions (orders) on appointment, powers of attorney and/or other documents are to be submitted). Documents containing several pages shall be bound securely and pages shall be numbered.

Management companies of unit investment funds shall submit:

- a notarized copy of the license for managing a unit investment fund;
- a copy of rules for trust management of a unit investment fund, certified by the management company (the first and last pages);
- a certificate on asset value according to the form established by Resolution of Federal Financial Markets Service of Russia No. 03-41/ps dd. 22.10.2003 "Accounting of stock investment funds and management companies of a unit investment fund".

Management companies that manage savings to provide housing to military personnel shall submit:

- a notarized copy of the license for managing investment funds, unit investment funds and non-governmental pension funds;
- a copy of the trust management agreement related to managing savings to provide housing to military servicemen, certified by the management company and made according to the format for a framework agreement established by Order of Federal Financial Markets Service of Russia No.09-11/pz-n dd. 02.04.2009 "Approval of formats for framework agreements for rendering services of a specialized depository to a federal executive authority, assuring the functioning of savings and mortgage system for the provision of housing to military servicemen, agreements for trust management of savings for the provision of housing to military servicemen, and agreement for rendering services of a specialized depository of the management company performing trust management of savings for the provision of housing to military servicemen";
- an original extract from their custody account as of the closing date of NLMK's Shareholder Register with information on the authorized management company's ownership of NLMK's stock, indicating the state registration number of shares, their type and quantity.

Legal entities– non-residents shall submit:

a) in case the owner of NLMK's shares is a legal non-resident entity – a confirmation that at time of income payment the legal non-resident entity has permanent domicile in the state with which the RF has an international treaty on taxation (if entered into), which must be certified by a competent body of the respective foreign state, as well as a confirmation that this entity is actually 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 RF Tax Code. In case this confirmation is in a foreign language its translation into Russian shall also be provided (Art. 312 of the RF Tax Code).

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

- a notary-certified copy of the Certificate on Tax Registration with the RF Tax Authorities, as executed not earlier than within the preceding tax period (if the yield to be paid is related to a permanent establishment of the yield recipient in the RF);
- notice that the yield to be paid refers to its permanent establishment.

We would like to draw your attention to the fact that according to the RF Law exemption from taxes at source or withholding of taxes at source upon lower rates shall be performed in cases when **documents that govern tax exemptions have been delivered to a tax agent, who will pay the income, before that income payment date**, i.e. the documents must be submitted as soon as possible after the Shareholders' Meeting approves the resolution on payment, but not later than on 17 January 2017.

In case the above documents are not submitted or delayed, NLMK shall not be held liable for non-application of respective tax rates. Owners of NLMK's shares, their authorized representatives shall independently monitor the completeness and relevance of details required for the payment (transfer) of dividends (including bank account details) provided by them to the Registrar maintaining NLMK's Shareholder Register. In case the above details are not submitted or delayed, NLMK shall not be held liable for late payment (transfer) of dividends.

*****Advice to shareholder on the protection of his/her rights:**

Some cases were reported whereby shareholders were approached with solicitations to sell NLMK shares held by them or asked for an update of their personal data. Such solicitations may come from dishonest participants of the securities market.

In these cases NLMK's shareholders should follow these guidelines:

1. For the purpose of selling your shares, engage the services of investment or broker companies having high professional reputation in the securities market. We recommend that you check the information received from potential buyers, including on the web-sites of respective investment or broker companies.
2. For the avoidance of possible fraud, never disclose your passport, bank card details and other data to some persons unknown.
3. When a shareholder needs to change (update) his/her personal details recorded in the place of registration of shares (a shareholders' register or a depository), he/she should notify the registrar keeping the register of NLMK's shareholders /please inquire about the submission procedure and forms of necessary documents from NLMK's registrar (RNR Agency - address: 10 B, 9 May Street, 398017 Lipetsk, tel: (4742) 443-095; web-site: <http://www.a-rnr.ru/>) or a respective depository. NLMK also recommends updating the e-mail addresses to which relevant information may be sent.