



NOVOLIPETSK STEEL

**Resolution of the Board of Directors of NLMK
to consider Benedict Sciortino eligible for the position of independent director, despite the formal
relatedness criterion**

NLMK Board of Directors Meeting Date: March 15, 2019.

Date and number of Minutes of NLMK Board of Directors meeting: March 15, 2019, Minutes of meeting № 262.

NLMK Board of Directors' members who participated in the meeting: O. Bagrin, T. Veraszto, H. Wieser, N. Gagarin, V. Lisin, M. Oudeman, K. Sarkisov, S. Shekshnya, B. Sciortino.

Quorum for holding the meeting is available.

AGENDA ITEM:

4. Recognition of independent status of nominees to NLMK Board of Directors.

RESOLUTION:

4.2. Based on the opinion issued by the Human Resources, Remuneration and Social Policies Committee, following an assessment of compliance with independent director status of Benedict Sciortino, nominated to the Board of Directors of NLMK (hereinafter referred to as 'the Company'), to be voted on at the Annual General Shareholders' Meeting, in line with the independence criteria outlined by the Listing Rules of the Moscow Exchange and NLMK's Regulations on the Board of Directors (hereinafter referred to as 'Regulatory documents'), to consider Benedict Sciortino eligible for the position of independent director despite the formal relatedness criterion that would emerge in the event of his election to the Board of Directors, due to his tenure on NLMK's Board of Directors of a total of over seven (but less than twelve) years.

There are no other relatedness criteria for any of the Independence Criteria as set out by the Regulatory documents.

To determine that Mr. Benedict Sciortino's relatedness in case he is elected to the Board of Directors of the Company, shall be of a formal nature and will have not impact of his decisions and his work as member of the Board of Directors of the Company, taking the following into account:

- As member of the Board of Directors of the Company, Mr. Benedict Sciortino has invariably displayed his ability to act reasonably and in good faith in the interests of the Company and its shareholders, to form objective and independent opinions and positions;
 - Throughout his entire tenure on the Board of Directors of the Company, Mr. Benedict Sciortino has been taking an active part in its activities, as well as in the activities of the BoD committees, displaying a high level of involvement, insisting on comprehensive discussions of the issues being addressed, making decisions based on the long-term interests of the Company and all of its shareholders, expressing his independent position on the agenda items, guided exclusively by his own experience and expertise;
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- Having extensive experience serving on the governing bodies of international companies, Mr. Benedict Sciortino displays an in-depth understanding of the sector, and a high level of expertise in the areas of finance, including the preparation, analysis, evaluation and audit of accounting (financial) statements;
- Mr. Benedict Sciortino has a highly acclaimed reputation, including in the investment community, that attests to his ability to develop an independent position that is not impacted by the management, individual groups of shareholders or other stakeholders;
- Mr. Benedict Sciortino has signed the Declaration by candidate/director acknowledged as independent, which is envisaged by Moscow Exchange and includes the commitments of Mr. Benedict Sciortino to represent the interests of all the Company's shareholders and the Company despite the emerging formal association with the Company, to inform the Board of Directors on any likelihood of occurrence of other relatedness criterions, conflict of interest.

VOTING RESULTS:

«For» - 9 (*O. Bagrin, T. Veraszto, H. Wieser, N. Gagarin, V. Lisin, M. Oudeman, K. Sarkisov, S. Shekshnya, B. Sciortino*)

«Against» - 0

«Abstained» - 0

In line with item 33.2 of NLMK Charter the resolution is passed by a majority of votes of Board of Directors' members.

Corporate secretary of NLMK

V.A. Loskutov