

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS. IF HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK INDEPENDENT ADVICE, INCLUDING AS TO ANY LEGAL, FINANCIAL OR TAX CONSEQUENCES, IMMEDIATELY FROM THEIR OWN BROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL, TAX OR LEGAL ADVISER.**

**THIS NOTICE DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITY AND IS BEING SENT TO HOLDERS SOLELY IN THEIR CAPACITY AS SUCH IN CONNECTION WITH THE WRITTEN RESOLUTION (AS DEFINED BELOW).**

**THE DISTRIBUTION OF THIS NOTICE OR THE WRITTEN RESOLUTION TO WHICH IT RELATES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. PERSONS INTO WHOSE POSSESSION THIS NOTICE AND THE WRITTEN RESOLUTION TO WHICH IT RELATES COME ARE REQUIRED BY PJSC KOKS, THE ISSUER, THE TRUSTEE AND THE PRINCIPAL PAYING AGENT TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.**

This notice must be read in conjunction with the Written Resolution. This notice and the Written Resolution contain important information which should be read carefully before any decision is made with respect to the Written Resolution. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to sign the Written Resolution.

None of PJSC KOKS, the Issuer, the Trustee, the Principal Paying Agent or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Proposals and/or the Written Resolution, and accordingly none of PJSC KOKS, the Issuer, the Trustee and the Principal Paying Agent or their respective directors, officers, employees, affiliates, advisers or agents makes any recommendation as to whether Noteholders should sign the Written Resolution, or refrain from taking any action, and none of them has authorised any person to make such recommendation.

This notice is for informational purposes only. The Written Resolutions are sought only in such jurisdictions as is permitted under applicable law.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should immediately forward this notice to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**24 May 2023**

**PJSC "KOKS"  
(THE "COMPANY")**

**U.S.\$350,000,000 5.90 per cent. loan participation notes due 2025 (the "Notes") issued by, but with limited recourse to, IMH Capital D.A.C. (the "Issuer") for the purpose of extending a loan to the Company (the "Loan"), such loan unconditionally and irrevocably guaranteed by JSC Kombinat KMARuda, LLC Tikhova Mine, LLC "Uchastok "Koksovyi" and JSC Tulachermet (Regulation S ISIN: XS2232013263, Common Code: 223201326Rule 144A ISIN: US44970CAA53, CUSIP: 44970C AA5, Rule 144A Common Code: 223126570)**

The Company is soliciting consents of the holders of the Notes (the "**Noteholders**") to the proposals set out herein (the "**Proposals**") to be approved by a written resolution of the Noteholders (the "**Written Resolution**") adopted pursuant to paragraph 8 (*Written Resolution and Electronic Consent*) of Schedule 6 (*Provisions for Meeting of Noteholders*) of the Trust Deed dated 23 September 2020 between IMH Capital D.A.C. (the "**Issuer**") and Citibank, N.A., London Branch, as supplemented by the Deed of Amendment dated 26 October 2022 and the Deed of Amendment dated 19 January 2023 (the "**Trust Deed**").

Terms defined in the Loan Agreement dated 21 September 2020, as amended by the Deed of Amendment dated 26 October 2022 and the Deed of Amendment dated 19 January 2023 (the "**Loan Agreement**"), the Trust Deed or the Written Resolution shall have the same meaning herein unless the context requires otherwise.

## **1. Background**

The Loan is unconditionally and irrevocably guaranteed by LLC Tikhova Mine (the "**Leaving Guarantor**") and other Initial Guarantors under the Deed of Guarantee.

The Company contemplates selling 100% of its participatory interests in the Leaving Guarantor (the "**Transaction**"). It is envisaged that the Leaving Guarantor's loans owed to the Company, LLC "Uchastok "Koksovyi" and JSC "CPP "Berezovskaya" (together, the "**Assigned Intercompany Loans**") will be assigned to the prospective purchaser upon completion of the Transaction.

The purchase price for the 100% participatory interests in the Leaving Guarantor and the Assigned Intercompany Loans shall be not less than RUB 22 billion. According to the terms of the Transaction, the purchase price will be paid in cash and cash equivalents denominated in Russian roubles to the Company and the assignors of the Assigned Intercompany Loans. The prospective purchaser is not affiliated with the Company and the Transaction will be concluded on arms-length terms.

The Company anticipates that the Transaction will be completed and the purchase price will be received by September 2023. The Company intends to apply Disposal Proceeds (as defined in the Loan Agreement) from the Transaction towards repayment of Indebtedness at the Company's discretion.

Considering the current market conditions and medium-term prospects of coal and metallurgical industries, the Group decided to strengthen its focus on the development of its own metallurgical raw materials base and fostering its position in innovative metallurgical and green technologies. According to the Company's estimates, the Consolidated Leverage Ratio (as defined in the Loan Agreement), being the key metric of the Group's performance under the Notes, would improve as a result of the Transaction. The management of the Company believes that completion of the Transaction will be beneficial to the Group allowing it to decrease its operating expenses, both fixed and variable, optimize investment activities and investment returns in the current period and further in mid to long-term perspective, increase the Group's competitiveness, and as a result, improve its debt structure, liquidity, financial and economical ratios. Hence, the Company expects that completion of the Transaction would be beneficial for all Noteholders.

In accordance with the terms and conditions of the Transaction the Leaving Guarantor shall cease to be a Guarantor before the Transaction is completed.

Pursuant to Clause 9.10 (c) of the Loan Agreement a Guarantee of the Leaving Guarantor will be released automatically without further action provided that the Written Resolution is adopted by the Noteholders. The Leaving Guarantor shall cease to be a Guarantor from the date when the Written Resolution is adopted by the Noteholders.

Therefore, the Company would like to solicit consent of the Noteholders for entering into Transaction and performing of obligations in accordance with Transaction documents and release of the Leaving Guarantor from the Guarantors under the Loan Agreement. For more details please see Section 2 (*Proposals sought by way of the Written Resolutions – The Consent*) below.

Also, the Company would like to invite the Noteholders to waive any breaches or defaults, which may transpire, directly or indirectly, in connection with the Transaction or release of the Leaving Guarantor. The invitation to waive any breaches or defaults is specified in Section 2 (*Proposals sought by way of the Written Resolutions – The waiver*) below.

## **2. Proposals sought by way of the Written Resolution**

### **a. Release of the Leaving Guarantor**

The Noteholders are invited to consent to release the Leaving Guarantor from its obligations under the Guarantee securing obligations of the Company under the Loan. After release of the Leaving Guarantor the Loan will be guaranteed by remaining Initial Guarantors, namely, JSC Kombinat KMaruda, LLC "Uchastok "Koksovyi" and JSC "Tulachermet" on terms of the initial Deed of Guarantee.

### **b. The Consent**

The Noteholders are invited to approve the Transaction as described in Section 1 (*Background*) with variations and adjustments as may be further agreed by contracting parties.

**c. The waiver**

The Noteholders are invited to waive any breaches of or defaults under (potential breaches of or potential defaults under) the provisions of the Loan Agreement, the Trust Deed, the Paying Agency Agreement and the Conditions arising or have arisen as a result of the Company entering into Transaction or performing its obligations under the Transaction or utilization of proceeds from the Transaction, as well as from release of the Leaving Guarantor from its obligations under the Guarantee.

**3. Execution requirements and effectiveness condition**

In accordance with paragraph 8 (*Written Resolution and Electronic Consent*) of Schedule 5 (*Provisions for Meetings of Noteholders*) of the Trust Deed, the Written Resolution would become effective if signed by or on behalf of Noteholders representing in aggregate not less than 75 per cent. in principal amount of the Notes outstanding at the time (the "**Effectiveness Condition**").

The Company also reserve the right at any time to waive any or all of the conditions of the Written Resolution (including with respect to the proof of holding), other than the Effectiveness Condition, at its sole and absolute discretion.

To validly participate, a Noteholder who holds the Notes as of 9 June 2023, i.e. the date as of which the Noteholders eligible to consent to the Proposals are to be determined (the "**Record Date**"), should deliver, or arrange to have delivered on its behalf, a valid Written Resolution, duly completed and executed, to i2 Capital Markets (the "**Tabulation Agent**") by no later than 4:00 p.m. (London time) on 16 June 2023 (the "**Consent Deadline**").

**Written Resolutions should be sent to the Tabulation Agent by first registering on the Consent Solicitation Website at <https://i2capmark.com/event-details/77/Holder/psjc-koks> and then uploading completed Written Resolutions in pdf format to the "My Holding" section on the Consent Solicitation Website using the "uploads" function. To register and access the Consent Solicitation Website the Noteholders are required to represent to the Tabulation Agent that they are a Noteholder or otherwise act on behalf, or in the interests, of a Noteholder. In order to submit completed Written Resolutions, Noteholders are required to provide proof of holding as of the Record Date. Acceptable forms of proof of holding may include (i) a Statement of Account for the Purpose of Proof of Holding (a STAC) (as defined below), or screenshot from Euroclear, Clearstream, Luxembourg or DTC, an extract or statement from any depositary or any other document or information (which in the opinion of the Company) will sufficiently evidence the proof of holding with respect to the Notes, or (ii) a statement of account or holdings report from a Direct Participant, each acceptable form of proof of holding confirming (a) the Euroclear, Clearstream, Luxembourg or DTC Direct Participant name and account number, (b) the full name or legal entity name of the Noteholder, (c) the security and/or ISIN held, and (d) the aggregate amount of the Notes held. Noteholders should contact their Euroclear, Clearstream, Luxembourg or DTC representative, and Noteholders who are not Direct Participants, shall contact their bank, securities broker or other intermediary through which they hold the Notes immediately to obtain proof of holding, or (iii) a statement of account or holdings reports from such other intermediary (including brokers, depositories, custodians and sub-custodians) being the immediate custodian of the account where the relevant Notes are being held by the Noteholder submitting the Written Resolution.**

**Noteholders may contact the Tabulation Agent via email at [psjckoks@i2capmark.com](mailto:psjckoks@i2capmark.com) if they require assistance.**

Copies of the Written Resolution will be available from Tabulation Agent and can be obtained via the Consent Solicitation Website at <https://i2capmark.com/event-details/77/Holder/psjc-koks>. A person requesting a copy of the Written Resolution shall make a representation that it is a Noteholder or is acting in the interests of a Noteholder.

Announcements in connection with the Written Resolution will be disclosed by the Company on the website of Euronext (<https://direct.euronext.com/#/rispublication>) and/or otherwise be made publicly available.

The Company may, subject to applicable laws and the provisions of the Trust Deed, at their sole and absolute discretion, at any time extend the Consent Deadline, re-open the consent by way of the Written Resolution, amend the Proposals in any respect, delay the acceptance of Written Resolutions until satisfaction or waiver of the conditions to the Written Resolution (including, following the occurrence of the Consent Deadline), terminate the process of seeking the Written Resolution (including disregarding the Written Resolutions delivered before the time of such termination), which will be followed by a respective announcement from the Company as soon as reasonably practicable after the relevant decision is made.

Questions and requests for assistance in connection with the delivery of Written Resolution may be directed to the Tabulation Agent using details indicated below. Questions and requests for assistance in connection with the Written Resolution and the Proposals may also be directed to the Company at [popova@metholding.com](mailto:popova@metholding.com) (indicating "Written Resolution" as the subject) or +7 (910) 410-89-60 (Attention: Ekaterina Popova).

*The Tabulation Agent*

**i2 Capital Markets Ltd.**

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