

**NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.**

**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 IMMEDIATELY CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS.**

**THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUIRED TO EXPEDITE TRANSMISSION HEREOF TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER. IF HOLDERS OR BENEFICIAL OWNERS OF THE NOTES ARE IN ANY DOUBT AS TO THE MATTERS REFERRED TO IN THIS NOTICE, THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.**

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.

2 September 2022

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

**IMPORTANT NOTICE TO NOTEHOLDERS**

**U.S.\$350,000,000 5.90 per cent. Loan Participation Notes due 2025 issued by, but with limited recourse to, IMH Capital D.A.C. (the "Issuer") for the purposes of extending a loan in respect of a loan to the Company (the "Loan") unconditionally and irrevocably guaranteed by JSC Kombinat KMaruda, LLC Tikhova Mine, LLC "Uchastok "Koksovyi" and JSC Tulachermet (the "Guarantors")**

**of which U.S.\$350,000,000 is currently outstanding**

**Regulation S ISIN: XS2232013263, Common Code: 223201326**

**Rule 144A ISIN: US44970CAA53, CUSIP: 44970C AA5, Rule 144A Common Code: 223126570 (the "Notes")**

Pursuant to the Consent Solicitation Memorandum dated 2 September 2022 (the "**Memorandum**"), the Company is soliciting consents of the Noteholders to the Proposals set out herein and in the Memorandum (the "**Proposals**") to be approved by extraordinary resolutions of the Noteholders (each, an "**Extraordinary Resolution**" and, together, the "**Extraordinary Resolutions**") adopted pursuant to provisions of Schedule 6 (*Provisions for Meetings of Noteholders*) of the Trust Deed dated 23 September 2020 (the "**Trust Deed**") between the Company and Citibank, N.A., London Branch (the "**Original Trustee**") in relation to the Notes.

Terms defined in the Trust Deed or the Memorandum shall have the same meaning herein unless the context requires otherwise.

The following table sets forth details of the Notes:

<b>Description of the Notes</b>	<b>ISIN Code/ Common Code (Regulation S Notes)</b>	<b>ISIN Code/ Common Code/ CUSIP Code (Rule 144A Notes)</b>	<b>Outstanding Principal Amount</b>
U.S.\$350,000,000 5.90 per cent. Loan Participation Notes due 2025 guaranteed by the Guarantors	XS2232013263 / 223201326	US44970CAA53 / 223126570 / 44970C AA5	U.S.\$ 350,000,000

## 1. Background

Following the events of the recent months, the United States, the United Kingdom, the European Union and certain other countries have introduced a number of sanctions and restrictive measures against Russia and Russian companies. In response to the sanctions, the Russian Federation have announced certain counter-measures aimed, among other things, at stabilising the Russian FX market and limiting the outflow of foreign currency and capital from Russia.

These sanctions and counter-measures resulted in a significant disruption of the payment and settlement infrastructure with respect to the notes issued by Russian issuers and had a material adverse effect on the ability of the Issuer to effect payment under the Notes. In addition, the Original Trustee has notified the Issuer of its intention to resign from its position in connection with the Notes.

In these circumstances, in order to alleviate the effect of the aforementioned measures on the Notes and to allow the Company and the Issuer to continue to perform their obligations under the Loan Agreement and the Notes, respectively, the Company is soliciting consents of the Noteholders to the Proposals set out in the Memorandum and summarised below.

## 2. Proposals sought by way of the Extraordinary Resolutions

*This notice is a summary of some of the Proposals only, does not contain a full description of all Proposals included into the Memorandum and should be read in conjunction with the Memorandum which you can request as per the Section 3 below.*

### 2.1. Removal of the Original Trustee and replacement thereof with i2 Capital Trust Corporation Ltd (the "New Trustee")

The Trustee informed the Issuer on 28 July 2022 of its intention to resign as the trustee in connection with the Notes. On 28 July 2022, the Issuer and the Company were further notified by the Principal Paying Agent and the Registrar of the intention to resign from their respective positions with respect to the Notes. Therefore, in order to ensure that there remains a trustee in place in respect of the Notes, the Company intends, if the Extraordinary Resolutions are passed, for Citibank, N.A., London Branch to retire from the position of the trustee by way of a notice of resignation to be delivered to the Original Trustee by the Issuer and i2 Capital Trust Corporation Ltd to be appointed as successor trustee by the Issuer in respect of the Notes.

### 2.2. Introduction of the alternative payment mechanics (the "Alternative Payment Mechanics") option

With regard to the Notes, if the Amendments Extraordinary Resolution is duly passed, the Issuer and/or the Company shall make any payment of principal, interest or other amounts under the Notes or procure that such payment of principal, interest or other amounts is made in the following manner (including, through a combination of options set out below, provided that each such option can be used in relation to some or all of the Notes or some or all of the Noteholders, in each case as determined at the sole and absolute discretion of the Issuer and/or the Company):

- (a) directly or through the relevant Clearing Systems or other financial intermediaries to certain Noteholders or beneficial owners, in each case upon having received the consent of the concerned Noteholders or beneficial owners or as otherwise permitted or required by all applicable laws, and against presentation of such documents, applications, confirmations and/or other evidence as may be requested by or on behalf of the Issuer or the Company, in each case in the currency, as may be selected by the Issuer or the Company at their sole discretion (the "**Alternative Currency**"), where the amount due shall be calculated as the amount in U.S. Dollars converted into the Alternative Currency on the basis of the exchange rate established on the payment date by the Central Bank of the Russian Federation in respect of the Alternative Currency (the "**Direct Payment Option**"). The relevant payment obligations shall be discharged when the appropriate funds are debited from the Issuer's or the Company's bank account, as applicable (if paid directly) or when credited to the account of the relevant Clearing System or other financial intermediary (if paid through such Clearing System or other financial intermediary); and/or
- (b) through nominal accounts, escrow accounts or such other accounts opened in the name or to the benefit of some or all of the Noteholders or beneficial owners, provided that the relevant payments shall be made in the Alternative Currency by application of the concerned Noteholders or beneficial owners to the Issuer

or the Company and against presentation of such documents, confirmations and/or other evidence as may be requested by or on behalf of the Issuer or the Company (the "**Alternative Payment Option**"); and/or

- (c) to the Noteholders, other than holders of the Notes in respect of which payments have been made or have been arranged to be made in accordance with the Direct Payment Option or the Alternative Payment Option (the "**Excluded Notes**") (provided that the details of such Excluded Notes and the place of their safekeeping shall be communicated by the Issuer or the Company, in each case acting reasonably and in good faith, to the Principal Paying Agent and the relevant Clearing Systems), the payments shall be made through the Principal Paying Agent as envisaged by the original Trust Deed and Agency Agreement, provided that the relevant payment obligations under the Notes shall be discharged when the appropriate funds are debited from the Issuer's or the Company's bank account (as applicable),

provided that the application of the Alternative Payment Mechanics or any part thereof shall at all times be subject to all applicable laws and the procurement of the necessary governmental approvals and clearances from the authorities outside the Russian Federation and/or competent Russian authorities.

In the context of the Direct Payment Option or Alternative Payment Option, the payment obligations of the Issuer towards the Noteholders shall be deemed duly, timely and punctually discharged, notwithstanding that the payment was made in the Alternative Currency and directly, through the relevant Clearing Systems or other financial intermediaries or through nominal accounts, escrow accounts or other accounts (and not via the Principal Paying Agent).

If the Extraordinary Resolution is duly passed at the Meeting duly convened and held in accordance with the Trust Deed, the Issuer and/or Company shall promptly, but in any event not later than 15 Business Days, notify the Noteholders of the manner in which they would effect the payment of principal, interest and other amounts under the Notes in accordance with the Alternative Payment Mechanics, including, but not limited to, the procedure and documentation which may be required from the Noteholders in the context of effecting payments in accordance with the Direct Payment Option and the Alternative Payment Option.

The Noteholders are also invited to waive any breaches of the provisions of the Loan Agreement, the Trust Deed, the Agency Agreement and the Conditions arising solely as a result of the Issuer or the Company effecting payments of principal, interest and other amounts in accordance with the Direct Payment Option or Alternative Payment Option, including, for the avoidance of doubt, any delay that may be necessary for the Issuer or the Company to make the relevant payments.

### 2.3 Extension of the Grace Period ("**the Extension**" and, together with the Alternative Payment Mechanics, the "**Amendments**")

The Company is seeking the Noteholders' approval to increase the grace period for the payment of principal, interest and other amounts under the Loan Agreement from seven Business Days to 50 calendar days.

## **3. Execution requirements and effectiveness condition**

To be passed, the Extraordinary Resolutions must be passed at the Meeting duly convened and held in accordance with the provisions of Schedule 6 (*Provisions for Meetings of Noteholders*) of the Trust Deed by a majority of at least 75 per cent. of the votes cast. The quorum required at each original Meeting shall be: (a) with respect to the Retirement and Appointment Extraordinary Resolution, one or more Noteholders representing or holding a clear majority in principal amount of the outstanding Notes; and (b) with respect to the Amendments Extraordinary Resolution, one or more Noteholders representing or holding not less than two-thirds of the principal amount of the outstanding Notes. If any Meeting is adjourned through want of quorum, the quorum required at such adjourned meeting shall be: (a) with respect to the Retirement and Appointment Extraordinary Resolution, one or more Noteholders representing or holding the Notes; and (b) with respect to the Amendments Extraordinary Resolution, one or more Noteholders representing or holding not less than one-half of the principal amount of the outstanding Notes.

To participate in the Consent Solicitation, a Noteholder should deliver, or arrange to have delivered on its behalf, a valid Voting Instruction voting in favour of or against the Proposals to i2 Capital Markets Ltd (acting as an information and tabulation agent (the "**Information and Tabulation Agent**") by no later than 22 September 2022 (6 p.m. (London time)) (the "**Voting Deadline**"). Only Noteholders who hold the Notes as of 20 September 2022 (the "**Record Date**") may submit a Voting Instruction. The delivery of a Voting Instruction will not affect a Noteholder's right to sell or transfer the Notes. A duly executed Voting Instruction shall bind the Noteholder

executing the Voting Instruction, and any subsequent registered holder or transferee of the Notes to which such Voting Instruction relates.

The Company reserves the right, in their sole and absolute discretion, to waive any defects, irregularities or delays in connection with deliveries of Voting Instructions.

It is a term of the Consent Solicitation that the Voting Instructions are irrevocable and may not be withdrawn, except in certain limited circumstances where the Company determines withdrawal rights are required by law.

Copies of the Memorandum can be obtained by registering on the Consent Solicitation Website at <https://i2capmark.com/event-details/77/Holder/psjc-koks>. To register and access the Consent Solicitation Website, the Noteholders are required to represent to the Information and Tabulation Agent that they are a Noteholder or otherwise act on behalf of or in the interests of a Noteholder. In order to submit completed Voting Instructions, the Noteholders are required to provide proof of holding as of the Record Date. Questions and requests for assistance in connection with the Consent Solicitation and/or the delivery of Voting Instructions should be directed to the Information and Tabulation Agent by email at [pjsckoks@i2capmark.com](mailto:pjsckoks@i2capmark.com). All documentation relating to the Consent Solicitation, together with any updates, will be available via Consent Solicitation Website.

The Company may, subject to applicable laws and the provisions of the Trust Deed, at its option and in its sole and absolute discretion, at any time:

- (a) extend the Voting Deadline or re-open the Consent Solicitation (in which case all references in this Memorandum to "Voting Deadline" shall be to the latest time and date to which the Voting Deadline has been so extended or the Consent Solicitation re-opened);
- (b) otherwise extend, re-open and/or amend the Consent Solicitation in any respect (including, but not limited to, any increase, decrease, extension, re-opening and/or amendment, in relation to the Voting Deadline and/or the Meetings); or
- (c) terminate the Consent Solicitation, including with respect to the Voting Instructions delivered before the time of such termination.

The Company will make an announcement in respect of any such extension, re-opening, amendment and/or termination as soon as is reasonably practicable after the relevant decision is made.

#### **4. Disclaimers**

**The distribution of this notice and the Memorandum to which it relates in certain jurisdictions may be restricted by law. Persons into whose possession this notice and the Memorandum to which it relates come are required by the Company, the Issuer, the Original Trustee, the New Trustee and the Information and Tabulation Agent to inform themselves about, and to observe, any such restrictions.**

This notice must be read in conjunction with Memorandum. This notice and the Memorandum contain important information which should be read carefully before any decision is made with respect to the Memorandum. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial advice, including as to any tax consequences, from its stockbroker, bank manager, solicitor, accountant or independent financial adviser authorised under the Financial Services and Markets Act 2000 (if in the United Kingdom) or another appropriately authorised financial adviser. 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 participate in the Consent Solicitation.

None of the Company, the Issuer, the Guarantors, the Original Trustee, the New Trustee and the Information and Tabulation 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 Consent Solicitation, and accordingly none of the Company, the Issuer, the Guarantors the Original Trustee, the New Trustee and the Information and Tabulation Agent or their respective directors, officers, employees, affiliates, advisers or agents makes any recommendation as to whether Noteholders should consent to the relevant Proposal, or refrain from taking any action in the Consent Solicitation with respect to their Notes, and none of them has authorised any person to make such recommendation. The Information and Tabulation Agent is agent of the Company and owes no duty to any Noteholder. For the avoidance of doubt, the Original Trustee has not reviewed or approved, nor will it be reviewing or approving, any documents relating to the Amendments.

This notice is for informational purposes only. The Consent is sought only pursuant to the Memorandum and only in such jurisdictions as is permitted under applicable law.