

Final Terms

JSC "SEVERSTAL"

Series 2 U.S.\$500,000,000 6.25 per cent. Loan Participation Notes due 2016

issued by, but with limited recourse to,

Steel Capital S.A.

a *société anonyme* incorporated in Luxembourg with limited liability whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg, registered with the Register of Commerce and Companies of Luxembourg under number B116975

for the sole purpose of financing a loan to

JSC "SEVERSTAL"

Under the Programme for the Issuance of Loan Participation Notes described in a Base Prospectus (the "**Base Prospectus**") dated 7 July 2011 (the "**Programme**"), Steel Capital S.A. (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue loan participation notes (the "**Notes**") on the terms set out in the Base Prospectus, as completed by final terms (each a "**Final Terms**") setting out the specific terms of each issue. The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$3,000,000,000 (or the equivalent in other currencies). These Final Terms are the Final Terms applicable to the issue by the Issuer of Series 2 U.S.\$500,000,000 6.25 per cent. Loan Participation Notes due 2016 (the "**Notes**"). Terms defined in the Base Prospectus have the same meaning in these Final Terms, unless otherwise defined herein. The Notes are issued on the terms set out in these Final Terms read together with the Base Prospectus.

In each case where amounts of principal, interest and additional amounts (if any) are stated to be payable in respect of the Notes, the obligation of the Issuer to make any such payment constitutes an obligation only to account to the Noteholders, on each date upon which such amounts of principal, interest and additional amounts (if any) are due in respect of the Notes, for an amount equivalent to all principal, interest and additional amounts (if any) actually received by or for the account of the Issuer pursuant to the Loan. **Noteholders will be deemed to have accepted and agreed that they will be relying solely on the credit and financial standing of Severstal in respect of the payment obligations of the Issuer under the Notes.**

The sole purpose of issuing the Notes will be to finance a loan (the "**Loan**") to JSC "Severstal" ("**Severstal**") as borrower, on the terms of a facility agreement between the Issuer and Severstal dated 19 October 2010 (the "**Facility Agreement**"), as amended and supplemented by a loan supplement dated 19 July 2011 (the "**Loan Supplement**") and, together with the Facility Agreement, the "**Loan Agreement**") between the Issuer and Severstal. Subject as provided in the Trust Deed (as defined herein) the Issuer will charge as security for its payment obligations in respect of the Notes and under the Trust Deed, its rights and interests as lender under the Loan Agreement to Citibank, N.A. as trustee (the "**Trustee**"), for the benefit of the holders of the Notes and will assign its administrative rights under the Loan Agreement to the Trustee.

AN INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" SET OUT IN THE BASE PROSPECTUS.

The Notes and the Loan (together, the "**Securities**") have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "**Securities Act**"), and, subject to certain exceptions, may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons. The Notes may be offered and sold (i) within the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) that are also qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 (the "**Investment Company Act**") in reliance on the exemption from registration provided by Rule 144A (the "**Rule 144A Notes**"); and (ii) to certain persons in offshore transactions in reliance on Regulation S under the Securities Act (the "**Regulation S Notes**"). The Issuer has not been and will not be registered under the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "Subscription and Sale" and "Transfer Restrictions" as set out in the Base Prospectus.

Application has been made for the Notes to be admitted to trading on the regulated market of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purposes of Article 4.1 (14) of Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments and to be admitted to the Official List of the UK Financial Services Authority.

The Regulation S Notes and the Rule 144A Notes will be offered and sold in the denominations set out herein. The Regulation S Notes will initially be represented by a Global Certificate in registered form (the "**Regulation S Global Certificate**"), without interest coupons, which will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg on the Closing Date (as defined herein). Beneficial interests in the Regulation S Global Certificate will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear or Clearstream, Luxembourg. The Rule 144A Notes will initially be represented by a Global Certificate in registered form (the "**Rule 144A Global Certificate**") and together with the Regulation S Global Certificate, the "**Global Certificates**"), without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, DTC on the Closing Date. Beneficial interests in the Rule 144A Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Individual Definitive Certificates in registered form will only be available in certain limited circumstances as described in the Base Prospectus.

Joint Lead Managers and Joint Bookrunners

BARCLAYS BANK PLC

GOLDMAN SACHS INTERNATIONAL

Final Terms dated 19 July 2011

JSC “SEVERSTAL”

Issue of U.S.\$500,000,000 6.25 per cent. Loan Participation Notes Due 2016
by Steel Capital S.A.

a *société anonyme* incorporated in Luxembourg with limited liability whose registered office is at 2,
Boulevard Konrad Adenauer, L-1115 Luxembourg, registered with the Register of Commerce and
Companies of Luxembourg under number B116975

for the sole purpose of financing a Loan to JSC “SEVERSTAL”

under a **U.S.\$3,000,000,000 Programme for the Issuance of Loan Participation Notes (the
“Programme”)**

Part A - Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 July 2011 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on Severstal, the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the regulatory news service of the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

1	(i) Issuer:	Steel Capital S.A.
	(ii) Borrower:	JSC “SEVERSTAL”
2	Series Number:	2
3	Specified Currency or Currencies:	United States dollar (“ U.S.\$ ”)
4	Aggregate Principal Amount of Notes:	U.S.\$500,000,000
5	Issue Price:	100 per cent. of the Aggregate Principal Amount
6	(i) Specified Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
	(ii) Calculation Amount:	U.S.\$1,000
7	(i) Closing Date:	26 July 2011
	(ii) Interest Commencement Date:	Closing Date
8	Maturity Date:	26 July 2016
9	Interest Basis:	6.25 per cent. Fixed Rate (further details below)
10	Redemption/Payment Basis:	Redemption at par

11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	(i) Status of the Notes:	Senior
	(ii) Date of Board approval for issuance of Notes and borrowing of Loan obtained:	11 July 2011 and 29 September 2010, respectively
13	Method of distribution:	Syndicated
14	Financial Centres:	New York City
15	Loan:	U.S.\$500,000,000
16	Put/Call Options:	Not Applicable

**PROVISIONS RELATING TO INTEREST (IF ANY)
PAYABLE UNDER THE LOAN**

17	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	6.25 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	26 January and 26 July in each year not adjusted
	(iii) Fixed Coupon Amount:	U.S.\$31.250 per Calculation Amount
	(iv) Broken Amount:	Not Applicable
	(v) Day Count Fraction:	30/360
	(vi) Determination Date(s):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
18	Floating Rate Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Final Redemption Amount of each Note:	U.S.\$1,000 per Calculation Amount
20	Early Redemption Amount(s) per Calculation Amount payable if the Loan should become repayable under the Loan Agreement prior to the Maturity Date and/or the method of calculating the same (if required or if different from that set out in the Conditions):	U.S.\$1,000
21	Call Option:	Not Applicable
22	Put Option:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	Registered Notes
24	Payment Time:	10 a.m. (Relevant Time) one Business Day

25 Other final terms: Not Applicable

DISTRIBUTION

26 (i) If syndicated, names of Joint Lead Managers: Barclays Bank PLC
Goldman Sachs International

(ii) Stabilising Manager(s) (if any): Barclays Bank PLC

27 If non-syndicated, name of Dealer: Not Applicable

28 Additional selling restrictions:

Hong Kong

In relation to the Notes, each Joint Lead Manager has severally represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Joint Lead Manager has severally acknowledged that the Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has severally represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes,

whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:
 - (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
 - (ii) where no consideration is or will be given for the transfer;
 - (iii) where the transfer is by operation of law; or
 - (iv) as specified in Section 276(7) of the SFA.

Canada

Each Joint Lead Manager on behalf of itself and each of its affiliates that participates in the initial distribution of the Notes, represents, warrants and agrees that:

- (i) the sale and delivery of any Notes to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada or who is purchasing for a principal who is a resident of Canada or otherwise subject to the laws of Canada (each such purchaser or principal a “**Canadian Purchaser**”) by it shall be made so as to be exempt from the prospectus filing requirements and exempt from or in compliance with the dealer registration requirements of all applicable securities laws and regulations, rulings and orders made thereunder and rules, instruments and policy statements issued and adopted by the relevant securities regulator or regulatory authority, including those applicable in each of the provinces and territories of Canada (the “**Canadian Securities Laws**”);
- (ii) where required under applicable Canadian Securities Laws, (i) it is appropriately registered under the applicable Canadian Securities Laws in each province or territory to sell and deliver the Notes to each Canadian Purchaser that is a resident of, or otherwise subject to the Canadian Securities Laws of, such province or territory, and to whom it sells or delivers any Notes or (ii) such sale and delivery will be made through an affiliate of it that is so registered and agrees to make such sale and delivery in compliance with the representations, warranties,

and agreements of the relevant Joint Lead Manager set out herein;

- (iii) it will comply with all relevant Canadian Securities Laws concerning any resale of the Notes and will prepare, execute, deliver, and file all documentation required by the applicable Canadian Securities Laws to permit each resale by it of Notes to a Canadian Purchaser;
- (iv) it will ensure that each Canadian Purchaser purchasing from it (i) has represented to it that such Canadian Purchaser is a resident in, and subject to the Canadian Securities Laws of, a province or territory of Canada, or is a corporation, partnership or other entity, resident and created in or organised under the laws of Canada or any province or territory thereof, (ii) has represented to it that such Canadian Purchaser is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 – Prospectus and Registration Exemptions (“**NI 45-106**”) and which categories set forth in the relevant definition of “accredited investor” in NI 45-106 correctly and in all respect describe such Canadian Purchaser, (iii) has represented to it that such Canadian Purchaser is not a person created or used solely to purchase or hold the Notes as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106 and (iv) consents to disclosure of all required information about the purchase to the relevant Canadian securities regulatory authorities;
- (v) the offer and sale of the Notes

was not made through or accompanied by any advertisement of the Notes, including, without limitation, in printed media of general and regular paid circulation, radio, television, or telecommunications, including electronic display or any other form of advertising or as part of a general solicitation in Canada;

- (vi) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an offering memorandum, other than the Canadian offering memorandum dated 19 July 2011 prepared in connection with the issue of the Notes (the “**Canadian Offering Memorandum**”);
- (vii) it will ensure that each Canadian Purchaser is advised that no securities commission, stock exchange or other similar regulatory authority in Canada has reviewed or in any way passed upon the Canadian Offering Memorandum or the merits of the Notes described therein, nor has any such securities commission, stock exchange or other similar regulatory authority in Canada made any recommendation or endorsement with respect to, the Notes;
- (viii) it has not made and it will not make any written or oral representations to any Canadian Purchaser:
 - (a) that any person will resell or repurchase the Notes purchased by such Canadian Purchaser;
 - (b) that the Notes will be freely tradeable by the Canadian Purchaser without any restrictions

or hold periods;

(c) that any person will refund the purchase price of the Notes; or

(d) as to the future price or value of the Notes; and

(ix) it will inform each Canadian Purchaser:

(a) that the Issuer is not a “reporting issuer” and is not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Notes, and one may never develop;

(b) that the Notes will be subject to resale restrictions under applicable Canadian Securities Laws; and

(c) such Canadian Purchaser’s name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws.

Switzerland

Each Joint Lead Manager severally and not jointly represents, warrants and agrees that:

(i) it has not offered, sold, advertised, distributed or re-distributed, directly or indirectly and will not publicly offer, sell, advertise, distribute or re-distribute, directly or indirectly, the Notes in or from Switzerland. No solicitation for investments in the Notes may be extended, distributed or otherwise made available in Switzerland in any way that could constitute a public offering pursuant to articles 652a or 1156 of the Swiss Code of

Obligations. Neither this Prospectus, nor any other material relating to the Notes constitutes an offering prospectus pursuant to articles 652a and 1156 of the Swiss Code of Obligations, and they may not comply with the information standards required thereunder or under the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association;

- (ii) the Issuer has not applied for a listing of the Notes on the SIX Swiss Exchange Ltd. or any other regulated securities market in Switzerland, and consequently, the information presented in this document does not necessarily comply with the information standards set out in the listing rules of the SIX Swiss Exchange Ltd;
- (iii) neither this Prospectus, nor any other offering or marketing material relating to the Issuer or the Notes, have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Notes will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA); and
- (iv) this Prospectus is personal to each offeree and does not constitute an offer to any person. This Prospectus may only be used by those persons to whom it has been handed out in connection with the provision of the Notes described herein and may neither directly nor indirectly be distributed or made available to other persons without the express consent of the Issuer. This Prospectus may not be copied and/or distributed to the

public in Switzerland.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange of Notes described herein pursuant to the U.S.\$3,000,000,000 Programme for the Issuance of Loan Participation Notes of Severstal.

RESPONSIBILITY

The Issuer and Severstal accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Signed on behalf of Severstal:

By: _____
Duly authorised

By: _____
Duly authorised

By: _____
Duly authorised

By: _____
Duly authorised

Part B – Other Information

1 LISTING

- (i) Listing: London
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the London Stock Exchange plc with effect from 26 July.
- (iii) Estimate of total expenses related to admission to trading: £4,425

2 RATINGS

- Ratings: The Notes to be issued have been rated:
S & P: BB
Moody's: Ba2
- Moody's Investor Services Ltd. ("**Moody's**") is established in the European Community and has applied for registration under Regulation (EC) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.
- S&P International Services, Inc ("**S&P**") is not established in the European Community and has not applied for registration under Regulation (EC) No 1060/2009.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer The gross proceeds from the offering of the Series 2 Notes will be used by the Issuer for the sole purpose of financing the corresponding Loan to the Company. The gross proceeds of such Loan will be used by the Company primarily for the refinancing of its indebtedness under domestic bonds in the total amount of EUR15 billion due in September 2011, and for other general corporate purposes.

(ii) Estimated net proceeds: Approximately U.S.\$498,800,000

5 Fixed Rate Notes only – YIELD

Indication of yield: 6.25 per cent.
The yield is calculated at the Closing Date on the basis of the Issue Price. It is not an indication of future yield.

6 OPERATIONAL INFORMATION

ISIN Code (Reg S Notes): XS0648402583

ISIN Code (Rule 144A Notes): US85805RAA68

Common Code (Reg S Notes): 064840258

Common Code (Rule 144A Notes): 064987003

Rule 144A CUSIP number: 85805RAA6

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme or DTC and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment (Euroclear and Clearstream Regulation S)/Delivery free of payment (DTC/Rule 144A)

Names and addresses of initial Paying Agent(s): Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Citibank, N.A., New York Branch
111 Wall Street
15th Floor
Zone 8
New York
NY 10005
U.S.A.

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Form of Loan Supplement

This Loan Supplement is made on 19 July 2011 **between:**

- (1) **JSC “SEVERSTAL”**, an open joint stock company established under the laws of the Russian Federation whose registered office is Ul. Mira 30, 162608 Cherepovets, Vologda Region, Russian Federation (“**Severstal**”); and
- (2) **STEEL CAPITAL S.A.**, a *société anonyme* incorporated in Luxembourg with limited liability whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg, registered with the Register of Commerce and Companies of Luxembourg under number B116975 (the “**Lender**”).

Whereas:

- (A) Severstal has entered into a facility agreement dated 19 October 2010 (the “**Facility Agreement**”) with the Lender in respect of Severstal’s U.S.\$3,000,000,000 Programme for the Issuance of agreed funding (the “**Programme**”).
- (B) Severstal proposes to borrow U.S.\$500,000,000 (the “**Loan**”) and the Lender wishes to make such Loan on the terms set out in the Facility Agreement and this Loan Supplement.

It is agreed as follows:

1 Definitions

Capitalised terms used but not defined in this Loan Supplement shall have the meaning given to them in the Facility Agreement save to the extent supplemented or modified herein.

2 Additional Definitions

For the purpose of this Loan Supplement, the following expressions used in the Facility Agreement shall have the following meanings:

“**Account**” means the account in the name of the Lender with the Principal Paying and Transfer Agent (account number 11621505 (USD));

“**Base Prospectus**” means the Base Prospectus dated 7 July 2011 relating to the Programme;

“**Calculation Amount**” means U.S.\$1,000;

“**Closing Date**” means 26 July 2011;

“**Loan Agreement**” means the Facility Agreement as amended and supplemented by this Loan Supplement and the Loan Supplement Side Letter;

“**Loan Supplement Side Letter**” means the loan supplement side letter to be entered into by the Lender and Severstal.

“**Notification Time**” means 10 a.m. (Relevant Time) two Business Days;

“**Payment Time**” means 10 a.m. (Relevant Time) one Business Day;

“**Rate of Interest**” means the rate of interest in respect of the Loan, as set forth in Clause 4.2 below;

“**Repayment Date**” means 26 July 2016;

“**Severstal Account**” means the account in the name of Severstal (account number 40702840200702491002 with ZAO KB Citibank Moscow, SWIFT address CITIRUMX, correspondent account number 36087478 with Citibank N.A., New York, SWIFT address CITIUS33, ABA number 021000089); and

“**Specified Currency**” means United States dollar.

3 Incorporation by Reference

Except as otherwise provided, the terms of the Facility Agreement shall apply to this Loan Supplement as if they were set out herein and the Facility Agreement shall be read and construed, only in relation to the Loan constituted hereby, as one document with this Loan Supplement.

4 The Loan

4.1 Drawdown

Subject to the terms and conditions of the Loan Agreement, the Lender agrees to make the Loan on the Closing Date to Severstal and Severstal shall make a single drawing in the full amount of the Loan on that date.

4.2 Interest

The Loan is a Fixed Rate Loan. Interest shall be calculated, and the following terms used in the Facility Agreement shall have the meanings, as set out below:

4.2.1 Fixed Rate Loan Provisions	Applicable
(iv) Interest Commencement Date	26 July 2011
(v) Rate of Interest:	6.25 per cent. per annum payable semi-annually in arrear
(vi) Interest Payment Date(s):	26 January and 26 July in each year not adjusted
(vii) Fixed Amount:	U.S.\$31.250 per Calculation Amount
(viii) Broken Amount:	Not Applicable
(ix) Day Count Fraction:	30/360
(x) Determination Date(s):	Not Applicable
(xi) Other terms relating to the method of calculating interest for Fixed Rate Loans:	Not Applicable
4.2.2 Floating Rate Loan Provisions	Not Applicable
4.2.3 Put/Call Options	Not Applicable

5 Fees and Expenses

Pursuant to Clause 3.2 of the Facility Agreement and in consideration of the Lender making the Loan to Severstal, Severstal hereby agrees that it shall, by 1.30 p.m. (London time) two Business Days before the Closing Date, pay to the Lender, in Same-Day Funds, the Arrangement Fee (as set out in the Loan Supplement Side Letter) in respect of the Loan, representing the reasonable costs and expenses incurred by the Lender in connection with such Loan, increased by front-end fees, commissions and expenses, which shall include the amount of all of the commissions, fees, costs and expenses as set forth in the agreed funding agreements and Clause 3.2 of the Facility Agreement pursuant to an invoice submitted by the Lender to Severstal in the total amount.

6 Governing Law

This Loan Supplement, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law. Other provisions of Clause 17 of the Facility Agreement shall apply to this Loan Supplement *mutatis mutandis*.

This Loan Supplement has been entered into on the date stated at the beginning.

IN WITNESS whereof, the parties hereto have caused this Loan Supplement to be executed on the date first written above.

JSC "SEVERSTAL"

By:

By:

STEEL CAPITAL S.A.

By:
Authorised Signatory

By:
Authorised Signatory