

APPROVED

By the Annual General Meeting of
Shareholders of Mechel OAO
Minutes of the Annual General Meeting of
Shareholders dated June 06, 2011

Chairman of the Extraordinary General Meeting
of Shareholders
_____ (I.V.Zuzin)
Secretary of the Meeting
_____ (O. A. Yakunina)

BYLAW
On the Sole Executive Body
(General Director) of
Mechel Open Joint Stock Company

Moscow, 2011

1. GENERAL PROVISIONS

1.1. This bylaw (the “Bylaw”) has been developed in accordance with the Russian Civil Code, Joint Stock Companies federal law of Russia, other Russian statutory and regulatory instruments, Code of Corporate Conduct, and Charter of Mechel OAO (the “Company”), and shall govern the activity of the Company’s sole executive body (the “General director”).

1.2. This Bylaw shall describe the process for appointing the General director, his/her authority and duties, and shall also govern other related issues.

2. STATUS OF THE GENERAL DIRECTOR

2.1. The General Director is the Company’s sole executive body who is in charge of overall management of the Company within the scope of authority delegated by the Company’s Charter.

2.2. The General Director may not simultaneously be the Chairman of the Board of Directors; neither may he be a member of the audit commission or counting commission of the Company.

2.3. The person performing the functions of General Director may simultaneously hold positions in the governance bodies of other organizations only with the consent of the Company’s Board of Directors.

2.4. The General Director shall act as the Chairman of the Company’s Collective Executive Body (Management Board) in the manner set out in the Company’s Charter, bylaws and applicable Russian law.

2.5. The General Director shall rely upon resolutions of the general meeting of the Company’s shareholders and Board of Directors. Resolutions adopted by the general meeting of the Company’s shareholders and Board of Directors within the scope of their respective authorities, shall be binding for the General director. The General Director shall be accountable to the Company’s Board of Directors and general meeting of the Company’s shareholders.

2.6. An employment contract shall be entered into by the Company and the General Director for the term set out in the Company’s Charter. This employment contract shall determine the General Director authority and duties as well as the term of payment and amount of his/her remuneration. On behalf of the Company, the employment contract shall be signed by the Chairman of the Board of Directors or any other person duly authorized by the Board of Directors.

2.7. The General Director shall act in the best interests of the Company and in accordance with the Russian law, the Company’s Charter, this Bylaw and the Company’s other bylaws.

2.8. Relationships between the Company and the General Director shall be governed by the Russian Labour Law unless it is in conflict with the Joint Stock Companies law.

3. AUTHORITY OF THE GENERAL DIRECTOR

3.1. The General Director shall manage the Company’s current operations within the competence thereof and organize the implementation of resolutions of the Company’s General Meeting of Shareholders and Board of Directors.

3.2. All matters relating to the management of the Company’s current operations, except matters assigned to the exclusive competence of the Company’s General Meeting of Shareholders, Board of Directors of the Company, or collegial executive body of the Company shall be within the competence of the General Director.

3.3. General Director of the Company shall act on behalf of the Company without a power of attorney, including the following:

- perform operational management of the Company operations;
- have the right of the first signature under financial documents;

- manage the property of the Company to ensure current operations thereof within the limits established by the Charter thereof and the current law of Russia, within his/her competence;
- represent the interests of the Company both in the Russian Federation and abroad;
- approve staff, make labor contracts with employees of the Company, reward employees and impose penalties thereon;
- enter into transactions on behalf of the Company and within his/her competence;
- issue powers of attorney on behalf of the Company;
- open and close bank accounts of the Company;
- organize accounting and reporting in the Company;
- issue orders and give instructions obligatory for all employees of the Company;
- organize the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company; and
- perform other functions necessary to achieve the aims of the Company and to provide normal work thereof, in compliance with the current law and the Charter of the Company, except for the functions laid upon other management bodies of the Company by the Federal Law on Joint Stock Companies and the Charter of the Company.

3.4. The Company's General Director shall comply with the Bylaw on Business Conduct and Ethics adopted by the Company's Board of Directors.

3.5. Subject to a proposal made by the Board of Directors, the general meeting of the Company's shareholders can resolve to enter into a contract with a management company to act as the Company's General Director.

3.6. The General Director shall present a report on the work thereof to the General Meeting of Shareholders at least once a year.

3.7. The Company's General Director must quarterly, within 15 days of the start of the quarter, present to the Secretary of the Company's Board of Directors the following information in writing about:

- a) Company's holding of securities as well as Company's security sale and(or) security purchase;
- b) Legal entities in which the General Director absolutely or jointly with affiliated entities has 20 or more percents of voting rights (interest or stake);
- c) Legal entities in which management the General Director holds his posts;
- d) Transactions or possible transactions known to the General Director in which he can be interested in.
- f) Other information envisaged by the Directors and Officers' Questionnaire.

4. TERM OF OFFICE OF THE GENERAL DIRECTOR

4.1. The General Director shall be appointed by the Board of Directors for a period of one year in accordance with the Company's Charter.

4.2. The General Director can be reelected for an unlimited number of terms.

4.3. If absent or in other circumstances, the General Director shall be entitled to appoint one of the Company's officers to act as the Company's General Director.

5. EARLY TERMINATION OF THE AUTHORITY OF THE GENERAL DIRECTOR

5.1. The General Director authority shall be terminated in circumstances stipulated by the Russian Labour Law, Joint Stock Companies law, other Russian statutory and regulatory instruments, the Company's Charter, and employment contract between the General Director and the Company.

5.2. The General Director can at any time terminate his employment contract with the Company subject to a written notice provided to the Board of Directors in the manner described by applicable Russian law.

5.3. The authority of the General Director may be terminated before the expiration of his term of office by a resolution of the Board of Directors on the following grounds:

- failure to comply with the requirements of the Company's Charter, resolutions of the General Meeting of Shareholders and the Board of Directors and/or the Company's internal documents;
- in the cases stipulated by the contract with the General Director; and
- in other cases provided by current legislation.

5.4. The employment contract with the General Director may be terminated on the basis of a resolution of the Board of Directors to terminate his authority before expiry of his term of office, by agreement of the parties, or unilaterally on the General Director's initiative.

5.5. The General Director shall not be engaged in any other activity other than management of the Company's day to day operations, except for his/her memberships in the management bodies of other organizations subject to the Board of Directors' prior approval.

6. LIABILITY OF THE GENERAL DIRECTOR

6.1. In exercising his rights and performing his obligations the General Director shall act in the interests of the Company and exercise his rights and perform his obligations reasonably and in good faith.

6.2. The General Director shall be liable to the Company for losses of the Company resulting from his culpable actions and omissions, unless other grounds and extent of liability are established by federal laws.

6.3. Ordinary business conditions and other relevant circumstances shall be taken into account when determining the grounds and extent of the General Director's liability.

6.4. The Company or a shareholder (shareholders) owning in aggregate at least 1 per cent of the Company's placed ordinary shares, shall be entitled to take legal action against the Company's General Director claiming reimbursement of losses caused to the Company in circumstance described in Clause 6.2 hereof.

6.5. The General Director must abstain from actions which can or can potentially cause a conflict between his interests and the Company's ones and he must inform the Board about such case creation.

7. FINAL PROVISIONS

7.1. This Bylaw shall be adopted, amended or restated by the general meeting of the Company's shareholders. A resolution authorizing adoption, amendment or restatement of this Bylaw shall be passed by a majority of votes of the holders of the Company's voting shares participating in the relevant meeting.

7.2. Proposals on making amendments hereto shall be submitted in the manner described by the Company's Charter and applicable Russian law.

7.3. Should changes in the Russian legislation or regulations cause certain clauses hereof to be in conflict with the former, such clauses shall be invalidated, and the shareholders and the Company shall rely on the then effective Russian legislation and regulations until this Bylaw is amended accordingly.