

**Comparative table of amendments\* made in the Charter of Mechel PAO**

| <i>Charter as revised in 2014<br/>(old version)</i>   | <i>Charter as revised in 2016<br/>(new version)</i>   | <i>Notes</i>   |
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| <p><b>II. 1.1.:</b><br/>Mechel Open Joint Stock Company, hereinafter referred to as the “Company” (the former full corporate name of the Company was registered as Mechel Steel Group Open Joint Stock Company by Inspectorate No. 3 in and for the Central Administrative Okrug of the City of Moscow of the Russian Federation Ministry for Taxes and Collections on March 19, 2003), has been founded and operates in accordance with the Civil Code of the Russian Federation, the Federal Law on Joint Stock Companies (№ 208-FZ of December 26, 1995; hereinafter called the “Federal Law on Joint Stock Companies”), the Federal Law on Foreign Investments (№ 160-FZ of July 9, 1999), applicable rules, regulations, and legislation of all stocks of exchange on which the Company’s securities are traded, other Russian Federation legislation, and this Charter.</p> | <p><b>II 1.1.:</b><br/>Mechel, Public Joint Stock Company, hereinafter referred to as the “Company” (the former full corporate name of the Company was registered as Mechel Steel Group Open Joint Stock Company by Inspectorate No. 3 in and for the Central Administrative District for the City of Moscow of the Ministry for Taxes and Collections of the Russian Federation on March 19, 2003), has been founded and operates in accordance with the Civil Code of the Russian Federation, Federal Law No. 208-FZ on Joint Stock Companies dated December 26, 1995 (hereinafter referred to as “Federal Law on Joint Stock Companies”), Federal Law No. 160-FZ on Foreign Investments in the Russian Federation dated July 9, 1999, applicable rules, regulations, laws of all stocks of exchange where the Company’s securities are traded, other applicable laws of the Russian Federation and herewith.</p> | <p><i>The organizational and legal form of the company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p align="center"><b>II. 1.2.</b></p> <p>The type of the Company shall be open joint stock company.</p>   | <p align="center"><b>II. 1.2.</b></p> <p>The Company shall be public joint stock company.</p>   | <p><i>The organizational and legal form of the company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p align="center">-</p>   | <p align="center"><b>II. 1.3.</b></p> <p>Holder of the register of shareholders is a professional participant of the securities market with the license to implement the activities on keeping the register (Registrar).</p>  | <p><i>Clause 1.3 was added as per requirements prescribed by Law on Joint Stock Companies.</i></p>   |
| <p align="center"><b>2.1.</b></p> <p>The full corporate name of the Company in the Russian language shall be – <b>Открытое</b> акционерное общество «Мечел».</p>  | <p align="center"><b>2.1.</b></p> <p>The full corporate name of the Company in Russian shall be – <b>Публичное</b> акционерное общество «Мечел».</p>  | <p><i>The organizational and legal form of the company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p align="center"><b>2.2</b></p> <p>The abbreviated corporate name of the Company in the Russian language shall be – <b>ОАО</b> «Мечел».</p>  | <p align="center"><b>2.2</b></p> <p>The abbreviated corporate name of the Company in Russian shall be – <b>ПАО</b> «Мечел».</p>   | <p><i>The organizational and legal form of the company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p align="center"><b>2.3</b></p> <p>The abbreviated corporate name of the Company in the English language shall be – Mechel <b>ОАО</b>.</p>   | <p align="center"><b>2.3</b></p> <p>The abbreviated corporate name of the Company in English shall be – Mechel <b>PAO</b>.</p>  | <p><i>The organizational and legal form of the company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p align="center"><b>2.5</b></p>  | <p align="center"><b>2.5</b></p>  | <p><i>The organizational and legal form of the</i></p>   |

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| <p>The location of the Company shall be: 1 Krasnoarmeyskaya St, Moscow, 125993, Russian Federation.</p>   | <p>The location of the Company shall be: Moscow, Russian Federation.</p>  | <p><i>company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p>   |
| <p style="text-align: center;">3.2</p> <p>The Company shall be deemed established as a legal entity from the moment of state registration thereof in compliance with the procedure established by Federal Laws.</p>   | <p style="text-align: center;">3.2.</p> <p>The Company shall be deemed established as a legal entity upon state registration thereof in compliance with the Federal Laws. <b>Legal capacity of the Company arises upon entry of information about its creation in the unified state register of legal entities and is terminated upon entry of information about termination in the specified register.</b></p> | <p><i>Additional sentence was added as per requirements prescribed by Law on Joint Stock Companies.</i></p>   |
| <p style="text-align: center;">3.5</p> <p>The Company shall be entitled to open bank accounts on the territory of the Russian Federation and abroad.</p>  | <p style="text-align: center;">3.5</p> <p>The Company shall be entitled to establish subsidiaries and open representative offices in the territory of the Russian Federation in compliance with the laws of the Russian Federation. <b>Representative offices and subsidiaries shall be specified in the unified state register of legal entities.</b></p>  | <p><i>Clauses 3.5.and 3.6. were united and the contents was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p>   |
| <p style="text-align: center;">3.17.</p> <p>The Company has the following representative offices:</p> <ul style="list-style-type: none"> <li>- Representative office in the Republic of Korea with its registered office at: No. 945-10, Techhi-dong, Kangnam-Ku, Seoul, Korea;</li> <li>- Representative office in Japan with its registered office at: No. 302 Atagoyama Bengoshi Building 1-6-7 Atago Minato-ku, Tokyo 105-0002;</li> <li>- Representative office in the People’s Republic of China with its registered office at: Zhaoyanmynvaydadjie bldg. 6, entrance 1, storey 4, room 401-055, Chaoyang District, Beijing 100020, China;</li> </ul> | <p style="text-align: center;">-</p>  | <p><i>Clause 3.17 was deleted in order to bring the document in compliance with requirements prescribed by Law on Joint Stock Companies – information related to branches and representation offices shall be stated in the Unified State Register of Legal Entities.</i></p> |
| <p style="text-align: center;">7.6</p> <p>The charter capital of the Company shall determine the minimal property of the Company, which guarantees the interests of creditors thereof.</p>  | <p style="text-align: center;">-</p>  | <p><i>Clause 7.6. was deleted in accordance with the legislation requirements.</i></p>  |
| <p style="text-align: center;">11.3.6</p> <p><b>to have access to the documents of the Company in compliance with the procedure stipulated by the law and the Charter, and to obtain copies thereof for payments that do not exceed the cost of making such copies</b></p>  | <p style="text-align: center;">11.3.6</p> <p><b>in cases and in the manner stipulated by the current legislation of the Russian Federation and the present Charter to be kept informed of activities of the Company, including access to accounting and other documentation of the Company, and to obtain copies</b></p>  | <p><i>It is brought in compliance with legislation requirements.</i></p>  |

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|   | <b>thereof for payments</b> that do not exceed the cost of making such copies  |   |
| <p>11.3 General rights of holders of all classes (types) of shares:</p> <p style="text-align: center;"><b>11.3.7</b></p> <p>to transfer all or a part of the rights given by a share of the corresponding class (type) to his representative (representatives) on the basis of a power of attorney;</p>   | <p>11.3 General rights of holders of all classes (types) of shares:</p> <p style="text-align: center;"><b>11.3.7</b></p> <p>to transfer all or a part of the rights given by a share of the corresponding class (type) to his/her representative(s) on the basis of a power of attorney; <b>to file suits in a court of law, to appeal against resolutions of the Company entailing civil law consequences, in cases and in compliance with the procedure provided for in the Federal Law "On Joint-Stock Companies", challenge on behalf of the Company the transactions concluded on the grounds provided for in Article 174 of the Civil Code of the Russian Federation or Federal Law "On Joint-Stock Companies" and to require application of consequences of their invalidity, as well as application of consequences of invalidity of void transactions of the Company;</b></p>   | <p><i>One more clause was added to Clause 11.3.7 due to respective change in legislation.</i></p> |
| <p style="text-align: center;"><b>11.4.2.1</b></p> <p>participate in General Meeting of Shareholders of the Company with the right to vote:</p> <p>a) when taking resolutions on issues of the Company's restructuring, liquidation or relief from obligations, disclose or make available any information required by the Russian securities law;</p> <p>b) on issues pertaining to making changes in, and amendments to, the Company Charter restricting the rights of shareholders - owners of preferred shares, including determination or increase of a dividend amount and (or) determination of the liquidation value paid on deferred preferred shares;</p> <p>c) on all issues that are within the terms of reference of the shareholders' general meeting, beginning from the shareholders' general meeting that follows the shareholders' annual general meeting at which no decision on payment of dividends was made whatever the reason or a decision on partial payment of dividends on preferred shares was made. The right of shareholders - owners of preferred shares to participate in the shareholders' general meeting with the right to vote shall terminate from the moment of the first payment of dividends on said shares in full;</p> | <p style="text-align: center;"><b>11.4.2.1</b></p> <p>participate in General Meeting of Shareholders of the Company with the right to vote:</p> <p>a) when resolving on the Company's restructuring, liquidation;</p> <p><b>b) when resolving on applying to the Bank of Russia on release from obligation to disclose or provide information stipulated by the laws of the Russian Federation on securities</b></p> <p><b>c) when resolving on introducing amendments and supplements into the Company Charter restricting rights of shareholders - owners of preferred shares, including determination or increase of a dividend amount and (or) determination of the liquidation value paid on deferred preferred shares; and when resolving on introducing amendments into the Charter of the public company eliminating indication that the company is public, simultaneously with resolution on applying to the Bank of Russia on release from obligation to disclose information provided for in the laws of the Russian Federation on securities and resolution on applying for delisting of shares and equity securities convertible into shares;</b></p> | <p><i>It is brought in compliance with legislation requirements.</i></p>                          |
| -   | 11.8 Shareholders of the Company shall:  | <p><i>These clauses were added in accordance with legislation requirements.</i></p>               |

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|  | <p style="text-align: center;"><i>11.8.6</i></p> <p>participate in taking corporate resolutions for their absence the Company cannot continue its activity in compliance with the applicable laws of the Russian Federation, if his/her participation is required for such resolutions;</p> <p style="text-align: center;"><i>11.8.8</i></p> <p>not take actions knowingly intended to cause harm to the Company;</p> <p style="text-align: center;"><i>11.8.9.</i></p> <p>not take actions (omission) that significantly impede or make impossible to achieve objectives of the Company.</p>  |   |
| <p style="text-align: center;"><i>13.4</i></p> <p>If at the end of the second or each consecutive fiscal year the value of the Company's net assets appears to be less than the Company's charter capital, the Company's Board of Directors shall include a net assets section into the Company's annual report as part of preparations for the annual General Meeting of shareholders.</p> <p>If the value of the Company's net assets falls below the Company's charter capital before end of the fiscal year following the second or any other consecutive fiscal year after which the value of the Company's net assets fell below the Company's charter capital, including circumstances set out in Par. 7 Article 35 of the Federal Law on Joint Stock Companies, the Company shall within Six (6) months of completion of the relevant fiscal year either:</p> <ol style="list-style-type: none"> <li>1) reduce the Company's charter capital making it no more than the value of the Company's net assets;</li> <li>2) liquidate the Company.</li> </ol> <p>If the value of the Company's net assets appears to be more than 25% lower than the Company's charter capital on completion of three, six, nine or twelve months of the fiscal year following the second of any consecutive fiscal year after which the value of the Company's net assets fell below the Company's charter capital, the Company shall report reduction of the Company's net assets via two</p> | <p style="text-align: center;"><i>13.4</i></p> <p>If at the end of the second or each consecutive fiscal year the value of the Company's net assets appears to be less than the Company's charter capital, in compliance with the Federal Law "On Joint-Stock Companies" and within the term the Company shall General Shareholders' Meeting increase the value of net assets to the amount of the charter capital or duly register reduction of the charter capital. If the value of these assets of the Company is less than the minimum amount of the charter capital specified in the laws, the Company shall be subject to liquidation.</p> | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p> |

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| <p>statements published on a monthly basis in the media where state registration data of the legal entities are published for.</p> <p>If at the end of the second or any consecutive fiscal year the value of the Company's net assets falls below the Company's minimum charter capital, the Company shall within Six (6) of completion of the relevant fiscal year resolve on liquidation of itself.</p> |   |   |
| <p style="text-align: center;"><i>13.5</i></p> <p>The balance and net profit of the Company shall be defined by accounting rules of financial and economic activities of enterprises in force in the RF and reflected in the Company's balance sheet. <b>Part of the Company's profit left after payment of taxes and other mandatory charges may be allocated to shareholders.</b></p>                    | <p style="text-align: center;"><i>13.5</i></p> <p>The balance and net profit of the Company shall be determined by accounting rules of financial and economic activities of enterprises in force in the territory of the Russian Federation and reflected in the Company's balance sheet. <b>Following the results of the first quarter, six months, nine months of a fiscal year and (or) the results of a fiscal year the Company shall be entitled to resolve (declare) on payment of dividends on placed shares, unless otherwise provided by the Federal Law on Joint-Stock Companies. A resolution on payment (declaration) of dividends following the results of the first quarter, six months and nine months of a fiscal year may be taken within three months upon expiry of a corresponding period. The Company shall pay dividends declared on shares of each class (type).</b></p> | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p style="text-align: center;"><i>13.6</i></p> <p>A <b>dividend</b> shall be part of the Company's net profit to be allotted to shareholders as defined herein, per one common and/or preferred share.</p>   | <p style="text-align: center;"><i>13.6</i></p> <p>A <b>dividend payment source</b> shall be part of the Company's net profit to be allotted to shareholders as determined herein per one ordinary and/or preferred share.</p>   | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p style="text-align: center;"><i>15.1</i></p> <p>The register of shareholders of the Company shall contain data about each registered party, the number and classes (types) of shares registered in the name of each registered</p>   | <p style="text-align: center;"><i>15.1</i></p> <p>The holder of the register of shareholders is a professional participant of the securities market having a license for maintaining such register (registrar).</p>   | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p> |

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| <p>party, other data stipulated by the legislative acts of the Russian Federation.</p>   |   |   |
| <p style="text-align: center;"><b><i>Clauses 15.2-15.6</i></b></p> <p>15.2. on the basis of an agreement made with the Company. Where the number of holders of the Company's shares is more than 50, the Company's shareholder register shall be maintained by a specialized. In this case the Company shall make an agreement on keeping the register with a specialized registrar on the basis of a corresponding resolution of the Board of Directors passed by a majority of the votes of attending members of the Board of Directors. An agreement to keep the register shall be made with one legal entity only.</p> <p>15.3. The specialized registrar keeping the register of the Company shall not be entitled to carry out transactions with the securities of the Company.</p> <p>15.4. Where the Company delegates the shareholder register keeping function to a specialized registrar, the Company shall not be discharged from its responsibility for shareholder register maintenance and storage.</p> <p>15.5. Any party registered in the register of shareholders of the Company shall undertake to inform the registrar of the Company of all changes in his data in a timely manner. In the event he fails to provide information on changes in his data, the Company and the specialized registrar shall not be liable for losses inflicted in connection therewith.</p> <p>15.6. It shall not be allowed to refuse to have an entry made in the register of shareholders of the Company or to evade such entry, including on the part of a good faith purchaser, except for the cases stipulated by Federal Laws.</p> | -   | <p><i>These clauses were deleted because they were removed from the law.</i></p>  |
| <p style="text-align: center;"><b>17.2</b></p> <p>The Company shall undertake annually to hold an annual General Meeting of shareholders irrespective of holding other (extraordinary) meetings. The annual General Meeting of shareholders shall be held at least two months and not later than six months after the end of a fiscal year. The date and procedure of conducting the General Meeting of shareholders, the procedure of notification about the meeting, the list of materials provided shall be determined</p>  | <p style="text-align: center;"><b>17.2</b></p> <p>The Company shall annually hold an Annual General Shareholders' Meeting irrespective of holding other (extraordinary) meetings. The Annual General Shareholders' Meeting shall be held at least every two months and no later than six months after the end of a fiscal year. The date and procedure of the General Shareholders' Meeting, the procedure of notification about the meeting, the list of materials provided shall be</p> | <p><i>The last sentence was added into Clause 17.2 in accordance with the recommendations of the Corporate Governance Code.</i></p> |

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| <p>by a decision of the Board of Directors in compliance with this Charter.</p>  | <p>determined by resolutions of the Board of Directors of the Company in compliance herewith. <b>Proposals for putting items on the agenda of an annual general meeting of shareholders and proposals for nominating candidates for election to the Company's bodies shall be submitted by the shareholders to the Company within Forty five (45) days of completion of the relevant fiscal year.</b></p>   |   |
| <p style="text-align: center;"><i>17.3.18</i></p> <p>approval of the annual report, annual accounting reports, including profit and loss statements (profit and loss accounts) of the Company, as well as distribution of profits (including payment (declaration) of dividends, except for the profit distributed as dividends based on the results of the first quarter, six months, nine months of a fiscal year) and losses of the Company based on the results of a fiscal year;</p>  | <p style="text-align: center;"><i>17.3.18</i></p> <p>distribution of profits (including payment (declaration) of dividends, except for dividends following the results of the first quarter, six months, nine months of a fiscal year) and losses of the Company following the results of a reporting year;</p>   | <p><i>The wording was changed because the question of approval of accounting statements and annual statement was decided to be in the competence of the Board of Directors.</i></p> |
| <p style="text-align: center;"><i>17.3.20</i></p> <p>election of members of the counting commission and termination of their authority before the expiration of the term of office thereof;</p>  | <p style="text-align: center;">-</p>  | <p><i>This clause was deleted because the functions of the ballot committee are to be performed by registrar.</i></p>   |
| <p style="text-align: center;"><i>17.9</i></p> <p>Voting at the General Shareholders' Meeting shall be conducted on the basis of the principle "one voting share - one vote", except for the case specified in clause 18.5 hereof..</p>  | <p style="text-align: center;"><i>17.9</i></p> <p>Voting at the General Shareholders' Meeting shall be conducted on the basis of the principle "one voting share - one vote", except for the case specified in clause 18.5 hereof. <b>Only separate (independent) resolutions can be taken on each issue put to the vote.</b></p>   | <p><i>The last sentence was added into Clause 17.9 in accordance with the legislation.</i></p>  |
| <p style="text-align: center;"><i>17.10.</i></p> <p>Notice of a General Meeting of Shareholders and its agenda shall be given no later than 30 (thirty) days before the meeting. In cases set out in Paragraphs 2 &amp; 8 Article 53 of the Federal Law on Joint Stock Companies, notice of the meeting shall be given no later than <b>70 (seventy)</b> days before the meeting. The agenda of a meeting may not be altered after notification of shareholders.</p> <p style="text-align: center;"><i>17.11</i></p> <p>shareholders shall be forwarded to each party stated in the list of parties entitled to participate in the General Meeting of shareholders by an ordinary mailing or delivered to each</p> | <p style="text-align: center;"><i>17.10.</i></p> <p>Notice of the General Shareholders' Meeting shall be given no later than 30 (thirty) days before the meeting. In cases set out in clauses 2 and 8 of Article 53 of the Federal Law on Joint-Stock Companies, notice of the Extraordinary General Shareholders' Meeting shall be given no later than 50 (fifty) days before the meeting. The agenda of the meeting may not be altered after notification of shareholders.</p> <p>On the above dates the notification of the convocation of the General Shareholders' Meeting shall be sent to each</p> | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p>   |

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| <p>of the above parties against their signature, or published in the newspaper "Rossiyskaya Gazeta" and disclose in the Company site <a href="http://www.mechel.ru/">http://www.mechel.ru/</a> in the information and telecommunication network Internet or disclose in the Company site <a href="http://www.mechel.ru/">http://www.mechel.ru/</a> in the information and telecommunication network Internet. The way the people entitled for participation in the General Shareholders Meeting will be informed on such Meeting shall be defined by the Company board of Directors.</p> <p style="text-align: center;"><b>17.12</b></p> <p>Electronic means of notification of the convocation of the General Meeting, as well as other mass media (television, radio), or internet may be used as additional means of notification.</p> | <p>person entitled to participate in the General Shareholders' Meeting by post or delivered to each of the above persons against signature in accordance with the procedure prescribed by Clause 17.24 of the Company Charter and published in the newspaper "Rossiyskaya Gazeta" and on the Company site <a href="http://www.mechel.ru/">http://www.mechel.ru/</a> in the information and telecommunication network Internet or on the Company site <a href="http://www.mechel.ru/">http://www.mechel.ru/</a> in the information and telecommunication network Internet.</p> <p>The notification of the convocation of the General Shareholders' Meeting may be also brought to the attention of persons entitled to participate in the General Shareholders' Meeting and registered in the register of shareholders of the Company by:</p> <ol style="list-style-type: none"> <li>1) sending an electronic message to the email address of the person listed in the register of shareholders of the Company;</li> <li>2) sending the text message containing the procedure for reviewing the notice of the general meeting of shareholders, at the contact phone number or email address indicated in the shareholder register of the Company;</li> <li>3) .</li> </ol> <p>Electronic means of notification of the convocation of the General Shareholders' Meeting, as well as other mass media (television, radio), or Internet may be used as additional means of notification.</p> <p>The way of notifying the people entitled to participate in the General Shareholders' Meeting of the General Shareholders' Meeting shall be defined by the Company Board of Directors.</p> |   |
| <p>17.13 A notification of the convocation of the General Meeting of shareholders shall contain:</p>  | <p>17.11 (<i>in the old version it is Clause 17.13</i>) A notification of the convocation of the General Shareholders' Meeting shall contain:</p> <p style="text-align: center;"><b>17.11.4</b></p> <p>e-mail address for sending completed ballots and (or) site address in the information and telecommunication network Internet where e-form of ballots can be filled in;</p>   | <p><i>This clause was included in accordance with the Law on Joint Stock Companies.</i></p> |



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| <p style="text-align: center;"><b>17.13.4</b></p> <p>the date of compiling the list of parties entitled to participate in the General Meeting of shareholders;</p> <p>-</p>   | <p style="text-align: center;"><b>17.11.5 (in the old version it is Clause 17.13.4)</b></p> <p>date of determining (recording) the shareholders entitled to participate in the General Shareholders' Meeting;</p> <p style="text-align: center;"><b>17.11.7</b></p> <p>classes (types) of shares owned by persons entitled to vote on all or some items of the agenda of the General Shareholders' Meeting;</p>   |   |
| <p style="text-align: center;"><b>17.14.1</b></p> <p>The date of compiling the list of parties entitled to participate in the General Meeting of shareholders shall not be determined to be earlier than 10 days from the date of passing a resolution on conducting the General Meeting of shareholders and more than <b>Fifty (50)</b> days before the date of the General Meeting of shareholders.</p>   | <p style="text-align: center;"><b>17.12.1</b></p> <p>The date of compiling the list of parties entitled to participate in the General Shareholders' Meeting shall not be determined to be earlier than 10 days upon resolution on holding the General Shareholders' Meeting and more than <b>25 days before the General Shareholders' Meeting.</b></p>  | <p><i>The timelines were brought in compliance with the Law on Joint Stock Companies.</i></p>                     |
| <p style="text-align: center;"><b>17.14.2</b></p> <p>In the case set out in Paragraph 2 Article 53 of the Federal Law on Joint Stock Companies – more than <b>Eighty (80)</b> days before the date of the General Meeting of shareholders.</p>  | <p style="text-align: center;"><b>17.12.2</b></p> <p>In the case set out in clause 2 of Article 53 of the Federal Law on Joint-Stock Companies, more than <b>55</b> days before the date of the General Shareholders' Meeting.</p>  | <p><i>The timelines were brought in compliance with the Law on Joint Stock Companies.</i></p>                     |
| <p style="text-align: center;"><b>17.15</b></p> <p>The list of shareholders of record entitled to participate in a general meeting of shareholders shall specify the name (business name) of each such person, relevant ID details, number and class of shares that can be voted, Russian mailing address to where notice of the general meeting, voting ballots (where ballot voting is expected) and the voting returns report can be sent.</p> | <p style="text-align: center;"><b>17.13 (в старой редакции n. 17.15)</b></p> <p>The list of parties entitled to participate in the General Shareholders' Meeting (except for information about willingness of such parties) shall be made available by the Company on demand by parties included in the list and owning at least one percent of votes. The ID details of individuals included in the list (except for full name) shall be provided only upon consent of such persons.</p> | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p> |
| <p style="text-align: center;"><b>17.17.</b></p> <p>Upon demand of any interested party, the Company shall</p>  | <p style="text-align: center;">-</p>  | <p><i>These clauses were deleted because the regulations they prescribed lost their legal</i></p>                 |

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| <p>undertake within three days to provide such party with an excerpt from the list of parties entitled to participate in the General Meeting of shareholders, which contains information about such party or a statement to the effect that such party was not included in the list of parties entitled to participate in the General Meeting of shareholders.</p> <p style="text-align: center;"><b>17.18.</b></p> <p>Changes shall be allowed to be made in the list of parties entitled to participate in the General Meeting of shareholders only in the event of restoring the rights of parties not included in the list as of the date of the compilation thereof, or to correct mistakes made during such compilation.</p>   |  | <p><i>force.</i></p>  |
| <p>-</p>   | <p style="text-align: center;"><b>17.15.</b></p> <p><b>Shareholders shall be entitled to send a completed ballot to the Company at the postal address and (or) e-mail address specified in the notice of the Annual General Shareholders' Meeting and filling in the electronic form of the newsletter on the website in the information and telecommunication network Internet specified in the message on the Meeting of Shareholders.</b></p>   | <p><i>This sentence was added into Clause 17.15 due to respective change in legislation.</i></p>                  |
| <p style="text-align: center;"><b>17.27</b></p> <p>Upon resolution of the Board of Directors of the Company, voting on the matters on the agenda of the General Meeting of shareholders in the form of a meeting may be carried out by voting ballots. The Board of Directors shall approve the form and text of the voting ballots.</p> <p>A resolution of the General Meeting of shareholders may be passed without holding a meeting (joint presence of shareholders for the purpose of discussing the matters on the agenda and passing resolutions on the matters put to the vote) by voting <i>in absentia</i> (by poll) in compliance with legislative acts of the Russian Federation. A resolution of the General Meeting of shareholders of the Company on the matters mentioned in subparagraphs 17.3.4, 17.3.15, 17.3.16 and 17.3.18 of this Charter cannot</p> | <p style="text-align: center;"><b>17.23</b></p> <p>Voting on items of the agenda of the General Shareholders' Meeting in the form of a meeting, as well as voting on items of the agenda of the meeting in the form of voting in absentia shall be carried out by voting ballots.</p> <p>The Board of Directors shall approve the form and text of voting ballots.</p> <p><b>By voting ballot equals receiving the Company's registrar reports of the will of the individuals who are entitled to attend the general meeting of shareholders, and who are not registered in the shareholder register of the Company and in accordance with the legislation of the Russian Federation on securities given to persons engaged in the consideration of their rights to shares, instructions (instructions) of the vote.</b></p> | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p> |

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| <p>be passed by voting <i>in absentia</i> (by poll). A resolution of the General Meeting of shareholders passed by voting <i>in absentia</i> (by poll) shall be deemed valid if shareholders owning on aggregate at least half of the voting shares of the Company participated in the voting. Voting <i>in absentia</i> shall be held with the use of voting ballots meeting the requirements of article 60 of the Federal Law on Joint Stock Companies». A voting ballot shall be delivered or handed in (with receipt acknowledged in writing) to each shareholder of record entitled to participate in a general meeting of shareholders. The date of providing shareholders with voting ballots shall be at least 20 (twenty) days before the date of the General Meeting of shareholders.</p> | <p>A resolution of the General Shareholders' Meeting may be taken without holding a meeting (joint presence of shareholders for discussing the items of the agenda and resolving on items put to the vote) by voting <i>in absentia</i> (by poll) in compliance with legislative acts of the Russian Federation. A resolution of the General Shareholders' Meeting of the Company on items specified in sub-clauses 17.3.4, 17.3.15, 17.3.16 hereof cannot be taken by voting <i>in absentia</i> (by poll). A resolution of the General Shareholders' Meeting taken by voting <i>in absentia</i> (by poll) shall be deemed valid if shareholders owning on aggregate at least half of the voting shares of the Company participated in the voting.</p>  |  |
| <p>-</p>  | <p style="text-align: center;"><i>17.24</i></p> <p>A voting ballot shall be sent by regular or registered mail or delivered against receipt to each person indicated in the list of persons entitled to participate in the general meeting of shareholders not later than 20 days before the general meeting of shareholders takes place.</p> <p><b>The method of ballots delivery to persons entitled to participate in the general meeting of shareholders shall be determined by the Board of Directors of the Company.</b></p> <p><b>The ballot shall be delivered against receipt at the location of the Company. Service of ballots for voting at the general meeting of shareholders shall begin on the date determined by the Board of Directors.</b></p> <p><b>If a shareholder cannot come to the Company to receive the ballot for voting at the general meeting of shareholders, he/she can submit an application to the Company by mail, telegraph or email to the address <a href="mailto:mechel_osa@mechel.com">mechel_osa@mechel.com</a>.</b></p> <p><b>The application shall contain the name of the shareholder, number and category (type) of shares held by him/her, and shall be signed by the shareholder. Upon receipt of the application the Company shall mail or email a ballot for voting at the general meeting of shareholders to the said</b></p> | <p><i>The procedure of providing bulletins was changed to comply with the law.</i></p> |

**shareholder.**

**The shareholder shall have the right to submit to the Company an application that ballots for voting at all general meetings of shareholders shall be sent to him/her by mail. Upon receipt of such an application the Company shall send to the shareholder, who submitted the application, ballots for voting at all following general meetings of shareholders by mail.**

**The date of delivery of the ballot to the person entitled to participate in the general meeting of shareholders, depending on the method of ballot delivery determined by the Board of Directors, shall be:**

- if ballots are delivered by regular or registered mail - the date when the ballot is sent by mail;**
- or, if provision of ballots is performed upon delivery - the date on which service of ballots to persons entitled to participate in the general meeting of shareholders begins, and if such date has not been determined by the Board of Directors, than the date falling 30 days before the day of the general meeting of shareholders.**

**By the decision of the Board of Directors, as an additional way to bring the ballot to the notice of persons entitled to participate in the general meeting of shareholders, the voting ballot can be placed on the Company web site in the information and telecommunication network “Internet” within the period specified by laws, or brought to notice of persons entitled to participate in the general meeting of shareholders together with the notice of holding of the general meeting of shareholders through the same print edition, in which the said notice has been published.**

*17.28.1*

An extraordinary General Meetings of shareholders convened upon request of the audit commission, the auditor of the Company, or shareholders (a shareholder) owning on aggregate at least 10% (ten percent) of the voting shares of the Company shall be held within **50**

*17.25.1*

Extraordinary General Meetings of Shareholders convened upon request of the audit commission, the auditor of the Company or shareholders (shareholder) owning on aggregate at least 10% (ten percent) of voting shares of the Company shall be held within **40 (forty)**

*The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.*

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| <p><b>(fifty) days</b> after the moment of filing the request for the convocation of an extraordinary General Meeting of shareholders.</p>   | <p>days upon filing the request for convocation of the Extraordinary General Shareholders' Meeting.</p>  |   |
| <p style="text-align: center;"><i>17.28.2</i></p> <p>If the proposed agenda of an extraordinary General Meeting of shareholders contains the matter of electing members of the Board of Directors of the Company, to be elected by cumulative voting, such General Meeting of shareholders shall be held within <b>95 (ninety five)</b> days after the moment of filing the request for the convocation of an extraordinary General Meeting of shareholders.</p>                                 | <p style="text-align: center;"><i>17.25.2</i></p> <p>If the proposed agenda of the Extraordinary General Shareholders' Meeting includes the item of electing members of the Board of Directors of the Company, such General Shareholders' Meeting shall be held within <b>75 (seventy five) days</b> upon filing the request for the convocation of the Extraordinary General Shareholders' Meeting.</p>   | <p><i>The wording was brought in compliance with requirements prescribed by Law on Joint Stock Companies.</i></p>   |
| <p style="text-align: center;"><i>17.34</i></p> <p>commission shall be 3 persons. Members of the counting commission shall be approved by the General Meeting of shareholders. Members of the Board of Directors, members of the collegial executive body (Management Board), the audit commission of the Company, the sole executive body of the Company, the managing organization or the manager, as well as candidates for these positions cannot be members of the counting commission.</p> | <p style="text-align: center;"><i>17.31</i></p> <p>Functions of the counting commission in the Company shall be performed by the registrar on the basis of the contract therewith.</p>   | <p><i>This clause was amended because the functions of the ballot committee are to be performed by registrar.</i></p>   |
| <p style="text-align: center;">-</p>   | <p style="text-align: center;"><b>18. BOARD OF DIRECTORS</b></p> <p>Terms used herein in this Article with capital letters shall have the following meanings:</p> <p><b>"Group"</b> shall mean the group of companies of Mechel OAO that includes the Company and companies for the direct consolidation method is used to include them in the financial statements of Mechel OAO in accordance with US GAAP or IFRS;</p> <p><b>"Items requiring unanimous approval of the Board of Directors"</b> shall mean the items specified in subclauses 17.8, 18.3.4, 18.3.10 – 18.3.13, 18.3.15 – 18.3.23, 18.3.29 and 18.16 hereof;</p> <p><b>IFRS</b> shall mean International Financial Reporting Standards, referred to in Regulation No. 1606/2002 adopted by the European Parliament and Council of</p> | <p><i>Under the terms agreed upon with its main creditors, the Company is obligated to make a number of amendments to the Charter in order to expand the Board of Directors' oversight of the Company's operations.</i></p> |

Europe on July 19, 2002, in the part applicable to the respective financial reporting.

**Financial Debt** shall mean any debt of the respective company of the Group (without dual accounting) formed as a result of:

- a) receipt of monetary funds in the form of a loan, credit, overdraft or project financing;
- b) capitalization of interests and other payments;
- c) receipt of an trade credit, commercial credit for more than one hundred and eighty (180) calendar days, issue of a letter of credit and granting of bank guarantees by order of the respective company of the Group;
- d) issue of bonds, notes, bills of exchange and any other debt instruments;
- e) conclusion of financial leasing agreements and rental contracts with repurchase obligation upon expiration of the contract;
- f) sale or discounting of accounts receivable (except any accounts receivable disposed without the right of regress);
- g) conclusion of factoring agreements with the right of regress;
- h) conclusion of transactions with derivative financial instruments in order to secure or get a benefit from any fluctuations in currency, interest rates or prices, herewith amount of transaction with such derivative financial instruments will be calculated

based on market indications at each moment of time;

- i) conclusion of repo transactions or any other transactions which are borrowings in the economic sense (or in accordance with accounting rules);
- j) assumption of obligations for reimbursement of damages or expenses on financial commitments incurred by third persons;
- k) amounts received when issuing redeemable shares (except for shares paid off subject to a decision taken by the issuer);
- l) assumption of obligations for surety or guarantee concerning performance of some obligations by third parties or for reimbursement of payment amounts to the guarantor on bank guarantee; such sureties are accounted on the actual debt of the secured obligation, herewith the sureties and guarantees of several companies of the Group on the same obligation shall not be summarized; and
- m) other financial instruments not mentioned in other sub-clauses of this definition, classified as debt in accordance with IFRS.

"**EBITDA**" shall mean net income of the Group determined in financial statements of the Group,

(a) before deducting any accrual or payment with respect to income tax of the company;

(b) before adding any interest, commissions, discounts and other fees received/receivable and deducting any interest, charges, discounts and other fees paid/payable by any company included the Group in respect of Financial indebtedness;

(c) excluding any items not considered to be exceptional or extraordinary, income and/or expenses arising from transactions and activities other than ordinary course of business of the Group, including any amounts in respect of:

- expenses and income related to foreign exchange differences;
- results of revaluation of long-term assets or any income or expenses associated with retirement of long-term assets of any company of the Group;
- results of revaluation of contingent liabilities of any company of the Group;
- any income and expenses arising from disposition of a part or the whole share of any company of the Group;
- amounts relating to reserves and changes in reserves for impairment of debts/assets;
- profit from overdue accounts payable;
- any fines, penalties, forfeits and their remission;
- any amounts of other expenses classified in the Borrower's financial statements prepared in accordance with IFRS, as expenses not related to the main activity;

(r) before adding revenues and deduction of losses from assets/liabilities by pension programs;

(d) before adding revenues from remuneration programs based on share based payments;

(e) before deduction of the amortization amount or impairment



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|  | <p>of intangible assets, including goodwill, and amortization or impairment of tangible assets;</p> <p>(ж) Before deduction of losses or adding revenues of any subsidiary of the Group related to non-controlling interest,.</p> <p>Revenues and losses by discontinued operations shall be considered for calculation section by section as defined in sub-clauses (a) - (ж) (inclusively) related to term "EBITDA" in this document.</p>  |   |
| -  | <p style="text-align: center;"><b>18.2.9</b></p> <p>Member of the Board of Directors holds the position of member of the Board of Directors of the Company in the aggregate more than 7 years. In calculating this period the period of the membership in the board of directors of a restructured legal entity, if this member of the Board of directors was elected in the board of directors of the successor legal entity should be taken into account;</p>  | <p><i>Пункт 18.2.9 добавлен в связи с требованиями листинга Московской биржи</i></p>  |
| <p style="text-align: center;"><b>18.3.21</b></p> <p>introduction of amendments to the Charter of the Company related to the establishment of subsidiaries, the opening of representative offices and liquidation thereof;</p> | -  | <p><i>This clause was deleted because the law does not prescribe that information related to subsidiaries must be contained in the charter as per legislation.</i></p>  |
| -  | <p style="text-align: center;"><b>18.3.35-18.3.60</b></p> <p>18.3.35 loan, credit or other financing (in this case, when calculating the amount of financing, all costs, including interest, fees and any other payments that the Company has to pay in connection with financing shall be taken into account) on an amount exceeding 1 (one) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date and if the ratio of the Group's debt to EBITDA not exceeds 3.5:1 for three reporting periods in a row (quarters) - exceeding 10 (ten) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date within one or several related transactions;</p> <p>18.3.36. Receipt by the Company of monetary funds in the form of project financing in excess of 1 (one) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date and if the ratio of the Group's debt to EBITDA not exceeds 3.5:1</p> | <p><i>Under the terms agreed upon with its main creditors, the Company is obligated to make a number of amendments to the Charter in order to expand the Board of Directors' oversight of the Company's operations.</i></p> |

for three reporting periods in a row (quarters) – exceeding 10 (ten) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date within one or several related transactions;

18.3.37 Receipt by the Company of monetary funds in the form of overdraft in the amount exceeding 1 (one) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date and if the ratio of the Group’s debt to EBITDA not exceeds 3.5:1 for three periods in a row (quarters) – exceeding 10 (ten) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date within one or several related transactions;

18.3.38 Conclusion by the Company of the commercial credit contract for a period of more than 180 (one hundred eighty) calendar days, bank guarantee contract and/or contract for opening a letter of credit for the amount exceeding 1 (one) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date and if the ratio of the Group’s debt to EBITDA not exceeds 3.5:1 for three periods in a row (quarters) – exceeding 10 (ten) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date within one or several related transactions;

18.3.39 Issue by the Company of notes, promissory notes and any other debt instruments;

18.3.40 Conclusion by the Company of the financial leasing contract or lease contract with obligation to purchase upon contract expiration for the amount of lease payments and/or redemption value of the object of lease for the amount exceeding 1 (one) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date and if the ratio of the Group’s debt to EBITDA not exceeds 3.5:1 for three periods in a row (quarters) – exceeding 10 (ten) percent of currency of the Company’s balance sheet according to accounting statements on the last reporting date within

one or several related transactions;

18.3.41 Sale or discounting by the Company of accounts receivable (excluding any accounts receivable disposed without the recourse) for the amount exceeding 1 (one) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date and if the ratio of the Group's debt to EBITDA not exceeds 3.5:1 for three periods in a row (quarters) – exceeding 10 (ten) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date within one or several related transactions;

18.3.42 Conclusion by the Company of transaction with derivative financial instruments in order to protect or profit from fluctuations in exchange rates, interest rates or prices;

18.3.43 Conclusion by the Company of repo or any other transaction that in terms of economics (or in accordance with the accounting rules) is borrowing and/or creates financial debt in accordance with IFRS;

18.3.44 Provision by the Company of loan, credit or other financing (in this case, when calculating the amount of financing, all costs, including interest, fees and any other payments that the Company has to pay in connection with financing shall be taken into account) on an amount exceeding 1 (one) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date and if the ratio of the Group's debt to EBITDA not exceeds 3.5:1 for three reporting periods in a row (quarters) - exceeding 10 (ten) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date within one or several related transactions;

18.3.45 Conclusion by the Company of commodity loan contract for more than 180 (one hundred eighty) calendar days for the amount exceeding 1 (one) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date and if the

ratio of the Group's debt to EBITDA not exceeds 3.5:1 for three reporting periods in a row (quarters) - exceeding 10 (ten) percent of currency of the Company's balance sheet according to accounting statements on the last reporting date within one or several related transactions;

18.3.46 Undertaking by the Company of obligation for compensation for damages or expenses on financial obligations incurred by third parties for the amount exceeding 100,000,000 (one hundred million) rubles (or equivalent amount in other currency) within one or several related transactions;

18.3.47 Provision by the Company of security and/or guarantee;

18.3.48 Acquisition and alienation by the Company, once or in parts, of property and/or assets, including through concluding transaction of purchase and sale, exchange, gift, transfer of property or in circumstances when property transfer is the basis of loan or other obligation or property transfer as performance of obligation, if the value of such acquired, alienated and/or transferred property exceeds 100,000,000 (one hundred million) rubles (or equivalent amount in other currency) within one or several related transactions;

18.3.49 Creation and/or admission by the Company of any encumbrance or creation of conditional alienation of property and/or assets (including shares and stakes in the charter capital), including conclusion of contracts of pledge, pledge of real estate (mortgage), assignment of claims; granting the right of retention, right of debiting accounts with the payer's acceptance provided in advance or similar rights of debiting, or creation of other encumbrance in order to ensure performance of obligations of any person or conclusion of any other agreement in order to ensure performance of obligations of the Company or any third parties;

18.3.50 Performance or repayment prior to the due date of financial obligation(s) and/or relevant date of repayment or payment, monetary liability(ies), as well as early

performance or repayment of any other obligations if the amount of the relevant transaction exceeds 0.5% of the balance sheet value of the Company's assets as on the last reporting date or 500,000,000 (five hundred million) rubles (or equivalent amount in other currency), whichever is less;

18.3.51 Provision by the Company of advance payments for more than 6 (Six) months under contracts concluded within the ordinary course of business;

18.3.52 Conclusion of contracts on terms and conditions under which the Company, as a buyer, shall purchase goods in the scope and at the price specified in the contract or pay a penalty in case of non-acceptance in an amount equal to the cost of not accepted goods;

18.3.53 Preliminary agreement of terms and conditions of the audit service contract with the Company's auditor (namely: scope of services, amount of remuneration, terms of services) approved by the General Shareholders' Meeting;

18.3.54 Prior approval of full or partial refusal from claim, if the claim was not executed, full or partial acceptance of the claim, conclusion of the settlement agreement, application to intermediary, including mediator within judicial or extrajudicial proceedings that is essential for the Company or with the amount that is more than 100,000,000 (one hundred million) rubles (or equivalent amount in other currency);

18.3.55 Prior approval of the Company acquisition of shares/stakes in the share capital of companies if the subject of such transaction or related transactions is property with the value exceeding 10,000,000 (Ten million) rubles (or equivalent amount in other currency);

18.3.56 Prior approval of alienation or possibility of alienation by the Company of shares/stakes in the charter capital of companies, provided that on the last reporting date the balance sheet value of the company's assets with shares/stakes alienated is more than 100,000,000 (one hundred million) rubles (or equivalent amount in other

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|   | <p>currency);</p> <p>18.3.57 Preliminary approval of transactions, resolutions and/or actions of the Company as a result of which licenses for use of subsoil belonging to the Company are transferred to third parties / reissued to such persons, including successors of the Company or under the Company's refusal of the right to use subsoil;</p> <p>18.3.58 Transactions concluded by the Company with the Group companies for the amount exceeding 0.5 (zero point five tenths) percent of the balance sheet value of assets that are subject of such transaction;</p> <p>18.3.59 Conclusion of other transactions exceeding 5 (five) percent of the balance sheet value of the Company's assets according to accounting statements on the last reporting date;</p> <p>18.3.60. approval of the annual report, annual accounting (financial) reports;</p>                 |   |
| <p style="text-align: center;"><b>18.15</b></p> <p>A quorum for a meeting of the Company's Board of Directors is the attendance of at least five of its members, including at least one independent director.</p> <p>A quorum for a meeting of the Company's Board of Directors concerning the matters set forth in articles 18.3.1, 18.3.6, 18.3.7, 18.3.8, and 18.3.17 of this Charter, or the submission of issues of reorganization or liquidation of the Company to the general shareholders meeting, is the attendance of at least three-quarters of the elected members of the Board of Directors, including at least one-third of its elected independent directors.</p> <p style="text-align: center;"><b>18.16</b></p> <p>Resolutions of a meeting of the Board of Directors of the Company shall be passed by a majority of the votes of those present, unless otherwise provided by the Federal Law on Joint Stock Companies, this Charter of the Company or internal documents thereof. In resolving issues at a meeting of the Board of Directors each member of the Board of Directors of the Company shall have one</p> | <p style="text-align: center;"><b>18.16</b></p> <p>Quorum for the meeting of the Board of Directors shall be at least half of the elected members of the Board of Directors, if the Law on Joint-Stock Companies or the Company Charter does not provide otherwise.</p> <p>(i) First and Second meeting of the Board of Directors shall be quorate to resolve on an Issue requiring unanimous approval of the Board of Directors included in the agenda of the relevant meeting, if it is attended by (participate in voting) all members of the Board of Directors elected at the last General Shareholders' Meeting.</p> <p>(ii) Third meeting of the Board of Directors shall be quorate to resolve on the relevant Issue requiring unanimous approval of the Board of Directors included in its agenda, if it is attended by (participate in voting) at least half of the</p> | <p><i>Under the terms agreed upon with its main creditors, the Company is obligated to make a number of amendments to the Charter in order to expand the Board of Directors' oversight of the Company's operations.</i></p> |

vote.

elected members of the Board of Directors.  
(iii) First and Second meeting of the Board of Directors shall be quorate to resolve on an issue included in the agenda of the relevant meeting to approve the related-party transaction (series of related transactions), if it is attended by (participate in voting) at least half of the elected members of the Board of Directors, including all independent and disinterested Directors of the Company.

(iv) Third meeting of the Board of Directors shall be quorate to resolve on an issue of its agenda to approve the related-party transaction (series of related transactions), if it is attended by (participate in voting) at least half of the elected members of the Board of Directors, including all independent and disinterested Directors of the Company of the number required for holding the meeting of the Board of Directors.

If the agenda of the meeting of the Board of Directors includes items \ the quorum is determined for in different ways, the quorum shall be determined on each issue of the agenda.

If there is no quorum at the meeting of the Board of Directors on Issue requiring unanimous approval of the Board of Directors (above and hereinafter for the purposes of this article - "First meeting"), this issue shall be re-submitted and re-considered at the meeting of the Board of Directors no later than 3 (three) business days (above and hereinafter for the purposes of this article - "Second meeting") with mandatory notification of all members of the Board of Directors on the date, time and place of such meeting. Holding of the Second meeting on the day when the First meeting is held shall not be allowed. Notification on the meeting shall be sent to

members of the Board of Directors in writing or otherwise (including by postal, telegraph, teletype or electronic communication).

If there is no quorum at the Second meeting on the Second issue requiring unanimous approval of the Board of Directors, within 3 (three) business days the meeting of the Board of Directors shall be convened and held, for the third time its agenda shall include the Issue requiring unanimous approval of the Board of Directors (above and hereinafter for the purposes of this article - "Third meeting") with mandatory notification of all members of the Board of Directors on the date, time and place of such meeting. Holding of the Third meeting on the day when the Second meeting is held shall not be allowed. Notification on the meeting shall be sent to members of the Board of Directors in writing or otherwise (including by postal, telegraph, teletype or electronic communication).

The procedure for approving Items requiring unanimous approval of the Board of Directors shall be also applicable to approval of related-party transactions, unless otherwise provided for in the Federal Law "On Joint-Stock Companies" and herein.

Related-party transaction shall be approved in compliance with Article 83 of the Federal Law "On Joint-Stock Companies".

The procedure for approving Items requiring unanimous approval of the Board of Directors provided for in this clause 18.16 of the Charter shall be also applicable to Items requiring unanimous approval of the Board of Directors that are simultaneously related-party transactions, if such transactions are not subject to provisions of Chapter XI of the Federal Law "On Joint-Stock Companies" in compliance with clause 2 of Article 81 of the Federal Law "On Joint-Stock Companies".

Resolutions at the meeting of the Board of Directors shall be taken by a majority of votes of those present at the meeting (participating in voting), if the Law



on Joint-Stock Companies or the Company Charter provide otherwise.

- (a) Resolution at the First and Second meetings of the Board of Directors (regardless of the meeting in praesentia or in absentia) on Items requiring unanimous approval of the Board of Directors shall be taken by all members of the Board of Directors unanimously.
- (b) At the Third meeting, resolutions on Items requiring unanimous approval of the Board of Directors shall be taken unanimously by members of the Board of Directors present at the meeting, if the Federal Law "On Joint-Stock Companies" does not provide for more number of votes for the relevant resolution.
- (c) Resolution on approval of the related-party transaction shall be taken by a majority of votes of Directors in compliance with criteria established in Article 83 of the Federal Law "On Joint-Stock Companies".

It shall not be required to approve transactions listed in sub-clauses 18.3.35 – 18.3.38, 18.3.40, 18.3.41, 18.3.43 of the Charter (hereinafter referred to as the "Financing Transactions") that change terms and conditions of previously approved transaction concluded by the Company or result in a transaction to refinance financial debt of the Company, provided that such transactions do not require approval of management bodies in compliance with the laws or other provisions of the Charter and the following conditions are complied with:

- i. postponement of the date of final repayment of borrowed (created) indebtedness of the Company to a later period compared to the repayment date established under the previously

- approved transaction; and
- ii. repayment schedule for borrowed (created) indebtedness of the Company begins no earlier than at other creditors and the average term of borrowed (created) indebtedness of the Company is not less than at other creditors. Thus, the average term of borrowed (created) indebtedness of the Company shall be calculated as follows:

$$T = \frac{\sum_i \Pi_{li} * t_i}{\sum_i \Pi_{li}}$$

где

T - average term

$\Pi_{li}$  - i-th payment on borrowed (created) indebtedness of the Company

$t_i$  - time of the i-th payment on borrowed (created) indebtedness of the Company

and

- iii. remains unchanged or is reduced, in addition, if terms and conditions of the transaction provide for capitalization of interests, the paid portion shall not be less than the one paid at other creditors; and
- iv. in respect of these transactions a new security is created, except for loans and guarantees provided to replace the existing loans and/or guarantees for the previously approved transaction, while not changing the loan subject and/or increasing the amount of guarantee in connection with changed amount of secured obligation subject to criteria specified in clauses i-iii above and subject to proper approval of such loans and guarantees in

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|   | <p style="text-align: center;">compliance with the laws and herewith.</p> <p>When solving issues at the meeting of the Board of Directors, each member of the Board of Directors has one vote. Transfer of vote by one member of the Board of Directors to another one shall not be allowed.</p>  |  |
| - | <p style="text-align: center;"><i>18.17</i></p> <p>Resolution on the following items shall be taken by the General Shareholders' Meeting only upon proposal of the Board of Directors:</p> <ul style="list-style-type: none"> <li>• reorganization of the Company;</li> <li>• splitting and consolidation of shares;</li> <li>• approval of related-party transactions, when in compliance with the laws this issue refers to the competence of the General Shareholders' Meeting;</li> <li>• approval of major transactions where in accordance with the laws this issue refers to the competence of the General Shareholders' Meeting;</li> <li>• acquisition and repurchase by the Company of placed shares in cases stipulated hereby and by the laws;</li> <li>• the Company's inclusion in financial industrial groups, other associations of commercial institutions;</li> <li>• amount of dividends on shares and their payment procedure;</li> <li>• increase of the Company's charter capital by increasing nominal value of shares;</li> <li>• introduction of amendments and supplements into the Company Charter or approval of a new edition of the Company Charter;</li> <li>• approval of the auditor of the Company;</li> <li>• making decision on delegating the powers of the Company's single member executive</li> </ul> | <p><i>Clause was added in accordance with the law.</i></p> |

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|  | <p>body to a commercial organization or manager</p> <ul style="list-style-type: none"> <li>• approval of internal documents regulating the activities of the Company's bodies; and</li> <li>• other items provided for in the laws and herein.</li> </ul>  |   |
| <p><b>21.7.3</b><br/>in case of the decision of the general meeting of shareholders on the handling of the application for delisting of shares of the <b>Company, and (or)</b> the equity securities of the Company convertible into its shares if they voted against the decision or did not participate in the voting.</p> | <p><b>21.7.3</b><br/><b>Resolution on introducing amendments in the Charter eliminating the indication that the company is a public one concurrently with the resolution on the company appeal to the Bank of Russia with a statement about its release from the obligation to disclose information under the laws of the Russian Federation on securities and resolution on applying for delisting shares and equity securities convertible into shares, if they voted against the corresponding resolution or did not participate in the voting.</b></p> | <p><i>This clause was brought in compliance with the legislation.</i></p> |
|  | <p><b>25.9</b><br/>The documents stipulated by clause 25.5 shall be provided by the Company within seven business days of the date a corresponding request was made on the premises of the executive body of the Company, unless the request specifies another later date. Documents of the Company can be familiarized with within business hours determined in the Company, namely, from Monday till Friday from 09:00 a.m. till 06:00 p.m.</p>  | <p><i>This clause was added to comply with the law.</i></p>               |
|  | <p><b>26.3</b><br/>It shall be permitted to reorganize the company with simultaneous combination of various forms stipulated by the laws of the Russian Federation. It shall be permitted to reorganize involving two or more legal entities, including those established in various organizational and legal forms, if applicable laws of the Russian Federation provide for the possibility of transformation of a legal entity of one of such organizational and legal forms into another legal entity of another organizational and legal form.</p>    | <p><i>This clause was added to comply with the law.</i></p>               |

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| <p style="text-align: center;"><b>26.5</b></p> <p>State registration of companies created as a result of reorganization and making entries about the termination of reorganized companies shall be carried out, provided there is evidence of notifying creditors in compliance with the procedure established by this paragraph.</p> <p>If the dividing balance sheet or the acceptance act does not make it possible to determine the successor of the reorganized company, legal entities created as a result of reorganization shall be jointly liable for the obligations of the reorganized company to creditors thereof.</p> | <p style="text-align: center;"><b>26.6</b></p> <p>State registration of companies created as a result of reorganization and making entries about the termination of reorganized companies shall be carried out, provided there is evidence of notifying creditors in compliance with the procedure established by this clause 26.5 hereof.</p> <p>If the dividing balance sheet or the acceptance act does not make it possible to determine the successor of the reorganized company, and if the transfer act or other circumstances result in unfair distributed assets and liabilities of reorganized legal entities during reorganization that led to significant infringement of interests of creditors, the reorganized legal entity and legal entities established as a result of reorganization are jointly and severally liable for such obligation.</p> <p>State registration of the legal entity established as a result of reorganization (in case of registration of several legal entities - the first one in terms of time of state registration) shall be permitted not earlier than expiration of the relevant term for appealing against the resolution on reorganization.</p> | <p><i>This clause was brought in compliance with the legislation.</i></p> |
| <p style="text-align: center;"><b>27.8</b></p> <p>If the Company does not have enough cash to meet the claims of creditors, the liquidation commission shall sell other property of the Company from a public auction in compliance with the procedure established for the implementation of court rulings.</p>   | <p style="text-align: center;"><b>27.8</b></p> <p>27.1. If the Company does not have enough cash to meet the claims of creditors, the liquidation commission shall sell other property of the Company for that in compliance with the laws the foreclosure, auction shall be permitted, except for objects valued over one hundred thousand (according to the approved interim liquidation balance sheet), where the auction is not required for their sale.</p> <p>The liquidation commission shall pay cash amounts to creditors after repayment of current expenses required for liquidation in compliance with the order of priority established by the Civil Code of the Russian Federation, in compliance with the interim balance sheet, starting from the date of the approval thereof, except for creditors of the fifth order of priority, who shall be paid after the expiration of one month after the date of the approval of the interim balance sheet.</p>  | <p><i>This clause was brought in compliance with the legislation.</i></p> |

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