

Frequently Asked Questions:

1. Why is it necessary to hold this Extraordinary General Meeting?

This Extraordinary General Meeting (“EGM”) is one of the stages of an extensive restructuring of the debt of Mechel OAO (hereafter “Debt Restructuring”). 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;
- Approve provision by Mechel OAO of guarantees for the obligations of its subsidiaries to creditor banks, which, according to the current legislation, constitutes a series of related-party transactions, as the subsidiaries are affiliated with the Company’s major shareholder.

2. What will the Company and its shareholders gain from this Debt Restructuring?

As a result of lengthy negotiations with the creditor banks, the Company has managed to obtain restructuring of its and its subsidiaries’ loan obligations. More specifically, it entails:

- extension on repayment of primary loan;
- writing-off a large portion of fines and other penalties assessed by creditors;
- conversion of a part of the currency debt into rubles;
- partial capitalization of accrued interests;
- reduction of interest rates.

Thus, the Debt Restructuring will allow to significantly reduce current cash outflow from Mechel OAO and its subsidiaries, and, thus to stabilize the Group’s financial condition.

3. What is the position of the Company’s Board of Directors?

The Board of Directors recommends that shareholders approve all the resolutions put to vote at the EGM. In accordance with best corporate governance practices, the Board of Directors has established a special committee to evaluate the related-party transactions. The special committee is composed only of independent directors and is chaired by independent member of the Board of Directors Vladimir Korovkin. The Committee has requested and received an independent fairness opinion, confirming that entry into the proposed transactions is in the best interests of the Company and is an important stage in the finalization of the restructuring of the Company’s debt.

4. Who are the consultants of the Company on this Debt Restructuring?

The fairness opinion was provided by Renaissance Capital.

Advisory services on preparation of the EGM and shareholder communication are provided by AMAG (Aneta McCoy Advisory Group Limited).

Proxy solicitation is conducted by Innisfree M&A Incorporated.

5. Who can participate in the EGM?

All shareholders holding ordinary shares and depositary receipts of Mechel OAO as of December 21, 2015 (record date).

6. Why is the participation of minority shareholders so important?

In accordance with current legislation, controlling shareholders do not have the right to vote on related-party transactions, in particular on guarantees by the parent Company for the debt

of its subsidiaries affiliated with controlling shareholders. Therefore, the Debt Restructuring can be fully approved only by a majority of disinterested (minority) shareholders.

7. How can I participate in the EGM?

It is necessary to correctly fill out the voting card, providing all required information about yourself, and send it to the depositary bank or the registrar.

8. Why do I have to disclose both the registration number and the registration date from the trade register or any other accounting register?

In August 2015, the Central Bank of Russia issued an amendment to regulatory requirements on the disclosure of information about holders of depositary receipts to determine their right to participate in shareholder meetings. According to the Instruction of the Central Bank of Russia No. 3680-Y, in order to participate in a general meeting, a foreign corporation holding depositary receipts of Russian issuers shall disclose its name, the number assigned thereto in a trade register or any other government-maintained register in which the entity is registered (if available), as well as the date of registration.

9. Certain banks involved in the Debt Restructuring are included in various sanctions lists. Would I be deemed to be aiding the sanctioned entities if I take part in the EGM?

We have been advised that Mechel OAO is not covered by the U.S./EU sanctions laws because it is not deemed a “U.S. person” or an “EU person,” as defined for the purposes of relevant legislation. But even if Mechel OAO were to be covered by the sanctions regime, the Debt Restructuring should not be deemed a violation of the U.S. or EU sanctions laws, as these laws, generally, prohibit dealing in new equity or debt of sanctioned entities, and the Debt Restructuring would not be considered to be a prohibited dealing in new equity or new debt of a sanctioned entity (under U.S. sanctions) or transferable securities or money market instruments of a sanctioned entity (under EU measures). Therefore, we do not see any obstacles to shareholders’ participation in the EGM to approve the Debt Restructuring.

10. Where can I get additional information on the Debt Restructuring?

All the materials regarding the Debt Restructuring are published on the SEC website (www.sec.gov), as well as on the website of the Company (http://www.mechel.com/shareholders/corporate_governance/shareholders_meeting/). Also, IR officers will be pleased to answer all your questions. Phone number: +7-495-221-88-88, e-mail: ir@mechel.com

11. What will happen if the EGM does not approve proposed resolutions?

If proposed deals with creditors are not properly approved by the EGM, not only certain terms may fail to come into force, but the restructuring at large might be adversely affected.