

**APPROVED**

by the Annual General Shareholders Meeting of  
Mechel Steel Group Open Joint Stock Company

Minutes of the Annual  
General Shareholders Meeting

Chairman of the Meeting

/s/ I.V. Zyuzin  
\_\_\_\_\_ (I. V. Zyuzin)

Secretary of the Meeting

/s/ O.A. Yakunina  
\_\_\_\_\_ (O. A. Yakunina)

**AMENDMENTS TO THE CHARTER OF**  
**Mechel Steel Group**  
**Open Joint Stock Company**  
(hereinafter the “Company”)

*Moscow, 2004*

**1. Article 18.2 of the Company's Charter is stated as follows:**

“18.2 The number of members of the Company's Board of Directors shall be 9, of which at least one-third of the elected members must be independent (independent directors).

An independent director is a member of the Board of Directors who:

- is not currently and has not in the last 3 years been an officer (manager) or employee of the Company, or an officer or employee of a managing organization of the Company, and is not a close family member (spouse, or direct ascendant or descendant: parent, child, grandparent, or grandchild) of a person who is currently or has in the last 3 years been an officer (manager) or employee of the Company, or an officer or employee of a managing organization of the Company;
- is not currently and has not in the last 3 years been an officer of another company in which any officer of the Company is a member of the personnel and compensation committee of the board of directors, or a close family member (spouse, or direct ascendant or descendant: parent, child, grandparent, or grandchild) of a person who is currently or has in the last 3 years has been an officer of another company in which any officer of the Company is a member of the personnel and compensation committee of the board of directors;
- is not an affiliate of any officer (manager) of the Company or of a managing organization of the Company;
- is not an affiliate of the Company or of a current or former internal or external auditor of the Company, or an affiliate of such an affiliate, and is not a close family member (spouse, or direct ascendant or descendant: parent, child, grandparent, or grandchild) of an affiliate of the Company or of a current or former internal or external auditor of the Company, or an affiliate of such an affiliate;
- is not currently and has not in the last 3 years been a senior officer of an organization that is or has been a party to a transaction with the Company under which the money paid or received by the organization in one financial year exceeds 2 percent of the total annual revenue of such organization (and its subsidiaries), and is not a close family member (spouse, or direct ascendant or descendant: parent, child, grandparent, or grandchild) of such a senior officer;
- has not received, and is not a direct family member (spouse, or direct ascendant or descendant: parent, child, grandparent, or grandchild) of a person who has received, more than USD 100,000 in the last 3 years in direct compensation from the Company, other than compensation for participation in the Board of Directors or its committees, or compensation in the form of a pension or other deferred compensation for past services;
- is not a party to obligations of the Company pursuant to which the director could acquire property (or receive money) in an amount equal to or greater than 10 percent of his or her total annual income, other than compensation for participation in the Board of Directors;
- is not a major counterparty of the Company (i.e., a counterparty whose total transaction volume with the Company in one year is equal to or greater than 10 percent of the book value of the Company's assets);
- is not a representative of the State.

After completing 7 years of service as a member of the Board of Directors, an independent director will no longer be deemed independent.

If, after a person's election to the Board of Directors, changes occur or circumstances arise due to which an independent director ceases to be deemed independent, such person shall submit a statement to the Board of Directors setting out such changes and circumstances. In such case, and in any other case when the Board of Directors becomes aware of such changes or circumstances, the Board of Directors shall convey such information to the shareholders, and if necessary call an extraordinary general shareholders meeting to elect a new Board of Directors."

**2. Article 18.12 of the Company's Charter is stated as follows:**

18.12 For purposes of improving the effectiveness and quality of the work of the Board of Directors, the following committees will be formed to perform preliminary examination of the most important questions within the competence of the Board of Directors:

- Strategy, Planning, and Coordination Committee;
- Audit Committee;
- Mining Development Strategy Committee;
- Metallurgy Development Strategy Committee.

The Board of Directors may create a Personnel and Compensation Committee, a Corporate Conflict Resolution Committee, and other permanently standing or temporary (ad hoc) committees. Procedures for the formation and operation of such committees will be defined by bylaws approved by the Board of Directors.

**3. Article 18.15 of the Company's Charter is stated as follows:**

"18.15 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.

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."