

## **APPROVED**

by an Extraordinary General Meeting of Shareholders of  
Mechel Steel Group Open Joint Stock Company

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Chairman of the Meeting

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

Secretary of the Meeting

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

## **BYLAW** **on the General Director of** **Mechel Steel Group Open Joint Stock Company**

### **1. STATUS OF THE GENERAL DIRECTOR**

1.1. The general director is the individual executive body of Mechel Steel Group Open Joint Stock Company (hereinafter the "Company").

1.2. The general director may not simultaneously be the chairman of the board of directors.

1.3. 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.

1.4. An employment contract will be concluded with the general director for the term of office established in the Company's charter. The employment contract will set out the general director's rights and obligations and the time periods and amounts of pay. The employment contract will be signed on the Company's behalf by the chairman of the board of directors or a person authorized by the board of directors.

1.5. In his activity the general director shall be guided by the legislation of the Russian Federation, the Company's charter, this bylaw, and other internal Company documents approved by the general meeting of shareholders and the board of directors, to the extent that they relate to the activity of the general director.

### **2. AUTHORITY OF THE GENERAL DIRECTOR**

2.1. The general director shall manage the Company's current operations and organize the implementation of resolutions of the Company's general meeting of shareholders and board of directors.

2.2. 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 or board of directors, shall be within the competence of the general director.

2.3. The general director shall act on behalf of the Company without a power of attorney, including:

- perform routine management of the Company's operations;
- have the right of first signature on financial documents;
- manage the property of the Company to provide for its current operations, within the limits established by this bylaw and current Russian legislation.

- represent the Company's interests both in the Russian Federation and abroad;
- approve staff lists, conclude employment contracts with the Company's employees, and offer incentives to and impose punishments on the Company's employees;
- enter into transactions on behalf of the Company;
- 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 instructions binding upon all employees of the Company;
- organize the implementation of resolutions of the Company's general meeting of shareholders and board of directors;
- perform other functions necessary to achieve the Company's objectives and ensure the Company's normal operation, in compliance with current legislation and the Company's charter, except functions assigned by the Federal Law on Joint Stock Companies and the Company's charter to other governance bodies of the Company.

2.4. The general director shall submit a report on his work to the General Shareholders Meeting at least once a year.

### **3. TERM OF OFFICE OF THE GENERAL DIRECTOR**

3.1. The general director shall be elected by the board of directors for a term of one year in accordance with the Company's charter.

The term of office of the general director shall run from the time of his election (reelection) until such time as a new general director is elected (reelected) by a meeting of the board of directors held one year later.

The general director may be reelected an unlimited number of times.

3.2. If for whatever reason a new general director is not elected (e.g., no candidate is nominated by the dates and in the manner provided by the charter, all candidates withdraw their candidacies, no candidate receives the required number of votes, elections or not held due to lack of a quorum of the board of directors, or for other reasons), the authority of the current general director shall be extended until such time as a new individual executive body of the Company is elected (reelected).

3.3. If for any reason the general director is unable to exercise his authority (state of health, transfer to new workplace, early termination of his authority by a resolution of the board of directors, etc.), the board of directors shall appoint a temporary general director until such time as a new general director is elected.

The aforesaid resolution shall be adopted by a three-fourths majority of votes of the members of the board of directors participating in the meeting or participating in remote voting.

3.5. In the temporary absence of the general director his authority shall be entrusted to one of the directors or one of the deputy general directors.

The authority of the general director shall be assigned by means of a Company order.

### **6. EARLY TERMINATION OF THE AUTHORITY OF THE GENERAL DIRECTOR**

6.1. The general director may on his own initiative renounce his powers at any time by written notice to the board of directors.

6.2. 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 the Company's internal documents;
- in the cases stipulated by the contract with the general director;
- in other cases provided by current legislation.

6.3. 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 the expiration of his term of office, by agreement of the parties, or unilaterally on the initiative of the general director.

6.4. In case of early termination of the authority of the general director, the authority of the newly elected general director shall continue until the election (reelection) of a new general director by the board of directors five years after the meeting of the board of directors at which the outgoing general director was elected.

## **7. LIABILITY OF THE GENERAL DIRECTOR**

7.1. 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.

7.2. 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.

7.3. Ordinary business conditions and other relevant circumstances shall be taken into account when determining the grounds and extent of the liability of the general director.