

## Mechel OAO

### Comparison of Corporate Governance Practices

The New York Stock Exchange permits us to follow certain home country corporate governance practices, which are different from those required under the New York Stock Exchange's Listing Standards for U.S. companies. The following table sets forth the differences between the New York Stock Exchange corporate governance requirements for U.S. companies under Listing Standard 303A and our current practices.

<u>NYSE Corporate Governance Rules for U.S. Companies</u>	<u>Our Corporate Governance Practices</u>
A majority of directors must be independent, as determined by the board. (Section 303A.01 and 02).	We comply with this requirement.
Non-management directors must meet at regularly scheduled executive sessions without management. (Section 303A.03).	We comply with this requirement.
Listed companies must have a nominating/corporate governance and a compensation committee, each composed entirely of independent directors and having a written charter specifying the committee's purpose and responsibilities, as well as annual performance evaluation of the committee. (Section 303A.04 and 05).	We have a single Committee on Appointments and Remuneration composed entirely of independent directors.
Listed companies must have an audit committee that satisfies the requirements of Rule 10A-3 under the Exchange Act. (Section 303A.06).	We comply with this requirement.
Audit committee must have a minimum of three members and have a written charter specifying the committee's purpose, an annual performance evaluation and its duties and responsibilities. (Section 303A.07(a) and (b)).	We comply with this requirement.
Listed companies must have an internal audit function. (Section 303A.07(c)).	We comply with this requirement.
Shareholders must be given the opportunity to vote on all equity compensation plans and material revisions thereto. (Section 303A.08).	Our charter requires the shareholders meeting to approve remuneration of board members.
Listed companies must adopt and disclose corporate governance guidelines. (Section 303A.09).	We comply with this requirement.
Listed companies must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers. (Section 303A.10).	We comply with this requirement.
The CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards, qualifying the certification to the extent necessary. The CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any material non-compliance with any applicable provisions of the NYSE Listing Standards. Listed companies must submit an executed Written Affirmation annually to the NYSE. In addition, listed companies must submit an interim Written Affirmation each time a change occurs to the board or any of the committees subject to the NYSE Listing Standards. The annual and interim Written Affirmations must be in the form specified by the NYSE. (Section 303A.12).	We comply with this requirement.