

Approved by Annual General Shareholders Meeting  
of Mechel Open Joint-Stock Company

Minutes of Annual General Shareholders Meeting \_\_\_\_\_

Chairperson of Annual General Shareholders Meeting  
\_\_\_\_\_ (V.V. Proskurnya)

Secretary of Annual General Shareholders Meeting  
\_\_\_\_\_ (O.A. Yakunina)

## **Amendments to Bylaw on Collegial Executive Body (Management Board) of Mechel Open Joint-Stock Company**

1. The version of Chapter 2 "Competence of the Management Board" of the Bylaw on Collegial Executive Body (Management Board) of Mechel Open Joint-Stock Company (hereinafter, the Company) to be as follows:

2. Competence of the Management Board

2.1. The Company Management Board's competence includes:

- Elaboration and presentation for review by the Board of Directors of forward-looking plans relating to conduct of the Company's priority lines of operation and proposals as to the strategy of the Company's development;  
Elaboration and development of current economy policy of the Company in regard to major lines of the Company's activity: investment and innovation activities, economy and finance, HR, and social programs;
- Elaboration, study, and presentation for review by the Board of Directors of reports regarding implementation of the Company's investment projects that are worth more than US\$30 mln;
- Elaboration, study, and presentation for review by the Board of Directors of the Company's investment projects that are worth more than US\$50 mln;  
Submission to the Board of Directors of proposals for the Company's placement and acquisition of shares offered and participation (establishment and/or increase in holding) or termination of participation (decrease in holding) of the Company in other entities;
- Approval of the Company's annual and long-term investment programs;
- Approval or modification of policies that are not within the competence of the Board of Directors;
- Approval of the Company's document that prescribes the form, structure, and content of the Company's annual report;
- Taking decisions on approval of a transaction the Company makes in connection with alienation or possibility of alienation of the Company's non-current assets if such non-current assets are worth 10% to 25% of the book value of the

Company's assets determined as of the date the decision on transaction approval is taken;

- Taking decisions regarding the Company's exercise of powers as a shareholder of/participant in other entities when voting at meetings of shareholders/participants in such entities and when candidates are nominated to Boards of Directors, audit commissions, and a position of the Sole Executive Body;

- Establishment of a wage system and development of an incentives system for the Company's employees;

Appointment and discharge of the Secretary of the Management Board;

- Reviewing annual and quarterly financial plans and reporting (documents and other data) on activities of the Company and its affiliated companies the list of which is approved by Management Board of the Company (hereinafter, Enterprises);

- Defining position of the Company or position of representatives of the Company on items on the agenda for General Shareholders Meetings and Board of Directors Meetings of subsidiary Enterprises;

- Resolution of other matters in connection with the Company's day-to-day operations that are suggested for its consideration by the Chairman of the Company's Management Board, the Company's Board of Directors or a holder of 20% or more of the Company's voting shares;

- Provision of recommendations to the executive bodies of the Enterprises regarding the following matters:

- development and implementation of general strategy for Enterprises development, including policies for operations, technology, finance, pricing, sales, investment, social, and HR activities and coordination of Enterprises activities;

- development, approval, and follow-up of annual (quarterly) production and shipment plans, financial targets, budgets, and investment and other programs of Enterprises;

- approval and follow-up of income and expenditure budgets, profit and loss accounts, and cash flow budgets of Enterprises;

- analyzing and summarizing the results of Enterprises activities and developing recommendations for optimization thereof;

- preparation of proposals on key characteristics and terms of issues of securities emittable and dividend policy;

- development of bonus systems for employees of Enterprises;

- approval of key parameters of organizational structures of Enterprises;

- participation (establishment and/or increase in holding) or termination of participation (decrease in holding) of Enterprises in other entities and restructuring of Enterprises;

- approval of a transaction an Enterprise makes in connection with alienation or possibility of alienation of the Enterprise's non-current assets that are worth 20% to 25% of the book value of the Enterprise's assets determined as of the date the decision on transaction approval is taken;

- preparation of proposals on other matters of finance and economy activities of Enterprises.