

APPROVED

By the resolution of the Board of Directors
of Open Joint Stock Company
“Steel Group Mechel”
Minutes of December 10, 2004

BY-LAW

**On the use of information belonging to Open Joint Stock Company
“Steel Group Mechel” (hereinafter the “Company”), disclosure of which may
have a significant effect on the market value of the Company’s stock**

1. General provisions.

1.1. This By-Law on the use of information belonging to Open Joint Stock Company “Steel Group Mechel” (hereinafter the “Company”), disclosure of which may have a significant effect on the market value of the Company’s stock (hereinafter the “By-Law”) has been drafted in accordance with the Civil Code of the Russian Federation, the Federal Law of the RF № 39-FZ of April 25, 1996 “On Securities Market”; the Federal Law of the RF № 208-FZ of December 26, 1995 “On Joint Stock Companies”; the Federal Law of the RF № 24-FZ of February 20, 1995 “On Information, Informatization, and the Protection of Information”, other legislation of the Russian Federation, the Russian Code of Corporate Conduct, approved by the meeting of the Government of the RF of November 28, 2001 and recommended by the Federal Commission on Securities Market of the RF, the Charter, other internal documents of the Company, as well as the listing rules of stock exchanges where the Company’s stock is traded.

1.2. This By-Law shall set the rules and procedures for the use of material information about the Company’s business and the Company itself, its affiliated persons, shares and other tradable securities of the Company and/or its affiliated persons, and transactions with them which is not known to third parties, is not publicly available and the disclosure of which may have a significant effect on the market value of shares and other tradable securities of the Company, as well as information meeting other criteria as set by this By-Law (hereinafter “Information”). The By-Law shall also set restrictions for making deals with the use of the said information, define the group of persons who may have access to such information, and set the responsibility for noncompliance with the provisions of this By-Law.

1.3. The purpose of this By-Law shall be the protection of such information about the Company, its affiliated persons and their business the disclosure of which may damage the Company and its affiliated persons.

2. Information criteria

2.1. For the purposes of this By-Law information about the Company's business and the Company itself, its affiliated persons, shares and other tradable securities of the Company, its affiliated persons and transactions with them which is not known to third parties, is not publicly available and the disclosure of which may have a significant effect on the market value of shares and other tradable securities of the Company shall include the following:

- information which contains official and commercial secrets under the provisions of the civil laws of the Russian Federation;
- information that must be publicly disclosed in accordance with the laws of the Russian Federation on securities markets prior to such mandatory disclosure in accordance with the laws of the RF.

2.2. Information containing official and commercial secrets is such information the legal access to which is restricted, and which has both real and potential commercial value by force of its unavailability to third parties, provided the Company takes the necessary measures for the protection of its confidentiality. The definition of such information and procedures for maintaining confidentiality, the creation, safekeeping, use and transfer of such information shall be regulated by the internal documents of the Company.

2.3. Information containing valuation of stock and/or property status of the Company made on the basis of publicly available information shall not be considered the material information the procedures for the use of which are governed by this By-Law.

3. Persons having access to information (bearers of information)

3.1. Bearers of information are the persons who have access to information the use of which is governed by this By-Law by reason of:

- participation in the statutory capital of the Company and/or its affiliated person;
- membership in the governing bodies of the Company and/or its affiliated person;
- contractual relations with the Company and/or its affiliated person;
- the authority granted to such person in his/her capacity as the government official, or an official representative of the government organization or municipal authorities;
- other individuals and legal entities who either legally or illegally got hold of the information defined above.

3.2. Family members of the persons listed in p. 3.1 of this By-Law shall also be considered bearers of the information.

3.3. Persons listed in p. 3.1 and 3.2 of this By-Law shall:

- notify the Audit Committee of the Board of Directors of the Company about all planned and committed by them transactions with the securities of the Company and/or its affiliated persons;
- maintain confidentiality of the said information in contacts with all outside parties.

4. Restrictions for the use and disposal of the information

4.1. Persons listed in article 3 of this By-Law shall not:

- make deals with securities, including the term deals, with the use of the information, the use of which is governed by this By-Law in their own interests or in the interest of third parties;
- disclose to third parties or make available to them the information, the use of which is governed by this By-Law; or any other information deriving from it, with the exception of the instances provided for by the applicable legislature;
- issue to third parties recommendations on securities trading based on such information.

5. Liability

5.1. In case of noncompliance with the provisions of this By-Law the persons listed in article 3 of this By-Law shall reimburse to the Company the damage caused by such noncompliance.

5.2. The persons having access to the information, the use of which is governed by this By-Law, by force of the employment contract with the Company and/or its affiliated person may also be subject to disciplinary actions in accordance with the applicable laws of the Russian Federation.