

**DRAFT DECISIONS OF THE ANNUAL GENERAL SHAREHOLDERS' MEETING OF
MECHEL STEEL GROUP OPEN JOINT STOCK COMPANY
TO BE HELD ON JUNE 28, 2005.**

1. Wording of Issue 1 in the Agenda put to the vote:
“Approval of the Company’s Annual Report.”

Wording of the Decision on Issue 1 put to the vote:

“To approve the Annual Report of Mechel Steel Group Open Joint Stock Company for 2004.”

2. Wording of Issue 2 in the Agenda put to the vote:
“Approval of the Annual Financial Statements inclusive of the Income Statement (Profit and Loss Account) of the Company.”

Wording of the Decision on Issue 2 put to the vote:

“To approve the Annual Financial Statements inclusive of the Income Statement (Profit and Loss Account) of the Company for 2004.”

3. Wording of Issue 3 in the Agenda put to the vote:
“Distribution of profits including payment (declaration) of dividends – except the profits distributed as dividends based on the results of the Quarter I, first six months, and first nine months of the financial year – and losses of the Company based on the financial year results”.

Wording of the Decision on Issue 3 put to the vote:

“ 1. To pay out dividends on ordinary registered non-documentary shares based on the Company’s operational results for 2004 in the amount of RUR 13.7 per share. To effect payment with cash disbursement via non-cash transaction no later than December 31, 2005.

2. To recommend the Company to approve distribution of profits based on the results of the financial year 2004 according to the proposed variant, as follows:

- for creation of reserve: RUR 16,651,373.00;**
- for payment of dividends on the shares placed: RUR 5,702,909,206.50; and**
- net profit balance of RUR 3,862,907,903.47 to be left undistributed.”**

4. Wording of Issue 4 in the Agenda put to the vote:
“Election of Members of the Company’s Board of Directors”

Wording of the Decision on Issue 4 put to the vote:

“To elect the following persons to Members of the Board of Directors of Mechel Steel Group Open Joint Stock Company:

**Igor V. Zyuzin
Alexander E. Yevtushenko
Alexey G. Ivanushkin**

**Vladimir F. Iorich
Serafim V. Kolpakov
Valentin V. Proskurnya
A. David Johnson
Roger I. Gale
Sir Andrew M. Wood.”**

5. Wording of Issue 5 in the Agenda put to the vote:
“Election of Members of the Company’s Audit Commission.”

Wording of the Decision on Issue 5 put to the vote:

“To elect the following persons to Members of the Audit Commission of Mechel Steel Group Open Joint Stock Company:

**Dmitriy B. Kletskiy
Lyudmila E. Radishevskaya
Eleonora V. Zolotareva
Elena A. Tuvaeva.”**

6. Wording of Issue 6 in the Agenda put to the vote:
“Approval of the auditor of the Company”

Wording of the Decision on Issue 6 put to the vote:

“To approve Financial and Accounting Consultants Limited Liability Company to be the auditor of Mechel Steel Group Open Joint Stock Company.”

7. Wording of Issue 7 in the Agenda of the Annual General Meeting of Shareholders of Mechel Steel Group Open Joint Stock Company put to the vote:
“Approval of the new version of the Company’s Charter.”

Wording of the Decision on Issue 7 put to the vote:

“To approve the new version of the Charter of Mechel Steel Group Open Joint Stock Company.”

8. Wording of Issue 8 in the Agenda put to the vote:
“Approval of the new version of the By-Law on Remuneration to Members of the Board of Directors of Mechel OAO and Compensation of Their Expenses Connected with Their Execution of Functions of Members of the Board of Directors.”

Wording of the Decision on Issue 8 put to the vote:

“To approve the new version of the By-Law on Remuneration to Members of the Board of Directors of Mechel OAO and Compensation of Their Expenses Connected with Their Execution of Functions of Members of the Board of Directors.”

9. Wording of Issue 9 in the Agenda of the Annual General Meeting of Shareholders of Mechel Steel Group Open Joint Stock Company put to the vote:
“Making Decision on Approval of Transactions”

Wording of the Decisions on Issue 9 put to the vote:

"To approve concluding a loan agreement (the loan agreements) by Mechel OAO as a transaction (several interrelated transactions) of interest on the conditions as follows:

- Parties (beneficiaries) of the transaction (several transactions): Inter-Rail Transport Limited, Littel Echo Invest Corp., Mechel Trading AG (hereinafter individually referred to as the "Lender"); and Mechel OAO (hereinafter referred to as the "Borrower");**
- Subject matter of the transaction (several transactions): The Lender undertakes to lend monetary resources to the Borrower, and the Borrower undertakes to repay the amount received under the loan agreement and top pay out interest for utilization of the monetary resources.**
- Price of the transaction (several transactions): maximum cap of the monetary resources granted under the loan agreement (agreements) amounts to US\$ 200 million.**
- Other essential conditions of the transaction (several transactions): interest rate for utilization of the loan is established in accordance with the loan agreement (agreements) at six (6) % per annum; tenor of the loan is to be three (3) years."**