

**APPROVED**

By the Extraordinary General Meeting of  
Shareholders of Mechel OAO  
dated \_\_\_\_\_.

Chairman of the Extraordinary General Meeting  
of Shareholders

\_\_\_\_\_ (V. V. Proskurnya)

Secretary of the Meeting

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

**BYLAWS**  
**On the Sole Executive Body**  
**(General Director) of**  
**Mechel Open Joint Stock Company**

Moscow, 2007.

## **1. GENERAL PROVISIONS**

This Bylaw establishes, in accordance with the Civil Code of the Russian Federation, the Federal Law *On Joint Stock Companies*, and other laws and regulations of the Russian Federation and the Charter of Mechel Open Joint Stock Company (hereinafter the “Company”), the procedure for activities, rights, and obligations of the Company’s sole executive body, General Director (hereinafter the “General Director”).

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

- 2.1. The General Director is the individual executive body of Mechel Open Joint Stock Company.
- 2.2. The General Director may not simultaneously be the Chairman of the Board of Directors, or a member of the audit commission or counting commission of the Company.
- 2.3. 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.
- 2.4. The General Director shall perform functions of the chairman of the collegial executive body (Management Board) in the manner provided for by the Company’s Charter and other internal documents, and the current legislation of the Russian Federation.
- 2.5. The General Director shall be accountable to the Board of Directors and General Shareholders’ Meeting.
- 2.6. The General Director may not be a member of the audit commission and/or counting commission of the Company.
- 2.7. 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 of the Company.
- 2.8. 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 of the Company, to the extent that they relate to the activity of the General Director.
- 2.9. The labor legislation of the Russian Federation shall be applicable to the relations between the Company and the General Director insofar as it does not contradict to the provisions of the Federal Law *On Joint Stock Companies*.

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

- 3.1. The General Director shall manage the Company’s current operations within the competence thereof and organize the implementation of resolutions of the Company’s General Meeting of Shareholders and Board of Directors.
- 3.2. 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, Board of Directors of the Company, or collegial executive body of the Company shall be within the competence of the General Director.
- 3.3. General Director of the Company shall act on behalf of the Company without a power of attorney, including the following:
  - perform routine management of the Company operations;
  - have the right of the first signature under financial documents;
  - manage the property of the Company to ensure current operations thereof within the limits established by the Charter thereof and the current law of Russia, within his/her competence;
  - represent the interests of the Company both in the Russian Federation and abroad;
  - approve staff, make labor contracts with employees of the Company, reward employees and impose penalties thereon;
  - enter into transactions on behalf of the Company and within his/her competence;

- 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 give instructions obligatory for all employees of the Company;
- organize the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors of the Company; and
- perform other functions necessary to achieve the aims of the Company and to provide normal work thereof, in compliance with the current law and the Charter of the Company, except for the functions laid upon other management bodies of the Company by the Federal Law on Joint Stock Companies and the Charter of the Company.

3.4. The General Director of the Company shall comply with the requirements of the Code of Business Conduct and Ethics approved by the Company's Board of Directors.

3.5. Upon resolution of the General Meeting of Shareholders passed on the basis of the proposal of the Board of Directors, the authority of the General Director may be laid on a managing organization (or a manager) on a contractual basis.

3.6. The General Director shall present a report on the work thereof to the General Meeting of Shareholders at least once a year.

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

4.1. The General Director shall be appointed by the Board of Directors for a period of one year in accordance with the Company's Charter.

4.2. The General Director may be reappointed an unlimited number of times.

4.3. If for whatever reason a new General Director is not appointed the authority of the current General Director shall be extended until such time as a new individual executive body (General Director) of the Company is appointed.

4.4. 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 new General Director.

4.5. In the temporary absence of the General Director his authority shall be entrusted to a person empowered by the General Director with the respective Company order thereof.

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

5.1. The General Director may on his own initiative renounce his powers at any time by written notice to the Board of Directors in the manner provided for by the current legislation of the Russian Federation.

5.2. 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; and
- in other cases provided by current legislation.

5.3. 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.

5.4. The General Director shall not be entitled to carry out any other activity in addition to the management of current operations of the Company, except for the membership of the General Director, upon consent of the Company, in management bodies of other legal entities.

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

6.1. 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.

6.2. 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.

6.3. 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.

## **7. FINAL PROVISIONS**

7.1. Approval of this Bylaw, amendments and additions thereto shall be made by the General Shareholders' Meeting of the Company. Resolution on approval thereof, making amendments and additions thereto shall be passed by majority of the votes of the owners of the Company shares participating in the meeting.

7.2. Proposals on making amendments and additions to this Bylaw shall be made in the manner provided for by the Charter concerning making proposals on introducing changes into agenda of the General Shareholders Meeting.

7.3. If changes to the law or regulations of the Russian Federation cause any clauses of this Bylaw to come into conflict with the changed law or regulations, the conflicting clauses lose legal force and effect, and pending changes to the Bylaw, the Shareholders and the Company shall be governed by the law and regulations of the Russian Federation.