

Current version of Mechel OAO's Regulation of the Board of Directors (<i>an old version</i>)	New version of Mechel Regulation of the Board of Directors (<i>a new version</i>)	
<p>Article 1. Bylaw on the Board of Directors This bylaw on the Board of Directors of Mechel Open Joint Stock Company (hereinafter the "Company") defines, in accordance with the Civil Code of the Russian Federation,</p>	<p>Article 1. Regulation of the Board of Directors This Regulation of the Board of Directors of Mechel Public Joint Stock Company (hereinafter the "Company") is prepared in accordance with the Civil Code of the Russian Federation,</p>	<p><i>The organizational and legal form of the Company was brought in compliance with the requirements prescribed by Law on Joint Stock Companies.</i></p>
<p>Article 2. Terms and Definitions 1. For the purposes of this Regulation the following terms and definitions are used: “independent director” is a member of the Board of Directors that can be recognized as “independent” only after the Board of Directors confirms that such a member of the Board of Directors is not in material business relations with the Company or its subsidiaries (directly or as a partner, shareholder or an official of an organization that has such relations with the Company or its subsidiaries). In addition, a member of the Board of Directors may not be recognized as independent if:</p> <ul style="list-style-type: none"> a) a member of the Board of Directors is currently (or was within the past 3 years) an employee of the Company or its subsidiaries, or immediate family member of a member of the Board of Directors is currently (or was within the last 3 years) an official of the Company or its subsidiaries; b) a member of the Board of Directors or its immediate family member is currently (or was within the last 3 years) an official of other company (or its subsidiaries), and any of the present officials of the public company is or was a member of the compensation committee of such a company or its subsidiary; c) a member of the Board of Directors is an affiliated person of any official (manager) of the 	<p>Article 2. Terms and Definitions 2. For purposes of this bylaw, the following terms and definitions are used: “independent director” is a director who can be treated as independent after the Board of Directors affirmatively determines that the director has no material relationship with the Company and its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company or its subsidiaries). In addition, a director is not independent if:</p> <ul style="list-style-type: none"> a) the director is, or has been within the last three years, an employee of the Company or its subsidiaries, or has an immediate family member who is, or has been within the last three years, an executive officer, of the Company or its subsidiaries; b) the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company or its subsidiaries where any of the listed company’s present executive officers at the same time serves or served on that company’s or its subsidiaries’ compensation committee; c) the director is an affiliate of any officer (manager) of the Company or of a managing organization of the Company; d) the director is a current partner or employee of a firm that is the Company’s or its subsidiaries’ internal or external auditor, or the director has an immediate family member who is a current partner or employee of a firm that is the 	<p><i>Term “Independent Director” was brought in compliance with the requirements prescribed by new version of the charter and by listing rules.</i></p>

Company or the Company's managing organization;

- d) a member of the Board of Directors is currently (or was within the last three years) a partner or an employee from a firm that performs internal and external audit at the Company or its subsidiaries, or immediate family member of a member of the Board of Directors is currently (or was within the last three years) a partner or an employee from a firm that performs internal and external audit at the Company or its subsidiaries, or a member of the Board of Directors or its immediate family member within the last three years was a partner or an employee of such a firm and was personally involved in the audit of a registered company within this period;
- e) a member of the Board of Directors is a present employee (or immediate family member of a member of the Board of Directors is a present official) of a partner (or its subsidiaries) that paid to and received the monetary funds from the Company and its subsidiaries for the property or services in the amount exceeding the maximum of the two values – USD 1 mln or 2% of consolidated gross revenue of such a partner and its subsidiaries for any of the last 3 financial years;
- f) a member of the Board of Directors or its immediate family member received from the Company or its subsidiaries during 12 month-period over the last 3 years more than USD 120 thousand as direct compensation (in addition to compensation as a member of the Board of Directors and(or) a member of the committee of the Board of Directors, as well as pensions and other forms of deferred compensation for prior activity not related to the present activity);
- g) a member of the Board of Directors is a party to obligations with the Company pursuant to which it can acquire property (receive monetary funds)

Company's or its subsidiaries' internal or external auditor;

e) the director is a current employee, or an immediate family member is a current executive officer, of a company or its subsidiaries that has made payments to, or received payments from, the Company or its subsidiaries for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's and its subsidiaries' consolidated gross revenues;

f) the director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the Company or its subsidiaries, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

g) the director is a party to obligations of the Company pursuant to which the director could acquire property (or receive money) in an amount equal to or greater than 10 percent of his or her total annual income, other than compensation for participation in the Board of Directors;

h) the director is not a major counterparty of the Company (i.e., a counterparty whose total transaction volume with the Company in one year is equal to or greater than 10 percent of the book value of the Company's assets);

i) the director is serving as such for more than 7 years totally. When calculating the period of service one should consider the period such director served as a director of the BD of the legal entity that was further on reorganized if this director at the moment is an elected director of the successor's Board of Directors;

j) the director is not a state representative, and not a person associated with the government or any municipal body.

An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and

<p>in the amount of minimum 10% of its total annual income, other than compensation for participation in the Board of Directors' activities;</p> <p>h) a member of the Board of Directors is a major counterparty of the Company (i.e. counterparty the total amount of transactions with in one year is less than 10% of the book value of the Company's assets);</p> <p>i) and is not a representative of a State.</p> <p>The status of independent director shall be determined by resolution of the Board of Directors subject to applicable laws, the rules of the exchange where the Company's securities are traded, the Company's Charter and internal documents, and other relevant factors.</p>	<p>anyone (other than domestic employees) who shares such person's home. The term "officer" shall mean a company's president, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any vice-president of the company in charge of a principal business unit, division or function (such as sales, administration or finance), any other officer who performs a policy-making function, or any other person who performs similar policy-making functions for the company. Officers of the company's subsidiaries shall be deemed officers of the company if they perform such policy-making functions for the company.</p> <p>The status of independent director shall be determined by resolution of the Board of Directors subject to applicable legislation, the rules of the exchange on which the Company's securities are traded, the Company's Charter and internal documents, and other relevant factors.</p>	
<p>Article 4. Goals and principles of Board of Directors</p> <p>2.To achieve these goals, the Board of Directors shall be guided by the following principles:</p> <ul style="list-style-type: none"> - observing the Russian law to avoid limitation of shareholder rights to manage the Company as well as receive dividends and information about the Company; 	<p>Article 4. Objectives and principles of Board of Directors</p> <p>1. To achieve these objectives, the Board of Directors shall be guided by the following principles:</p> <ul style="list-style-type: none"> – in accordance with the laws of the Russian Federation to avoid limitation of shareholder rights to manage the Company's affairs, receive dividends and information about the Company; 	<p><i>This article was brought in compliance with active legislation.</i></p>
<p>Article 7. Rights and Obligations of a Member of the Board of Directors</p> <p>Members of the Board of Directors have the right:</p> <ul style="list-style-type: none"> • to demand information (documents and materials) from officers and employees of the Company in the manner established by this bylaw, 	<p>Article 7. Rights and Obligations of a Member of the Board of Directors</p> <p>Members of the Board of Directors have the right:</p> <ul style="list-style-type: none"> – to demand information (documents and materials) from officials and employees of the 	<p><i>This article was brought in compliance with active legislation.</i></p>

<p>including from the Company's executive body;</p> <ul style="list-style-type: none"> • to get advice from any employee or manager of the Company as well as from an external or independent advisor of the Company; <p>in exchange for performing their duties, to receive compensation and/or reimbursement of expenses associated with performance of the functions of member of the Board of Director in the circumstances and amount established by a resolution of the general meeting of shareholders of the Company;</p> <ul style="list-style-type: none"> • to inspect and obtain copies of the minutes of meetings of the Board of Directors and other collective bodies of the Company; • to demand that their dissenting opinions on agenda items or adopted resolutions be recorded in the minutes of a meeting of the Board of Directors; • to voluntarily resign their powers, with notice to the Company at least 45 calendar days in advance. 	<p>Company in accordance with the procedure established by this Regulation, including from the Company's executive body;</p> <ul style="list-style-type: none"> – to get advice from any employee or manager of the Company as well as from an external or independent advisor of the Company; – in exchange for performing their duties, to receive compensation and/or reimbursement of expenses associated with performance of the functions of member of the Board of Director in the circumstances and amount established by a resolution of the general meeting of shareholders of the Company; – to inspect and obtain copies of the minutes of meetings of the Board of Directors and other collective bodies of the Company; – to demand that their dissenting opinions on agenda items and adopted resolutions should be recorded in the minutes of a meeting of the Board of Directors; 	
<p>Article 9. Duties of the Individual Executive Body and Other Officers and Employees of the Company to Comply with Requests of Members of the Board of Directors</p> <p>1. The Company's Sole Executive Body, members of the Company's Collective Executive Body and/or the Company's other officers and employees shall provide any information required by any director relating (directly or indirectly) to the Company's business, except for private information or information breaching the family secret, secrecy of correspondence, telephone conversations, postal, telegraph and personal correspondence.</p>	<p>Article 9. Duties of the Individual Executive Body and Other Officials and Employees of the Company to Comply with Requests of Members of the Board of Directors</p> <p>1. The Company's Sole Executive Body, members of the Company's Collective Executive Body and/or the Company's other officials and employees shall provide any information required by any member relating (directly or indirectly) to the Company's business, except for private information or information breaching the family secret, secrecy of correspondence, phone conversations, postal, telegraph and personal correspondence.</p>	<p><i>The duties of the collegial executive body were added into the article.</i></p>

<p>Article 13. Duties of the Secretary of the Board of Directors</p> <p>1. The secretary of the Board of Directors shall:</p> <ul style="list-style-type: none"> • keep and prepare the minutes of meetings of the Board of Directors; • tally the results of voting on resolutions; • keep records and store incoming documents and copies of outgoing documents of the Board of Directors; • notify the directors of the Board meetings well in advance; • store the minutes of meetings of the Board of Directors; • store the resolutions of the Board of Directors adopted by poll (remote voting); • store ballots sent to the Board of Directors by members of the Board of Directors for the adoption of decisions by poll (remote voting); • perform other functions in accordance with this Bylaw, internal Company documents, and instructions of the chairman of the Board of Directors. 	<p>Article 13. Duties of the Secretary of the Board of Directors</p> <p>1. The Secretary of the Board of Directors shall:</p> <ul style="list-style-type: none"> – keep and prepare the minutes of meetings of the Board of Directors; – tally the results of voting on resolutions; – keep records and store incoming documents and copies of outgoing documents of the Board of Directors; – notify the members of the Board of Directors of the meetings of the Board of Directors; – distribute the ballots to the members of the Board of Directors for resolution adoption by the Board of Directors adopted by poll (absentee voting) – store the minutes of meetings of the Board of Directors; – store the resolutions of the Board of Directors adopted by poll (absentee voting); – store ballots sent to the Board of Directors by members of the Board of Directors for the resolution adoption by poll (absentee voting); – perform other functions in accordance with this Regulation, Company internal documents, and instructions of the Chairman of the Board of Directors. 	<p><i>This article was brought in compliance with the rest of the articles of the Regulation.</i></p>
<p>Article 17. Notification of Members of the Board of Directors concerning the Calling and Holding of a Meeting of the Board of Directors</p> <p>1. All directors shall be notified of the Board meetings. Notice of the Board meeting shall be sent to all directors in writing or in any other way they may find convenient (including by post, telegraph, teletype, telephone, email or otherwise).</p>	<p>Article 17. Notification of Members of the Board of Directors concerning the Convening and Holding of a Meeting of the Board of Directors</p> <p>1. All members of the Board of Directors shall be notified of the Board of Directors meetings. Notice of the Board of Directors meeting shall be sent to all members of the Board of Directors in writing or in any other way they may find convenient (including by post, telegraph, teletype, phone, email or otherwise).</p>	<p><i>This article was brought in compliance with the rest of the articles of the Regulation.</i></p>

<p align="center">Article 25. Resolutions of the Board of Directors</p> <p>2. When the Company's Charter provides that the votes of removed members of the Board of Directors are to be disregarded in the adoption of a resolution, "removed members" shall be understood to mean:</p> <p>...</p> <ul style="list-style-type: none"> • persons who have voluntarily resigned their powers as members of the Board of Directors and have notified the Company in writing of their resignation; 	<p align="center">-</p>	<p align="center"><i>This article was excluded as contradicting to the law.</i></p>
<p align="center">Article 26. Entry into Force of Resolutions of the Board of Directors</p> <p>2.A resolution of the Board of Directors adopted by way of remote voting will enter into force on the date when a copy of the minutes is sent to the members of the Board of Directors, but no later than 6 days after the deadline for receipt of ballots.</p>	<p align="center">Article 26. Entry into Force of Resolutions of the Board of Directors</p> <p>2.A resolution of the Board of Directors adopted by virtue of absentee voting will enter into force on the date when the ballot acceptance ends.</p>	<p align="center"><i>It was brought in compliance with the law.</i></p>
<p align="center">Article 27. Adoption of Resolutions of the Board of Directors by Remote Voting</p> <p>1. The Board of Directors may not adopt the following resolutions by remote voting:</p> <ul style="list-style-type: none"> • approval of the priority lines and budgets of the Company; 	<p align="center">Article 27. Adoption of Resolutions of the Board of Directors by Absentee voting</p> <p>1. The Board of Directors may not adopt the following resolutions by absentee voting:</p> <ul style="list-style-type: none"> - determination of the main lines of the Company's activities and their material change, including approval of the annual and quarterly budgets (financial plans); 	<p align="center"><i>This article was amended with the consideration of the new competency of the Board of Directors by charter.</i></p>
<p align="center">Article 37. Audit Committee of the Board of Directors</p> <p>1. The Audit Committee of the Board of Directors</p>	<p align="center">Article 37. Audit Committee of the Board of Directors</p> <p>1. The Audit Committee of the Board of Directors shall ensure information disclosure by the</p>	<p align="center"><i>It was brought in compliance with the requirements prescribed by Code of Corporate Management.</i></p>

<p>shall ensure information disclosure by the Company and selection of candidates for the position of the Company's auditor for approval by its General Shareholders Meeting. The purpose of the Audit Committee of the Board of Directors is to assist the Board of Directors in monitoring: the reliability of financial reports; compliance by the Company with laws and regulations; the expertise and independence of the external auditor; and the performance of internal audit functions and independent auditor functions by the Company.</p>	<p>Company and selection of candidates for the position of the Company's auditor for approval by its General Shareholders' Meeting established for preliminary consideration of the issues referred by the Company Charter to the competence of the Board of Directors, issues of cooperation with the legal entities controlled by the Company, other interested parties, as well as provides regulation of relations between the shareholders, Board of Directors and executive bodies of the Company.</p> <p>The committee is established in order to build an efficient corporate governance system in the Company that meets the international standards and promotes improvement of the governance efficiency to guarantee protection of the rights and interests of the shareholders and investors in order to increase the investment attractiveness of the Company's securities, assist the Board of Directors in its exercising control over the reliability of the Company financial reports, Company compliance with the legal and regulatory requirements, qualification and independence of the external auditor, as well as in order to ensure that the Company fulfills the functions of the internal and independent auditor.</p>	
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* Most material amendments made in **Mechel OAO's** Regulation of the Board of Directors are given