

## **DRAFT RESOLUTIONS OF THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING:**

### ***Item 1 on the Agenda:***

“Approval of the Following Interrelated Transactions, Such Transactions Being a Major Transaction: (i) Underwriting Agreement; (ii) the Aggregate of All Transactions for Placement of the Company Preferred Shares in a Public Offering, Including Those Being Placed through Placement of the GDRs; and (iii) the Deposit Agreement.”

### ***Draft resolution:***

To approve making the following interrelated transactions, such transactions being a major transaction:

- (i) The Underwriting Agreement (hereinafter, the “Underwriting Agreement”), to be concluded between the Company and the underwriting banks: Morgan Stanley & Co. International plc, Renaissance Securities (Cyprus) Limited, and KIT Finance Investment Bank (Open Joint Stock Company), and/or their affiliates and other persons that may be specified in the Underwriting Agreement or in the Annex thereto as the underwriters (hereinafter jointly referred to as the “Underwriters”),
- (ii) The aggregate of all transactions for placement of the Company Preferred Shares in a public offering, including those being placed through placement of the GDRs, (hereinafter, the “Placement Transactions”), to be made between the Company and persons made offers to the Company regarding acquisition of the Company Preferred Shares in the procedure stipulated in the resolution on issuance of the Company Preferred Shares; and
- (iii) the Deposit Agreement (hereinafter, the “Deposit Agreement” concluded between the company and the depositary bank (Deutsche Bank Trust Company Americas and/or its affiliates, or any other depositary bank appointed by the Company, hereinafter, the “Depositary bank”);

on the following essential terms and conditions:

### **1. Parties to (Beneficiaries of) the transaction:**

- (i) Parties to (Beneficiaries of) the Underwriting Agreement):

Parties: The Company and the underwriting banks, Morgan Stanley & Co. International plc, Renaissance Securities (Cyprus) Limited, and KIT Finance Investment Bank (Open Joint Stock Company) and/or their affiliates, and other persons that may be specified in the Underwriting Agreement as the underwriters.

Beneficiaries: other persons which/who may be covered by the Indemnity and Contribution provisions under the Underwriting Agreement

- (ii) Parties to (Beneficiaries of) the Placement Transactions:

The Company and persons determined by the Company, pursuant to the resolution on the issue, from the persons made their offers regarding acquisition of the Company Preferred Shares being placed in a public offering, including those being placed through placement of the GDRs, within the term and according to the procedure stipulated in the resolution on issue of the Preferred Shares; and

- (iii) Parties to (Beneficiaries of) the Deposit Agreement

The Company, Depositary, and holders of GDRs.

### **2. Subject of the Transaction:**

- (i) Subject of the Underwriting Agreement:

- (a) Provided the preliminary conditions determined in the Underwriting Agreement are met and implemented, the Underwriters shall ensure acquisition from the Company or acquire themselves, on the terms of the Underwriting Agreement, the Company preferred registered book-entry shares with the nominal value of RUR10.00 (Russian Rubles Ten even) each (hereinafter and *supra*, the “Preferred Shares”) in the quantity set forth in the Underwriting

Agreement, but not to exceed 55,502,766 preferred shares including those being placed through the placement of GDRs;

- (b) The Company makes certain Representations and Warranties in favor of the Underwriters, which, specifically, may concern powers of the Company for concluding the Underwriting Agreement, its legal status, fulfillment of contractual and other obligations, Preferred Shares, completeness and reliability of information disclosure in the Global Prospectus to be prepared in connection with the public offering of the Company Preferred Shares, including those being placed through placement of the GDRs, financial statements of the Company, business and other activities of the Company, financial state and legal status of the Company, and any other matters related to the Company and public offering of its Preferred Shares, including those being placed through placement of the GDRs;
- (c) The Company undertakes Indemnity and Contribution commitments to the Underwriters and other persons, who/which may be covered by the Indemnity and Contribution provisions, in full, in the events set forth in the Underwriting Agreement and in compliance with such, including, without limitation, those resulted from any breach of the Company of any representations, warranties or obligations contained in the Underwriting Agreement, and undertakes otherwise in connection with the public offering of the Preferred Shares, including those being placed through placement of the GDRs.

(ii) Subject of the Placement Transactions:

Persons determined by the Company, pursuant to the resolution on issuing, from the persons made their offers regarding acquisition of the Company Preferred Shares being placed in a public offering within the term and according to the procedure stipulated in the resolution on issuance of the Preferred Shares, shall acquire from the Company preferred registered book-entry shares with the nominal value of RUR10.00 (Russian Rubles Ten even) each (hereinafter, the “Preferred Shares”) in the quantities set forth in such offers.

(iii) Subject of the Deposit Agreement

The Company shall deposit the Preferred Shares, in the quantity set forth in the Underwriting Agreement and Deposit Agreement, to the account of the Depositary, its affiliate or any person appointed by the Depositary, and the Depositary undertakes issuing the GDRs certifying the rights to such Preferred Shares, establishing GDRs program, and providing services to the Company and GDR holders in connection with such program in accordance with the terms and conditions of the Deposit Agreement.

**3. Price and other essential terms of the transaction:**

Price of the approved interrelated transactions being a major transaction is determined proceeding from the following:

- (i) all proceeds from the sale of the Preferred Shares, including those being placed through placement of the GDRs, under the Underwriting Agreement, which can be received by the Company as the result of placement of the Preferred Shares in public offering, including those being placed through placement of the GDRs; the placing price of the Preferred Shares is to be determined by the Board of Directors in the procedure stipulated in the resolution on issue of the Preferred Shares, based on collection and consideration of applications expressing interest from potential investors in accordance with the market practices.
- (ii) all obligations of the Company under the Underwriting Agreement, including:
  - (a) obligations of the Company to pay remuneration to the Underwriters determined based on the market conditions similar to conditions of such transactions, proceeding from the quantity and price of the Company Preferred Shares, being placed, including those being placed through placement of the GDRs, and the amount of expenses and costs reimbursable to the Underwriters;
  - (b) obligations of the Company to reimburse or compensate for potential expenses, costs and/or damage of and/or to the Underwriters and other persons, which/who may be covered by the Indemnity and Contribution provisions, in full, in the events set forth in the Underwriting Agreement and in compliance with such. The Indemnity and Contribution terms must be common for such type of transactions and conform to market practices.

(iii) obligations of the Company to reimburse the costs of the Depositary determined on the market conditions similar to terms of such transactions, pursuant to the terms of the Deposit Agreement

Price of the approved interrelated transactions being a major transaction may amount to over 50% (fifty percent) of the book value of the Company's assets as recorded in its financial statements prepared in accordance with the Russian Accounting Standards as of the latest reporting date preceding the date of the major transaction (the first major transaction from the aggregate of interrelated transactions).

The price of the property being alienated and acquired by the Company for the purpose of approval of the interrelated transactions being a major transaction, including the Underwriting Agreement, the aggregate of all transactions for placement of the Company preferred shares in a public offering, and the Deposit Agreement, as well as other terms and conditions of these transactions, conforms to market conditions.

4. To commission the Company Chief Executive Officer I. V. Zyuzin and/or his authorized person with performing on behalf of the Company all actions necessary for the Company's concluding of the Underwriting Agreement, including final approval and signing of the Underwriting Agreement and all documents related to such, as well as the placement transactions and the Deposit Agreement."

### ***Item 2 on the Agenda:***

"Approval of a Major Transaction, Such Transaction Being At the Same Time a Transaction of Interest."

### ***Draft resolution:***

"To approve making the major transaction being a transaction of interest on the following essential terms:

**Parties to (Beneficiaries of) the transaction:** Mechel OAO and Mechel Mining Open Joint Stock Company;

**Subject of the Transaction:** Pursuant to the resolution of the sole founder of Mechel Mining Open Joint Stock Company dated April 11, 2008, Mechel OAO undertakes contributing, as its payment for 12,217,800,000 ordinary registered shares of Mechel Mining Open Joint Stock Company with the nominal value of RUR10.00 (Russian Rubles Ten even) per share subject to placement to Mechel OAO as its sole founder, as follows:

- 33,623,566 ordinary registered shares of Southern Kuzbass Coal Company OAO (state registration number of the issue being 1-02-10591-F) owned by Mechel OAO based on its right of ownership;
- 214,217 ordinary registered shares of Korshunov Mining Plant OAO (state registration number of the issue being 1-01-20992-F) owned by Mechel OAO based on its right of ownership; and
- cash means of RUR500,003,203.00 (Russian Rubles Five hundred million three thousand two hundred three even),

and acquires 12,217,800,000 ordinary registered book-entry shares of Mechel Mining Open Joint Stock Company subject to placement to Mechel OAO as its sole founder.

**Price and other essential terms of the transaction:** Price of the transaction is determined proceeding from the following:

- price (monetary value) of 33,623,566 ordinary registered shares of Southern Kuzbass Coal Company OAO (state registration number of the issue being 1-02-10591-F) being contributed by the founder of Mechel Mining Open Joint Stock Company, Mechel OAO, as its payment for the shares of the founded company to be acquired, in the amount of RUR104,650,751,187.00 (Russian Rubles One hundred four billion six hundred fifty million seven hundred fifty-one thousand one hundred eighty-seven even), using for the purpose of its determination the amount of the property market value as valued by an independent valuator, Rosexpertiza OOO (located at: 11 Masha Poryvayeva St, Moscow, valuator's liability insurance police (contract) No. 433-002685/08);
- price (monetary value) of 214,217 ordinary registered shares of Korshunov Mining Plant OAO (state registration number of the issue being 1-01-20992-F), being contributed by the founder of Mechel Mining Open Joint Stock Company, Mechel OAO, as its payment for the shares of the founded company to be acquired, in the amount of RUR17,027,245,610.00 (Russian Rubles Seventeen billion twenty seven million two hundred forty-five thousand six hundred ten even), using for the purpose of its determination the amount of the property market value as valued by an independent valuator, Rosexpertiza OOO

(located at: 11 Masha Poryvayeva St, Moscow, valuator's liability insurance police (contract) No. 433-002685/08);

- cash means of RUR500,003,203.00 (Russian Rubles Five hundred million three thousand two hundred three even), being contributed by the founder of Mechel Mining Open Joint Stock Company, Mechel OAO, as its payment for the shares of the founded company to be acquired; and

- value of 12,217,800,000 ordinary registered shares of Mechel Mining Open Joint Stock Company to be acquired by Mechel OAO during their placement, in the amount of RUR122,178,000,000.00 (Russian Rubles One hundred twenty-two billion one hundred seventy-eight million even), which is equal to the market value of the property being contributed as the payment for the shares of the founded company to be acquired.

The price of the property being alienated and acquired by the Company under the transactions, as well as other terms and conditions of the transaction, conforms to market conditions.

Transfer of the securities (shares) as the payment for the shares of Mechel Mining Open Joint Stock Company during its foundation must be drawn up with respective transfer orders.

Cash means contributed as the payment the shares of Mechel Mining Open Joint Stock Company during its foundation must be transferred to the settlement account.

The shares of Mechel Mining Open Joint Stock Company allotted during its foundation must be paid in full within one year following its state registration. At least 50 percent of the shares of Mechel Mining Open Joint Stock Company allotted during its foundation must be paid within three months following its state registration.”