



EuroChem

Mineral & Chemical Company, OJSC

APPROVED

By decision of the Annual General Shareholders Meeting
of EuroChem Mineral & Chemical Company, OJSC
Minutes dated 25 June 2008

General Director Regulations

EuroChem Mineral & Chemical Company, OJSC

(new revision)

**Moscow
2008**

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1. GENERAL PROVISIONS

- 1.1. These General Director Regulations ("Regulations") of EuroChem, Mineral and Chemical Company, OJSC ("Company") have been drawn up in accordance with the Civil Code of the Russian Federation, the Federal JSC Law 9No. 208-FZ, dated 26 December 1995, including all subsequent amendments and addenda ("JSC Law"), other statutory and legal acts adopted by the Russian Federation, the Company Charter ("Charter"), and the Company's Code of Corporate Conduct. These Regulations define the main tasks of the General Director, his status, election procedures, terms of reference, responsibilities and liability.
- 1.2. The General Director is a sole executive body which conducts the management of day-to-day operations, save for issues that are referred by federal law and the Charter to the terms of reference of a General Meeting of Shareholders (GM), the Board of Directors or the Management Board.
- 1.3. The General Director's main tasks include ensuring the Company's profitability and competitiveness, its financial and economic sustainability, upholding shareholder rights and social guarantees for the Company employees, and to promptly and efficiently enforce the rulings passed by the GM or the Company's Board of Directors.
- 1.4. The General Director carries out his operations in accordance with the Russian federal law, the Company Charter, the rulings passed by the GM and the Board of Directors, these Regulations, and other Company internal regulatory documents.
- 1.5. The General Director will act in the interests of the Company and reports to the GM and the Board of Directors.

2. THE GENERAL DIRECTOR'S TERMS OF REFERENCE

- 2.1. In accordance with the Charter, the General Director's terms of reference include:
 1. Day-to-day management of the Company operations, save for issues that are referred by the Russian federal law and the Company's Charter to the terms of reference of the GM, the Board of Directors, or the Management Board.

The General Director has the right to:

 - act on behalf of the Company and the EuroChem companies without a letter of attorney, including the EuroChem companies with which contracts have been signed for the transfer of authorities of the Chairman of the Management Board (EuroChem companies), represent the interests of the Company and EuroChem companies in the Russian Federation and abroad, including at any government and law agencies;
 - delegate a portion of his authorities to the other employees of the Company and EuroChem companies, and to third parties;
 - manage the production, business and manufacturing operations of the Company and EuroChem companies;
 - take measures to increase the performance of the Company and EuroChem companies , increase the Company and EuroChem companies production sales and profits, increase the quality and competitiveness of the products put out by the Company and EuroChem companies;
 - manage risks and internal control;
 - promptly submit to the Board of Directors, the Revision Commission and as necessary to the Corporate Secretary, information on the Management Board meeting agenda items, as well as information on his own actions and decisions.
 2. As part of day-to-day management of the everyday operations of the Company and EuroChem companies, organize the following functions (if a ruling on any of the below issues has not been referred to the Management Board terms of reference by the Company Charter):
 - opening bank accounts for the Company or EuroChem companies in Russian rubles or in foreign currency;
 - ensuring the lawful operation of the Company and EuroChem companies , including ensuring compliance with the requirements of the Russian federal law as applicable to industrial and fire safety, labor safety and environmental conservation, in carrying out the production plans of the Company and EuroChem companies;
 - oversee that the Company and EuroChem companies fulfill their obligations as regards the budget, other government and municipal bodies, as well as to related parties, including counter parties under business contracts;
 - maintaining records and submitting reports of the Company and EuroChem companies in accordance with the current Russian Federal law;

- ensure the maintenance of the shareholder registers of the Company and EuroChem companies;
 - control the operations of representative offices and branches of the Company and EuroChem companies;
 - issue letters of attorney on behalf of the Company and EuroChem companies;
 - uphold employer rights in employment contracts in the Company and EuroChem companies;
 - ensure a regime of economic security and confidentiality, compliance with the Russian federal law in granting a citizen access to a state secret in conducting work in the Company and EuroChem companies involving information that constitutes a state secret.
3. Organizing the activities of the Management Board, namely:
- determining the individual membership of the Management Board;
 - approving the Management Board's meeting schedule;
 - calling the Management Board meetings;
 - storing and archiving the Management Board meeting minutes;
 - signing documents on behalf of the Management Board, including the Management Board meeting minutes;
 - overseeing the enforcement of rulings passed by the Board of Directors, the GM and the Management Board;
 - representing the position of the Management Board at the Board of Directors meetings;
 - submitting reports on the results of annual business and financial plans (the budget) to the Board of Directors, and reports on the enforcement of rulings passed by the GMs and the Board of Directors.
4. In terms of upholding and exercising the employer rights, the General Director will ensure:
- the approval of all payroll position lists, including official salaries (in accordance with the parameters of the organizational structure approved by the Management Board) and job descriptions for the employees of the Company and EuroChem companies, as well as the branches and representative offices of the Company and EuroChem companies;
 - the appointment, transfer and dismissal of employees of the Company and EuroChem companies, as well as the branches and representative offices of the Company and EuroChem companies, the appointment and dismissal of the managers of branches and representative offices;
 - the signing of collective contracts and employment contracts with the employees of the Company and EuroChem companies (in line with the key terms and conditions of these contracts, as determined by the Management Board);
 - the timely payment of salaries to the employees of the Company and EuroChem companies in line with their base salaries;
 - the taking of decisions on motivating and paying bonuses to the employees of the Company and EuroChem companies based on the results of their work (in line with the payroll funds of the Company and EuroChem companies, as approved by the Board of Directors, and in line with the rulings passed by the Management Board on bonuses and the general bonus amounts);
 - the taking of decisions on imposing the disciplinary fees and fines on the employees of the Company and EuroChem companies on the grounds envisaged in the Russian Federal Labor Code;
 - the taking of decisions on the organization of certification, training and professional development for employees of the Company and EuroChem companies, with due account for the needs, staff level and qualifications of personnel which meet the Company's current and strategic plans;
 - the taking of decisions on holding employees of the Company and managed companies liable for property (in accordance with the Russian federal law).
5. Ensuring the rational use of materials, as well as the labor and financial resources of the Company and EuroChem companies, including overseeing the movement of materials and monetary funds and taking decisions on issues as regards the day-to-day changes in the indicators of the approved annual financial and business plan (budget) (if said changes will not result in changes in the performance indicators approved by the Management Board), including decisions relating to:
- the nomenclature and volume of key production;
 - prices on the main types of raw materials, planned expenses for purchasing the raw materials;
 - prices on the key items in finished products, the supply terms and conditions and schedule, including payment conditions;
 - rules and regulations for accounts payable and accounts receivable, volumes of working funds in

both natural and monetary terms;

- production output plans and the schedule for conducting scheduled maintenance and repair works;
 - approval and amendment of organizational structures.
6. Taking decisions and entering into transactions on behalf of the Company and EuroChem companies with due account for the restrictions set out in the Russian federal law, the Charter and the Charter of EuroChem companies related to the requirement to have the management bodies of the Company and EuroChem companies approve said transactions.
 7. Possess the property of the Company and EuroChem companies in order to ensure operations within the limits set out in the Russian federal law and this Charter.
 8. Oversee compliance with the standards of the internal regulatory documents of the Company and EuroChem companies approved by the management bodies of the Company and EuroChem companies.
 9. Publish instructive documents and internal regulatory documents which are mandatory for all employees of the Company and EuroChem companies.
 10. Take decisions on allocating funds for sponsorship roles and charity aid on behalf of the Company and EuroChem companies.
 11. Approval of the trademarks and the corporate symbols of the Company and EuroChem companies.
 12. Approve license agreements with third parties (other than the EuroChem companies) for the use of patents or trademarks, concessions or encumbrance of a patent with third parties (other than the EuroChem companies).
 13. Uphold and exercise the authorities and rights of shareholders/participants in commercial organizations, including based on a ruling passed by the Board of Directors or the Management Board, as defined as within their respective terms of reference, on behalf of the Company and EuroChem companies.
 14. Take other actions as envisaged in this Charter and the current Russian federal law.

3. PROCEDURES FOR ELECTING AND DISMISSING THE GENERAL DIRECTOR

- 3.1. The General Director is appointed by the Board of Directors for an unspecified period of time.
- 3.2. Members of the Board of Directors, the Revision Commission, the Company's Auditor, the Management Board, the General Director, and the shareholders who hold 2% (two percent) and more of the Company's stock may nominate a candidate for the General Director.
- 3.3. Within three days after receiving notification of an upcoming Board of Directors meeting that will consider the appointment of the sole executive body (the General Director) or the General Director's early termination, the parties specified in Point 3.2 of these Regulations may submit their nominations via the Corporate Secretary addressed to the Chairman of the Board of Directors.
- 3.4. The candidate may not be a participant in or a member of the Board of Directors or an officer or any other employee of a legal entity that is a competitor of the Company.
The Board of Directors retains the right to set out additional requirements for the candidates for the General Director position.
- 3.5. A preliminary review of the General Director candidates is to be conducted by the Corporate Governance and Personnel Committee.
- 3.6. A candidate will be declared elected if the two-thirds majority of the members of the Board of Directors in attendance at the corresponding meeting voted in favor of the candidate.
- 3.7. The Company will enter into a contract with the General Director that will set out the rights, responsibilities and other required terms and conditions for the General Director. The amount of remuneration (other forms of remuneration) and the terms and conditions of the contract sealed between the General Director and the Company are to be determined with due account for proposals from the Board of Directors Corporate Governance and Personnel Committee and approved by the Board of Directors via the majority vote among the Board members in attendance at the corresponding meeting. Contracts are to be signed on behalf of the Company by the Chairman of the Board of Directors or another person authorized by the Board of Directors.
- 3.8. The Board of Directors may at any time rule on the early termination of the authorities of the General Director.
- 3.9. The General Director may voluntarily surrender his authorities by submitting a written request for such to the Board of Directors no later than one month in advance.
A decision on the early dismissal of the General Director is to be passed by a two-thirds majority vote among the members of the Board of Directors in attendance at the corresponding Board meeting.
- 3.10. The Russian federal labor laws apply to the relations between the Company and the General Director given that no provisions contradict the Federal JSC Law.

4. RESPONSIBILITIES AND LIABILITY OF THE GENERAL DIRECTOR

- 4.1. The responsibilities and liability of the General Director are determined by the law of the Russian Federation, the Company Charter, employment contracts sealed between himself and the Company, and these Regulations.
- 4.2. The General Director must:
- act in the interests of the Company, exercise his rights and perform his responsibilities with regard to the Company in good faith and rationally;
 - take all required measures and use all opportunities and resources at hand in order to support the dynamic development of the Company, improve operational efficiency and increase profits;
 - be governed in his actions by the strategic goals of the Company approved by the GM and the Board of Directors;
 - attend the Management Board meetings and vote on all agenda items;
 - carry out the rulings and instructions issued by the GM and the Management Board, and comply with the requirements set out in the Charter and the Company's internal regulatory documents;
 - refrain from disclosing information constituting the Company or commercial secret;
 - inform the Board of Directors of any legal entities in which the General Director holds 20% or more of interest, either individually or together with affiliates, and legal entities in which he holds an officer position;
 - inform the Board of Directors of any and all transactions known to him to which he could be considered an interested party.
- 4.3. The General Director may not directly or indirectly receive remuneration or gifts for taking decisions / exerting influence for decisions.
- 4.4. The General Director may not also be the Chairman of the Board of Directors or a member of the Company's Revision Commission.
- 4.5. The General Director may combine his duties at the Company with a position on the management bodies of other organizations only with the consent of the Company's Board of Directors.
- 4.6. The General Director is liable to the Company for any losses incurred by the Company due to his actions (or failure to act) unless other grounds and liability provisions are set out in federal law.
- 4.7. The General Director is liable to the Company and its shareholders for any losses caused by his actions (or failure to act) which violate the procedures established for purchasing the Company stock as set out in Section XI.1 of the JSC Law.
- 4.8. The General Director is responsible for arranging for the protection of information which constitutes a state secret.

5. THE GENERAL DIRECTOR'S REPORTING STRUCTURE

- 5.1. The Board of Directors retains the right to require from the General Director at any time information, reports, plans, explanations on any issue related to the Company operations in general or a specific issue, and related to the operations of the EuroChem companies.

6. COLLABORATION WITH OTHER COMPANY BODIES

- 6.1. The General Director performs the functions of the Chairman of the Management Board.
- 6.2. The General Director reports to the GM and the Board of Directors and enforces their rulings. The rulings of the GM and the Board of Directors are mandatory for the General Director.
- 6.3. The General Director will represent the point of view of the Company's executive management at the GM and the Board of Directors meetings.

7. CLOSING PROVISIONS

- 7.1. These Regulations are approved by the GM.
- 7.2. Any amendments to these Regulations are to be introduced by the GM ruling.
- 7.3. Should the standards set out in these Regulations come to contradict the requirements of the Charter, the provisions of the Charter shall take precedence, and these Regulations will be subject to alignment with the Charter.
- 7.4. Should the standards of these Regulations come to contradict the requirements of the current Russian federal law, the provisions of the current Russian federal law shall be applied, and these Regulations shall be subject to alignment with current legislation.
- 7.5. Should any separate clauses or provisions of these Regulations be declared invalid (either in full or in part), these Regulations will remain valid as a whole, with the exception of said provisions.