



EuroChem

Mineral & Chemical Company, OJSC

APPROVED

By decision of the Board of Directors of
EuroChem Mineral and Chemical Company, OJSC
Minutes dated 26 February 2007 № 07.02.26-03/10-9

Dividend Policy Regulations

EuroChem Mineral & Chemical Company, OJSC

Moscow, 2007

Dividend Policy of EuroChem Mineral and Chemical Company, OJSC

1. This Dividend Policy shall be approved by the Board of Directors of EuroChem Mineral and Chemical Company Open Joint Stock Company (hereinafter referred to as the “Company”) for the purpose of making the Company operations and Dividend Policy as transparent as possible to the Company shareholders.
2. For the purpose hereof the following terms shall have the meaning described below:
 - **Dividend** shall mean earnings per share periodically payable to shareholders out of the Company profit.
 - **Profit** shall mean period profit and past period retained profit as shown in the Company’s financial statements.
 - **Company** shall mean EuroChem Mineral and Chemical Company Open Joint Stock Company.
 - **Shares** shall mean issued and fully paid ordinary shares in EuroChem Mineral and Chemical Company Open Joint Stock Company except shares purchased by EuroChem Mineral and Chemical Company Open Joint Stock Company. If the Shareholders Meeting resolves to change the Company’s equity capital and issue preference shares these Regulations shall be amended in accordance with modifications of the Charter.
 - **Regulations** shall mean these Dividend Policy Regulations of EuroChem Mineral and Chemical Company Open Joint Stock Company.
 - **Dividend Policy** shall mean the principles of dividend distribution and payment to the Company shareholders described in these Regulations.
 - **Financial Policy** shall mean the ratios and principles governing the Company operations described in the Regulations approved by the Board of Directors.
 - **Accounts prepared in accordance with RAS** shall mean unconsolidated accounts of EuroChem Mineral and Chemical Company Open Joint Stock Company prepared according to Russian Accounting Standards.
 - **Accounts prepared in accordance with IAS** shall mean consolidated accounts of EuroChem Mineral and Chemical Company Open Joint Stock Company and its subsidiaries prepared with International Accounting Standards.
3. This Dividend Policy shall specify and approve the principles underlying recommendations on the size and payment of dividend on the Company shares presented by the Board of Directors to the General Shareholders Meeting. In the preparation of such recommendations the Board of Directors shall take into account the Company’s corporate strategy as described in its business plans and cash flow projections.
4. Resolutions of the size and form of dividend payments shall be adopted by the General Shareholders Meeting. The size of dividends shall not exceed that recommended by the Board of Directors.
5. The Board of Directors shall determine the size of dividends based on the Company accounts for the relevant period prepared in accordance with RAS. The size of any interim dividend shall be established by the Board of Directors based on management accounting data and accounts prepared in accordance with IAS (for the relevant accounting period if available or a previous accounting period if not available).
6. The Board of Directors shall recommend annual dividend taking into account interim dividends for the previous accounting periods of the year (first quarter, six months, nine months) based on the Company’s financial position so that the dividend payment would not result in the infringement of the Company’s Financial Policy in the long run.
7. Annual dividends shall be paid in cash in the currency of the Russian Federation. The Company may also pay interim dividends for the first quarter, six months and nine months.
8. The funds distributed as dividends payable to shareholders shall be transferred within 30 days of the relevant resolution adopted by the General Shareholders Meeting.

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9. The Company shareholders shall inform the Company of their bank details for the purpose of dividend payment. The Company shall act as tax agent and withhold any taxes and charges provided for by applicable law of the Russian Federation and international treaties of which the Russian Federation is a party. If applicable law of the Russian Federation and international treaties of which the Russian Federation is a party a shareholder has a special status providing for a different tax treatment the shareholder shall file with the Company the evidence of such status.
10. The Dividend Policy and the size of paid dividends (total dividend and dividend per share) shall be published as provided for by the Company's Information Policy including the Company's web site.
11. These Regulations may be amended by the Board of Directors of the Company. If any provisions hereof become inconsistent with requirements of applicable law of the Russian Federation or the Company's Charter requirements of applicable law of the Russian Federation and the Charter shall prevail and these Regulations shall be amended accordingly. Invalidity of any provision hereof shall not imply invalidity of other provisions of these Regulations or the Financial Policy.