



EuroChem

Mineral & Chemical Company, OJSC

APPROVED

By decision of the Board of Directors
of EuroChem Mineral & Chemical Company, OJSC
Minutes dated 28 November 2007 № 07.11.28-19/10-9

Strategy Committee Regulations

EuroChem Mineral & Chemical Company, OJSC

(new revision)

**Moscow
2007**

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1. GENERAL PROVISIONS

- 1.1. The Regulations on the Strategy Committee under the Board of Directors ("Regulations") of EuroChem, Mineral and Chemical Company, OJSC ("Company") have been drawn up in accordance with the Company's Charter and internal regulatory documents.
- 1.2. The Strategy Committee ("Committee") is a consultative and advisory body of the Board of Directors. The members and Chairman of the Committee are to be appointed by EuroChem Board of Directors. The duties and responsibilities of the Committee are to be determined by the Board of Directors and are set forth in these Regulations.
- 1.3. The Committee's main role is to protect the interests of the shareholders by performing a monitoring function of the Board concerning the strategic development of the Company and of the legal entities which are directly or indirectly controlled by the Company ("EuroChem companies").
- 1.4. The Committee has been established for the purposes of in-depth consideration of issues and preparation of required recommendations that fall within the terms of reference of the Board of Directors and are delegated by the Board to the Committee. Also, as per the instructions of the Board of Directors, the Committee may review other issues which do not fall within the Committee's terms of references.
- 1.5. The Committee may also provide recommendations and send requests to the Company's executive management.

2. COMMITTEE STRUCTURE

- 2.1. The individual membership and number of members to sit on the Committee is to be determined as per a ruling issued by the Board of Directors. The Committee's membership structure is to include at least 2 (two) members; at least one of the Committee members must be an independent director. The criteria for independent Board member status are set forth in the Regulation on the Board of Directors.
- 2.2. The Committee structure may be changed at any time and the Committee Chairman may be re-elected at any time as per a ruling issued by the Board of Directors. The Chairman of the Board cannot be a Committee member.
- 2.3. The Corporate Secretary ("Secretary") or the officer of the Corporate Secretary staff will be the Secretary of the Committee.

3. TERMS OF REFERENCE

- 3.1. The Committee is authorized by the Board of Directors to act within the Committee's terms of reference and in line with instructions issued by the Board. The Committee may request and receive any information needed in order to carry out its duties from the Company and EuroChem companies; employees of the Company and EuroChem companies must assist the Committee by providing all requested information.
- 3.2. As necessary and with the pre-approval of the Board of Directors, the Committee may engage the services of legal and other independent professional consultants, the costs of which are to be covered by the Company, and ensure consultation with experts who possess the relevant knowledge and necessary level of qualifications.

4. COMMITTEE TASKS

- 4.1. Preparing recommendations for the Board of Directors on:
 - 4.1.1. the key lines of business of the Company and EuroChem companies;
 - 4.1.2. strategic goals (based on the approved Company Mission and the Mission of the EuroChem companies);
 - 4.1.3. long-term programs;
 - 4.1.4. strategic development plans of the Company and EuroChem companies, including on key components of the strategy of the Company and EuroChem companies in:
 - target regional markets / countries; the appropriate line of products and services, as well as an effective approach to sales and logistics;
 - production issues, including make or buy aspects, as well as related risks;
 - the raw materials market (raw materials supply) and the supplier market;
 - logistics;
 - an integrated, active policy on key competitors;
 - a system of operations management for the Company and EuroChem companies in preparing, reviewing and implementing strategies, particularly issues concerning collaboration between the Company and EuroChem companies, as well as Company divisions;
 - issues concerning innovations and promising new technologies;
 - issues concerning ecology and applied technologies in production and logistics.

- 4.1.5. determining a strategy for issues concerning cooperation, including mergers and acquisitions with partners on the market and/or competitors;
- 4.1.6. long-term programs and strategic development plans (with periodic review) of the Company and EuroChem companies;
- 4.1.7. preparing a business plan, investment plan, and a budget for the following year in line with the strategy approved for the Company and EuroChem companies;
- 4.1.8. laying in measures to improve / streamline the operations of the Company and EuroChem companies in terms of financial indicators (share capital, borrowed capital, liquidity, capitalization, etc.);
- 4.1.9. determining the dividend policy for the Company and EuroChem companies.
- 4.2. Oversee the implementation of plans and measures of key strategic projects.
- 4.3. Monitor and analyze the operations of the Company and EuroChem companies (the business plan, investment plan, budget, key indicators, including by functions such as: sales, production, purchasing, logistics, etc., relative to market levels).
Streamline: monitoring and oversight methods, and the annual analysis of and reports on the operations of the Company and EuroChem companies based on key indicators.

5. PROCEDURES FOR SUBMITTING COMMITTEE INFORMATION AND REPORTS

- 5.1. The Committee Chairman is to inform the Board of Directors of the recommendations prepared or decisions taken by the Committee on important key issues considered by the Committee. The Secretary is to ensure access to Committee meeting minutes and materials for any of the Company's Board members for information purposes.
- 5.2. The Committee is to prepare recommendations for the Board of Directors in the fields and on issues which, in the Committee's view, require improvement on the part of the Company's executive bodies.
- 5.3. Each Committee must inform the Board of its activities by submitting a report on Committee activities to the Board at appropriate intervals. The annual report on the Committee's activities may be included in the Company's Annual Report as per the decision of the Board.

6. FREQUENCY OF COMMITTEE MEETINGS

- 6.1. Committee meetings are to be called by the Committee Chairman. In certain cases, a Committee meeting may be called by the Chairman or one of the members of the Board of Directors.
- 6.2. The Committee Chairman is to ensure that the frequency of meetings is sufficient and necessary in order for the Committee to perform its functions. The Committee must meet at least 6 (six) times per year.
- 6.3. The CFO, the Head of the Strategic Planning Division and other persons may attend the Committee meetings given consent from the Committee Chairman.
The Board members have the right to attend the Committee meetings.
- 6.4. There is a presence of the quorum, on condition that at least 2 (two) members are present.
- 6.5. Meetings may take place in person or by telephone or video conference or by absent voting.

7. MEETING NOTICES, AGENDAS AND MATERIALS

- 7.1. The dates and agendas for scheduled Committee meetings are to be prepared in advance and are to include the general scope of issues for discussion; however, amendments will be possible at the discretion of the Committee Chairman.
- 7.2. Draft Committee meeting agendas are to be circulated to all Committee members, the General Director, the Director of Finance and Economics, and the Head of the Strategic Planning Division at least 7 (seven) business days ahead of the date of the meeting.
- 7.3. The Board members, a Committee member, the CEO, the CFO and the Head of the Strategic Planning Division may request the Committee Chairman to include an item on the agenda at least 5 (five) business days ahead of the date of the meeting. Amendments to the agenda received with the deadline violation will be possible at the discretion of the Committee Chairman.
- 7.4. Notices for regular meetings, the agenda and papers are to be circulated by the Secretary to the meeting participants at least 5 (five) business days before the proposed meeting date.
- 7.5. Papers on agenda items of a conventionally scheduled meeting must be submitted 5 (five) business days in the form of a brief, analytical note (memorandum) which must contain:
 - 1. The item status (for information only, or requires a ruling).
 - 2. The background of the issue and the reasons for submission to the Committee.
 - 3. Proposals and a draft ruling on the item.

Analytical overviews (memos) may be appended with other detailed information about the issue.

Papers relating to the agenda items of the extraordinary Committee meetings will be sent to the Committee Secretary at least 1 (one) business day ahead of the date of the extraordinary meeting if no other deadline is specified by the Committee Chairman.

8. MEETING MINUTES AND DECISION-MAKING PROCEDURES

- 8.1. The Committee Secretary is to reflect the date and place of the meeting, the presence of a quorum, the names of the persons in attendance, the form of conducting (presence, via phone, the written opinion), the lack of any conflict(s) of interest among meeting participants, as well as the discussion and any recommendations that have been submitted.
- 8.2. Draft Committee meeting minutes are to be circulated to Committee members, the General Director, the Director of Finance and Economics and the Head of the Strategic Planning Division for general approval.
- 8.3. The Committee meeting minutes are to be finalized within 15 calendar days.
- 8.4. Meeting minutes are to be signed by the Committee Chairman and the Committee Secretary.
- 8.5. Meeting minutes are to be circulated to the members of the Board of Directors, the CEO, the CFO and Head of the Strategic Planning Division, as well as any other people as per the instructions of the Committee Chairman.
- 8.6. As the Committee's role is limited to providing advice and making recommendations to the Board, it is not required to pass resolutions.
It will make recommendations or requests to management based on its discussions held at meetings. The Committee Chairman is informing the Board of Directors of the Committee's recommendations based on the consensus position reached by the Committee.
In the event that no consensus has been reached, the Committee Chairman will explain to the Board of Directors both the majority view and any derogations from this, in which case any dissenting member of the Committee may choose to make his views known to the Board of Directors.
- 8.7. When a Committee member is unable to attend a meeting, a member has the right to submit his opinion in advance in writing and this shall be considered by the Committee.

9. COMMITTEE PERFORMANCE APPRAISAL

- 9.1 The Committee is to review its performance on an annual basis and, as needed, submit recommendations to the Board of Directors regarding the need to make any changes.

10. RECONSIDERATION PROCEDURES OF THESE REGULATIONS

- 10.1. The Committee will review these Regulations annually and, if necessary, enter amendments and submit its recommendations for Board approval.