

APPROVED by:

**the General Meeting of Shareholders
of the Open Joint Stock Company
United Chemical Company Uralchem
Minutes No. 5 dated June 3, 2008**

**REGULATIONS
ON THE BOARD OF DIRECTORS
OF THE OPEN JOINT STOCK COMPANY
United Chemical Company Uralchem**

**Moscow
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1. GENERAL PROVISIONS

- 1.1. These Regulations on the Board of Directors (hereinafter – **“the Regulations”**) of the Open Joint Stock Company United Chemical Company Uralchem (hereinafter – **“the Company”**) are approved in accordance with the Federal Law of the Russian Federation No. 208-FZ dated 26.12.1995 **“On Joint Stock Companies”** (hereinafter – **“the Federal Law “On Joint Stock Companies”**) and other regulatory legal acts of the Russian Federation, as well as the Articles of Association of the Company, and set the procedure for forming of the Board of Directors of the Company, the issues regarding the status of members of the Board of Directors, the procedure for convening and holding of meetings of the Board of Directors and registration of its decisions.
- 1.2. The Board of Directors shall perform general management over the Company’s activities, except for resolving of the issues which fall within the terms of reference of the General Meeting of Shareholders. Terms of reference of the Board of Directors and the number of votes of members of the Board of Directors required for making decisions on issues within the terms of reference of the Board of Directors shall be determined in accordance with the Federal Law **“On Joint Stock Companies”** and the Articles of Association of the Company.
- 1.3. For the purpose of resolving of the issues on general management of the Company’s activities within the terms of its reference, the Board of Directors shall be entitled to establish permanent and, if needed, interim (for resolving of particular issues) committees of the Board of Directors. Procedure for forming and functioning of the committees of the Board of Directors shall be set by the appropriate regulations to be approved by the Board of Directors of the Company.
- 1.4. In its work the Board of Directors shall be guided by regulatory acts of the Russian Federation, the Articles of Association of the Company, these Regulations and other by-laws of the Company.
- 1.5. The main objectives of the Board of Directors lie in implementation of the Company’s development strategy, increasing profitability and competitive strength of the Company, ensuring its sustainable financial and economic position, assisting in implementation, observance and protection of rights and legitimate interests of the Company’s shareholders and ensuring efficiency of their investments in the Company.

2. PROCEDURE FOR FORMING OF THE COMPANY’S BOARD OF DIRECTORS

- 2.1. Members to the Board of Directors of the Company shall be elected by the General Meeting of Shareholders to the number of 9 (nine) persons. In view of the requirements of the laws adherence to which is a condition for inclusion of the shares in the stock exchange quotation lists as well as the best practice of the corporate governance, the Company aims at ensuring the presence in the Board of Directors of at least 1 (one) independent director who meets the requirements established in Clause 2.12. of the Regulations,
- 2.2. Members to the Board of Directors shall be elected by the General Meeting of Shareholders by cumulative voting in manner provided by the Federal Law **“On Joint Stock Companies”** and the Articles of Association of the Company for the period until the next Annual General Meeting of Shareholders. In cumulative voting the number of the votes owned by each shareholder shall be multiplied by the number of the persons which are to be elected to the Board of Directors of the Company, and a shareholder shall be entitled to cast all the obtained votes for one candidate or distribute them among two and more candidates.
- 2.3. If the Annual General Meeting of Shareholders was not held within the period established by the Articles of Association of the Company, the powers of the Board of Directors shall terminate, except for the powers for preparation, convening and holding of the Annual General Meeting of Shareholders.
- 2.4. Decision of the General Meeting of Shareholders on early termination of the powers may be made only with regard to all members of the Board of Directors of the Company. In case of early termination of the powers of the Board of Directors, the powers of the newly elected members of the Board of Directors shall remain in force until the moment of election (re-election) of the new members of the Board of Directors at the nearest Annual General Meeting of Shareholders.

2.5. Only a physical body may be a member of the Board of Directors. A member of the Board of Directors need not be a shareholder of the Company. The physical bodies elected members of the Board of Directors may be re-elected for an unlimited number of times.

2.6. The shareholders (shareholder) who in aggregate hold at least 2 (two) per cent of the voting shares of the Company shall be entitled to nominate candidates for election to the Board of Directors of the Company at the Annual General Meeting of Shareholders; the number of such candidates may not exceed the number of members of the Board of Directors set by the moment of such nomination of candidates. Such suggestions must come in the Company not later than 30 (thirty) days following the end of a fiscal year.

A suggestion on nomination of candidates to the Board of Directors of the Company may be included in the request to convene the Extraordinary General Meeting of Shareholders.

Where the suggested agenda of the Extraordinary General Meeting of Shareholders has an item concerning the election of members of the Board of Directors, the shareholders (shareholder) of the Company who in aggregate hold at least 2 (two) per cent of the voting shares of the Company shall be entitled to nominate candidates for election to the Board of Directors of the Company the number of which may not exceed the number of members of the Board of Directors of the Company. Such suggestions must be submitted minimum 30 (thirty) days prior to the date of holding of the Extraordinary General Meeting of Shareholders.

2.7. The suggestion on nomination (self-nomination) of a candidate (candidates) to the Board of Directors shall specify the following information about the candidate being nominated:

- name of the body to which the candidate is nominated for election (the Board of Directors of the Company);
- full name;
- date of birth;
- information from the identity document (series, document number, date and place of issue, the agency which issued the document, official address);
- information about education;
- place of work and position at the principal place of work, information about the membership in management and control bodies of other legal entities;
- address and telephone at which the candidate can be contacted;
- the list of the persons affiliated with the candidate;

The suggestion on nomination of a candidate must be accompanied by the written consent of the candidate for nomination (except for cases when the candidate is self-nominated) and confirmation by the candidate of the adequacy and completeness of the information about him/her specified above.

2.8. The Board of Directors of the Company shall be obligated to consider the submitted suggestions on the candidates and decide upon inclusion or refusal to include them in the voting list within 5 (five) days following expiry of the period for suggestions on nomination of candidates to the Board of Directors to be registered in the Company established by the Federal Law "On Joint Stock Companies" and the Articles of Association of the Company. The nominated candidates shall be subject to inclusion in the list of candidates for election of the members of the Board of Directors of the Company, with the exception of the cases when:

- the shareholders (shareholder) failed to comply with the period established by the Federal Law "On Joint Stock Companies" for suggestions on nomination of candidates to the Board of Directors of the Company to be submitted to the latter;
- the shareholders (shareholder) which signed the suggestion on nomination of candidates for the election to the Board of Directors do not hold the voting shares of the Company in the number provided by the Federal Law "On Joint Stock Companies";
- the suggestions are not in line with requirements provided by the Federal Law "On Joint Stock Companies".

The reasoned decision of the Board of Directors of the Company on refusal to include a candidate in the list of candidates for voting on the election to the Board of Directors of the Company shall

be forwarded to the shareholders (shareholder), who submitted the suggestion, within 3 (three) days after the date on which the decision was made.

- 2.9. If there are no suggestions on nomination of candidates to the Board of Directors or the number of the candidates suggested by the shareholders for the election of the Board of Directors is insufficient, the Board of Directors shall be entitled to include the item on the election of the Board of Directors and (or) candidates in the list of candidates in the agenda of the General Meeting of Shareholders as it thinks fit.
- 2.10. A member of the Board of Directors shall be entitled to divest himself or herself of powers voluntarily at any time, having notified Chairman of the Board of Directors about that and specified the date of divestiture of the powers which cannot be earlier than the date of the written notice of divestiture of the powers. In this case, the powers of the other members of the Board of Directors shall not terminate.
- 2.11. If the number of the members of the Board of Directors of the Company becomes less than that constituting quorum, the Board of Directors of the Company shall be obligated to decide upon holding of the Extraordinary General Meeting of Shareholders to elect new members of the Board of Directors of the Company. The remaining members of the Board of Directors of the Company shall be entitled to decide upon convening such Extraordinary General Meeting only.
- 2.12. An independent member of the Board of Directors of the Company must meet the following requirements:
 - not to be an officer or employee of the Company at the moment of election and during 1 year preceding the election;
 - not to be an officer of other business entity in which any of the Company's officers is a member of the staff and remunerations committee of the board of directors;
 - not to be a spouse, parent, child, brother and (or) sister of the Company's officers (officer of the managing organization of the Company);
 - not to be an affiliated person of the Company, except for a member of the Board of Directors of the Company;
 - not to be a party in the obligations with the Company subject to the terms of which it may acquire property (obtain funds) the cost of which amounts to 10 and more per cent of the aggregate annual income of an independent member except for obtaining remuneration for participation in the work of the Board of Directors of the Company;
 - not to be a state representative, i.e. the person which is a representative of the Russian Federation, constituents of the Russian Federation and municipal formations in the boards of directors of Joint Stock companies with regard to which the decision on exercise of the special right ("golden share") has been taken, and a person elected to the board of directors from among the candidates nominated by the Russian Federation, as well as by constituent of the Russian Federation or municipal formation where such member of the board of directors must vote on the grounds of written directives (instructions, etc.) of a constituent of the Russian Federation or municipal formation respectively.

Where the concept of "independent director" is used otherwise in imperative provisions of the laws of the Russian Federation and other meaning is put in this concept, provisions of the laws shall apply.

3. CHAIRMAN OF THE COMPANY'S BOARD OF DIRECTORS

- 3.1. Chairman of the Board of Directors shall be elected by the members of the Board of Directors from among them by a majority of the votes of all members of the Board of Directors, in this case the votes of the members of the Board of Directors who have discontinued their membership shall not be taken into account.
- 3.2. The Board of Directors shall be entitled to re-elect Chairman at any time. Such decision shall be taken by a majority of the votes of all members of the Board of Directors, however the votes of the members of the Board of Directors who have discontinued their membership shall not be taken into account.

- 3.3. A member of the Board of Directors may be elected for position of Chairman of the Board of Directors for an unlimited number of times. General Director of the Company may not at the same time be Chairman of the Board of Directors of the Company.
- 3.4. Chairman of the Board of Directors of the Company shall:
- arrange the work of the Board of Directors;
 - convene meetings of the Board of Directors on his/her own initiative, as well as on request of a member of the Board of Directors, the Audit Commission of the Company or the Auditor of the Company, General Director of the Company, the shareholders of the Company holding 2 (two) and more per cent of the voting shares of the Company;
 - allocate duties among members of the Board of Directors;
 - establish a date, place and time for holding of a meeting of the Board of Directors, a deadline for submitting of questionnaires by conducting an absentee vote;
 - set an agenda for meeting of the Board of Directors;
 - preside at meetings of the Board of Directors and arrange an absentee vote on the items on agenda of meeting of the Board of Directors;
 - open and close meetings of the Board of Directors;
 - arrange keeping Minutes at meetings of the Board of Directors;
 - announce breaks during meetings of the Board of Directors;
 - announce the voting results;
 - sign the Minutes of meetings of the Board of Directors;
 - resolve other issues relating to arrangement of the work of the Board of Directors and exercise other functions stipulated by the Articles of Association and the by-laws of the Company, as well as the laws of the Russian Federation.
- 3.5. In the event of absence of Chairman of the Board of Directors, his/her functions shall be exercised by Deputy Chairman of the Board of Directors and in the event of the absence of the latter – by one of the members of the Board of Directors according to the decision of the Board of Directors of the Company.

4. SECRETARY OF THE COMPANY'S BOARD OF DIRECTORS

- 4.1. Technical (information, documentary, protocolar, secretarial) support of the day-to-day work of the Board of Directors shall be performed by Secretary of the Board of Directors of the Company acting on the grounds of the Articles of Association of the Company, these Regulations and other by-laws of the Company and in accordance with instructions of Chairman of the Board of Directors.
- 4.2. Secretary of the Board of Directors of the Company shall be elected at the suggestion of Chairman of the Board of Directors by a majority of the votes of all members of the Board of Directors, in this case the votes of the members of the Board of Directors who have discontinued their membership shall not be taken into account.
- 4.3. In the event of absence of Secretary of the Board of Directors of the Company, his/her functions shall be exercised by other person appointed by the Board of Directors of the Company by a simple majority of the votes.
- 4.4. The Board of Directors shall be entitled to re-elect Secretary of the Board of Directors of the Company at any time by a majority of the votes of all members of the Board of Directors, in this case the votes of the members of the Board of Directors who have discontinued their membership shall not be taken into account.
- 4.5. A physical body who is not a member of the Board of Directors and not a staff member (employee) of the Company may be appointed Secretary of the Board of Directors of the Company. The person who is not a staff member (employee) of the Company shall sign a contract establishing responsibility for disclosure of confidential information about the Company's activities which has become known to him/her and other terms to be determined by the Board of Directors of the Company. The contract with Secretary of the Board of Directors of the Company shall be signed on behalf of the Company by Chairman of the Board of Directors or a person

authorized by the Board of Directors of the Company. The terms of the contract with Secretary of the Board of Directors of the Company, including remuneration size, shall be determined by Chairman of the Board of Directors of the Company or a person authorized by the Board of Directors of the Company.

4.6. Secretary of the Board of Directors of the Company shall be obligated to ensure preparation and holding of meetings of the Board of Directors, namely:

- work out and submit to Chairman of the Board of Directors a draft of the agenda of regular meeting of the Board of Directors in accordance with the suggestions received from a member of the Board of Directors, the Audit Commission of the Company or the Auditor of the Company, General Director of the Company, the shareholders of the Company holding 2 (two) and more per cent of the voting shares of the Company;
- advise the members of the Board of Directors beforehand about upcoming meetings of the Board of Directors and provide them with all the necessary information with respect to the items on the agenda of the meeting of the Board of Directors, as well as render assist in obtaining other information required by them;
- distribute voting bulletins among the members of the Board of Directors for making decisions of the Board of Directors to be made by polling (absentee vote) at the expense of the Company, and sum up the results of the voting on the decisions of the Board of Directors to be made by polling (absentee vote);
- take part in meetings of the Board of Directors, keep and draw up the Minutes of meetings (extracts from the Minutes), adhere to the procedure on holding meetings of the Board of Directors;
- ensure collection and distribution of information with respect to the items on the agenda of the meeting of the Board of Directors to the members of the Board of Directors;
- advise the absent members of the Board of Directors about the results of the meetings of the Board of Directors held;
- arrange and technically support the voting at a meeting of the Board of Directors;
- prepare and submit documents (information) on requests of the members of the Board of Directors;
- store the Minutes of the meetings of the Board of Directors;
- keep polling lists (bulletins) for voting which are forwarded to the Board of Directors by its members for making decisions of the Board of Directors to be made by polling (absentee vote);
- assist the members of the Board of Directors in exercising their functions by them;
- arrange control over the progress of execution of the decisions of the Board of Directors;
- resolve other issues relating to arranging of the work of the Board of Directors.

4.7. Secretary of the Board of Directors of the Company shall ensure coordinated and effective work of the members of the Board of Directors with the shareholders of the Company and their representatives, with the executive body of the Company, heads and employees of the divisions of the Company in order to ensure effective work of the Board of Directors.

4.8. Secretary of the Board of Directors of the Company shall be responsible for:

- timely sending notices of meeting of the Board of Directors and materials for meetings to the members of the Board of Directors;
- correctly registered and adequate information in the Minutes of meetings of the Board of Directors;
- timely sending Minutes to the members of the Board of Directors.

4.9. Bodies and officers of the Company must assist Secretary of the Board of Directors of the Company in exercising his/her functions.

5. PROCEDURE FOR PREPARATION AND HOLDING OF MEETING OF THE COMPANY'S BOARD OF DIRECTORS

5.1. Minimum a half of the number of the elected members of the Board of Directors shall constitute a quorum for holding a meeting of the Board of Directors. While determining the presence of a

quorum and results of the voting on the items on agenda, written opinion of a member of the Board of Directors which is not present at the meeting of the Board of Directors shall be taken into account. When conducting an absentee vote the quorum is recorded as present, if on the date when the vote is complete minimum a half of the members of the Board of Directors have signed and submitted their polling lists (bulletins) on the items on the agenda of the meeting of the Board of Directors to Secretary of the Board of Directors of the Company.

- 5.2. Meetings of the Board of Directors shall be convened by Chairman of the Board of Directors on his/her own initiative, on request of a member of the Board of Directors, the Audit Commission of the Company or the Auditor of the Company, General Director of the Company, the shareholders of the Company holding 2 (two) and more per cent of the voting shares of the Company. Meetings of the Board of Directors shall be held as and when necessary.
- 5.3. The request to hold a meeting of the Board of Directors must contain:
 - reference to the initiator (initiators) of the meeting's holding;
 - a wording of the items on the agenda;
 - draft decisions on the items on the agenda;
 - the signature of the initiator (signatures of the initiators) of the meeting.
- 5.4. Chairman of the Board of Directors shall be obligated to consider the request to hold a meeting of the Board of Directors and decide upon convening of the meeting of the Board of Directors or refusal to convene within 5 (five) days following the date of the request's submission. Chairman of the Board of Directors shall be obligated to notify the initiators of convening the meeting of the decision made within 3 (three) days following the date of the decision.
- 5.5. Chairman of the Board of Directors shall be entitled to turn down the initiator's request to convene a meeting of the Board of Directors in the following cases:
 - the initiator of the meeting is not the person eligible for requesting convening of a meeting of the Board of Directors;
 - the request to hold a meeting of the Board of Directors is not in line with the laws, the Articles of Association of the Company and these Regulations.
- 5.6. Secretary of the Board of Directors of the Company (hereinafter – **“Secretary”**) shall be charged with preparation of meetings of the Board of Directors. In the course of preparation of a meeting Secretary shall be obligated to:
 - draw up and submit the agenda of the meeting of the Board of Directors to Chairman of the Board of Directors for approval;
 - make a list of the participants of the meeting of the Board of Directors;
 - arrange giving notices of the time and place for holding of the meeting of the Board of Directors to the members of the Board of Directors and non-member participants;
 - arrange preparation of materials regarding the items on the agenda of the meeting;
 - bring materials regarding the items on the agenda of the meeting to notice of the members of the Board of Directors and non-member participants within 5 (five) days prior to the meeting of the Board of Directors.

This being the case, Chairman of the Board of Directors shall be responsible for preparation of the meeting of the Board of Directors.

- 5.7. Meeting of the Board of Directors must be held within the period specified in the request on its convening, but not earlier than 5 (five) days after the moment of notification by Chairman of the members of the Board of Directors about the holding of the meeting in accordance with Clause 5.8 of these Regulations, and within 14 (fourteen) days after the moment of such notification. If meeting of the Board of Directors is to be held *per capsulam*, then the final day for acceptance of the bulletins cannot be later than 14 (fourteen) days after the moment of notification about the holding of such meeting., The term for convening the meeting of the Board of Directors may be reduced by approbation of all members of the Board of Directors.
- 5.8. Notice of convening the meeting of the Board of Directors shall be given to each member of the Board of Directors and visiting participants of the meeting in writing by registered mail, by

courier or sent by telegraph, teletype, facsimile, electronic communication so that the members of the Board of Directors receive it within 5 (five) days prior to the date set for the meeting.

- 5.9. Chairman of the Board of Directors shall determine the form of holding the meeting (*in presentia* – with compresence of the members of the Board of Directors, or *per capsulam* – making decisions by way of polling), with the exception of the cases when the request to hold a meeting submitted by the initiator of convening a meeting of the Board of Directors contains the indication that the meeting is to be held *in presentia*.

6. PROCEDURE FOR MAKING DECISIONS BY THE COMPANY'S BOARD OF DIRECTORS

- 6.1. When resolving issues at a meeting of the Board of Directors of the Company each member of the Board of Directors of the Company shall have one vote. Transfer of the voting right by a member of the Board of Directors of the Company to other person, including other member of the Board of Directors of the Company shall not be allowed.

- 6.2. Decisions shall be regarded as made, if they were voted for by the majority of the members of the Board of Directors present at the meeting, with the exception of cases when the alternate procedure for making decisions is provided by the applicable laws, the Articles of Association and other regulations on the management bodies of the Company. In the event of the tied vote, the vote of Chairman of the Board of Directors shall be deciding when making decisions at meetings of the Board of Directors of the Company.

In order to make a decision on the issues, on which in accordance with the applicable laws a unanimous decision of all members of the Board of Directors is required, the meeting shall be competent (have a quorum), if all members of the Board of Directors, except for the members of the Board of Directors who have discontinued their membership are present.

- 6.3. A member of the Board of Directors shall be regarded present at a meeting, if he/she:
- takes part in the meeting and can promptly, in the course of the meeting, offer his/her opinion and vote on the issues being discussed;
 - expressed his/her will on the item on the agenda, the draft decision on which he had got acquainted with in advance, in writing by the opening of the meeting of the Board of Directors by forwarding a written opinion signed by such member of the Board of Directors and received by the Company prior to the holding of the meeting of the Board of Directors.

- 6.4. A decision of the Board of Directors may be made by absentee vote (by polling). Absentee vote may be performed by means of exchange of documents via postal or facsimile communication guaranteeing authenticity of the messages sent and received, with subsequent confirmation of them with the original documents.

The members of the Board of Directors whose polling lists (bulletins) are received not later than the established deadline for acceptance of the polling lists, specified in the notice forwarded to the members of the Board of Directors, shall be regarded as taken part in the absentee vote.

The polling lists may be forwarded via postal or facsimile communication guaranteeing authenticity of the messages sent and received, with subsequent confirmation of them with the originals of the polling lists (bulletins).

- 6.5. Distribution of the polling lists (bulletins), as well as acceptance of the filled in polling lists (bulletins) shall fall under the terms of reference of Secretary of the Board of Directors of the Company. However, Chairman of the Board of Directors shall be responsible for distribution of the polling lists (bulletins), as well as for acceptance of the filled in polling lists (bulletins).

- 6.6. The results of the absentee vote shall be brought to notice of the members of the Board of Directors by means of submission to them of the copies of the Minutes of the meeting of the Board of Directors within three days following the date on which the meeting's Minutes was drawn up.

7. MINUTES OF MEETING OF THE COMPANY'S BOARD OF DIRECTORS

- 7.1. Minutes of a meeting of the Board of Directors of the Company shall be drawn up based on the results of the meeting. The Minutes of the meeting of the Board of Directors shall be prepared by Secretary of the Board of Directors of the Company.
- 7.2. The Minutes of the meeting of the Board of Directors shall be drawn up within 3 (three) days following the holding of the meeting (deadline for acceptance of the polling lists in the event of the absentee vote). The Minutes shall specify:
 - place and time of the meeting (deadline for acceptance of the polling lists in the event of the absentee vote);
 - persons present at the meeting (persons who forwarded the polling lists);
 - agenda of the meeting;
 - issues that were put to vote and voting results on them;
 - adopted decisions;
 - other information stipulated by the applicable laws and the by-laws of the Company.
- 7.3. The Minutes of the meeting of the Board of Directors of the Company shall be signed by the person presiding at the meeting, who shall be responsible for correct drawing up of the Minutes, and Secretary of the Board of Directors of the Company.
- 7.4. Extracts from the Minutes of meetings of the Board of Directors of the Company shall be submitted by the Company on request of a member of the Board of Directors, a member of the Audit Commission, General Director, the Auditor and the shareholders (shareholder) of the Company in accordance with the provisions of the Federal Law "On Joint Stock Companies" and the by-laws of the Company.
- 7.5. An extract from the Minutes of a meeting of the Board of Directors shall be made by Secretary of the Board of Directors of the Company within 3 (three) days after the moment of receipt of the request from the persons mentioned in Clause 7.4. of the Regulations and signed by Chairman of the Board of Directors or the person who presided at the meeting and Secretary of the Board of Directors of the Company.

8. RIGHTS, DUTIES AND RESPONSIBILITY OF MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

- 8.1. The members of the Board of Directors of the Company shall be entitled to request the sole executive body of the Company (General Director), or persons designated by the latter, to provide full and adequate information, documents and materials required for performance by the members of the Board of Directors of their duties; in this case one may not refuse to provide such information.
- 8.2. While exercising their rights and performing their duties, the members of the Board of Directors, must act in the interests of the Company, exercise their rights and perform their duties in relation to the Company reasonably and in good faith, not to disclose the commercial secret and other confidential information about the Company's activities which has become known to them or has been received by them in connection with exercising their rights.
- 8.3. The members of the Board of Directors should not make use of opportunities of the Company or allow making use of them for personal advantage.
- 8.4. The members of the Board of Directors shall be obligated to use information about the Company's activities, about Company's securities and transactions with them which is not public information and which disclosure may have a material effect on the market value of Company's securities, and other information comprising official or commercial secret, only in the interests of the Company and in accordance with the Regulations on the information policy of the Company.
- 8.5. A member of the Board of Directors of the Company shall be obligated to advise the Company of the information about the holding of Company's securities, about the intent to make transactions with Company's securities (not later than 5 (five) days prior to making them), as well as about the *de facto* made transactions with Company's securities (not later than 1 (one) day following their making).

- 8.6. A member of the Board of Directors shall be obligated to advise the Company in due time of the information about the change in the amount of his/her holding in the authorized capital of the subsidiary and associated companies of the Company and/or about the change in the fraction of the ordinary shares of the subsidiary and associated companies of the Company owned by it, which the Company shall disclose in case and in manner provided by effective regulatory acts.
- 8.7. The members of the Board of Directors shall be obligated to bring the information:
- about the legal entities in which they own, alone or jointly with their affiliated person (persons), 20 (twenty) or more per cent of the voting shares (holdings, participatory interests);
 - about the legal entities in the management bodies of which they hold offices;
 - about the made or intended transactions they are aware of, in which they may be considered as the interested persons,
- to notice of the Board of Directors, the Audit Commission and the Auditor.
- 8.8. In course of performing their duties, the members of the Board of Directors of the Company shall be paid remuneration and (or) indemnified for expenses related to exercising their functions of the members of the Board of Directors in accordance with the decision of the General Meeting of Shareholders of the Company and the Regulations on remunerations and compensations to be paid to the members of the Board of Directors of the Company.
- 8.9. The members of the Board of Directors shall bear responsibility to the Company for the losses inflicted to the latter by their wrongful acts (omissions), unless other grounds and extent of the responsibility are established by federal laws.
- However, the members of the Board of Directors who voted against the decision which resulted in infliction of the losses to the Company, or did not take part in the voting, shall bear no responsibility.
- When determining the grounds and extent of the responsibility of the members of the Board of Directors, ordinary course of business and other circumstances that are of importance for the case must be taken into account.
- In the event that responsibility is born by several persons, their responsibility to the Company shall be shared.
- 8.10. The member of the Board of Directors which did not take part in the voting or voted against the decision adopted by the Board of Directors in contravention of the procedure established by the Federal Law “On Joint Stock Companies”, other legal acts of the Russian Federation and the Articles of Association of the Company shall be entitled to appeal against the decision in court in the event that his/her rights and legitimate interests are violated by this decision. Such petition may be filed to court within one month following the day when the member of the Board of Directors had known or should have known about the adopted decision.

9. FINAL PROVISIONS

- 9.1. Requirements set forth herein are mandatory for the Company, including its shareholders, members of the Board of Directors, General Director and other officers and employees of the Company.
- 9.2. These Regulations, including all and any amendments and modifications hereto, shall be subject to approval by the General Meeting of Shareholders by majority of the votes of the shareholders who took part in the said Meeting. If certain articles herein are in conflict with the applicable laws due to any amendment to the latter, these articles shall become null and void, and provisions of the applicable laws shall prevail. Articles herein, which are in conflict with the applicable laws, shall not affect validity of the remaining articles and the Company shall endeavor its best efforts to replace the invalid articles with new ones, which would be in line with the applicable laws as soon as possible.
- 9.3. If any provision herein is in conflict with the Articles of Association of the Company, the Articles of Association shall prevail.