

APPROVED

**by the Board of Directors
of United Chemical Company
Open Joint Stock Company
URALCHEM
Minutes №1 of 17.09.2008**

**REGULATIONS
ON THE STRATEGY AND DEVELOPMENT COMMITTEE
OF THE BOARD OF DIRECTORS
of United Chemical Company Open Joint-Stock Company
URALCHEM**

Moscow, 2008.

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1. GENERAL PROVISIONS

1.1. Regulations on the Strategy and Development Committee of the Board of Directors of United Chemical Company Open Joint-Stock Company URALCHEM (hereinafter referred to as the Committee) have been drawn up in accordance with legislation of the Russian Federation, Charter of United Chemical Company Open Joint-Stock Company URALCHEM (hereinafter referred to as the Company), Regulations on the Company's Board of Directors, and Code of Corporate Conduct.

1.2. The Committee shall be established by resolution of the Company's Board of Directors and act as consulting-advisory body providing efficient fulfillment by the Board of Directors of their functions on general management of the Company's activities.

1.3. The Committee shall not be a Company's body and shall not be entitled to act on behalf of the Company.

1.4. Resolutions of the Committee shall be advisory for the Company's Board of Directors.

1.5. The Committee shall act in accordance with the present Regulations disclosing legal status, purpose and tasks, rights, obligations, structure and composition of the Committee. In its activities the Committee shall be guided by federal laws, other regulatory legal acts of the RF, the Company's Charter, Regulations on the Company's Board of Directors, resolutions of the Company's Board of Directors, Code of Corporate Conduct, and the present Regulations.

2. OBJECTIVES AND TASKS OF THE COMMITTEE

2.1. Securing efficient work of the Company's Board of Directors on solving problems, which fall within its competence shall be the main objective of the Committee.

2.2. Competence of the Committee shall include generation and presentation of advice (conclusions) to the Company's Board of Directors on the following:

- 1) determination of priorities, strategic purposes and key principles of the Company's strategic development;
- 2) improvement of the Company's investment appeal;
- 3) improvement of investment activities and making of justified investment decisions.

3. COMPETENCE OF THE COMMITTEE

3.1. Competence of the Committee shall include preliminary examination, analysis and generation of advice (conclusions) on the following issues, which fall within competence of the Company's Board of Directors :

- a) formation of the Company's development strategy, description of the development directions, determination of the Company's key activity indicators;
- b) monitoring over realization of the strategy approved by the Company's Board of Directors;
- c) development of the main directions of the Company's investment activities;
- d) other issues by order of the Board of Directors, which fall within competence of the Board of Directors.

4. RIGHTS AND OBLIGATIONS OF THE COMMITTEE

4.1. For realization of the imposed functions the Committee shall be given the following rights:

- 1) conduct research on the issues within its competence;
- 2) request and obtain from the executive body of the Company the data and documents required to carry out its activities;

- 3) invite employees, management of the Company, members of other Committees from the Company's Board of Directors for participation in the Committee meeting in presentia;
- 4.2. The Committee shall be obliged to:
 - 1) realize functions imposed on the Committee in accordance with the present Regulations, legislative requirements of the Russian Federation, the Charter and internal documents of the Company;
 - 2) present to the Board of Directors economically efficient and legally justified advices (conclusions) on the issues within the competence of the Company's Board of Directors attributed to competence of the Committee;
 - 3) timely inform the Company's Board of Directors on the risks that the Company is exposed to, on the issues within competence of the Board of Directors included in competence of the Committee;
 - 4) observe requirements of confidentiality, not to disclose information classified as Company's commercial secret.

5. COMPOSITION OF THE COMMITTEE

5.1. Quantitative composition of the Committee shall be defined by resolution of the Company's Board of Directors in the minimum number of Three (3) members.

5.2. Members of the Committee shall be elected by the Company's Board of Directors by majority of votes of the members in the Board of Directors taking part in the meeting of the Board of Directors from among the candidates represented by members of the Company's Board of Directors.

5.3. Members of the Committee shall only be members of the Company's Board of Directors. At least one member of the Committee shall be an independent and non-executive director of the Company's Board of Directors.

Members of the Board of Directors recognized as independent members of the Board of Directors:

- 1) the ones who have non been within the last 3 years and are not being officials (manager) or employees of the Company, as well as officials or employees of the Company managing entity;
- (2) the ones not being an official of another Company, in which any of the Company officials is a member of the Staff and Remuneration Committee of the Board of Directors;
- (3) the ones not being affiliates of the Company official (manager) (official of the Company managing entity);
- (4) the ones not being affiliates of the Company, as well as affiliates of such affiliates;
- (5) the ones not being Parties on liabilities with the Company, in accordance with the conditions of which they can purchase assets (receive monetary funds), their cost making 10 and more percent of the aggregate annual income of the mentioned persons in addition to receipt of remuneration for involvement in activities of the Board of Directors;
- (6) the ones not being a major counteragent of the Company (counteragent with an aggregate volume of the Company transactions within a year equal to 10 and more percent of the balance value of the Company assets);
- (7) the ones not being representatives of the State.

Member of the Board of Directors not being a sole executive body of the Company and/or member of the collegiate executive body of the Company shall be recognized to be a non-executive member of the Board of Directors.

Powers of any member in the Committee can be terminated early by resolution of the Company's Board of Directors.

5.4. Chairman of the Committee, as well as members of the Committee can put off their powers from themselves by forwarding a relevant application to the Chairman of the Company's

Board of Directors and Chairman of the Committee.

5.5. On exercising their rights and discharging their duties members of the Committee shall act in the interests of the Company, exercise their rights and discharge duties in relation to the Company in a conscientious and reasonable manner.

5.6. Chairman of the Committee shall manage the Committee and organize its activities.

5.7. Chairman of the Committee shall be elected by the Company's Board of Directors out of the elected Committee members by a majority vote of the Company's Board of Directors taking part in the meeting of the Board of Directors.

5.8. Chairman of the Committee shall:

- 1) convene meetings of the Committee and preside over them;
- 2) define form and approve agenda of the Committee meetings;
- 3) define a list of the persons invited for taking part in the physical meeting of the Committee;
- 4) organize taking minutes of the Committee meetings and sign Minutes of the Committee meetings;
- 5) represent the Committee in cooperation with the Company's Board of Directors, other Committees of the Board of Directors, executive bodies of the Company, the Auditor, the Internal Audit Commission, managers of the Company executive subdivisions and other bodies and persons;
- 6) realize official correspondence of the Committee, sign inquiries, letters and documents on behalf of the Committee;
- 7) distribute duties among the members of the Committee;
- 8) develop a work plan of the Committee and submit the mentioned plan for approval of the Committee, control implementation of the Committee decisions and work plans;

5.9. Secretary of the Committee shall be appointed by resolution of the Committee. Any member of the Committee, an employee in the staff of the Company's Board of Directors, full-time employee of the Company can be appointed Secretary of the Committee.

5.10. Secretary of the Committee shall realize technical (information, documentary, protocol and secretarial) support of the current activities of the Committee,

5.11. Functions of the Committee Secretary can be performed by Secretary of the Company's Board of Directors within the frameworks of the contract concluded by the Company with the Secretary for performing functions of Secretary for the Company's Board of Directors.

6. WORKING PROCEDURE OF THE COMMITTEE

6.1. Meetings of the Committee shall be convened by Chairman of the Committee in accordance with the work plan (scheduled meetings) approved at the meeting of the Committee, as well as in other cases envisaged in the present Regulations (extraordinary meetings.)

6.2. Work plan of the Committee shall be compiled by Chairman of the Committee based on the approved work plan of the Company's Board of Directors.

6.3. Work plan of the Committee shall be approved at the meeting of the Committee, which shall be held no later than in Twenty (20) days after the meeting of the Company's Board of Directors approved the Work Plan of the Company's Board of Directors.

6.4. On convening meeting of the Committee Chairman of the Committee shall define the date, time, place and form of the meeting, agenda, as well as a list of the persons invited for participation in the physical meeting of the Committee.

6.5. Agenda of a scheduled meeting shall be generated by Chairman of the Committee in accordance with the approved agenda of the Board of Directors.

6.6. Notice on meeting of the Committee shall contain agenda, form, date, time, and place of meeting. Notice on meeting of the Committee shall be executed by Secretary of the Committee and signed by Chairman of the Committee. Notice on meeting of the Committee shall be forwarded to the persons taking part in the meeting no later than three business days prior to the Committee meeting date together with indication of the person-in-charge for preparation of each issue on the agenda. Materials and information on the agenda issues shall be forwarded to the Committee members and the persons invited for participation in the meeting no later than three business days prior to the date of the meeting.

6.7. The notice and materials (information) on the agenda issues can be submitted to the Committee members in person, by a facsimile message or electronic mail; notice on the Committee meeting shall be presented to the Committee members by a facsimile message or in the original.

6.8. Meetings of the Committee can be held in the form of joint presence of the Committee members (meeting in presentia) or in the form of absentee voting on the agenda issues of the meeting (absentee meeting). Decision on holding a Committee meeting in the form of absentee voting shall be made by Chairman of the Committee.

6.9. To hold an absentee meeting members of the Committee, simultaneously with the materials (information) on issues of the absentee meeting agenda, shall be forwarded questionnaires for voting on issues of the meeting agenda.

6.10. Members of the Committee, as well as invitees shall take part in meeting in presentia of the Committee.

6.11. Meeting in presentia or absentee meeting of the Committee shall be empowered (have a quorum) in case if the meeting involves minimum one half of the elected members of the Committee.

6.12. On making a decision on the agenda issues each member of the Committee shall have one vote; the Committee shall pass a resolution by a simple majority vote of the Committee members involved in the meeting. On equal votes vote of the Committee Chairman shall be decisive.

6.13. No later than three working days after meeting of the Committee, Secretary of the Committee shall draw up Minutes of the meeting in the Russian and English languages.

6.14. At the next meeting of the Board of Directors after completion of the Committee activities the Committee shall inform the Board of Directors on the decisions made in the course of the Committee activities.

6.15. To support activities of the Committee a separate expenditure article shall be envisaged on drawing up supply part of the total Company's budget. Costs of the Committee shall, in particular, include remunerations and compensation of Chairman and members of the Committee, including the ones not being members of the Company's Board of Directors, costs on upkeep of administrative personnel and other costs.

6.16. By resolution of the Company's Board of Directors members of the Committee can be paid remunerations and (or) compensated the costs associated with discharge of their duties by them. Amount of such remunerations and compensations, procedure and dates of their payment shall be fixed by resolution of the Company's Board of Directors

7. CONFIDENTIALITY

7.1. Members of the Committee shall not be entitled to use for private purposes or divulge confidential information, which became known to them in the course of realizing their duties of a Committee member.

7.2. With a view of complying with requirements for non-disclosure of confidential information:

- Documents with confidential information submitted to the Committee shall have a stamp "Confidential" assigned by decision of the person presenting such documents;

- Documents with confidential information submitted by the Committee shall have a stamp "Confidential" assigned by decision of the Committee Chairman;
- Each person, who received documents with a stamp "Confidential" shall take all measures on protection of confidential information.
- Third parties involved in meetings of the Committee or involved in activities of the Committee shall conclude an agreement for non-disclosure of confidential information with the Company.

7.3. All documents associated with activities of the Committee shall be stored at location of the Company in accordance with the established procedure applied to safe-keeping of documents.

8. CLOSING PROVISIONS

8.1. At least once a year the Committee shall submit to the Company's Board of Directors a report on activities of the Committee. The Board of Directors shall decide upon the period for preparation and frequency of presenting such report.

8.2. Chairman of the Committee shall be entitled to submit to the Company's Board of Directors individual reports on the issues, which fall under the competence of the Committee.

8.3. Information on individual decisions of the Committee can be published on the Company's Internet website. The need for publishing of data shall be defined by Chairman of the Company's Board of Directors subject to observance of confidentiality requirement.

8.4. Information on the Committee activities shall be subject to inclusion in the annual report of the Company.

8.5. The issues not covered in the present Regulations shall be regulated by the Company Charter, Regulation on the Procedure of Convening and Holding Meetings of the Company's Board of Directors, and other internal documents of the Company, the applicable legislation and decisions of the Company's Board of Directors.

8.6. Should individual articles of the present Regulations be in conflict with legislation or statutory acts of the Russian Federation due to their amendments, these articles shall become void, and members of the Committee shall be guided with by the laws and subordinate legislation of the Russian Federation until entering of changes in the present Regulations.