

APPROVED by:

**the Board of Directors of Open Joint Stock Company
United Chemical Company Uralchem (Minutes No. 2 of 23 June, 2008)**

**CORPORATE CODE OF CONDUCT
OF OPEN JOINT STOCK COMPANY
United Chemical Company Uralchem**

Moscow, 2008

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1. GENERAL PROVISIONS

- 1.1. This Code of Corporate Conduct (hereinafter - the Code) of Open Joint Stock company United Chemical Company Uralchem (hereinafter - the Company) is worked out on the basis of recommendations, elaborated and established by the Order of Federal Commission on Securities Market # 421/p of 04.04.2002 "On Recommendation on Application of Corporate Conduct Code", in accordance with the law of the Russian Federation and taking into account the existing practice of corporate conduct and specific requirements and conditions of Company activity, alongside with the following internal documents:
- Charter of the Company;
 - Regulations on the Board of the Company Directors;
 - Regulations on Informational Policy of the Company;
 - Regulations on Inspection Commission of the Company;
 - other internal documents of the Company.
- 1.2. The Company is one of the largest manufacturers on the market of mineral fertilizers in the Russian Federation, CIS and the East Europe. The purpose of putting this Code into effect is to introduce principles and rules of corporate conduct to daily activity of the Company for successful realization of activity under the Charter, increase of income and growth of capitalization of the Company, protection of legitimate interests and rights of all shareholders of the Company.
- 1.3. Principles and rules, stated in this Code comply with international standards based not only on observance of requirements of the law, but also on application of standards of advanced practice of corporate conduct and ethical norms of business conduct, general for all members of business community.

2. MAIN PRINCIPLES OF CORPORATE CONDUCT

- 2.1. The Company undertakes to develop corporate relations in accordance with the principles, providing for:
- real opportunity of shareholders to carry out and protect rights thereof, connected to membership in the Company;
 - equal attitude to shareholders, owning shares of one type (category), including minority and foreign shareholders;
 - implementation of strategic management of the Company by the Board of Directors and effective control from its side over the activity of executive bodies of the Company, alongside with accountability of members of the Board of Directors to the General Meeting of shareholders;
 - opportunity for executive bodies of the Company to reasonably, honestly and exclusively, in the interests of the Company to carry out effective management of current activity of the Company, alongside with accountability of executive bodies to the Board of Directors of the Company and the General Meeting of shareholders;
 - duly disclosure of full and a trustworthy information about the Company, on financial position thereof, economic parameters, structure of property and management inclusive to provide possibility of acceptance of valid decisions by shareholders of the Company and investors;
 - effective control over financial and economic activity of the Company with the purpose of protection of rights and legitimate interests of shareholders;

- rights of employees of the Company, stipulated by the law, development of partner relationship between the Company and employees in resolution of social issues and regulation of labor conditions;
 - active cooperation of the Company with investors, creditors and other interested persons with the aim to increase assets the Company, costs of shares and other securities of the Company.
- 2.2. The Company realizes the importance of perfection of corporate management of the affiliated and dependent economic entities thereof and will aim providing openness and transparency of activity of the specified organizations, alongside with application of the main principles of this Code to them.

3. RIGHTS OF THE COMPANYS' SHAREHOLDERS

- 3.1. The Board of Directors of the Company, executive bodies of the Company, officials and employees of the Company provide observance of rights and legitimate interests of shareholders of the Company.
- 3.2. Shareholders must not abuse the rights provided to them. The actions of shareholders undertaken exclusively with intention to harm other shareholders of the Company are not acceptable, alongside with other abuse of rights of shareholders.
- 3.3. The Company recognizes the indefeasible right of shareholders to participate in management of the Company. Shareholders - owners of voting shares of the Company have the right to participate in management of the Company, first of all, by decision-making on the most important issues of activity of the Company at the General Meeting of shareholders. For realization of this right the Company accepts internal documents, providing, in accordance with the law of the Russian Federation, the realization of the right of shareholders to request calling for the General Meeting of shareholders and to make proposals to the agenda of the General Meeting of shareholders, opportunity to duly prepare for participation in the General Meeting of shareholders, alongside with opportunity of realization of right of a vote by every shareholder. The Company undertakes to ensure that the rights of shareholders to request calling for the General Meeting of shareholders would not encounter unjustified difficulties at acknowledgement of these rights by shareholders.
- 3.4. The Company defines the procedure of holding of the General Meeting of shareholders, providing for fair attitude to all shareholders.
- 3.5. The Company provides an opportunity to the shareholders, participating in the General Meeting, to get acquainted with information necessary for acceptance of valid, weighed decisions on issues of the agenda of the General Meeting. The volume of information and materials, provided to shareholders is defined by the Charter and internal documents of the Company.
- 3.6. At the General Meetings the shareholders are granted the opportunity for discussion of issues pertaining to activity of the Company, provided in the agenda.
- 3.7. At the annual General Meeting of shareholders, shareholders listen to the report of executive bodies the Company on results of financial and economic activity of the

Company for the past fiscal year, participate in discussion thereof and taking necessary decisions.

- 3.8. Shareholders have the right to freely manage their shares at their own discretion and undertake any actions not contradicting the law and not violating rights and interests of other persons, protected by the law, including expropriation of their shares to the property of other persons.
- 3.9. Rights of shareholders for shares belonging to them must be protected. The Company provides for reliability of accounting of property rights for shares, alongside with the opportunity of free and fast expropriation of shares, belonging to shareholders. Holding and keeping register of shareholders is carried out by an independent registrar, having all necessary means and possessing faultless reputation on securities market. Selection and appointment of an independent registrar allows the Company to provide reliable and effective registration of rights for shares and other securities of the Company.
- 3.10. When selecting the independent registrar by the Company, reliability and efficiency of operation thereof is estimated first of all.
- 3.11. The Company will observe the right of shareholders - the right to participate in distribution of profit of the Company for current year in the form of dividends. Dividend policy is defined by the internal document of the Company, approved by the Board of Directors. Shareholders have the right to count on receiving dividends in the amount declared. The Company, with the aim of duly observance and protection of the stated right will pay the declared dividends within established periods. Payment of dividends is made by the Company from net profit.
- 3.12. The Company expects that shareholders will not abuse the rights granted to them, and will not undertake actions aimed to harm other shareholders or the Company.

4. GENERAL MEETING OF THE COMPANY'S SHAREHOLDERS

- 4.1. The procedure of holding of the General Meetings of shareholders of the Company is established by the Charter of the Company and an internal document of the Company – Regulations on the General Meeting of shareholders of the Company. In accordance with the Charter of the Company, these Regulations are approved by the superior management body of the Company – the General Meeting of shareholders.
- 4.2. The procedure of holding of the General Meeting of shareholders (hereinafter – the General Meeting, Meeting) is organized in such a manner that the participation of shareholders is not connected with big material and time expenses for them and provides for equal attitude to all shareholders. The Company undertakes to observe the procedure of holding of the General Meeting, established by the Regulations on the General Meeting of shareholders of the Company, as well as to follow the regulations set forth below.
- 4.3. The Company takes all necessary measures to ensure the participation of shareholders in the General Meeting of shareholders and voting on all issues of the agenda. The Company notifies shareholders thereof on holding of the General Meeting of shareholders no later than 30 (thirty) days prior to its holding, unless the bigger term is provided by the Charter of the Company and the law, as well as provides for duly

receipt of trustworthy and objective information, sufficient for decision-making on the agenda issues.

- 4.4. In the notification on holding of internal General Meeting of shareholders the Company undertakes to specify the time of the beginning of registration of participants of the General Meeting, the venue of registration. In case of absent voting, the Company undertakes to state the date in notification, up to which bulletins for voting must be received.
- 4.5. With the view to provide opportunity to shareholders to familiarize themselves with the list of persons, having the right to participate in the General Meeting of shareholders, the Company, on the basis of letters of enquiry of the shareholders, having no less than 1 (one) percent of votes, provides an opportunity to such shareholders to familiarize themselves with this list within the period from the date of publication of the notification on holding of the General Meeting till the closing of the internal General Meeting, and in case of holding of absent General meeting - up to the closing date of acceptance of bulletins for voting.
- 4.6. On request of any interested person, the Company within 3 (three) days from the moment of submission of request in writing on providing a statement from the list of persons, having the right to participate in the General Meeting of shareholders, provides a person with the statement from the list of persons, having right of participation in the General Meeting, containing information on this person, or the certificate stating that this person is not included into the list of persons, having the right of participation in the General Meeting of shareholders.
- 4.7. The Company provides shareholders an opportunity to familiarize themselves with this list, as well as to receive statements from it, in venues, specified in the notification on holding of the General Meeting where materials and documents on the General Meeting are directly provided.
- 4.8. The Company, for familiarization of shareholders with the information, provided while preparing for holding of the General Meeting of shareholders, gives such information in amount and within the terms, allowing to take valid decisions on issues of the agenda.
- 4.9. When defining the agenda of the General Meeting of shareholders, the Board of Directors of the Company precisely defines issues the agenda of the General meeting of shareholders to avoid the possible different interpretation thereof. The Company undertakes to not define the issues of the agenda with the words "other", "different" and in other way, not allowing to judge which issue is to be considered.
- 4.10. When defining the venue, date and time of holding of the General Meeting, the Company proceeds from the necessity to provide shareholders with a real and easy opportunity to take part in it, due to this the Company holds meetings in the city of Moscow at the location of the Company.
- 4.11. For the convenience of shareholders, the Company places on the Internet site thereof (www.uralchem.com) the Regulations on the General Meeting of shareholders of the Company, as well as it can place the recommended request forms on holding the General Meeting of shareholders, proposals on inclusion of issues into the agenda of the annual General Meeting of shareholders, proposals on nomination of candidates to the bodies of the Company, formed by the General Meeting of shareholders, proposals

on nomination of candidate to auditors of the Company, requests on providing of statement from list of persons, having the right to participate in the General Meeting of shareholders, requests on providing list of the persons, having the right to participate in the General Meeting of shareholders for familiarization, as well as the form (blank) of Power of Attorney for participation in the General Meeting of shareholders with the description of procedure for filling it in, shareholders at that are not obliged to use these forms.

- 4.12. The Board of Directors of the Company recommends the order of holding of the General Meeting of shareholders, for subsequent approval of it by the General Meeting of shareholders. The order of holding of the General Meeting, recommended by the Board of Directors provides a reasonable equal opportunity to all persons, present at the meeting, to express their opinion and to ask questions, interesting to them.
- 4.13. The Company invites the General Director, members of joint executive body (if it is formed in the Company), members of the Board of Directors, members of the Inspection commission and auditor (representatives of auditor) of the Company for participation in the General Meeting. The Company also aims to provide presence of candidates for new structure of the Board of Directors, executive bodies of the Company in the General meeting of shareholders. Since due to various objective reasons not all members of managerial bodies of the Company can be present at the General Meeting, at the beginning of the Meeting the Chairman of the General Meeting, whenever possible, will inform the participants thereof on presence or absence of each of these persons.
- 4.14. The Company transfers functions of Returning Board to independent registrar, with the aim to provide rights of shareholders, according to the Federal Law "On Joint - Stock Companies".
- 4.15. The Company carries out the registration of shareholders for participation in the General Meeting at the same location, where the General Meeting is to be held, or in immediate proximity to it, and at the same day when the meeting is planned to be held.
- 4.16. Opening of the General Meeting of shareholders does not stop registration of participants. Shareholders, arrived after the beginning of the General Meeting, have the right to participate in decision-making on issues subject to voting, after their registration.
- 4.17. In case the General Meeting of shareholders is held in the form of joint presence of shareholders, the Company undertakes to sum up and announce results of voting at the General Meeting of shareholders, aiming to exclude any doubts in correctness of summarizing the results of voting.

5. BOARD OF DIRECTORS OF THE COMPANY

- 5.1. The role of the Board of Directors of the Company is to define the main directions of development of the Company, including the strategy of the Company, aimed to increase the capitalization of the Company, to regularly evaluate achieved results and to take decisions, referred to the competence thereof.

- 5.2. The Board of Directors is the joint managerial body of the Company, carrying out general management of activity thereof, except for issues, referred to the competence of the General Meeting of shareholders and the executive body of the Company by Federal Laws and the Charter of the Company.
- 5.3. The Board of Directors in the decisions thereof proceeds from the necessity to act fairly in relation to all shareholders, and cannot consider interests of only one group of shareholders. It provides the creation of system of revealing and settlement of potential conflicts of interests. The Board of Directors provides identical conditions for realization of rights by all shareholders.
- 5.4. The Board of Directors of the Company holds its sessions no less than once a month. Sessions of the Board of Directors can be held in the form of joint presence or absent voting. The Company aims the decisions on following issues would not be accepted by absence voting:
- approval of strategic plans of the Company;
 - definition of priority directions of development of the Company;
 - approval of the annual budget of the Company;
 - preliminary approval of the annual report of the Company.

When holding a session of the Board of Directors in the form of joint presence, each member of the Board of Directors, not having an opportunity to take personal participation in the session, is given the opportunity to express opinion in writing on an issue (issues) of the agenda.

- 5.5. The Board of Directors defines priority directions of activity of the Company and approves annual budget, strategies and programs of development of the Company, and also controls the implementation thereof.
- 5.6. The Board of Directors creates and supports necessary mechanisms of control over activity of executive bodies of the Company, including monitoring and an evaluation of results of activity thereof in comparison with the approved plans.
- 5.7. The Board of Directors will work on creation of transparent system of remuneration and compensation expenses, connected with execution of its functions by the Board of Directors. Remuneration and compensations to members of the Board of Directors must correspond to their contribution to activity of the Board and development of the Company. Information on total amount paid as remuneration and compensations to members of the Board of Directors is indicated in the annual report of the Company, approved by the General Meeting of shareholders.
- 5.8. The Board of Directors provides creation of system of management of financial risks, which would allow to estimate risks the Company encounter in the process of its activity, with the purpose to minimize negative consequences of such risks.
- 5.9. The Company proceeds from the fact, that persons nominated to the Board of Directors, must enjoy confidence of shareholders and possess knowledge, skills and the experience, required for decision-making on issues referred to the competence of the Board of Directors, and allowing to effectively carry out functions of a member of the Board of Directors of the Company. The Company will aim to fix specific requirements to members of the Board of Directors in internal documents.

- 5.10. The structure of the Board of Directors must provide for its effective work, considering different interests and points of view when elaborating decisions. The quantitative structure of the Board of Directors is defined by the Charter of the Company, but cannot consist of less than 9 members. The structure of the Board of Directors must comply to the requirements of law, applied to structure of Boards of Directors, in particular, to a parity between executive and non - executive directors. According to the Charter of the Company, the Board of Directors of the Company is elected only by cumulative voting.
- 5.11. For effective realization of functions of the Board of Directors the Company aims to create the following committees of the Board of Directors: on audit, personnel and remuneration, corporate management, strategic planning. These committees are intended for preliminary consideration of the most important issues and preparation of recommendations to the Board of Directors for decision-making on such issues. The Board of Directors can also create other constantly operating or temporal (for solving certain issues) committees, whichever it deems necessary. The order of formation and work of committees of the Board of Directors are regulated by internal documents of the Company, approved by the Board of Directors.
- 5.12. The Company gives importance to participation of independent directors in the Board of Directors for formation of objective opinion on questions under discussion and will inform shareholders on necessity of election of persons belonging to the category of independent directors to the Board of Directors.
- 5.13. Taking into account requirements of the law, the observance of which is a condition of inclusion of shares in quotation lists of stock exchange, as well as the best practice of corporate management, the Company aims to provide availability of no less than 1 (one) independent director in the Board of Directors, meeting following requirements:
- not to be an official or an employee of the Company at the moment of election and within 1 year prior to election;
 - not to be an official of other economic entity, where any of officials of the Company is a member of committee of the Board of Directors on personnel and remuneration;
 - not to be the spouse, the parent, the child, the brother and (or) the sister of officials of the Company (an official of the operating 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 under liabilities with the Company, according to terms of which it can acquire property (to receive money funds), the cost of which makes 10 and more percent of cumulative annual income of this person, except for receiving remuneration for participation in activity of the Board of Directors of the Company;
 - not to be a representative of state, i.e. a person, being a representative of the Russian Federation, subjects of the Russian Federation and municipal establishments in the Board of Directors of Joint Stock companies, in relation to which the decision on use of the special right ("the golden share") is applied, and a person elected to the board of Directors from candidates, nominated by the Russian Federation, as well as by subject of the Russian Federation or municipal establishment, if such member of the Board of Directors must vote on the basis of directives in writing (instructions, etc.) of, correspondingly, the subject of the Russian Federation or the municipal establishment. In cases when imperative norms of law of the Russian Federation use concept "independent director" otherwise and imply a difference sense in this concept, regulations of norms of law are applied.

- 5.14. The Company provides shareholders with the information on requirements to structure of the Board of Directors subject to consideration when nominating candidates for the Board of Directors.
- 5.15. The Company takes all necessary efforts for providing shareholders of the Company before the General Meeting of shareholders, besides the information, which must be provided to shareholders, according to the effective law and the Charter of the Company, the following additional information on candidates for the Board of Directors and the Auditing Committee of the Company (hereinafter - the additional information):
- 1) information on possession of securities of the Company and its affiliated companies by candidate;
 - 2) information on availability or absence of consent of the candidate to be a member of the Board of Directors or the Auditing Committee of the Company;
 - 3) positions taken by the candidate (including positions in bodies of management and control) at the moment, alongside with the information on positions, have been taken by the candidate for the past 5 (five) years before the moment of nomination;
 - 4) information on education of the candidate, including possession of special skills in the field of corporate relations, finance, marketing, strategic management and other areas;
 - 5) age of the candidate;
 - 6) nationality of the candidate;
 - 7) information on possession of shares by the candidate (parts of shares) of other legal persons (in case of possession of packages, making more than 1 (one) percent from the authorized capital of other organizations);
 - 8) information on whether the candidate is a party under liabilities with the Company or with affiliated persons thereof, on which he can acquire property (receive money funds), the cost of which makes 10 percent and more of cumulative income of the candidate, without remuneration for participation in the Board of Directors considered;
 - 9) information on whether the candidate is an affiliated person of a big counterpart of the Company (a counterpart, the total volume of transactions of the Company with which makes 10 (ten) and more percent of balance cost of assets of the Company within a year).
- 5.16. Additional information, specified in item 5.15. of this Code, whenever possible, is provided by shareholders when nominating candidates by them to the Board of Directors and the Auditing Committee of the Company.
- 5.17. Absence of additional information cannot make the basis for reject for inclusion of the candidate into the list of nominees for election to the Board of Directors and the Auditing Committee of the Company.
- 5.18. In case additional information is not available when nominating candidates, this information must be requested by the Company from shareholders, having nominated candidates, or from candidates themselves by forwarding appropriate questionnaires to them.
- 5.19. The received additional information is revealed by the Company as part of materials, provided to shareholders when preparing for holding of the General Meeting of shareholders, where the issue on election of members of the Board of Directors and the Auditing Committee of the Company is considered.

- 5.20. In case of failure of shareholders, having nominated candidates, or of candidates themselves to provide additional information, the Company indicates this in materials, provided to shareholders of the Company before holding of the General Meeting of shareholders".
- 5.21. Members of the Board of Directors must honestly and reasonably perform duties assigned to them in interests of the Company.
- 5.22. A member of the Board of Directors must:
- operate reasonably, honestly, with due care in relation to affairs of the Company;
 - act in the interests of the Company as a whole, but not separate shareholders, officials and other persons;
 - act within the limits of the competence of the Board of Directors and according to the aims of activity of the Board of Directors;
 - not disclose confidential information, he become aware of, on activity of the Company;
 - initiate sessions of the Board of Directors for resolving urgent issues;
 - be present at sessions of the Board of Directors;
 - participate in decision-making of the Board of Directors by voting on issues of the agenda of its sessions;
 - take valid decisions; estimate risks and unfavorable consequences when taking decisions;
 - advise the Company on the address (postal and/or electronic), on which the correspondence (notifications, bulletins for voting, information (materials), etc.) should be forwarded for performing functions of a member of the Board of Directors; duly notify the Company on change of address (postal and/or electronic);
 - advise the Board of Directors, the Auditing Committee and the auditor of the Company information, provided for by the Federal Law "On Joint Stock Companies"; duly advise the Board of Directors on any changes in the specified information;
 - advise the Company on information on possession of securities of the Company, as well as to notify the Board of Directors on intention to make transactions with securities of the Company (not later than 5 (five) days before performing thereof), as well as on actually performed transactions with securities of the Company (not later than in 1 (one) day after performing thereof); information, specified in this item, is forwarded in writing in a free form for the name of the Chairman of the Board of Directors of the Company;
 - participate in carrying out of examinations of projects and the programs, proposed by the Board of Directors;
 - participate in work of committees, formed by the Board of Directors, according to regulations on these committees.
- 5.23. The Board of Directors of the Company is headed by the Chairman, who will organize activity of the Board of Directors, as well as will ensure the Board of Directors successfully resolves the tasks thereof.
- 5.24. The Chairman of the Board of Directors is responsible for drawing up of the agenda of sessions of the Board of Directors, will organize for elaboration of the most effective decisions on the issues of the agenda and, if necessary, for free discussion of these issues, as well as for friendly and constructive atmosphere of holding of sessions of the Board of Directors.
- 5.25. The Chairman of the Board of Directors provides an opportunity to members of the Board of Directors to express their point of view on discussed issues, facilitates search of the coordinated decision by members of the Board of Directors in interests of

shareholders. At that he must show adherence to principles and act in the interests of the Company.

- 5.26. The Chairman of the Board of Directors provides effective work of committees of the Board of Directors, nominates members of the Board of Directors to this or that committee, proceeding from their professional and personal qualities and considering proposals of members of the Board of Directors on formation of committees, ensuring, if necessary, that issues considered by a committee, are brought for discussion of the Board of Directors as a whole.
- 5.27. Members of the Board of Directors of the Company must refrain from actions, leading to or potentially able to lead to a conflict between their interests and the interests of the Company, and in case of occurrence of such conflict - they must disclose the information on this conflict to the Board of Directors and refrain from voting on the issue provoking the conflict of interests.
- 5.28. Members of the Board of Directors of the Company are liable before the Company and shareholders for losses, caused to the Company by their faulty actions (failure of action), unless other grounds and amount of liability are established by the effective law.

6. SECRETARY OF THE BOARD OF DIRECTORS OF THE COMPANY

- 6.1. The necessary condition of ensuring rights and interests of shareholders is strict observance of the procedures, established by law of the Russian Federation, the Charter and other internal documents of the Company by bodies and employees of the Company. The special importance is given to duly observance the procedure of preparation holding of the General Meeting of shareholders, activity of the Board of Directors, disclosing and providing information on the Company. For effective observance of the specified procedures the Secretary of Board of Directors of the Company is appointed by the decision of the Board of Directors with the purpose of observance of the procedural requirements ensuring rights and interests of shareholders of the Company.
- 6.2. Functions of the Secretary of the Board of Directors of the Company are as follows:
 - providing preparation and holding of the General Meeting of shareholders according to requirements of law of the Russian Federation, the Charter and other internal documents of the Company;
 - taking measures for the resolution of conflicts, in case of occurrence thereof, connected with procedure of preparation and holding of the General Meeting of shareholders;
 - control of duly consideration of applications of shareholders by bodies and divisions of the Company;
 - providing preparation and holding of sessions of the Board of Directors of the Company in accordance with requirements of the law of the Russian Federation, the Charter and other internal documents of the Company;
 - rendering assistance to members of the Board of Directors at their functions performance;
 - providing explanations of requirements of the law of the Russian Federation, the Charter and other internal documents of the Company, concerning procedural issues of preparation and holding of the General Meeting of shareholders, sessions of the

- Board of Directors, disclosing and providing of information on the Company to members of the Board of Directors;
- providing appropriate disclosing and granting information on the Company;
 - other functions, provided for by internal documents of the Company
- 6.3. The Secretary of the Board of Directors of the Company must possess knowledge necessary for performance of his assigned functions, as well as enjoy confidence of shareholders and members of the Board of Directors.

7. EXECUTIVE BODIES OF THE COMPANY

- 7.1. The structure of executive bodies is defined by the Charter of the Company. The Board of Directors with the aim to provide day-to-day management of the Company forms a joint executive body (if formation thereof is stipulated by the Charter) and appoints an individual executive body (General Director) of the Company. In case of formation of a joint body, the General Director of the Company heads and supervises its work and is the Chairman of a joint executive body by post.
- 7.2. Executive bodies report to the Board of Directors of the Company. They carry out their activity in strict conformity with requirements of the current law, the Charter and other internal documents of the Company.
- 7.3. Executive bodies are to carry out current management of activity of the Company, which imply their responsibility for implementation of purposes, strategy and policy of the Company.
- 7.4. Executive bodies are must serve interests of the Company, that is to carry out management of activity of the Company so that to provide both dividends received by shareholders, and opportunity for development of the Company.
- 7.5. For achievement of these goals, executive bodies solve, first of all, the following issues: they are responsible for everyday work of the Company and its conformity to the financial and economic plan, as well as honesty, in due time and effectively execute decisions of the Board of Directors and the General Meeting of shareholders of the Company.
- 7.6. Carrying out the functions assigned to them, executive bodies possess big powers on management of assets of the Company, thus the work of executive bodies is organized so that to exclude mistrust to them from the side shareholders. Trust must be provided by high requirements to personal and professional qualities of members of executive bodies, and by current procedures of effective control from the side of shareholders in the Company.
- 7.7. Resolving issues of management of current activity of the Company is assigned to the competence of executive bodies, including: definition of short-term objectives of the Company activity, the preliminary approval of the annual budget of the Company and annual business-plan and bring thereof for consideration of the Board of Directors of the Company, approval of accounting policy of the Company, control of execution of budget of the Company and implementation of business-plan of the Company, conclusion and execution of civil contracts, approval of specific internal documents, and also providing recommendations to the Board of Directors of the Company on interaction of the Company with affiliated and dependent companies.

- 7.8. The structure of executive bodies of the Company provides the most effective implementation of functions, assigned to them. For performance of functions of the General Director of the Company, a physical person must possess professional qualification, necessary for management of current activity of the Company. The Company makes every effort for persons, having special knowledge in a field of activity of the Company were included into the structure of executive bodies.
- 7.9. A person, having experience both in a field of activity of the Company, as well as in management, is as a rule, is appointed for the position of the General Director of the Company.
- 7.10. The General Director and members of a joint executive body of the Company (if formation thereof is stipulated by the Charter) must operate in interests of the Company. Professional qualities of the General Director and members of a joint executive body must not cause doubts that they will operate in interests of the Company, therefore persons, having faultless reputation are appointed to these positions. At that, a crime, performed by a person in sphere of economic activities or against government, interests of public service and service in institutions of local government, as well as an administrative offence, first of all, in the field of enterprise activity, in the field of finance, taxes and tax collections, securities market, will be one of the factors, negatively influencing the reputation thereof. A person, disqualified according to the law of the Russian Federation, cannot be a member of a joint executive body or the General Director of the Company.
- 7.11. Paid posts by the General Director and members of the joint executive body in other organizations are taken with the consent of the Board of Directors of the Company.
- 7.12. Members of executive bodies are liable for management of current activity of the Company. For effective execution of this task they must possess sufficient information on current problems of activity of the Company and to work directly with heads of structural divisions of the Company.
- 7.13. At defying the number of members of the joint executive body of the Company, the Board of Directors of the Company proceeds from the fact, that quantity of members of the joint executive body must be optimal for productive and constructive discussion of issues, as well as for taking duly and weighed decisions.
- 7.14. The General Director and members of the joint executive body must act reasonably and honesty in interests of the Company, i.e. show care and discretion, when executing the rights and commitments, stipulated in the Charter, to be expected from a good manager in a similar situation under similar circumstances.
- 7.15. Remuneration of the General Director and members of the joint executive body must be appropriate to their qualification and their real contribution to results of activity of the Company must be at that taken into account.
- 7.16. Remuneration of the General Director and members of the joint executive body is defined so that it would be competitive in comparison with the comparable companies.
- 7.17. The General Director and members of the joint executive body of the Company must act reasonably, honesty, with due care in regards to affairs of the Company. The General

Director, a member of the joint executive is considered to be acting reasonably and honesty, if he personally not interested in taking a specific decision and carefully studied the information, necessary for decision-making.

- 7.18. Members of the a joint executive body and the General Director are liable before the Company for losses, caused to the Company by their faulty actions (lack of action), unless other grounds and amount of responsibility are established by the effective law.

8. DISCLOSURE OF INFORMATION ABOUT THE COMPANY

- 8.1. The purpose of policy of the Company on disclosure of the information on the activity thereof is duly and full reporting of this information to all persons, interested in receiving thereof in the amount, required for taking a weighed decision on participation in the Company or performance of other actions, possibly to affect financial and economic activity of the Company.
- 8.2. The principle of information policy of the Company is providing the opportunity to all interested persons of free and easy access to the information on the Company.
- 8.3. The main principles of disclosure of information of the Company are:
- regularity and efficiency of providing of information;
 - availability of information to shareholders, investors and other interested persons;
 - reliability and completeness of contents of information;
 - observance of reasonable balance between openness of the Company and observance of commercial interests thereof;
 - protectability of information resources.
- 8.4. According to the statement on informational policy of the Company, approved by the Board of Directors, the Company will disclose mandatory and additional information on a the site (page) of the Company in the Internet network - **www.uralchem.com**, as well as in other forms, established by the current legislation of the Russian Federation, the Charter and internal documents of the Company.
- 8.5. The list and structure of information, making a commercial secret of the Company, is approved by the Board of Directors of the Company. Rules of insiders' information application are established by the Provision on the information policy of the Company.

9. CONTROL OVER FINANCIAL AND ECONOMIC ACTIVITIES OF THE COMPANY

- 9.1. The monitoring system over its financial and economic activity, operating in the Company is aimed to ensure trust of investors and other interested persons to the Company and managerial bodies thereof. The main purpose of such monitoring is protection of the rights and legal interests of investors and shareholders, as well as assets of the Company.
- 9.2. The monitoring over financial and economic activity of the Company is carried out by the Board of Directors of the Company, the Auditing Committee of the Company, Director of Internal Control and Audit, as well as by an independent auditor organization (auditor) of the Company.

- 9.3. The Auditing Committee holds checks of financial and economic activity and forms the independent qualified judgment on the state of affairs in the Company. Conclusions of the Auditing Committee are brought to the notice of shareholders of the Company on the General Meeting of shareholders in the form of the conclusion of the Auditing Committee as a part of annual report of the Company.
- 9.4. The Auditing Committee checks the operation of the system of the internal control and the system of risks management and regulation and informs on results of the check in their conclusion, forwarded to shareholders together with other documents before holding of annual General Meeting of shareholders.
- 9.5. The Auditing Committee in its activity is not concerned with opinions and instructions of officials of the Company and operates independently.
- 9.6. Activity of the Auditing Committee of the Company is regulated by the Charter and internal documents of the Company.
- 9.7. For check and acknowledgement of correctness of annual financial reports, the Company annually involves a professional auditor, not connected by property interests with the Company or shareholders thereof. The auditor of the Company is approved by the General Meeting of shareholders of the Company. Terms of contract, concluded with the auditor, including the amount of payment for the services thereof, are approved by the Board of Directors of the Company. Auditor check must be held so that it would result in acquiring objective and full information on activity of the Company.
- 9.8. For testing of system of the internal control, there is the Director on internal control and audit in the Company, who is responsible holding regular estimation of the system of internal control of the Company. Competence of the Director under internal control and audit, requirements shown to them, are defined by the internal document of the Company.

10. THE COMPANY'S DIVIDEND POLICY

- 10.1. The policy of the Company in terms of payment of dividends essentially effects interests of shareholders. In this connection the Company approves dividend policy to govern the Board of Directors of the Company when adopting recommendations to the General Meeting of shareholders on payment of dividends. This policy must be set forth in internal document of the Company, approved by the Board of Directors.
- 10.2. The Company will inform shareholders, investors and other interested persons on the dividend policy thereof, considering its great value for taking investment decisions. In these purposes the document of the Company on dividend policy of the Company and changes inserted to it will be placed on the site of the Company in the Internet network.
- 10.3. The decision on payment of dividends must allow a shareholder to receive exhaustive information concerning the amount of payment of dividends. In this regard the amount of dividends on shares of each category (type), as well as the form of payment of dividends must be specified in the decision on payment of dividends.

- 10.4. The order of definition of amount of dividends must exclude the possibility of confusion of shareholders in regards to its amount.
- 10.5. The order of payment of dividends must in the best way facilitate the implementation of the right of shareholders to receive them. Payment of dividends will be carried out by money funds, as in case of payment thereof with other property, the estimation of actually paid dividends is essentially hindered, and moreover, receipt of other property can impose additional obligations on shareholders.

11. FINAL PROVISIONS

- 11.1. This Code becomes effective from the moment of approval thereof by the Board of Directors. The code can be changed or added under the decision of the Board of Directors.
- 11.2. Corporate relations in the Company are regulated by both the Code, and other internal documents of the Company. Issues, not stipulated by this Code, are regulated by the effective law of the Russian Federation and the Charter of the Company.
- 11.3. If norms of this Code contradict the requirements of the Charter of the Company, the provisions of the Charter will prevail.
- 11.4. If norms of this Code contradict the requirements of the effective law of the Russian Federation, the norms of the effective law will apply.
- 11.5. The Company will be improving this Code considering new standards of corporate conduct appearing in the Russian and international practice, interests of shareholders, the Company and other interested persons.