

APPROVED

by resolution of the Board of Directors
of PJSC PhosAgro

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**Regulations on Conflict of Interest of
Public Joint-Stock Company
PhosAgro**

Moscow

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1. GENERAL PROVISIONS

These Regulations on Conflict of Interest (hereinafter – the Regulations) of Public Joint-Stock Company PhosAgro (hereinafter – the Company) have been developed under current Russian and other applicable legislation and in accordance with Federal Law dd. 25.12.2008 No. 273-FZ “On Corruption Countering”.

These Regulations shall apply to all employees of the Company irrespective of their position, to individuals cooperating with the Company under civil contracts, in cases where the relevant obligations are indicated in contracts made with them.

These Regulations shall be posted on the corporate online portal of the Company. Each employee, when hired, shall familiarize himself with the provisions of this document with his written acknowledgement.

2. PURPOSE AND TARGETS

Timely identification of conflicts of interest in activities of the Company's employees is one of the key elements of corruption offenses prevention.

The purpose of these Regulations is to settle and prevent conflicts of interest in activities of the Company's employees as well as possible adverse implications of such conflicts for the Company.

The main target of these Regulations is to limit the influence of personal interest of employees on their labor functions as well as on business decisions taken.

The Regulations establish the procedure for identifying and resolving conflicts of interest arising with the Company's employees in the course of performance of their job duties.

3. TERMS AND DEFINITIONS

Conflict of interest - a situation where the personal interest (direct or indirect) of an employee (a representative of the Company) influences or can influence the proper, objective and impartial performance of his official job duties and where there arises or may arise a contradiction between the personal interest of such employee (representative of the Company) and the rights and legitimate interests of the Company, which may prejudice the rights and legitimate interests, property and (or) business reputation of the Company, where such employee (representative of the Company) works.

Personal interest shall be understood to mean the possibility to receive income in the form of money, other property, including property rights, property related services, deliverables or any benefits (advantages) by an employee (a representative of the Company) and (or) his close relatives or relatives by marriage (parents, spouses, children, siblings, as well as siblings, parents, children of spouses and spouses of children), individuals or organizations with whom or which such employee (representative of the Company) and (or) his close relatives or relatives by marriage have property, corporate or other close relations.

Counterparty - any Russian or foreign individual, except for the Company employees, or a legal entity (including its branch and/or representative office) with whom or which the organization has entered into contractual relations.

Close relatives - persons related to an employee or a representative of the Company either by blood or by marriage, including his parents, children, grandchildren, full and half siblings, aunts, uncles, nephews and nieces, grandfathers, grandmothers, spouses, spouses' relatives, adoptive parents and adopted children.

Direct subordination - a work relationship, where a senior officer is deemed eligible to give mandatory instructions to his subordinates and to demand execution of such instructions.

Controlled status exists where an employee, by virtue of his official duties, is obliged to control the labor activity (the performance of job duties) of another employee, including in cases where there is no direct subordination between them.

When considering the issue of controlled status or subordination of one employee to another, it is necessary to proceed from their job duties established by the Company's internal documents, as well as the corporate structure of the Company.

Compliance Controller - an executive of the Company appointed by an order of the Company CEO to implement the anticorruption procedures, in accordance with the requirements of applicable anticorruption legislation and internal regulations of the Company.

4. BASIC PRINCIPLES OF CONFLICT OF INTEREST MANAGEMENT IN THE COMPANY

Conflict of interest management in the Company is based on the following principles:

- 4.1. Obligation to disclose information about an actual or potential conflict of interest.
- 4.2. Individual review and assessment of risks for the Company in identifying each conflict of interest and its resolution.
- 4.3. Confidentiality of the process of disclosing information about a conflict of interest and its resolution.
- 4.4. Balance of interests of the Company and an employee when resolving a conflict of interest.
- 4.5. Protection of an employee from harassment in connection with informing about a conflict of interest, which was promptly disclosed by such employee and resolved (prevented) by the Company.

5. JOINT WORK OF RELATIVES

The Company adheres to the principle of limiting the work of persons who are close relatives or relatives by marriage if their work is related to direct subordination or control of one of them over another, as subordination or controlled status may have adverse implications.

The decisions of relatives-superiors in relation to relatives-subordinates may be biased or may be perceived as biased by other employees of the Company and / or by third parties.

A relative-superior may be allowed to be the direct supervisor of a relative-subordinate by the decision of the CEO of the Company.

In most cases joint work of relatives in the Company is not prohibited.

6. RELATIONS WITH COMPETITORS AND COUNTERPARTIES

Each employee is prohibited from:

- exercising supervision over the performance of a counterparty's contractual obligations, from representing the Company, making or participating in making decisions on establishing (maintaining) business relations with a counterparty if such employee has a material personal interest in business of such a counterparty, including (but not limited to) majority equity stake of such employee himself, his close relatives or relatives by marriage in the authorized capital or management bodies of such counterparties (and also management positions), as well as with organizations, where the employee (Company representative) is bound by financial or other commitments, except in cases where the employee has been charged with such activity or participation in the prescribed manner, which means that the respective approval of the Company's CEO has been obtained, and these functions are performed to fulfill the employee's professional duties;

- participating in a tender or from entering into one group of persons with a tender participant in case such employee has interest in choosing the winner of the tender;

- engaging in business or other commercial activities (including participation in the authorized capital or management of legal entities) that have become available due to the official position in the Company, including through the use of business ties and the Company's opportunities, unless such activities or participation are directly entrusted to the employee by the CEO of the Company in accordance with the established procedure, and are carried out in order to fulfill the professional duties of the employee;

- using confidential information that has become known to him during the performance of his job duties, in order to obtain benefits or competitive advantages when making commercial transactions on his own behalf or on behalf of another person, with whom the employee's personal interest is related with.

The Company employees shall inform the person responsible for the anti-corruption policy in the Company about their own participation and / or about participation of their close relatives or relatives by marriage in the authorized capitals (except for organizations with shares traded on the established securities market, if such participation does not exceed 2% of the authorized capital) and / or in the management bodies of the Company's competitors and counterparties, as well as about the receipt of proposals for such participation. Such information shall be provided on an annual basis.

7. EMPLOYEES' DUTIES WITH RESPECT TO CONFLICT OF INTEREST DISCLOSURE AND SETTLEMENT

Employees of the Company shall:

- be guided by the interests of the Company without regard for their personal interests, interests of their relatives and friends when making decisions on business matters and performing their job duties;
- disclose an arising (actual) or potential conflict of interest;
- avoid (if possible) situations and circumstances that could lead to a conflict of interest;
- contribute to resolving a conflict of interest that has arisen;

- in the event of a potential and / or actual conflict of interest, employees should promptly inform the Compliance Controller;
- abstain from committing and (or) participation in corruption offenses in the best interests of or on behalf of the Company;
- promptly inform the Compliance Controller when they are induced to commit a corruption offense;
- promptly inform the Compliance Controller, and / or the PhosAgro Hotline about the possible occurrence or the occurrence of an employee's conflict of interest.

An indicative list of possible conflict of interest situations is given in Appendix No. 2 to these Regulations. The list is not exhaustive.

The Company establishes the following reasons for disclosing information about the existence of an actual or potential conflict of interest:

- when being hired, a candidate is obliged to notify the Compliance Controller in writing, about the presence of an actual or potential conflict of interest related to the performance of his official duties, according to his position; when signing an employment contract, an employee is required to fill out a standard form of the conflict of interest declaration. The Compliance Controller shall monitor submission of the conflict of interest declaration;
- when being appointed to a new position, an employee is obliged to notify (promptly) in writing the Compliance Controller if his new job duties can lead to a situation that can be regarded as an actual or potential conflict of interest;
- an employee is obliged to notify (promptly) in writing the Compliance Controller of any changes in circumstances if such changes can lead to a situation that can be regarded as an actual or potential conflict of interest.

The presence of a conflict of interest (or the apparent presence of such a conflict) constitutes a threat to the Company's reputation in the opinion of the Company's employees and other persons (including shareholders, counterparties). Disclosure of information on a conflict of interest is made in writing (in the form specified in Appendix No. 1).

8. PROCEDURE FOR DISCLOSING A CONFLICT OF INTEREST BY AN EMPLOYEE OF THE COMPANY AND PROCEDURE FOR RESOLVING CONFLICTS OF INTEREST

The Company's employees may disclose a conflict of interest on the following occasions:

- disclosure of information on a conflict of interest when being hired;
- disclosure of information on a conflict of interest when being appointed to a new position;
- one-time disclosure of information as conflicts of interest arise.

Information on a conflict of interest can be disclosed in any way, including:

- by e-mail: help@phosagro.ru;
- by phone of the "Hotline" 8 (8202) 59-32-32;
- in writing in the attached form (Appendix to the Regulations) to the Compliance Controller.

The Company provides for obligatory conclusion with employees of an agreement on the employee's compliance with the requirements of internal regulations related to preventing and countering corruption.

The Company arranges annual filling in of the conflict of interest declaration for the employees and periodic provision of information about income, property and liabilities of property nature. The subject and content of items included in the conflict of interest declaration and persons subject to the requirement to fill in the conflict of interest declaration, periodicity and persons subject to the requirement to provide information on income, property and liabilities of property nature are determined by an order of the Company's CEO. The Compliance Controller shall be responsible for the arrangement of the annual filling in of the conflict of interest declaration and the periodic provision of information on income, property and liabilities of property nature. Non-submission, submission of incomplete or inaccurate information in the conflict of interest declaration may serve as grounds for disciplinary measures.

The Compliance Controller should be notified of the occurrence (possible occurrence) of a conflict of interest in writing (in the form specified in Appendix No. 1). The initial disclosure of a conflict of interests is allowed in oral form with subsequent execution in writing. The Company assumes the obligation of confidential consideration of the information submitted and settlement of the conflict of interest.

Information received should be carefully checked by the Compliance Controller in order to assess the risks for the Company and to choose the most appropriate form of conflict of interest settlement. It should be noted that as a result of this work, the Company may decide that the situation, information about which was provided by the employee, is not a conflict of interest and, as a consequence, does not need special ways of settlement.

In case of a conflict of interest the Company may use, among other things, the following methods to resolve it:

- restriction of an employee's access to specific information that may affect the personal interests of the employee;
- voluntary refusal of an employee or his removal (permanent or temporary) from participation in the discussion and decision-making process on issues that are or may be influenced by a conflict of interest;
- revision and change of the functional duties of an employee;
- transfer of an employee to a position where he will have functional duties not related to the conflict of interest;
- waiver on the part of an employee of his personal interest, which results in a conflict with the Company's interests;
- transfer by an employee of the property in his ownership, which results in a conflict of interest, into trust management (the trust management agreement should stipulate the right of the trustee to dispose of the assets transferred to him for trust management without any restrictions, and the settlor should be deprived of the opportunity to influence decisions of the trustee in respect of the property transferred into trust).

The above list of ways to resolve conflicts of interest is not exhaustive. In each specific case, upon the agreement of the Company and the employee who disclosed information about the conflict of interest, other forms of its settlement can be found.

When resolving an existing conflict of interest, the most “gentle” of possible measures of settlement is chosen taking into account the existing circumstances. More stringent measures are used only if actually needed, or in the event that more “gentle” measures are not sufficiently effective. When deciding on the choice of a specific method for resolving a conflict of interest, the importance of the employee's personal interest and the likelihood that this personal interests will be implemented to the detriment of the interests of the Company are taken into account.

9. PERSONS RESPONSIBLE FOR COLLECTION OF INFORMATION ON A CONFLICT OF INTEREST WHICH HAS ARISEN

The following persons shall be responsible for collection of information about arising (existing) or potential conflicts of interest:

- Heads of structural divisions;
- Compliance Controller.

The information received is passed on to the Compliance Controller, who studies it comprehensively for the presence or absence of a conflict of interest and, if there is a conflict of interest or the possibility of its occurrence, the Compliance Controller drafts an official memo (hereinafter – a Memo), with indication of the addressee, a description of the essence of the conflict of interest, its participants and a list of attached documents, with proposals for measures to prevent / resolve the conflict of interest and sends it to the head of the structural unit (hereinafter – a Structural Unit) where such conflict of interest arose / may arise.

The Compliance-Controller is obliged to control that the head of the Structural Unit has taken measures to prevent / resolve a conflict of interest within ten working days from the date when the Memo was received by the head of the Structural Unit.

If the Compliance-Controller fails to prevent / resolve a conflict of interest in the regular course of his work by interacting with the head of the Structural Unit where such conflict of interest has arisen / may arise, information with recommendations for resolving the conflict of interest is submitted for consideration and decision to the Company's CEO.

10. EMPLOYEE`S LIABILITY FOR FAILURE TO COMPLY WITH THE REGULATIONS ON CONFLICT OF INTEREST

Each employee shall be personally responsible for studying the requirements of these Regulations.

Persons responsible for receiving and examining reports on a conflict of interest are required to take comprehensive measures to prevent the receipt of this information by unauthorized employees of the Company and third parties. Failure to take such measures or unauthorized access to the information obtained may serve as grounds for disciplinary measures and recovery of damage incurred by an employee and the Company in the manner prescribed by law.

Failure to comply with the requirements of these Regulations may serve as grounds for disciplinary liability of an employee and for termination of an employment contract.

In certain cases, failure to comply with these Regulations may entail administrative, civil or criminal liability of an employee on the initiative of the Company, law enforcement agencies or other persons in the manner and on the grounds stipulated by applicable legislation and internal regulations of the Company.

Appendix No.1
to the Regulations on Conflict of Interest
of PJSC PhosAgro

Att.: _____
(Surname, first name and patronymic of the Compliance Controller)

From _____
(Surname, first name and patronymic, position, structural division and tel. no.)

NOTIFICATION

on occurrence (possible occurrence) of a conflict of interest

According to the Regulations on Conflict of Interest I hereby notify you that:

1. _____

(description of the situation, personal interest which results or may result in a conflict of interest)

2. _____

(description of job duties which may be or have been adversely affected by the personal interest)

3. _____

(proposals for measures to resolve the conflict of interest)

_____ 20 _____

_____ (Surname, first name and
patronymic, signature)

Appendix No.2
to the Regulations on Conflict of Interest
of PJSC PhosAgro

Indicative list of possible conflict of interest situations

1. An employee of PJSC PhosAgro in the course of performing his job duties makes decisions or participates in making decisions (when choosing a counterparty at a tender, when preparing an expert opinion on a counterparty and its commercial proposal, on including a counterparty in the list of undesirable counterparties, in carrying out technical supervision, when making decisions relating to staff, financial, administrative, managerial, control and other issues) which can bring tangible or intangible benefits to such employee, his close relatives or relatives by marriage, with whom his personal interest is connected.

- Example: a senior officer of PJSC PhosAgro makes a decision to increase the salary of his subordinate (pay a bonus to his subordinate), who is also connected with him by family relations.

- Example: an employee of PJSC PhosAgro exercises supervision over the performance of contractual obligations by the company X, where his son holds the position of director.

2. An employee of PJSC PhosAgro or another person with whom such employee`s personal interest is connected, performs or intends to perform paid work for the company X, which has business relations with PJSC PhosAgro.

- Example: an employee of PJSC PhosAgro, who has confidential information about the Company's activities, works part-time for the company X, which has business relations with PJSC PhosAgro or is a competitor of PJSC PhosAgro.

3. An employee of PJSC PhosAgro or another person with whom such employee`s personal interest is connected has securities or stakes in the authorized capital of the company X, which has business relations with PJSC PhosAgro or is its competitor, makes decisions or participates in making decisions on establishing (maintaining) business relations of PJSC PhosAgro with the company X or intends to establish such relations.

- Example: an employee of PJSC PhosAgro makes or participates in making a decision to conclude an agreement for rendering services to PJSC PhosAgro. The company X is the potential service provider, whose securities / stakes belong to the employee or his relative.

4. An employee of PJSC PhosAgro or another person with whom such employee's personal interest is connected has financial or property (debt / credit) obligations owed to the company X and makes or participates in making decisions on establishing (maintaining) business relations of PJSC PhosAgro with the company X or intends to establish such relations.

5. An employee of PJSC PhosAgro or another person with whom such employee's personal interest is connected receives material benefits or services from the company X, which has business relations with PJSC PhosAgro or is its competitor, and makes or participates in making decisions on establishing (maintaining) business relations of PJSC PhosAgro with the company X or intends to establish such relations.

- Example: an employee of PJSC PhosAgro, whose job duties include control over the quality of goods and services provided by counterparties, receives a significant discount on the goods of the company X, which is a supplier of PJSC PhosAgro.

6. An employee of PJSC PhosAgro or another person with whom such employee`s personal interest is connected receives expensive gifts from his subordinate or another employee of PJSC PhosAgro,.

- Example: an employee receives an expensive gift from his subordinate, while such employee's authority includes making decisions (preparing proposals to the superior) on raising the salary of such subordinate and appointing him to higher positions in the company.

- Example: an employee of PJSC PhosAgro receives an expensive gift from an employee of PJSC PhosAgro, who is under control of such employee (who has received the gift).

7. An employee of PJSC PhosAgro uses confidential information, which became known to him in the course of performance of his job duties, to obtain benefits or competitive advantages when making commercial transactions for himself or another person with whom such employee's personal interest is connected.

8. An employee of PJSC PhosAgro makes or participates in making decisions on purchasing by PJSC PhosAgro of goods / services that are the results of intellectual activity for which he or another person with whom his personal interest is connected has exclusive rights.

9. An employee of PJSC PhosAgro in the course of performing his duties simultaneously makes or participates in making decisions (relating to staff, financial, administrative, managerial, control and other issues) in the parent company and in a subsidiary which renders services to (performs works for) PJSC PhosAgro under a contract.