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PHOSAGRO HOT LINE REGULATIONS

(revised version)

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1 Purpose and Scope

1.1 These Regulations set out the purpose and key objectives of the PhosAgro hot line established for countering fraud, corruption and embezzlement, revealing conflicts of interest in employee performance and violations of the Company's internal regulations. The Regulations outline arrangement procedures and rules for collecting, processing and storing incoming messages, feedback, monitoring and control.

1.2 The PhosAgro hot line is designed to receive messages from any persons, including shareholders, counterparties, partners, members of management bodies and employees of the Company.

2 Legal Framework

Federal Law "On Countering Corruption"
No. 273-FZ
dd. 25.12.2008

Federal Law "On Operational and Investigative Activities"
No. 144-FZ dd. 12.08.1995

3 Terms, Definitions and Abbreviations

3.1 For purposes of these Regulations, the terms set out below are defined as follows:

PhosAgro Hot Line - a system for collecting and processing information on suspected violations of laws, as well as on administrative offenses and crimes. It aims to enable any person to report violations in the Company, its subsidiaries and affiliates.

Insider Information - corporate information, which, if made public, would have a significant effect on the securities market.

Trade Secret - any information (on production, technical, economic, corporate and other issues), including intellectual property in research and technology, as well as information about the ways of professional activity with real or potential commercial value by virtue of non-public nature, which is free from third-party access on legal grounds and which is protected with trade secret procedures introduced by such information owner.

Confidential Information - information with access restricted in accordance with applicable law and privilege level.

Corruption and Corrupt Practices:

- an offer, promise, provision and gaining of an unlawful advantage, whether financial or not, in any form, including a bribe or a corrupt payment;
- mediation in corrupt practices;
- abuse of office or authority or other unlawful use by an individual of his or her official position contrary to the Company's legitimate interests, including for purposes of gaining an unlawful advantage, whether financial or not, for oneself or third parties, or unlawful provision of such advantage to that person by other individuals.

Designated Official - the official in charge of the PhosAgro hot line proper functioning appointed by the Economic Security Officer of JSC Apatit.

Employees - staff members performing their labour duties under employment contracts;

3.2 Abbreviations:

RF- the Russian Federation.

Company – Public Joint Stock Company PhosAgro;

ESD – the Economic Security Directorate of JSC Apatit, SU functioning under a service agreement between the Company and JSC Apatit.

4 General Provisions

4.1 PhosAgro hot line purpose and functions:

- to increase the efficiency of measures aimed to prevent corruption offenses, fraud and embezzlement in the Company;
- to mitigate legal and reputational risks arising from violations of professional or ethical standards by the employees;
- to ensure corruption, fraud and embezzlement detection by involving employees in crime prevention activities;
- to ensure workplace conflicts of interest detection to resolve and prevent such conflicts or their adverse implications in a timely manner;
- to ensure prompt receipt, consideration and control of information relating to corruption offenses, fraud and embezzlement, or potential and / or actual conflicts of interest;
- to ensure transparency of enterprises performance;
- to prevent violations of human rights and environmental violations within the Company;
- to ensure safe work environment.

4.2 These Provisions have been drafted in accordance with the Guidelines for Corporate Anti-Corruption Measures Development and Introduc-

tion (approved by Ministry of Labour and Social Protection of the Russian Federation dd. 08 November 2013), pursuant to Article 13.3 of the Federal Law No. 273-FZ “On Countering Corruption” dd. 25 December 2008.

5 PhosAgro Hot Line Principles

5.1 All incoming information in each communication shall be verified.

5.2 The PhosAgro hot line is available 24 hours a day. Communications are received by phone, e-mail or mail, and are treated as confidential.

5.3 Incoming information shall be verified impartially and independently. Impartiality is ensured by involving employees not engaged in the issue under consideration, which enables them to arrange impartial and independent inspections and draw conclusions from facts in compliance with the relevant legislation.

6 PhosAgro Hot Line Profile

6.1 Employees and any other stakeholders may contact the PhosAgro hot line to communicate information about potential violations, including:

- embezzlement or misuse of the Company assets, including disclosure of confidential or insider information, or trade secret information;
- fraud and money laundering;
- corruption offences, including giving, receiving, promising or demanding a bribe;
- breach of internal regulations and / or applicable laws;
- potential and / or actual conflicts of interest;
- breach of environmental, health and safety requirements;
- violations of tendering procedures;
- disclosure or misuse of trade secret or confidential information;
- an actual conflict of interest between an employee and a counterparty;
- bribery by employees, representatives, agents, consultants and other persons acting on behalf of the Company, providing or promising advantages, whether financial or not, to an officer of a commercial entity or another organisation, to officials of federal or local authorities, international organisations, regulatory agencies or entities purchasing goods, works or services from the Company, to ensure that the Company shall receive or retain any rights or benefits;
- breach (neglect) of duty on the part of the management, malfeasance, employee mistreat-

ment, extortion, unjustified prohibition or restriction;

- environmental offenses;
- violations of human rights;
- forced labor, child labor and workplace discrimination;
- other violations of the Code of Ethics.

6.2 The PhosAgro hot line may not be used for:

- misrepresentation or defamation regarding employees and other persons, etc.;
- advertisements or dissemination of any information that is not directly related to the Company's activities;
- insults, threats to life and health of employees, their families and other persons;
- other purposes inconsistent with the PhosAgro hot line objectives, internal regulations of the Company and applicable laws.

6.3 Following the initial consideration of communications received via the PhosAgro hot line, the Company reserves the right to ignore communications inconsistent with the hot line objectives and / or containing foul or obscene language.

6.4 In case of any amendments to the Company's internal regulations and/or the Russian or other applicable legislation, which could directly or indirectly impact the provisions of these Regulations, due diligence shall be initiated to determine whether the provisions of these Regulations are consistent with the amended legislation. As and when necessary, the appropriate amendments shall be introduced to the Regulations.

7 Message Delivery, Collection, Processing and Storage Procedures

7.1 The PhosAgro hot line may be reached:

☎ by phone: 8 (8202) 59-32-32;

✉ by e-mail at: help@phosagro.ru;

✉ by mail at: 162622, Russian Federation, Vologda region, Cherepovets, Severnoye shosse, 75, Economic Security Directorate.

7.2 To ensure open access to the PhosAgro hot line, information about all available communication channels is posted on the the Company's web-sites.

7.3 Messages can be delivered to the PhosAgro hot line in any convenient form (Ways to contact the PhosAgro hot line with samples. Appendix A).

8 Message Collection Procedures

8.1 The designated official shall register all incoming messages in the relevant register. Each incoming message in the register should be supplemented with the following information:

- ordinal number of incoming message;
- date and time of message receipt;
- the source (channel) used to communicate the incoming message;
- the enterprise referred to in the message;
- category of the message;
- brief contents of the message;
- full name and title of the employee in charge of the message consideration;
- status of the message consideration;
- conclusion on whether an inspection is required or not;
- deadlines for the incoming message consideration.

8.2 The Company identifies the following categories of offences:

- embezzlement;
- fraud;
- corruption;
- reputational risks;
- conflict of interest;
- information disclosure;
- other violations of laws and procedures;
- environmental, health and safety violations;
- violations of human rights and other violations of the Code of Ethics;
- other.

9 Message Processing Procedures

9.1 The designated official shall check the message compliance with the objectives of the PhosAgro hot line and report to the Economic Security Officer in due time. As instructed by the Economic Security Officer, the designated official shall within three days notify the business unit indicated by the latter in order to arrange and hold an inspection. Following the inspection, the Economic Security Officer shall decide whether a corporate investigation is required.

9.2 Message Storage Procedures:

9.2.1 The designated official shall keep electronic records of all incoming messages within five years of the receipt date. The audio recordings of messages received via the PhosAgro hot line by phone, shall be kept during one year.

9.2.2 The designated official shall keep a register of incoming messages and the relevant resolutions.

9.2.3 Messages containing information about planned or committed offences, or offences in progress, which are not related to the Company's activities, as well as offences and events threatening public safety, shall be submitted immediately to law enforcement agencies.

9.2.4 If the message wording does not enable to identify the essence of the proposal, statement or complaint, no feedback will be given, and the message will not be subject to consideration.

9.2.5 Messages received from delusional applicants shall not be collected and referred for further consideration. The designated official may reject a message at his own discretion, if an applicant is obviously delusional, the application is senseless, obscene and qualifies as bullying.

10 Confidentiality

10.1 The designated official and other employees who, by virtue of office, have access to information received via the PhosAgro hot line, shall not disclose any information about any applicant to other employees of the Company or third parties.

10.2 The Company reserves the right to disclose the information about messages received via the hot line at request of law enforcement agencies, if such request complies with the applicable laws, in particular, Federal Law No. 144-FZ "On Operational and Investigative Activities" dd. 12 August 1995.

10.3 The Company shall not undertake to keep confidential the identity of applicants who willfully or through negligence, disclosed the information on contacting the PhosAgro hot line to other employees or third parties.

11 Whistleblower Protection

11.1 The Company management guarantees that no sanctions, including dismissal, demotion, deprivation of bonuses and other measures will be imposed on employees, who contacted the PhosAgro hot line and / or reported offences committed by other employees of the Company or third parties, except for the cases provided for by applicable laws.

11.2 The Company considers unacceptable and shall seek timely identification and prevention within the Company of any response measures against employees, who reported in good faith any

suspected corruption, fraud or other offences committed by another employee or third party, even if this suspicion was not confirmed.

11.3 The Company reserves the right to hold liable any employee who communicated misleading information to the PhosAgro hot line, in accordance with the relevant laws and internal regulations of the Company.

12 Feedback

12.1 Applicants providing their personal data are entitled to feedback and information on the consideration status, provided that such feedback or information does not result in violations of trade secret legislation, or disclosure of confidential or other information and data treated as confidential under Russian legislation, and does not entail any other corporate risks.

12.2 The business unit in charge of verifying incoming messages shall ensure feedback.

12.3 Feedback form (written or oral) will depend on the type of question and the contact details provided by the applicant.

12.4 A written reply may be sent to the applicant by e-mail.

2.5 No feedback is given if:

- the message is anonymous;
- the designated official finds the message groundless, and correspondence on the message issues has been terminated.

No substantive feedback is given if:

- the message is incorrect in content, wording or form. In case the message is recognised incorrect in content, the applicant is warned that he may not abuse the right to appeal;

- the feedback entails disclosing information treated as trade, state or other secret protected by law;

- the message includes issues already considered in written feedback on previous requests, and does not contain new arguments or circumstances, where the Head of the ESD may deem the message groundless and decide to terminate future correspondence with the applicant;

- following the inspection the message is found to be misleading, where the Head of the ESD may decide to terminate correspondence with the applicant.

Feedback on collective applications shall be addressed to the person indicated first or indicated as the addressee, or to the relevant company.

12.6 If the authorised officers decide to hold an inspection to verify the message received via the

PhosAgro hot line, the designated official shall upon request inform the applicant within five business days from the receipt date.

13 Liability

13.1 The Company employees shall be liable for non-compliance or improper compliance with these Regulations, as stipulated by the Russian legislation.

13.2 The Economic Security Officer shall monitor compliance.

Appendix A (for reference only)
Ways to contact the PhosAgro hot line with samples



Phone call at 8 (8202) 59-32-32

Recommended order:

“Hello, I’m calling you from”

Please name yourself (optional) and your company (obligatory), as designated officials need to understand where the message comes from.

“As far as I know, (employee name) is committing / is engaged / participates in (description) ”

“It happened (the period)”.

Try to provide as much information as possible about the nature and scope of the violation. All messages on instances of actual abuse are important. Petty though continuing offenses cause serious damage.



E-mail at: help@phosagro.ru from any e-mail address.

Please indicate the following:

- the business area where the violation occurred;
- the violation description and the facts you know;
- the business unit where the violation occurred;
- your name (optional) and contact details (optional).



Mail at: 162622, Russian Federation, Vologda region, Cherepovets, Severnoye shosse, 75, PhosAgro hot line.

Recommendations for mail are the same as for e-mail.

Please note that the message shall clearly state the facts known to you, and shall not contain unfounded suspicions.

If you become aware of potential and / or actual conflicts of interest, embezzlement, corporate fraud or corruption in the Company, you can report them via the PhosAgro hot line.