

APPROVED
by Resolution of the Board of Directors
OJSC PhosAgro dated 15-04-2014

CHARITY POLICY
Open Joint Stock Company
PhosAgro

Moscow, 2014 .

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1. GENERAL PROVISIONS

- 1.1. Policy on charity activities of Open Joint Stock Company PhosAgro (hereinafter - the Policy) defines the basic principles and directions of charity exercised on behalf and from funds of Open Joint Stock Company PhosAgro (hereinafter - JSC PhosAgro or the Company).
- 1.2. This policy is intended to achieve the following objectives:
 - Determine the fundamental approaches and basic directions for Company's charity activities in the long term;
 - Ensure objectivity and transparency of charity recipient selection process and distribution of allocated funds;
 - Increase management system efficacy for Company's charity activities;
 - Improve, strengthen and protect the Company's reputation as an honest, open and fair partner, thereby allowing the formation of a positive image in the eyes of the Company's shareholders, potential investors, partners, employees and contractors.
- 1.3. Regarding the Company's subsidiaries, the Company within its competence, initiates the introduction of their own policies on provision of charity support, social projects and other gratuitous financing that are similar to this Policy.

2. TERMS AND DEFINITIONS

Charity activities are Company's activities carried out on a voluntary basis: rendering grants or concessional assistance to citizens and non-profit organizations, including allocation of funds and/or tangible assets, execution of works, rendering of services, provision of other support.

Veteran of combat operations is a person recognized as a veteran of combat operations in accordance with the provisions of Articles 2-5 of the Federal Law N 5-FZ "On Veterans" dd.12.01.1995.

An official is a person who holds an office (function or mandate, regardless whether it carries an actual working space with it) in an organization or government and participates in the exercise of authority (either his own or that of his superior and/or employer, public or legally private).

Compliance Controller is a responsible employee of the Company, who is by the order of the Company's General Director is responsible for the implementation of anti-corruption procedures adopted by the Company in accordance with the requirements of applicable anti-corruption laws and internal regulations of the Company.

Contractor is any Russian or foreign individual, except for the Company's employees or an entity that have contractual relationship with the Company.

Non-profit organization is an organization, including a structural unit (branch or representative) of foreign non-governmental, non-profit organization which primary objective does not include generation of profit and this organization does not distribute profit among the participants, it is established to achieve social, charity, cultural, educational, political, scientific and management objectives in the following areas: public health, development of physical culture and sports, meeting spiritual and non-material needs of citizens, protection of rights and legitimate interests of citizens

and organizations, resolution of disputes and conflicts, legal assistance, as well as other purposes, aimed at achieving public benefits. For the purposes of this Policy to non-profit organizations do not include:

- State Corporations;
- State-owned companies;
- Public associations acting as political parties;
- Non-profit organizations (including non-profit organizations acting as a foreign agent) involved in political activities at the territory of the Russian Federation in accordance with the provisions of paragraph 6 of Article 3 of the Federal Law No. 7-FZ dated of January 12, 1996 on Non-profit Organisations.

State Representative:

- a) is a person permanently or temporarily acting as the representative of the state or municipal authorities on special authority;

and/or
- b) a person that is permanently/temporarily in charge of administrative functions of state bodies, local government, state or municipal institution or in the Armed Forces of the Russian Federation or in other military formations of the Russian Federation;

and/or
- c) officer or employee of a commercial organization, that is completely or partly owned by the state or municipal body;

and/or
- d) candidate/applicant to fill the state or municipal office, position in public or municipal bodies, including a position in government.

Public official:

- any appointed or elected person holding a position in legislative, executive, administrative or judicial office of a State on a permanent or temporary basis, whether paid or unpaid, irrespective of that person's seniority;
- any other person who performs a public function, including function for a public agency or public enterprise, or who provides a public service in accordance with the domestic law of the State that has jurisdiction and/or property rights on public agency or public enterprise (hereinafter - the State party), and in accordance with corresponding area of law regulation of that State party;
- any other person defined as a "public official" in the domestic law of the State party.

3. BASIC PRINCIPLES

- 3.1. The main purpose of PhosAgro charity and social activities is to ensure sustainable development of the regions where the Company operates and to support society members in need of social protection.
- 3.2. The Company identified the following basic principles of charity:
 - **Targeting and purpose-oriented use:** all charity activities of the Company are aimed at solving specific problems, corresponding to the main areas of charity activity, established internal regulatory documents of the Company;
 - **Control over expenses:** The company establishes the principle of control over spending of rendered charity support, including control over targeted use of the allocated funds;
 - **Transparency and disclosure:** charity support provided by the Company is subject to mandatory disclosure in public sector and media.
- 3.3. In order to implement charity activities, the Company assists:
 - individuals;
 - nonprofit organizations;
 - public authorities (in some cases).
- 3.4. Company does not provide charity assistance for:
 - public officials;
 - State representatives;
 - political parties and political movements;
 - commercial organizations.
- 3.5. Charity and other financial assistance shall meet the following criteria:
 - it shall not conflict with the principles and the requirements of this Policy and other internal documents of the Company, as well as applicable laws;
 - it shall not be a disguised fee for service, action, inaction, connivance, protection, as well as provision of other illegal benefits to the Company and/or its partners and subsidiaries;
 - its objective is a provision of support to certain groups, community organizations, charity funds, including the purpose of creating a positive image of the Company.

4. MAIN CHARITY ACTIVITIES

- 4.1. The company established a number of strategic areas that are appropriate for provision of charity support and social investments in order to maximize the efficiency of funds spending allocated to charity activities.
- 4.2. Directions of charity support and examples of charity activities which can be funded within these described areas are indicated in items 4.4-4.7 of the Policy.
- 4.3. List of charity activities within each direction is not a closed information. In each case, Company's senior officials collectively take a decision on correspondence of the social occasion and forms of charity to this Policy requirements.

4.4. Education

4.4.1. The Company pays significant attention to the organization and support of educational projects aimed at improving the education level of people living in regions where the Company operates. The Company also pays attention to improving education level of professions related to the Company's activities and improving the Company's attractiveness as a potential employer for young professionals.

4.4.2. Examples of charity activities, which can be funded under this direction:

- Additional scholarships for honored students and postgraduates in the regions where the Company operates;
- Educational scholarships to students from disadvantaged backgrounds, single-parent families and orphan students with subsequent employment of these students in the company;
- Organization and/or funding of educational projects for alternatively-gifted children and children with disabilities;
- Organization and/or funding of programs aimed at improving the qualifications of schools teachers;
- Organization and/or funding of additional education for pupils and students in order to train highly qualified personnel;
- Organization and/or financing of contests and competitions for high school students and for students in higher education institutions.

4.5. Sport and healthy lifestyle

4.5.1. Development and support of sport is one of the priorities within the charity activities of the Company. The Company seeks to promote healthy lifestyle and improve sports training for children and adolescents in the regions where it operates through financial, material and management support to sports clubs and non-profit organizations.

4.5.2. Examples of charity activities, which can be funded under this direction:

- Financing and financial assistance to a variety of sports clubs;
- Organization and/or financing of sports and educational centers on the basis of secondary schools in the regions where the Company operates;
- Organization and/or financing of sports contests and physical culture and sports festivals.

4.6. Social sphere

4.6.1. The Company's social projects are aimed at improvement of lives of the most vulnerable populations, including children, seniors, people with disabilities and combat veterans.

4.6.2. Examples of charity activities, which can be funded under this direction:

- Organization and/or financing of supplementary pensions, as well as financial assistance to the poor and the most vulnerable segments of the population;
- Financing and financial assistance to orphanages, hospices, shelters for the elderly, etc.;
- Financing and material assistance to victims of natural disasters, environmental disasters, acts of terrorism;

- Implementation of programs to support strategic facilities in the regions where Company operates;
- Funding of religious organizations and associations projects, including construction, restoration and renovation of religious buildings.

4.7. Medicine and Health Care

- 4.7.1. The Company's charity activities in the field of medicine and health care are aimed at the implementation of targeted programs aimed at improvement of the material and technical base and social conditions at medical institutions.
- 4.7.2. Examples of charity activities, which can be funded under this direction:
- Financing construction and repair of medical and health care institutions;
 - Financial and material assistance for modernization of material and technical base of medical and health care institutions.
- 4.8. Besides routes described in paragraphs 4.4-4.7 Company reserves the right to provide charity assistance in the framework of other areas if the proposed charity event is coordinated in the manner approved by the internal regulations of the Company.

5. DISCLOSURES

- 5.1. One of the principles of charity activities is transparency and disclosure. The Company periodically informs all interested parties about the progress and results of programs implementation within the framework of charity activities in order to implement the above mentioned principle. The information is made public through the following ways:
- Publication of information in the media and Company's corporate publications, as appropriate;
 - Posting information in the news section on the corporate website on the Internet, as appropriate;
 - Sustainability Report Disclosure – Annually;
 - Publication of the consolidated statement on the Company's charity activities on the corporate website every six months.

6. NOTIFICATION OF DEFICIENCIES

In case employees of PhosAgro, subsidiaries and contractors have doubt about legality or ethics of their actions, the actions of other Company employees or other third parties that have contractual obligations to the Company, which could potentially violate the provisions of this Policy, they can report it to their supervisor or Compliance Controller, or by "hot line" of PhosAgro group of companies:

E-mail: help@phosagro.ru

Tel.: 8 (820) 259-32-32

7. LIABILITY FOR FAILURE/IMPROPER PERFORMANCE OF THE POLICY

- 6.1. The provisions of this Policy apply to persons who are responsible for carrying out charity activities. These persons are assigned in the manner indicated in the internal regulations.
- 6.2. Failure to comply with this Policy may lead to liability in accordance with the current legislation of the Russian Federation, internal regulations and other applicable laws.

8. PROCEDURE FOR REVIEW AND REVISION OF THIS POLICY

- 7.1. This Policy comes into force upon its approval by the Board of Directors.
- 7.2. In case of making changes to the Company's internal regulations and/or Russian or other applicable legislation, which may directly or indirectly affect the provisions of this Policy there shall be a legal examination of the policy compliance with changed legislation and, if necessary, proper amendments should be introduced.