

APPROVED

by Resolution of the Board of Directors
of PJSC PhosAgro on 15 May 2019
(Minutes, w/o No. dd. 17 May 2019)

**REGULATIONS ON
SUSTAINABLE DEVELOPMENT COMMITTEE
OF THE BOARD OF DIRECTORS
OF PJSC PHOSAGRO**

**Moscow
2019**

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1. General Provisions

1.1. These Regulations on Sustainable Development Committee (the “Regulations”) govern the activities and composition of the Sustainable Development Committee of the Board of Directors of PJSC PhosAgro (the “Committee”), set out establishment and interaction rules.

1.2. The Committee operates as a unit of PJSC PhosAgro Board of Directors (the “Board of Directors”) established for preliminary consideration of certain issues within the Board of Directors remit according the Articles of Association of PJSC PhosAgro (the “Company”). The Committee is not an executive body of the Company, nor does the Company acquire any civil rights or obligations through the Committee.

1.3. The Committee shall comply with the applicable laws of the Russian Federation, the Company’s Articles of Association, the Regulations on the Board of Directors of the Company, these Regulations, recommendations, stipulated by the Code of Corporate Governance, approved by the Board of Directors of the Bank of Russia on 21.03.2014 and the Listing Rules of Closed Joint-Stock Company MICEX Stock Exchange.

1.4. For the purposes of these Regulations all references to the Company shall be references to PJSC PhosAgro; all references to the Articles of Association and the Regulations on the Board of Directors of the Company shall be references to the current version of the Articles and Regulations on the Board of Directors of PJSC PhosAgro, as amended; all references to the Board of Directors shall be references to the Board of Directors of PJSC PhosAgro; all references to internal documents of the Company shall be references to the duly approved and valid documents obligatory for PJSC PhosAgro.

2. Committee Purpose and Remit

2.1. The Committee’s purpose is to ensure sustainable development as well as consistency of resource application, investment policy, technological advancement, innovation and institutional changes to improve the Company’s business and future prospects, meet its needs and achieve strategic goals. Economic stability, social well-being and ecological balance are the key principles of sustainable development. The Committee was established to build a corporate social responsibility culture, promote the socially responsible business model integration into the Company’s strategy, foster the Company’s cooperation with governmental agencies and nonprofit entities for efficient implementation of social and environmental projects in Russia and abroad, monitor compliance with UN Agenda for Sustainable Development broadly and sustainable development legislation and best practices.

Remit:

- 1) establishing and reviewing the system of internal regulations on sustainable development, monitoring of such regulations preparation, relevance, efficiency and quality;
- 2) ensuring continuous promotion of ethical, transparent and responsible corporate practices;
- 3) involving key stakeholders, contributing to improvement of healthy and sustainable communities in all regions where the Company has a presence;
- 4) monitoring compliance with legislation and corporate sustainable development goals as well as the commitments on the UN Global Compact;
- 5) arranging staff training in sustainable development best practices;
- 6) drafting recommendations to the Board of Directors on strategic sustainability goals;
- 7) considering reports on sustainable development;
- 8) monitoring corporate disclosures on sustainable development activities;

9) checking compliance of the corporate practices and internal documents with sustainability ratings, ensuring such ratings maintenance and improvement;

10) drafting the report on the Committee`s performance to be included in the Annual report and other corporate documents.

2.2. Subject to the Board of Directors resolution, the Committee may consider other issues related to the areas indicated in Clause 2.1 of these Regulations.

3. Committee Composition

3.1. The Committee shall consist of at least three members.

3.2. The Board of Directors shall appoint Chairman to head the Committee, who will ensure that recommendations are impartial.

3.3. The Chairman of the Board of Directors cannot be elected Chairman of the Committee. The Committee Chairman cannot be elected Chairman of another Committee.

3.4. No member of the Committee (including the Board of Directors Chairman) can be elected member of more than three Committees.

3.5. Persons with the relevant professional skills who are not members of the Committee may be engaged as experts and consultants.

The Committee Chairman or any member may request on behalf of the Committee to engage an individual (entity) as an expert or consultant within the Company budget, on issues of public (non-confidential) nature. No personal interest in engaging experts or consultants is allowed.

3.6. The CEO, members of the Board of Directors who are not members of the Committee, the Corporate Secretary and other officers of the Company, consultants and experts may attend the Committee meetings.

3.7. The Committee shall appoint a Secretary to arrange and support the Committee activities.

4. Committee Establishment

4.1. The Board of Directors resolves on the Committee establishment. Resolutions on the Committee composition and Chairman are adopted by the Board of Directors upon election of new Board of Directors members.

The Committee composition shall ensure a thorough and balanced discussion.

When the Board of Directors resolves on the Committee establishment, members of the Board of Directors shall be informed of the former Committees performance.

The Board of Directors is free to change the Committee composition any time, if requested by any Board of Directors member.

4.2. The Committee Chairman and members are elected with due account for their consent to serve on the Committee, the relevant education, professional skills, knowledge and experience.

5. Committee Meetings

5.1. The Committee meetings are held according to the schedule approved by the Committee and as required.

5.2. The Agenda is drafted by the Committee Chairman. Any member of the Committee may propose additional Agenda items within the Committee remit. The Agenda may be changed or amended by mutual

consent of the Committee members. If necessary, the Committee may discuss issues of more priority instead of those on the Agenda.

Members of the Board of Directors who are not the Committee members, the CEO, the Corporate Secretary, experts and consultants engaged, may apply to the Committee Chairman and recommend any issues within the Committee remit for consideration. Such issues may be considered either at the upcoming scheduled meeting or at an extraordinary meeting, if urgent.

5.3. Meetings shall be convened by the Committee Chairman at his own discretion or if requested by any member of the Committee.

5.4. Notices about upcoming meetings and the relevant handouts shall be sent to the Committee members at least three (3) days before the meeting either by personal delivery, or by registered mail, e-mail at the addresses indicated by the Committee members, by fax, or through e-workflow, if available. The Committee Chairman shall endeavor to make sure that notification was proper and timely. The CEO, members of the Review Committee (the inspector) and other officers shall be notified of the upcoming meeting and experts and consultants shall be engaged in a way which shall enable them to get ready properly.

5.5. Meetings shall be held either by joint attendance or by poll. Meetings may be held through a conference call. Invitees, including the Committee members, may submit their written opinions.

5.6. A meeting shall be valid (shall constitute a quorum) if it has been attended by the majority of the Committee members (written opinions of the majority were received before the meeting). If the quorum is not present, the meeting shall be postponed.

5.7. All Committee resolutions shall be adopted by majority vote of the Committee members participating in the meeting. Each member shall have one vote.

5.8. Any information on personal interest of any member shall be disclosed at the meeting.

5.9. The Committee may instruct any of its member(s) to review thoroughly certain issue within the Committee remit and inform the Committee of the findings.

5.10. Meetings shall be held by the Chairman. Minutes shall be kept by the Committee Secretary and signed by the Committee Chairman. Opinions of the Committee members and invitees shall be heard and included in the minutes during the meeting, or shall be attached to the minutes.

5.11. Minutes shall be made in two copies.

One copy shall be kept by the Committee Secretary, who shall ensure access to the minutes and documents considered at the meeting for all Committee members.

The other copy shall be kept by the Secretary of the Board of Directors, who shall ensure access to the minutes and documents considered at the meeting for all members of the Board of Directors.

5.12. Following the meeting, the Committee's recommendations to the Board of Directors (the "Recommendations") may be drafted. The Recommendations shall reflect the general opinion of the Committee. If the Committee members have different opinions, special opinions shall also be included in the Recommendations.

5.13. The Recommendations shall be signed by the Committee Chairman. Hand-outs considered at the meeting may be attached to the recommendations. The Committee Chairman shall properly and timely notify the Board of Directors members about the Recommendations. Recommendations considered at the Board of Directors meeting may be attached to the minutes of the relevant meetings of the Board of Directors.

6. Rights and Obligations of the Committee Members

6.1. Obligations of the Committee members:

6.1.1 be involved in the Committee activities;

6.1.2 review thoroughly the documents submitted for the Committee consideration;

6.1.3 notify forthwith the Committee about any personal interest;

6.1.4 refrain from actions which may discredit the Committee or cast doubt on the members professionalism;

6.1.5 refrain from disclosing any confidential information included in the Company's documents;

6.1.6 refrain from using internal corporate information for personal gain and transferring it to third parties.

6.2. Rights of the Committee members:

6.2.1. request from the Board of Directors, the CEO, the Review Committee (the inspector), the auditor of the Company any information or documents relating to the Committee activities;

6.2.2. participate in the meetings with shareholders and agents to discuss the Committee remit.

7. Remuneration of the Committee Members

7.1. The Company may pay remuneration and reimburse the expenses of the Committee members incurred by them as part of their duties.

7.2. Remuneration amount and payment rules shall be determined by resolution of the General Meeting of Shareholders of the Company and/or internal regulations.

8. Interaction of the Committee with the Company's Bodies

8.1. The Committee Secretary shall ensure technical and procedural interaction of the Committee with other bodies of the Company.

8.2. The Company's executive bodies shall inform the Committee Chairman in writing of any significant changes in respect to issues connected with the Committee remit, within two days after such circumstances arise.

8.3. The Committee Chairman shall submit to the Board of Directors a report on the Committee performance under the rules set by the Board of Directors.

9. Final Provisions

9.1. These Regulations shall be approved by the Board of Directors. Any amendments or supplements to these Regulations shall be made subject to the Board of Directors resolution.

9.2. These Regulations shall be valid until the Board of Directors approves a new version hereof.