

APPROVED
by OJSC “PhosAgro” Board of Directors
resolution dated 15.04.2014

CODE OF ETHICS
Open Joint-Stock Company
“PhosAgro”

Moscow, 2014

Dear colleagues,

PhosAgro is one of the world's leading producers of phosphate-based fertilizers with widest business contacts both in Russia and abroad. Our company enjoys the reputation of a reliable business partner largely owing to the carefully built development strategy, impressive production facilities and social responsibility towards the employees and society.

We seek to meet the world's highest standards in industrial safety, environment protection and occupational health and safety; we believe this is instrumental for our successful work with all interested parties, by which we mean not just our employees and people living in the cities where we have presence but also our clients, investors and shareholders.

We understand well that honesty and integrity are a solid foundation of success in the contemporary market environment. We therefore deem it necessary to maintain the leading practices in corporate governance in which the highest standards of doing business are the key factor.

By this Code we have established the rules and standards of collective and individual conduct for every employee of our company. They cover all areas of relations in the industry and business within the company team as well as in our communication with business partners and other external parties. The adherence to these rules will help establish common values for our company and facilitate teambuilding.

Following this Code of Ethics will guarantee the positive corporate culture, high quality of our products and our impeccable image.

I am confident that this Code will be a true guide for our employees in all aspects of their relationships in both industry and business. I have no doubt that the compliance with the Code's rules will become a tradition for all of us.

**Chief Executive Officer
OJSC PhosAgro**

A.A. Guryev

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1. INTRODUCTION

- 1.1. Open Joint-Stock Company “PhosAgro” (hereinafter – the “Company” or OJSC “PhosAgro”) seeks to meet the highest standards in doing business and the generally accepted business practices.
- 1.2. The Code of Ethics of OJSC “PhosAgro” (hereinafter – the “Code”) incorporates the key standards and principles of doing business in an ethical manner, which lay the foundations of the corporate culture of every business of the PhosAgro Group companies. The adherence to these principles is a must for all of the Company employees irrespective of their position or particular field of work, including members of the Board of Directors, Management Board and Checkup Committee.
- 1.3. The Code of Ethics constitutes a most important element of the corporate governance system of the Company. The purposes that this Code has been developed for include:
 - Creating a uniform document that is to combine the basic principles of business conduct and intra-corporate relations which the Company employees shall be governed in performing their employment duties;
 - Establishing clear criteria for the ethical and fair conduct, which the Company employees and other people taking part in the Company operations, including the investors, shareholders, partners and representatives of the Company and its counterparties, shall seek to meet when acting in the name, for and/or in the interests of OJSC “PhosAgro”;
 - Improving, strengthening and protecting the business reputation of the Company as an honest, open and fair partner to thereby ensure the building of its positive image among the shareholders, potential investors, partners, employees and counterparties.
- 1.4. This Code has been developed considering the best Russian and international ethical business practices, internal regulations of the Company, requirements of the Russian and other applicable legislation as well as customary business practices.

2. EMPLOYEE RELATIONS

- 2.1. The Company employees are the most valuable asset of OJSC “PhosAgro”. The Company seeks to hire, promote and retain:
 - High-skilled specialists able to ensure the successful and efficient operation of the PhosAgro Group companies, including by way of performance of administrative, management and supervisory functions in both the Company itself and its subsidiaries;
 - Employees who meet the high standards of integrity and share the Company’s values and principles with respect to doing business in an ethical manner.
- 2.2. The Company supports the development of the employees’ professional and personal capabilities. It is the key objective of the Company’s human resources function to build a pool of high-skilled specialists who have theoretical and practical knowledge and competence as may be required for the operation of the PhosAgro Group businesses.

2.3. The social partnership principles lay the foundation of the relations between the Company and the Company employees. The Company seeks to create the most favorable conditions for all their employees' work and professional progress. In order to do so, the Company shall, in particular:

- Support favorable and productive working climate;
- Take measures to ensure occupational safety;
- Pay appropriate salaries and commend the employees for accomplishments;
- Enable the employees to receive training and assist them in professional development;
- Ensure efficient and unbiased HR management;
- Make HR-related decisions in an unbiased manner;
- Constantly improve the employee training methods;
- Ensure efficient communication between the employees and the Company management and other functions;
- Build a pool of candidates for promotion to the senior level.

2.4. The Company shall guarantee the employees social security and assistance within the limits provided for by applicable legislation and the internal regulations of the Company. The employees' entitlement to social security and assistance has been set forth by the collective agreements entered into by the teams and management of the businesses.

2.5. The Company employees shall on their part:

- Comply with the requirements of the internal regulations existing in the Company as well as the Russian and other legislation as may be applicable to the operations of the Company;
- Perform their employment duties in good faith;
- Do their work in accordance with the ethical business principles existing in the Company;
- Be respectful of their colleagues, partners, shareholders, potential investors, representatives of government authorities and counterparties of the Company irrespective of their ethnicity, gender, race or religion.

2.6. In order to ensure that the ethical standards of doing business are met, the Company prohibits the employees from:

- behaving in an aggressive and offensive manner towards the colleagues, partners and representatives of the counterparties of the Company;
- making use of their position or confidential or insider information for private purposes;
- leaving open the possibility of abuse or harassment at workplace;
- sharing with third parties (including general public) insider and confidential information, including personal details of the Company employees, partners, representatives of the Company counterparties, shareholders and investors, as well as the data that constitutes the commercial secret of the Company or the Company counterparties, except where sharing confidential information has been authorized by the Company management and is compliant with applicable legislation;

- withholding information about the instances of unethical conduct of other persons related to the Company as well as the instances of theft and deterioration of its property, sharing confidential and insider information with third parties (including personal details of the Company employees, partners, representatives of the Company counterparties, as well as the data that constitutes the commercial secret of the Company or the Company counterparties), process flow disruptions, and accidents and injuries at the workplace;
- appearing at the workplace under the influence of alcohol, drugs or other intoxicants;
- bringing and distributing drugs and other substances not permitted by the Russian and other applicable legislation.

3. SHAREHOLDER RELATIONS

3.1. In interacting with the shareholders and investors, the Company primarily seeks to ensure the completeness, timeliness and reliability of disclosure of the information about the operations and performance results of the Company in accordance with the requirements of applicable Russian, foreign and international legislation.

3.2. In order to do so, the Company shall:

- Perform internal checks of own operations as well as those of the subsidiaries and associated companies on a regular basis in order to ensure the highest reliability of the information disclosures;
- Control the conformity of the disclosure process with the best international standards and practices, including the requirements of the stock exchanges where the Company securities are listed;
- Seek to ensure the maximum completeness of the disclosure of information about own operations and performance results as may be required for the making of balanced decisions by the shareholders and investors.

3.3. In the course of its operations the Company seeks to ensure the balance of interests of management, minority and majority shareholders, and society.

4. RELATIONS WITH GOVERNMENT AND VOLUNTARY ORGANIZATIONS

4.1. OJSC “PhosAgro” seeks to establish transparent relations to the maximum extent possible with government and municipal authorities and voluntary organizations. In interacting with government officers the Company strictly complies with the provisions of the internal regulations and the Russian and other applicable legislation.

4.2. Relations with government and municipal authorities and voluntary organizations shall be built on the principles of partnership, mutual respect, confidence and professionalism.

4.3. The Company does not fund political parties, voluntary organizations and movements for purposes of gaining commercial benefits in the projects of the Company and the Company subsidiaries. However, the Company does not prohibit the employees from being politically active, including membership in parties or voluntary organizations, provided that such an activity is carried out only during the employee’s free hours and without the use of the Company resources.

- 4.4. The employees are strictly prohibited from using the logos of the “PhosAgro” Group companies during public presentations, meetings, demonstrations, etc., and from speaking on behalf of the Company or its subsidiaries on political and social matters, except where making such presentations is part of the employees’ employment duties.

5. RELATIONS WITH BUSINESS PARTNERS

- 5.1. OJSC “PhosAgro” seeks to establish and maintain business relations with the organizations which operate in accordance with the generally accepted standards of doing business in an ethical manner, take own measures to combat corruption and demonstrate support to the highest standards of business ethics.
- 5.2. The Company seeks to build long-term, mutually advantageous relations with the partners. However, the Company and its employees shall reserve the right to refrain from working with the counterparties which engage in corrupt and other practices incompliant with applicable legislation.

6. COMBATING CORRUPTION

- 6.1. OJSC “PhosAgro” seeks to comply with the generally accepted ethical standards in doing business and assigns high priority to the development, introduction and subsequent control of the implementation of the procedures aimed to prevent corruption.
- 6.2. The Company has adopted the principle of non-acceptance of corruption in any form or way (zero tolerance) during its ordinary activities as well as the implementation of strategically important projects, including the interaction with the shareholders, investors, counterparties, government, municipal and political party officers, own employees, subsidiaries, members of their governance bodies and employees, and other persons.
- 6.3. The principles of combatting corruption have been set out in detail in the Anticorruption Policy of the Company.

7. CONFLICT OF INTERESTS

- 7.1. The conflict of interests is a situation in which the private interest of a Company employee may influence the making of decisions in the course of performance of his or her employment duties and thereby cause damage to the interests of OJSC “PhosAgro”. Therefore, a conflict of interests can damage the reputation of the Company among the employees and society.
- 7.2. The Company employees shall avoid situations which may give rise to a conflict of interests. In the event that a Company employee learns about the existence of a conflict of interests between him or her and the Company as well as the other employee’s conflict of interests with the Company, such employee shall report it via the Company hot line or to the immediate supervisor or the Compliance Controller of the Company.

8. FAIR COMPETITION

- 8.1. OJSC “PhosAgro” seeks to ensure mutually respectful relations with competitors and refrains from using unethical methods of competing and gaining competitive advantages, including the industrial espionage, slander and corrupt payment.

8.2. In the course of its operations the Company shall ensure compliance with the Russian and other applicable antimonopoly legislation as well as applicable provisions of the internal regulations of the Company.

9. CHARITY AND SOCIAL REponsIBILITY

9.1. OJSC “PhosAgro” bears social responsibility towards the employees, state and society. The social and charity projects of the Company aim to ensure the safe and comfortable working conditions, improvement of the living conditions and quality of life of the employees and their families, professional training of the employees, financial aid to veterans and the retired ones, development of youth movements, and social and economic progress of the regions.

9.2. As part of its social activities, the Company seeks to accomplish the following missions:

- **Assistance to the employees** in the improvement of their professional training and support to their personal development;
- **Improvement of the production practices;**
- **Control over the employees’ health**, provision of rehabilitation treatment for the employees and comfortable recreation for their family members;
- **Formation of the positive public opinion** of the Company and improvement of its attractiveness as an employer;
- **Assistance to local authorities** in the development of sports and culture facilities, sustainment and progress of the cities where the Company operates.

9.3. It is the primary goal of the charity and social effort of OJSC “PhosAgro” to ensure the sustained development of the regions of the Company’s presence and the members of society who need social protection. By implementing the charity projects, the Company seeks, first and foremost, to help people.

9.4. The Company has determined that there shall be the following key principles of charitable assistance:

- **Target orientation and utilization:** All charity work of the Company aims to solve specific problems which are in line with such work as determined by the internal regulations of the Company;
- **Control of expenditures:** The Company has introduced the principle pursuant to which the spending of its charity money shall be controlled, including as to whether they have been spent for their intended purposes;
- **Transparency and disclosure of information:** The charitable assistance provided by the Company shall be disclosed in open sources and media.

10. HEALTH AND SAFETY

10.1. OJSC PhosAgro supports practices aimed at improving health of staff members and their families. The Company promotes and arranges on a continuing basis educational and environmental activities for mitigating risks associated with our business.

- 10.2. The Company makes every effort to secure absence of accidents, occupational injuries and environmental incidents.
- 10.3. The Company develops and improves occupational safety and environmental management systems.
- 10.4. Each Company employee and each specialist performing works on behalf of the Company shall:
- be aware of the risks associated with his work and influencing his own health and safety as well health and safety of others;
 - be aware of his personal responsibility for his own life and health as well as life and health of others;
 - encourage through his own example safe conduct of his colleagues and contractors at work and family members at home;
 - adhere to applicable safety standards and environmental requirements and be aware of the potential implications of deviations from the established environmental procedures;
 - improve self-efficiency, initiate and apply the best practice in operational and environmental risks management;
 - use natural and energy resources in a sustainable way, respect the environment, with due account for its unique character and the need to preserve it for future generations.
- 10.5. Executives at all levels shall be directly responsible for ensuring healthy and environment-friendly working conditions.

11. ENVIRONMENT PROTECTION

- 11.1. Considering that the sizable industrial activity is objectively related to the formation of waste, atmospheric pollutant emission and discharge to natural waters, OJSC “PhosAgro” deems itself responsible towards society and therefore seeks to reduce impact on the nature and compensate environmental damage.
- 11.2. The Company observes the Russian and international laws and regulations on environment protection as may be applicable to both the industrial activity and waste disposal.
- 11.3. In the course of its operations, the Company shall place special emphasis on the following aspects of environmental safety:
- **Industrial environmental monitoring** (which may involve independent specialists);
 - **Water conservation;**
 - **Atmospheric air protection;**
 - **Land conservation;**

- **Hazardous waste disposal and recycling;**
- **Resource conservation and energy efficiency.**

12. PROTECTION OF THE COMPANY’S ASSETS

- 12.1. The assets of OJSC “PhosAgro” are their property under applicable legislation and shall be used to attain the Company’s operating and strategic goals; the Company therefore protects such assets in a most responsible manner.
- 12.2. The Company’s assets include confidential and proprietary information, intellectual property, monetary funds and equipment, including the items provided to the employees for performance of their employment duties. The Company’s assets shall only be used for legitimate purposes related to the attainment of the business goals of the Company and the Company subsidiaries.
- 12.3. The confidential and proprietary information shall include:
- **Commercial secret** which shall be understood to mean the regime of confidentiality of the information enabling its possessor, under the existing or possible circumstances, to increase income, avoid unreasonable expenses, retain the position on the market of goods, work or services or gain other commercial advantage;
 - **Personal data** which shall be understood to mean any information related, directly or indirectly, to a physical person who has been or is to be identified (personal data subject);
 - **Insider information** which shall be understood to mean precise and specific information which has not been distributed or provided (including the data that constitute commercial, official or other secret protected by law), the distribution or provision of which may significantly influence the prices of financial instruments and/or goods and which is part of the information included by the federal executive authority in charge of financial markets in the insider information list as well as in the insider information list approved by the Company in accordance with legislative requirements;
 - **Other information classified as confidential** in accordance with the provisions of the internal regulations of the Company and the Russian and other applicable legislation.
- 12.4. The Company employees are prohibited from using any information they may have received in the course of performance of their employment duties for private purposes. The Company employees are prohibited from sharing such information with third parties (including general public), except where sharing confidential information has been authorized by the Company management and is compliant with applicable legislation.

13. FEEDBACK ON ETHICS

- 13.1. Every OJSC “PhosAgro” employee may request advice or assistance if there are any questions about any of the provisions of this Code and other internal regulations or in case of any doubts as to whether his or her acts and actions, as well as those of other employees or the counterparties or anyone else interacting with the Company, are ethical.
- 13.2. The employees may report any instances of unethical conduct known to them and other irregularities via the Company hot line:

E-mail: help@phosagro.ru

14. RESPONSIBILITY

- 14.1. All Company employees and members of the Board of Directors, Management Board and Checkup Committee shall bear personal responsibility for failure to comply with the requirements and principles of this Code. The Company executives shall also bear responsibility for the incompliance with the requirements and principles of this Code by their subordinates.
- 14.2. There may be disciplinary, administrative or criminal action, depending on the nature of a breach, taken against the employees of the Company and Company subsidiaries at the initiative of the Company or law-enforcement agencies.
- 14.3. Should there be a conflict between the provisions of this Code and customary business practices, traditions or vision of the standards of conduct of any specific person at law, then the provisions of this Code shall apply.
- 14.4. Should there be any discrepancies between the language, definitions or limits approved by the internal regulations of the Company and the language, definitions or limits approved by the Russian or other applicable legislation, then in making decisions in the course of performance of their employment duties the Company employees shall be governed by a more stringent version.
- 14.5. Should there be a conflict between any of the provisions of this Code and the provisions of current Russian and/or other applicable legislation, then the Company employees shall be governed by the provisions of applicable legislation.

15. AMENDMENTS

- 15.1. In the event that any amendments are introduced to the internal regulations of the Company and/or the Russian or other applicable legislation, which could directly or indirectly impact on the provisions of this Code, an expert examination shall be undertaken to determine whether the provisions of this Code are consistent with the amended legislation. As and when necessary, the appropriate amendments shall be introduced to this Code.