

APPROVED  
by PhosAgro's Board of Directors  
on 16.08. 2016  
(minutes of the Board of Directors' meeting of  
19.08.2016)

**THE REGULATION  
ON THE CORPORATE SECRETARY  
OF OPEN JOINT-STOCK COMPANY  
PHOSAGRO**  
(revised version)

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## **1. GENERAL PROVISIONS**

1.1. This Regulation on the Corporate Secretary (the “Regulation”) of Open Joint-Stock Company PhosAgro (the “Company”) has been drafted in accordance with the applicable laws of the Russian Federation, the Company’s Charter and by-laws, with due regard to requirements set by securities market operators and recommendations of the Corporate Governance Code (approved by the Bank of Russia’s Board of Directors on 21 March 2014), and in line with the best corporate governance practices.

1.2. The following terms and definitions shall be used herein:

- the Board of Directors – the Company’s Board of Directors;
- the General Meeting of Shareholders – the Company’s General Meeting of Shareholders;
- the Corporate Secretary – the Company’s Corporate Secretary;
- the Legal and Corporate Governance Department – the Company’s Legal and Corporate Governance Department;
- the Press Secretary – the Company’s Press Secretary;
- the Corporate Finance and Investor Relations Department – the Company’s Corporate Finance and Investor Relations Department;
- the Corporate Website – the Company’s website at [www.phosagro.ru](http://www.phosagro.ru).

1.3. The Corporate Secretary shall be responsible for efficient day-to-day interaction with the shareholders, coordination of the Company’s actions aimed to protect the rights and interests of its shareholders, and support to the Board of Directors to ensure its efficient performance.

1.4. Relations between the Company and the Corporate Secretary shall be governed by the applicable laws of the Russian Federation, this Regulation and other Company’s by-laws, and by the employment contract entered into between the Company and the Corporate Secretary.

1.5. Information about the Corporate Secretary shall be subject to disclosure on the Corporate Website and in the Company’s annual report to the same extent as information about the Company’s Directors and members of executive bodies.

## **2. CANDIDATE REQUIREMENTS FOR THE CORPORATE SECRETARY ROLE**

2.1. The Corporate Secretary shall have the knowledge, experience and qualifications sufficient to perform their job duties, an impeccable reputation, and the confidence of the shareholders.

2.2. The candidate for the Corporate Secretary role is also required to have:

- a higher education degree in law, economics, or business administration;
- at least 2 (two) years of experience in corporate governance or managerial roles;
- knowledge of corporate and labour laws, basics of civil and securities market laws, accounting and document management;
- organisational, analytical and communicative skills, ability to resolve conflicts between the stakeholders;
- knowledge of the Company’s business;
- ability to use legal information and research systems;
- advanced computer skills;
- ability to plan own workload, define tasks, organise activities of subordinate employees and supervise their work.

2.3. The Company’s affiliate or a party related to a person that controls the Company or to the Company’s executive managers may not be appointed as the Corporate Secretary.

## **3. CORPORATE SECRETARY APPOINTMENT AND REMOVAL FROM OFFICE**

3.1 The Board of Directors shall have the power to appoint and remove the Corporate Secretary from office. The Board's resolutions on the Corporate Secretary appointment and removal from office shall be adopted by a simple majority of votes cast by the Company's Directors attending the Board meeting.

The Remuneration and Human Resources Committee of the Company's Board of Directors shall perform a preliminary review of the candidates for the Corporate Secretary role and their compliance with the set requirements, and make recommendations to the Board of Directors.

3.2. Candidates for the Corporate Secretary role may be proposed by the sole executive body of the Company (Chief Executive Officer) or the person acting as the sole executive body of the Company, or members of the Board of Directors and collective executive body of the Company (Management Board).

3.3. Proposals to nominate candidates for the Corporate Secretary role shall be made in writing and include the following candidate data:

- full name;
- education;
- employment record for the last 5 (five) years;
- information on the Company's shares and depositary receipts certifying rights to the Company's shares held by the candidate;
- information on the presence (absence) of the candidate's affiliation with the Company and/or entities controlled by the Company, indicating the grounds for such affiliation (if any), and information on any other circumstances, which may result in a conflict of interests and the failure of the candidate to perform the tasks (functions) of the Corporate Secretary.

These proposals may be submitted at any time and in any of the following ways: by registered mail, e-mail, fax, or personal delivery to the Chair of the Board of Directors or the Chairs of the Remuneration and Human Resources Committee.

3.4. The Corporate Secretary shall be employed, dismissed, and transferred to another role by order of the sole executive body of the Company (Chief Executive Officer) issued on the basis of the relevant resolution of the Board of Directors.

3.5. The employment contract between the Company and the Corporate Secretary shall be concluded, amended, and terminated as prescribed by the labour laws.

#### **4. CORPORATE SECRETARY'S REPORTING LINES AND INTERACTION WITH THE GOVERNING BODIES AND BUSINESS UNITS OF PHOSAGRO**

4.1. The Company aims to provide the Corporate Secretary with sufficient independence from the Company's executive bodies.

4.2. The Corporate Secretary shall be functionally subordinate and report directly to the Board of Directors.

4.3. To achieve the targets set in subclauses 4.1 and 4.2 hereof, the Board of Directors shall, apart from approving candidates for the Corporate Secretary role and removing the Corporate Secretary from office, be responsible for:

- approving this Regulation;
- evaluating the Corporate Secretary's performance and approving their performance reports;
- paying additional remuneration to the Corporate Secretary.

Resolutions on the matters specified above shall be adopted by the Board of Directors as recommended by the Remuneration and Human Resources Committee.

4.4. The Corporate Secretary shall be administratively subordinate (in terms of compliance with the Company's Internal Regulations, orders and other internal policies mandatory for all employees of the Company) to the sole executive body of the Company (Chief Executive Officer).

4.5. The Corporate Secretary shall act in close interaction with the Company's governing bodies, Board of Directors' Committees, Legal and Corporate Governance Department, Press Secretary, Corporate Finance and Investor Relations Department, and other business units and officers of the Company.

4.6. The Corporate Secretary shall interact with the Company's bodies, business units, and officers to the extent necessary to properly perform their functions.

4.7. The Company's governing bodies, business units, and officers shall in due time submit to the Corporate Secretary the requested information (documents, data) on matters within the scope of the Corporate Secretary's functions, and, where possible, assist the Corporate Secretary in performing their functions.

## **5. RESPONSIBILITIES, RIGHTS AND OBLIGATIONS OF THE CORPORATE SECRETARY**

5.1. The Corporate Secretary shall be responsible for:

- arranging for the preparation and holding of the Company's General Meetings of Shareholders;
- supporting the Board of Directors and the Board Committees;
- contributing to the improvement of the Company's corporate governance framework and practices;
- contributing to the implementation of the Company's corporate disclosure policy and corporate records management;
- ensuring liaison between the Company and its shareholders and helping to prevent corporate conflicts;
- ensuring liaison between the Company and regulators, market operators, the registrar and other professional participants of the securities market within the scope of the Corporate Secretary's authority;
- ensuring the implementation of statutory and internal procedures enabling the shareholders to exercise their rights and legitimate interests, and overseeing compliance therewith;
- promptly informing the Board of Directors about all identified breaches of the applicable laws and the Company's by-laws relevant to the remit of the Corporate Secretary;
- keeping the Company's insider list;
- participating in the interaction with the Company's subsidiaries.

5.2. In order to prepare for and hold the General Meeting of Shareholders, the Corporate Secretary shall:

- deal with the receipt of proposals on the agenda of the General Meeting of Shareholders and nominations to the elected bodies that shareholders submit to the Company; mark such proposals as received; keep record of incoming proposals and arrange for their review; inform the Chair of the Board of Directors about the shareholder proposals within one day after their receipt along with providing a legal review of any incoming proposals; and, where required, send the shareholders a resolution adopted by the Board of Directors on any given incoming proposal;
- deal with the receipt of requests from the shareholders and other authorised persons to convene an Extraordinary General Meeting of Shareholders; mark such proposals as received; keep record of incoming proposals and arrange for their review; inform the Chair of the Board of Directors about the shareholder proposals within one day after their receipt along with providing a legal review of any incoming proposals; and send the shareholders a resolution adopted by the Board of Directors on any given incoming proposal;
- ask nominees to the Company's elected bodies for their consent to be elected;
- prepare draft resolutions of the Board of Directors to be adopted in the run-up to the General Meeting of Shareholders and arrange for their approval by the Company's officers (business units);
- arrange for and contribute to the preparation of documents provided to the shareholders in the run-up to the General Meeting of Shareholders;
- provide translation of the said documents into English;
- if required by law, give eligible shareholders access to the list of persons entitled to participate in the General Meeting of Shareholders;

- prepare draft notices of the upcoming General Meeting of Shareholders and draft voting ballots for shareholders, arrange for their approval by the Legal and Corporate Governance Department and other business units (officers) of the Company, and submit them to the Legal and Corporate Governance Department for subsequent transfer to the Company's registrar;

- oversee posting of the notice of the upcoming General Meeting of Shareholders and related agenda materials on the Company's Website;

- ensure access for the Company's shareholders and their representatives to the documents required to be made available to persons entitled to participate in the General Meeting of Shareholders, and also produce, certify and submit copies thereof at a shareholder's request;

- ensure collection of the incoming completed voting ballots and their subsequent transfer to the Company's Registrar;

- advise the Chair of the General Meeting of Shareholders on the matters brought up in the course of such Meeting; answer the questions of the participants of the General Meeting of Shareholders related to the Meeting procedure;

- oversee the preparation of draft reports on the voting results and minutes of the General Meeting of Shareholders, and arrange for their approval by the Legal and Corporate Governance Department and other business units (officers) of the Company, and submit reports on the voting results to the Legal and Corporate Governance Department for subsequent transfer to the Company's registrar.

5.3. In order to provide organisational support to the Board of Directors and Board Committees the Corporate Secretary shall:

- ensure that newly elected Directors are introduced to the Company and its by-laws;

- assist the Directors in performing their duties, including by setting up meetings of the Directors with the Company's management and providing information and documents requested by the Directors;

- contribute to the development of a draft work schedule for the Board of Directors and oversee its implementation;

- notify the Directors and invitees of the upcoming Board meetings;

- arrange for and oversee the preparation of materials related to the agenda of the Board of Directors meeting, and send the same to the Directors;

- advise the Directors on the matters of corporate law and governance, and provide them with information on the Company's operations;

- keep record of the written judgements (opinions) of the absent Directors in relation to the agenda items, and notify the Directors attending the Board meeting of the same;

- arrange for the translation of materials provided to the Directors and ensure the provision of interpretation services during Board meetings;

- participate in Board meetings, ensure that minutes of the Board meetings are kept and arrange for their translation into English;

- in case of absentee voting of the Board of Directors, prepare draft voting ballots, arrange for their approval by the Legal and Corporate Governance Department and other business units (officers) of the Company, deal with sending out the voting ballots and the receipt thereof, and count votes on the agenda items;

- ensure the preparation of draft resolutions of the Board of Directors, draft resolutions of the Chair of the Board of Directors to convene a Board meeting or hold absentee voting among the Directors, draft minutes of Board meetings and the results of absentee voting among the Directors, and arrange for the approval of the above by the Legal and Corporate Governance Department and other business units (officers) of the Company;

- subject to a reasonable enquiry (request), provide copies of Board meeting minutes (absentee voting counts), produce extracts from such minutes, and certify authenticity thereof;

- register and keep all correspondence addressed to the Board of Directors;

- at the behest of Directors, obtain documents and information about the Company's operations (as requested by the Directors) from the Company's business units (officers);

- oversee the implementation of resolutions adopted by the Board of Directors;

- oversee the timely payment of remuneration and compensation to the Directors;
- make sure that similar duties be discharged in respect of the Board Committees.

5.4. In order to contribute to the implementation of the Company's information disclosure policy, safekeeping of the Company's corporate documents and liaison with regulators, market operators, the registrar and other professional participants of the securities market, the Corporate Secretary shall:

- provide the Legal and Corporate Governance Department, the Corporate Finance and Investor Relations Department and the Press Secretary with information (documents) required for the disclosure (publication) by the Company of details on the convention, preparation and holding of Board meetings and General Meetings of Shareholders, and resolutions adopted by such meetings;

- provide the Legal and Corporate Governance Department with details about independent Directors of the Company and other data about members of the governing bodies of the Company and its controlled entities required to prepare the Company's quarterly and corporate governance reports;

- participate in the preparation of the Company's annual reports;

- provide the Legal and Corporate Governance Department with information (details) about changes in the composition of the governing bodies of the Company and its controlled entities required to keep due records of the Company's affiliates and update the list of entities belonging to the same group as the Company;

- generate and submit to the Legal and Corporate Governance Department and other relevant business units of the Company information about members of the Company's governing bodies, composition of the Board of Directors, resolutions adopted by the General Meeting of Shareholders and the Board of Directors, and other data (documents, details) about the composition and activities of the Company's governing bodies as required to draft letters, explanatory notes, responses to requests (enquiries) and other documents prepared to liaise with regulators, market operators, the registrar and other professional participants of the securities market;

- provide the Company's insider list to the market operators who organise trading in financial instruments, foreign currency and/or goods, as required by the internal rules of the regulator;

- provide the Company's insider list to the regulator upon the regulator's request;

- participate in the approval of the Company's draft quarterly/annual and corporate governance reports, and draft press releases pertaining to the composition and activities of the Company's governing bodies;

- ensure the safekeeping of the documents received from the Company's registrar, which acts in the capacity of the counting board (minutes, voting ballots, powers of attorney) at the General Meetings of Shareholders;

- ensure the safekeeping of minutes (absentee voting results) of meetings of the Board of Directors and the Board Committees.

5.5. In order to contribute to the improvement of the Company's corporate governance framework and practices, the Corporate Secretary shall:

- monitor corporate laws and corporate governance practices of Russian and foreign companies;

- participate in the development and approval of the Company's by-laws regulating its corporate procedures;

- come up with proposals seeking to improve the Company's corporate governance framework.

5.6. In order to ensure liaison between the Company and its shareholders, help to prevent corporate conflicts, facilitate the implementation of statutory and internal procedures enabling the shareholders to exercise their rights and legitimate interests, and oversee compliance therewith, the Corporate Secretary shall:

- oversee compliance with (respect of) the statutory requirements and the Company's by-laws designed to protect the rights and legitimate interests of the Company's shareholders;

- prepare responses to the shareholder enquiries and requests on the matters within the scope of the Corporate Secretary's functions;

- advise the Company's shareholders on the matters pertaining to the exercise of shareholder rights;

- take all the reasonable measures to timely identify an emerging corporate conflict and report it to the Board of Directors;

- promptly inform the Board of Directors about all identified breaches of the applicable laws and the Company's by-laws relevant to the remit of the Corporate Secretary.

5.7. In order to properly keep the Company's insider list, the Corporate Secretary shall:

- ensure the preparation and execution of the Company's insider list;
- arrange for and oversee notification of individuals about their inclusion in and exclusion from the Company's insider list.

5.8. As part of interaction with the Company's subsidiaries, the Corporate Secretary shall:

- participate in the implementation by subsidiaries of corporate governance procedures pertaining to the exercise of the rights and interests of the Company as a member (shareholder) of such subsidiaries;

- participate in the exercise of the rights of the Company as a shareholder (member) of its subsidiaries, including by: initiating and drafting proposals on the items to be included in the agenda of the subsidiaries' general meetings of shareholders (members) and nominees to the subsidiaries' elected bodies to be added to the voting lists; ensuring the dispatch of the Company's requests to convene extraordinary meetings of shareholders (members) of its subsidiaries and sending of the voting ballots completed by the Company for the purpose of general meetings of shareholders (members) of the Company's subsidiaries; representing the Company at general meetings of shareholders (members) by virtue of the issued power(s) of attorney; contributing to the expert review of draft resolutions to be adopted by collegial governing bodies of the Company's subsidiaries or draft by-laws submitted for consideration of such collegial governing bodies.

5.9. In order to duly perform their functions, the Corporate Secretary may:

- ask the Company's governing bodies, business units and officers or the subsidiaries' management to provide information and documents required to efficiently perform the Corporate Secretary's job duties;

- propose the engagement of third-party organisations (experts) for the purpose of drafting documents and enforcing corporate procedures;

- escalate matters within the scope of the Corporate Secretary's functions to the Company's governing bodies, and propose items related to the Corporate Secretary's role for consideration of the Board of Directors;

- oversee compliance by the Company's officers and employees with the Company's Charter and by-laws within the scope of the Corporate Secretary's functions;

- liaise with the Chair of the Board of Directors and Chairs of the Board Committees.

5.10. The Corporate Secretary may not hold concurrent positions within the Company while serving as the Company's Corporate Secretary.

5.11. The Corporate Secretary shall:

- strictly abide by the applicable Russian laws and regulations and the Company's Charter and by-laws in all of their activities;

- take all the reasonable measures to ensure the respect of shareholder rights and legitimate interests;

- execute the mandates of the Board's Chair pertaining to the provision of organisational support to the Board of Directors and the Board Committees;

- regularly report to the Board of Directors on the Corporate Secretary's performance;

- inform the Board of Directors about situations that might potentially lead to the violation of the applicable laws and shareholder rights;

- in case of a conflict of interest, promptly inform the Chair of the Board of Directors accordingly;

- pay close attention to their own professional development (including through experience sharing and regular professional contacts with other corporate secretaries by means of membership

in a professional association of corporate secretaries and/or participation in forums of corporate secretaries);

- perform other duties (functions) stipulated herein and in the employment contract made by the Company and the Corporate Secretary.

## **6. TERMS AND PROCEDURE FOR REMUNERATING THE CORPORATE SECRETARY**

6.1. The amount of remuneration payable to the Corporate Secretary, as well as its payment terms and procedure shall be established by the Company's Board of Directors as recommended by the Remuneration and Human Resources Committee.

6.2. In case the Board of Directors has adopted no resolution on the matters specified in clause 6.1 hereof, the amount of the Corporate Secretary's remuneration, its payment terms and procedure shall be established in accordance with the employment contract signed between the Company and the Corporate Secretary and applicable Company's by-laws defining its incentivisation and remuneration frameworks.

6.3. Upon reviewing the Corporate Secretary's performance report and/or evaluating their performance, the Company's Board of Directors may resolve to pay an additional remuneration to the Corporate Secretary as recommended by the Remuneration and Human Resources Committee.

## **7. RESPONSIBILITY OF THE CORPORATE SECRETARY**

7.1. The Corporate Secretary may be subject to disciplinary action for failure to perform (properly perform) their job duties (functions), as prescribed by the Labour Code of the Russian Federation. The Corporate Secretary shall be held liable for other violations committed while performing their job functions, and for any damages to the Company in accordance with the applicable laws.

7.2. The Corporate Secretary may not disclose information constituting the Company's trade secret as per its applicable by-laws, or other confidential information of the Company.

## **8. FINAL PROVISIONS**

8.1. This Regulation shall be approved, amended and supplemented by a resolution adopted by the majority of votes cast by the Company's Directors attending the Board meeting.

8.2. Should the provisions of this Regulation conflict with any amendments that may be made to laws and regulations of the Russian Federation, such provisions shall become void and the Corporate Secretary, the Company, its governing bodies, business units and officers shall act in accordance with the relevant laws and regulations of the Russian Federation until the respective amendments are made hereto