

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF HOLDERS. IF HOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD IMMEDIATELY CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS.

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE NOTES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUIRED TO EXPEDITE TRANSMISSION HEREOF TO BENEFICIAL OWNERS OF THE NOTES IN A TIMELY MANNER. IF HOLDERS OR BENEFICIAL OWNERS OF THE NOTES ARE IN ANY DOUBT AS TO THE MATTERS REFERRED TO IN THIS NOTICE, THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

If you have recently sold or otherwise transferred your entire holding(s) of Notes referred to below, you should immediately forward this notice to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

1 August 2022

PJSC "PHOSAGRO" ("PHOSAGRO")

IMPORTANT NOTICE TO NOTEHOLDERS

**U.S.\$500,000,000 3.949 per cent. Loan Participation Notes due 2023 (the "2023 Notes"),
U.S.\$500,000,000 3.05 per cent. Loan Participation Notes due 2025 (the "2025 Notes"), and
U.S.\$500,000,000 2.60 per cent. Loan Participation Notes due 2028 (the "2028 Notes")
each issued by PhosAgro Bond Funding DAC (the "Issuer") and unconditionally
and irrevocably guaranteed by Joint Stock Company "Apatit" (the "Guarantor")
(collectively, the "Notes")**

PhosAgro is soliciting consents of the holders of the Notes (the "Noteholders") to the proposals set out herein (the "**Proposals**") to be approved by written resolutions of the Noteholders (the "**Written Resolutions**" and each the "**Written Resolution**") adopted pursuant to paragraph 8 (*Written Resolution*) of Schedule 6 (*Provisions for Meeting of the Noteholders*) to the Trust Deed dated 24 January 2018 between the Issuer and the Trustee in relation to the 2023 Notes (the "**2023 Trust Deed**"), paragraph 9 (*Written Resolution*) of Schedule 6 (*Provisions for Meeting of the Noteholders*) to the Trust Deed dated 23 January 2020 between the Issuer and the Trustee in relation to the 2025 Notes (the "**2025 Trust Deed**") and paragraph 9 (*Written Resolution*) of Schedule 6 (*Provisions for Meeting of the Noteholders*) to the Trust Deed dated 16 September 2021 between the Issuer and the Trustee in relation to the 2028 Notes (the "**2028 Trust Deed**", together with the 2023 Trust Deed and the 2025 Trust Deed the "**Trust Deeds**", and each of them the "**Trust Deed**").

Terms defined in the Trust Deeds or the Consent Solicitation Memorandum dated 1 August 2022 (the "**Consent Solicitation Memorandum**") shall have the same meaning herein unless the context requires otherwise.

1. Background

In recent months the U.S., the EU, the UK and certain other countries have launched against Russia, various entities and individuals, as well as Russian sovereign debt an unprecedented expansion of coordinated actions, including, among others, full blocking restrictions and sanctions on companies and individuals, sovereign debt restrictions and other sanctions targeting a number of Russian individuals

and entities. A number of major Russian entities which were not subject to the introduced sanctions, found themselves affected through designation of individuals holding major stakes in those companies.

In light of the above, there exists a risk that any payment received from the Issuer or PhosAgro by Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**") can be blocked, delayed or frozen and, consequently, those funds will not be distributed among the Noteholders by the Principal Paying Agent. Payments of interest or principal made by PhosAgro to the Issuer under the respective Loan Agreement may get blocked, frozen or delayed for an uncertain period of time by the Principal Paying Agent, the Clearing Systems or other entities processing those payments.

2. Proposals sought by PhosAgro

This notice is a summary of some of the Proposals only and does not contain a full description of all Proposals included into the Consent Solicitation Memorandum and should be read in conjunction with the Consent Solicitation Memorandum which you can request as per the Section 3 below.

2.1. Removal of Citicorp Trustee Company Limited (the "**Original Trustee**") and replacement thereof with i2 Capital Trust Corporation Ltd (the "**New Trustee**") (the "**Resignation and Appointment**")

As the Original Trustee has informed the Issuer and PhosAgro of its intention to resign, PhosAgro intends, if the Requisite Consents are received, for the Original Trustee to retire from the position of the trustee the New Trustee to be appointed as successor trustee on the terms of the Deed of Appointment and Resignation in respect of each series of Notes.

2.2. Introduction of the new payment mechanics (the "**New Payment Mechanics**")

With regard to each series of Notes, if the Requisite Consents are received, PhosAgro would make any payment of interest or procure that such payment of interest is made:

- a) directly (or through the relevant Clearing Systems or other financial intermediaries) to certain beneficial owners, in each case, as may be determined by PhosAgro on a case-by-case basis in its absolute discretion and against presentation of such documents, confirmations and/or other evidence as may be requested by or on behalf of PhosAgro; and
- b) upon having received the consent of the concerned beneficial owners or as otherwise permitted by all applicable laws, in Roubles, Japanese Yen or other currencies clearable through Euroclear, Clearstream, Luxembourg and DTC, as selected by PhosAgro at its sole discretion subject to all applicable laws (the "**Alternative Currency**"), where the amount due shall be calculated as the amount in U.S. Dollars converted into the Alternative Currency on the basis of the exchange rate established on the payment due date by the Central Bank of Russia in respect of the Alternative Currency,

in relation to some or all of the Notes owned by such beneficial owners (as may be determined by PhosAgro on a case-by-case basis in its absolute discretion) (the "**Direct Payment Option**") following which PhosAgro's obligation to pay interest to the Issuer shall be extinguished for all purposes in the amount equivalent to the interest so paid directly to the beneficial owners concerned and which, when made, shall constitute good discharge of PhosAgro's obligation to pay the relevant amount of interest to the Issuer.

To the extent any governmental consent, approval, permit, licence or other authorisation is required to effect payment of interest as set out above and the granting of such licence to PhosAgro is refused or withheld, PhosAgro shall, without the consent of the Issuer, the New Trustee or the Noteholders, pay such interest by arranging a payment in the Alternative Currency to a beneficial owner or engaging an affiliate or other third party to make a payment to a beneficial owner in U.S. Dollars, in each case, by application of a beneficial owner to PhosAgro and subject to such beneficial owner providing the relevant account details therefor to PhosAgro, subject to such documents, confirmations and/or other evidence, including the proof of holding on the Notes, as may be requested by PhosAgro and whether directly by the payor or through the relevant Clearing Systems or other financial intermediaries, which,

when made, shall constitute good discharge of PhosAgro's obligation to pay the relevant amount of interest to the Issuer.

2.3. Modification of the Issuer substitution provisions (together with the New Payment Mechanics, the "Amendments")

As PhosAgro is concerned whether it would be possible in the future to maintain the Issuer, which is the company incorporated in Ireland, fully operational and keep its business uninterrupted, in the context of the sanctions pressure. In light of these concerns and with a view to ensure smooth servicing of payments under the Loan Agreements and due performance of obligations to the Noteholders, PhosAgro is seeking the Noteholders' approval to modify the Issuer substitution provisions to allow prompt redomiciliation of the Issuer to another jurisdiction, if and when this becomes necessary.

3. Execution requirements and effectiveness condition

With regards to each series of the Notes, the Proposals include (i) the Resignation and Appointment, and (ii) the Amendments are contained in two separate Written Resolutions, and the Amendments Written Resolution is conditional on the passing of the Resignation and Appointment Written Resolution. It is a term of the Consent Solicitation that Consent Forms are irrevocable except in the limited circumstances described in the Consent Solicitation Memorandum and the Noteholders' right to sell or transfer the Notes shall be suspended until the earliest of the Effective Time, the Consent Deadline or the revocation of the Consent Form by the respective Noteholder prior to the earlier of the Effective Time and the Consent Deadline, subject to the requirements for such revocation set out in the Consent Solicitation Memorandum.

In accordance with the Trust Deeds, in respect of each of the Resignation and Appointment Written Resolution and the Amendments Written Resolution, the Noteholders of at least 75% in aggregate principal amount of then outstanding Notes of the respective issue are required to give their Consent to the Proposals, which shall each constitute a Written Resolution and take effect as an Extraordinary Resolution, duly passed in accordance with the relevant Trust Deed.

PhosAgro also reserves the right at any time to waive any or all of the conditions of the Consent Solicitation as set out in the Consent Solicitation Memorandum.

To validly participate, a Noteholder who holds the Notes as of 15 August 2022, i.e. the date as of which the Noteholders eligible to vote are to be determined, should deliver, or arrange to have delivered on its behalf, a valid Consent Form signed by such Noteholder to i2 Capital Markets Ltd (the "**Information and Tabulation Agent**") by registering and then uploading the completed Consent Form in pdf format to the "My Holding" section on <https://www.i2capmark.com/event-details/66/Holder/phosagro-consent-solicitation> by no later than 4 p.m. (London time) on 17 August 2022 (the "**Consent Deadline**") unless it is extended by PhosAgro.

To register and access the Consent Solicitation Website (including access to the Consent Solicitation Memorandum), the Noteholders are required to represent to the Information and Tabulation Agent that they are a Noteholder or otherwise act on behalf of or in the interests of a Noteholder. In order to submit completed Consent Forms, the Noteholders are required to provide proof of holding as specified in the Consent Solicitation Memorandum. Further, by submitting a valid Consent Form to the Information and Tabulation Agent, the relevant Noteholder shall be deemed to agree to, acknowledge, represent, warrant and undertake to the Issuer, PhosAgro, the Guarantor, the Information and Tabulation Agent, the Original Trustee and the New Trustee that the relevant Noteholder is not a Sanctions Restricted Person.

Noteholders may contact the Information and Tabulation Agent via email at phosagroconsent@i2capmark.com if they require assistance.

Announcements in connection with the Consent solicitation Memorandum will be disclosed by PhosAgro on the website of the Irish Stock Exchange (<https://direct.euronext.com/#/rispublication>) and/or otherwise be made publicly available.

4. Disclaimers

The distribution of this notice and the Consent Solicitation Memorandum to which it relates in certain jurisdictions may be restricted by law. Persons into whose possession this notice and the Consent Solicitation Memorandum to which it relates come are required by PhosAgro, the Guarantor, the Issuer, the Original Trustee, the New Trustee, the Principal Paying Agent and the Registrar to inform themselves about, and to observe, any such restrictions.

This notice must be read in conjunction with the Consent Solicitation Memorandum. This notice and the Consent Solicitation Memorandum contain important information which should be read carefully before any decision is made with respect to the Consent Solicitation Memorandum. If any Noteholder is in any doubt as to the action it should take or is unsure of the impact of the adoption of the Written Resolutions, it is recommended to seek its own financial advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to deliver the Consent Forms with respect to the Written Resolutions.

None of PhosAgro, the Guarantor, the Issuer, the Original Trustee, the New Trustee, the Principal Paying Agent, the Registrar and the Information and Tabulation Agent or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Proposals and/or the Consent Solicitation Memorandum, and accordingly none of PhosAgro, the Guarantor, the Issuer, the Original Trustee, the New Trustee, the Principal Paying Agent, the Registrar and the Information and Tabulation Agent or their respective directors, officers, employees, affiliates, advisers or agents makes any recommendation as to whether Noteholders should deliver the Consent Forms with respect to the Written Resolutions, or refrain from taking any action, and none of them has authorised any person to make such recommendation. For the avoidance of doubt, the Trustee has not reviewed or approved, nor will it be reviewing or approving, any documents relating to the Amendments.

This notice is for informational purposes only. The Written Resolutions are sought only in such jurisdictions as is permitted under applicable law.