

APPROVED

By Resolution of the Board of Directors
of PJSC PhosAgro
Dated 18 August 2022
(minutes dated 19 August 2022 unnumb.)

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

**Moscow
2022**



PHWMM360145TE6IC2NG

CONTENTS

| | |
|--|---|
| 1. General provisions | 3 |
| 2. Committee Purpose and Remit | 3 |
| 3. Committee Composition | 5 |
| 4. Committee Establishment | 5 |
| 5. Committee meetings | 5 |
| 6. Rights and Obligations of the Committee Members | 6 |
| 7. Remuneration of the Committee Members | 7 |
| 8. Interaction of the Committee with the Company’s bodies | 7 |
| 9. Final Provisions | 7 |

1. General provisions

- 1.1. These Regulations on Strategy and Sustainable Development Committee of the Board of Directors of PJSC PhosAgro (the “Regulations”) govern the activities of the Strategy and Sustainable Development Committee of the Board of Directors of PJSC PhosAgro (the “Committee”), set out its composition, 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 to the Charter of PJSC PhosAgro (the “Company”). The Committee is not a body of the Company, nor does the Company acquire any civil rights or obligations through the Committee.
- 1.3. Activities of the Committee shall comply with the applicable laws of the Russian Federation, the Company’s Charter, the Regulations on the Board of Directors of the Company, these Regulations, recommendations of 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 PJSC Moscow Exchange.
- 1.4. For the purposes of these Regulations all references to the Company shall be references to PJSC PhosAgro; all references to the Charter and the Regulations on the Board of Directors of the Company shall be references to the current version of the Charter 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 main purpose of establishing the Committee is to improve the efficiency and quality of the work of the Board of Directors through preliminary consideration and preparation of recommendations for the Board of Directors in the following areas of activity of the Company and its subsidiaries:
 - development strategy and the course of its implementation;
 - asset management;
 - innovative and investment activities;
 - environmental safety and climate conservation issues;
 - energy efficiency and rational use of natural resources;
 - labor protection and industrial safety, prevention of industrial accidents.

The Committee is aimed to ensure the process of sustainable development of the Company, where consistency of resource application, investment policy, technological advancement, innovation and institutional changes are intercoordinated and aimed 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 of the Company.

The Committee was established to build a corporate social responsibility culture within the Company, promote the socially responsible business practices integration into the Company’s strategy and its business model, 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 of the Company with UN Agenda for Sustainable Development broadly, as well as sustainable development legislation and best practices.

- 2.2. To achieve the above goals, the Committee performs the following functions:

2.2.1. Development of a long- and medium-term strategy for the development of the Company:

- a) determination of the mission and long-term goals of the Company's development;
- b) study and evaluation of product and regional markets of the Company's activities, trends and forecasts for the development of these markets, main competitors and strategies for their development;
- c) formation of a system of quantitative and qualitative indicators determining the long-term development strategy of the Company that includes, among other things, indicators in the areas of social and environmental responsibility, corporate governance;
- d) consideration of management proposals on ways to achieve the goals;
- e) control over the methodology used by the Company's management for developing forecasts, as well as draft financial and economic plans and the Company's budget;

- f) preliminary consideration of draft budgets as well as financial and economic plans for compliance with the Company's development strategy.

2.2.2. Monitoring and adjustments of the strategy:

- a) consideration of management reports on the results of current activities for their compliance with the approved development strategy of the Company;
- b) periodic evaluation of the effectiveness of the chosen strategy and management actions to implement it;
- c) assessment of changes in the business environment of the Company's operation, political trends, projects in the field of changing legislation and making proposals for adjusting the approved development strategy.

2.2.3. Management of the Company's assets:

- a) jointly with the management of the Company, assessment of the effectiveness of the development of subsidiaries, including the validity of their development strategies and the degree of achievement of the goals set;
- b) preliminary consideration and development of recommendations on the Company's participation in other organizations, preparation of opinions on draft M&A transactions;
- c) consideration of reorganization and liquidation of the Company and organizations under its control;
- d) consideration of proposals for the implementation of joint businesses with strategic partners, preliminary assessment of their proposals.
- e) evaluation of voluntary and mandatory offers to purchase the Company's securities.

2.2.4. Innovative and investment activities:

- a) preliminary consideration of innovative and investment programs and projects of the Company;
- b) monitoring the implementation of programs and projects;
- c) evaluation of projects and programs implementation results.

2.2.5. Implementation of the principles and best practices of sustainable development into strategic planning and operational activities:

- a) identification of key development areas in labor protection, industrial safety, environmental protection, energy efficiency and reduction of negative impacts on the climate; planning and monitoring the implementation of relevant measures, evaluation of management activities in these areas;
- b) formation and periodic analysis of internal documents system of the Company related to sustainable development, in particular, labor protection, industrial safety, environmental protection, energy efficiency and reduction of negative impacts on the climate, including strategy, policies, programs and other documents applicable to production activities of the Company's subsidiaries; monitoring the relevance, efficiency and quality of these documents;
- c) ensuring continuous demonstration and promotion of ethical, transparent and responsible practices of the Company;
- d) involvement of key stakeholders, as well as contributing to development and improvement of healthy and sustainable communities in all regions of the Company's presence;
- e) monitoring compliance with the laws, by-laws and internal sustainable development goals, including the labor protection, industrial safety, environmental protection, energy efficiency and reduction of negative impacts on the climate;
- f) arranging the Company's staff training in sustainable development best practices;
- g) drafting recommendations to the Board of Directors on determination of the Company's strategic sustainability goals;
- h) considering reports on sustainable development;
- i) monitoring the Company's disclosures on sustainable development activities;
- j) checking compliance of the Company's corporate practices and internal documents with sustainability ratings (rankings and indices), ensuring maintenance and improvement of the Company's presence in such ratings;

2.3. 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 developed by the Committee 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 of the Board of Directors of the Company.
- 3.5. Persons with the relevant professional skills who are not members of the Committee may be engaged as experts and consultants in the work of the Committee.

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 individuals or entities as experts or consultants is allowed.

- 3.6. The CEO of the Company, members of the Board of Directors who are not members of the Committee, the Corporate Secretary and other officers and employees of the Company as well as 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 quantitative and personal composition of the Committee and election of the Chairman of the Committee are adopted by the Board of Directors upon election of new Board of Directors members.

Quantitative composition of the Committee is determined by the Board of Directors in such a way that it allows for a thorough and balanced discussion of the issues under consideration, taking into account various opinions.

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

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, expertise in the area of the Committee's activities, relevant experience and special knowledge necessary for the members of the Committee to exercise their powers.

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 discard the discussion of items on the current agenda in favor of issues of higher priority as determined by the members of the Committee.

Members of the Board of Directors who are not the Committee members, the CEO, the Corporate Secretary of the Company, 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 by any of the following methods: personal delivery, 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 and employees of the Company 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 on the items of the agenda.
- 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 in any item under consideration shall be disclosed at the meeting.
- 5.9. The Committee may instruct any of its member(-s) to review thoroughly certain item 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 separately 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 and at the meeting of the Committee;
 - 6.1.3. notify forthwith the Committee about any personal interest in adoption of a particular resolution;
 - 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 any of 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 directly relating to the Committee activities;
 - 6.2.2. participate in the meetings with shareholders and representatives 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 as Committee members.
- 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 of the Company.

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 and 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.