

APPROVED
by the Decision of the Board of Directors
of OJSC PhosAgro dated April 15, 2014

CHARITY POLICY
of Open Joint Stock Company
PhosAgro

Moscow, 2014

TABLE OF CONTENTS:

1.	GENERAL PROVISIONS	3
2.	TERMS AND DEFINITIONS	3
3.	KEY PRINCIPLES	5
4.	KEY AREAS OF CHARITABLE ACTIVITIES	6
5.	INFORMATION DISCLOSURE	7
6.	NOTIFICATION OF SHORTCOMINGS	8
7.	LIABILITY FOR NON-EXECUTION / IMPROPER EXECUTION OF THIS POLICY	8
8.	PROCEDURE FOR REVIEWING AND AMENDING THIS POLICY	8

1. GENERAL PROVISIONS

1.1. The Charity Policy of OJSC PhosAgro (hereinafter, the "Policy") sets out the key principles and areas for providing charitable support on behalf of and through the funds of Open Joint Stock Company PhosAgro (hereinafter, the "Company").

1.2. This Policy is aimed at achieving the following goals:

- Identification of the principal approaches and key areas of the Company's charitable activities in the strategic vision;
- Assurance of neutrality and transparency in choosing the recipients of charitable support and in distribution of the allocated funds;
- Increase in the efficiency of the Company's charitable activities management system;
- Enhancement, strengthening, and protection of the Company's business reputation as an honest, open, and fair partner, and ensuring thereby the formation of the Company's positive image in the minds of shareholders, potential investors, partners, employees, and counterparties.

1.3. The Company, within its competence, encourages its subsidiaries to implement their own charity policies, charitable and social projects, and other grant funding similar to this Policy.

2. TERMS AND DEFINITIONS

Charitable Activities shall mean the Company's activities conducted on a voluntary basis, which consist of donating aid or support to citizens and non-commercial institutions on preferential terms, including through the allocation of cash funds and/or tangible assets, performance of work, provision of services, or delivery of other support.

Combat Veteran shall mean a person recognized as a combat veteran in accordance with the provisions of Articles 2–5 of Federal Law No. 5-FZ dated January 12, 1995 "On Veterans".

Official shall mean a person who, either by appointment or as a result of an election, performs the functions of a representative of the government, or who temporarily or permanently occupies a position in state institutions, enterprises, organizations, parties, and formations related to the performance of organizational and management obligations, or who performs such obligations under a special authority.

Compliance Controller shall mean a responsible employee of the Company who, by the order of the Chief Executive Officer of the Company, is responsible for implementing the anti-corruption procedures adopted by the Company in accordance with the requirements of the applicable anti-corruption legislation and internal regulatory documents of the Company.

Counterparty shall mean any Russian or foreign individual, with the exception of the employees of the Company, or a legal entity (including its branch and/or representative office) with which the organization enters into contractual relationships.

Non-Profit Organization shall mean an organization, including a business unit (branch or representative office) of a foreign non-commercial non-governmental organization: which does not pursue profit earning as its core objective and does not distribute its profits between participants; which has been established to achieve social, charitable, cultural, educational, political, scientific, and managerial objectives in the field of public health care, development of physical training and sports, satisfaction of spiritual and other non-material needs of citizens, protection of rights and lawful interests of citizens and organizations, settlement of disputes and conflicts, provision of legal aid, and for other purposes aimed at achieving public good. For the purposes of this Policy, non-profit organizations shall not include:

- State-owned corporations;
- State-owned companies;
- Non-governmental associations that are political parties;
- Non-profit organizations (including those acting as foreign agents) which are engaged in political activity conducted within the Russian Federation in accordance with the provisions of Clause 6, Article 3 of Federal Law No. 7-FZ dated January 12, 1996 "On Non-Profit Organizations".

State Representative shall mean:

- a) a person who permanently, temporarily, or under special powers performs the functions of a representative of a state or municipal authority;
and/or
- b) a person who permanently, temporarily, or under special powers performs organizational and management, business and administrative functions in a state body, local government body, state or municipal institution or in the Armed Forces of the Russian Federation or other military formation of the Russian Federation;
and/or
- c) an official or an employee of a commercial organization that is fully or partially owned by the state or a municipality;
and/or
- d) a candidate/applicant for a state or municipal position, a position of state or municipal service, including a position in the government.

Public Official shall mean:

- any person, whether appointed or elected, holding any office in the legislative, executive, administrative, or judicial body of the Member State¹ on a permanent or temporary basis, on a paid or unpaid basis, regardless of the level of this person's position;

¹ Member State is a member state of the United Nations (UN).

- any other person performing any public function, among other things, for a public department or state-owned organization, or providing any public service, as defined by the domestic legislation of the Member State and as applicable in the respective area of legal regulation of such Member State;
- any other person defined as a "public official" under the national legislation of the Member State.

3. KEY PRINCIPLES

- 3.1. The main objective of the charitable and social activities of OJSC PhosAgro is to ensure the sustainable development of the regions where the Company operates and to support members of society in need of social protection.
- 3.2. The Company has identified the following basic principles for providing charitable assistance:
 - **Targeting and intended use:** all charitable activities of the Company are aimed at solving specific tasks corresponding to the main areas of charitable activities defined by the internal regulatory documents of the Company;
 - **Expenditure control:** the Company establishes the principle of control over the expenditure of rendered charitable assistance, including the intended use of allocated funds;
 - **Transparency and disclosure of information:** charitable assistance provided by the Company is subject to mandatory disclosure in open sources and the media.
- 3.3. For the purposes of its charitable activities, the Company provides support to:
 - individuals;
 - non-profit organizations;
 - government authorities (in certain cases).
- 3.4. The Company does not provide charitable support to:
 - public officials;
 - state representatives;
 - political parties and movements;
 - commercial organizations.
- 3.5. Charitable support and other financial aid provided hereunder must meet the following criteria:
 - does not contradict the principles and requirements of this Policy and other internal documents of the Company, as well as provisions of applicable laws;
 - does not constitute a hidden reward for a service, action, inaction, permissiveness, patronage, or the provision of other illegal benefits to the Company and/or its partners and subsidiaries;
 - its goal is to provide support to certain groups of the population, public organizations, and charitable foundations, including with the aim of forming a positive image of the Company.

4. KEY AREAS OF CHARITABLE ACTIVITIES

- 4.1. In order to ensure that the funds allocated for charitable activities are spent as efficiently and effectively as possible, the Company has identified a number of strategic areas in which charitable support and social investments may be provided.
- 4.2. The areas of charitable support and examples of charity events within whose areas funding may be allocated are described in Clauses 4.4–4.7 hereof.
- 4.3. The list of charity events within each area is not exhaustive. In each particular case, the Company's designated employees will make a decision on the compliance of the social reason and form of charitable support with the requirements of this Policy.

4.4. Education

- 4.4.1. The Company places great importance on the organization and implementation of educational projects intended to increase the educational level of the population in the regions where the Company operates, including in the jobs related to the Company's business, with the purpose of increasing the attractiveness of the Company as a potential employer for young professionals.
- 4.4.2. Below are examples of charity events within the mentioned area for which funds may be allocated:
 - Payment of additional scholarships to students with excellent grades and post-graduate students in the regions where the Company operates;
 - Provision of educational grants to students from low-income families, single-parent homes, and orphans, and their subsequent employment at the Company's enterprises;
 - Organization and/or financing of educational projects for children with physical or emotional problems;
 - Organization and/or financing of advanced training programs for school teachers;
 - Organization and/or financing of additional educational programs for students in order to create a high-skilled workforce;
 - Organization and/or financing of academic competitions and contests for students of secondary schools and higher educational institutions.

4.5. Sports and healthy lifestyle

- 4.5.1. Sports development and support are one of the priority areas of the Company's charitable activities. By developing financial, material, and organizational support to sports clubs and non-profit organizations, the Company promotes a healthy lifestyle and improvement of physical fitness among children and teenagers in the regions where the Company operates.
- 4.5.2. Below are examples of charity events within the mentioned area for which funds may be allocated:
 - Provision of financial and material support to various sports clubs;
 - Organization and/or financing of sports and educational centers in secondary schools in the regions where the Company operates;
 - Organization and/or financing of school Olympics and physical fitness and sports festivals.

4.6. Social area

- 4.6.1. The Company's social projects are aimed at increasing the living standards of the most vulnerable groups of the population, including children, pensioners, the disabled, combatants, and combat veterans.
- 4.6.2. Below are examples of charity events within the mentioned area for which funds may be allocated:
- Organization and/or financing of additional pensions and financial aid to the indigent and most vulnerable groups of the population;
 - Financing and material support for orphanages, hospices, senior care facilities, etc.;
 - Financing and material support for the victims of natural disasters, environmental catastrophes, and acts of terrorism;
 - Implementation of support programs for strategic facilities in the regions where the Company's enterprises operate;
 - Financing of projects of religious organizations and associations, including construction, renovation, and repair of religious buildings.

4.7. Medicine and health care

- 4.7.1. The Company's charitable activities in the field of medicine and health care are aimed at implementing targeted programs for the improvement of the physical facilities, as well as social and living conditions in health care facilities.
- 4.7.2. Below are examples of charity events within the mentioned area for which funds may be allocated:
- Financing of construction and repair of medical and health care facilities;
 - Provision of financial and material aid for infrastructure renovations in medical and health care facilities.
- 4.8. Apart from the areas described in Clauses 4.4–4.7, the Company reserves the right to provide charitable support in other areas, provided that the suggested charity event is agreed upon in accordance with the procedure approved by the internal regulatory documents of the Company.

5. INFORMATION DISCLOSURE

Information transparency and disclosure are one of the principles of charitable activities. In furtherance thereof, the Company informs all stakeholders on a regular basis about the progress and results of the programs implemented in the course of the Company's charitable activities in the following ways:

- Publication of information in the mass media and in the Company's corporate publications, when necessary;
- Posting information in the news section on the Company's corporate website, when necessary;
- Information disclosure in the Sustainability Report, on an annual basis;

- Publication of a consolidated report on the Company's charitable activities on the Company's corporate website, once a year.

6. NOTIFICATION OF SHORTCOMINGS

Should the employees of OJSC PhosAgro, its subsidiaries and counterparties have any doubts as to the lawfulness or ethics of their actions, actions of other employees of the Company or other third parties bound by contractual obligations to the Company, which potentially violate the provisions of this Policy, they can report this to their immediate superior or to the Compliance Controller, or contact the PhosAgro Group hotline:

E-mail: help@phosagro.ru

Tel.: 8 (820) 259-32-32

7. LIABILITY FOR NON-EXECUTION / IMPROPER EXECUTION OF THIS POLICY

- 7.1. The provisions of this Policy apply to the persons in charge of charitable activities, who are identified in accordance with the procedure established by the internal regulatory documents.
- 7.2. Failure to comply with the provisions of this Policy may incur liability in accordance with the current legislation of the Russian Federation, internal regulatory documents, and other applicable legislation.

8. PROCEDURE FOR REVIEWING AND AMENDING THIS POLICY

- 8.1. This Policy shall become effective upon its approval by the Board of Directors of the Company.
- 8.2. If amendments are made to the internal regulatory documents of the Company and/or to Russian or other applicable legislation capable of affecting, directly or indirectly, the provisions of this Policy, due diligence shall be carried out to determine whether the provisions of this Policy comply with the amended legislation and, if necessary, appropriate changes shall be made.