



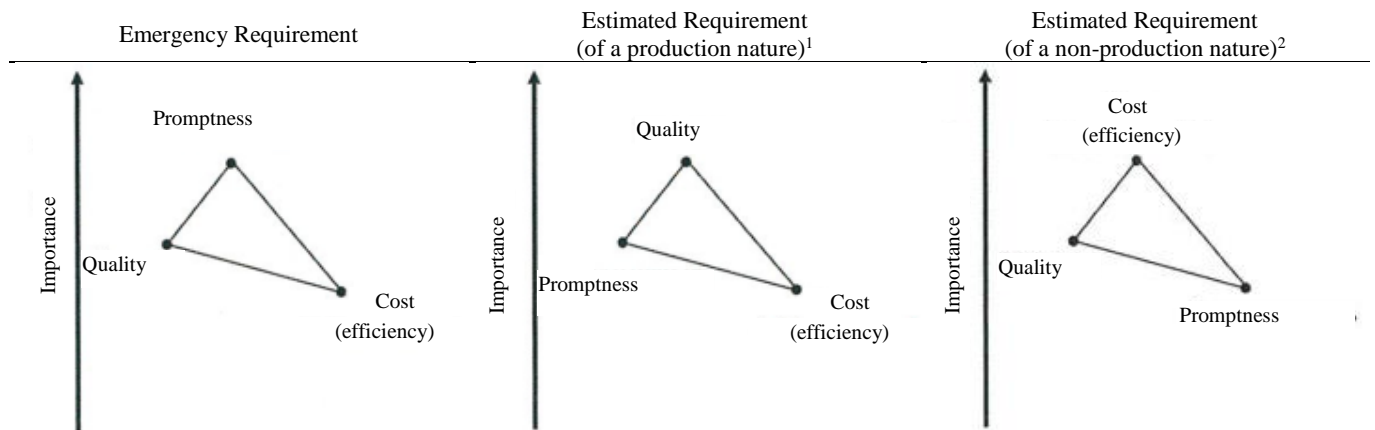
POLICY on Procurement of JSC Apatit

This Procurement Policy sets out the objective, principles and responsibilities of JSC Apatit JSC (hereinafter, the “Company”) in the area of procurement. None of the provisions of this Policy should be construed as prescribing or permitting the commission of acts that may violate the requirements of Russian law.

1. Objective

The main objective of the Company’s procurement activity is to meet its requirements in terms of material and technical resources, works and services (hereinafter, the “Requirement”) of suitable quality in a timely manner, in full and at the best price.

Depending on the nature of the Requirement, the following tactics can be specified:



2. Principles

The Company’s procurement activity adheres to the following principles:

- It is conducted in a legal, competitive and transparent manner;
- It takes into account the required specifics, quality, service, shipping, reliability, environmental friendliness and general cost of owning an inventory, plus legal, normative and social issues;
- It is implemented through reasonable and sustainable business solutions;
- It maintains the Company’s good reputation;
- It does not contradict the Company’s existing procedures or best practices.

The Company’s procurement activity is aimed at establishing stable and mutually beneficial partnership relations of trust with interested parties based on mutual compliance with the requirements of existing laws, industry standards and contractual and other obligations.

3. Responsibility

Company employees must adhere to the principles stated in this policy, make decisions that take into account the external business environment and act in the best interests of the Company.

Violation of the Company Policy may incur disciplinary penalties.

Any deviations from the Company Policy in the area of procurement and related regulatory documents may occur under certain circumstances if supported by proof and must be approved by a person in charge with the right to approve such a deviation. Such situations shall be considered force majeure and lie outside standard business processes.

General Director of Apatit JSC

/Signature/

V. V. Davydenko



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- 1 - Requirements of a production nature include requirements to perform shutdown maintenance and major construction works.
- 2 - Requirements of a non-production nature include any other requirement.