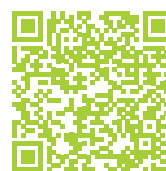




BOARD OF DIRECTORS

In 2019, the Board of Directors held 8 meetings and reviewed 70 matters.



<https://phosagro.ru/upload/iblock/954/9546a6b923a72288a37e74c18853a30f.pdf>

Full name	Irina Bokova	Andrey A. Guryev	Andrey G. Guryev	Sven Ombudstvedt ¹	Natalia Pashkevich	James Rogers	Marcus Rhodes	Mikhail Rybnikov ¹	Xavier Rolet	Andrey Sharonov
Year of birth	1952	1982	1960	1966	1939	1942	1961	1975	1959	1964
Board of Directors	8/8	8/8	8/8	8/8	8/8	8/8	8/8	8/8	7/8	7/8
Audit Committee				5/5		5/5	5/5			4/5
Strategy Committee		2/2	2/2	2/2				2/2		
Remuneration and Human Resources Committee	4/4					4/4				3/4
Risk Management Committee		3/4		2/4				2/4	4/4	
Environmental, Health and Safety Committee		2/3			2/3			3/3		
Sustainable Development Committee	2/2							2/2		2/2
Key competences										
Strategy		✓	✓	✓				✓	✓	
Finance and audit		✓		✓		✓	✓	✓	✓	✓
Chemistry and mining engineering		✓	✓	✓	✓			✓	✓	
Environment, health and safety	✓	✓						✓		
Human resources	✓		✓		✓	✓				✓
Law and corporate governance						✓	✓		✓	✓
Risk management						✓			✓	

¹ Sven Ombudstvedt became member and Chairman of the Risk Management Committee on 24 May 2019. Mikhail Rybnikov was member of the Risk Management Committee until 24 May 2019.



CHAIRMAN OF THE BOARD OF DIRECTORS

In May 2019, Sven Ombudstvedt stepped down as Chairman of the Board of Directors, a role he had held since 2011. Mr Ombudstvedt contributed greatly to the Company's development, working tirelessly to drive the Company forward and deliver its strategy to 2020. Under his leadership, the Company was able to upgrade its production capacities and make them more efficient and environmentally friendly. Sven Ombudstvedt's top priority as the Chairman of the Board of Directors was to ensure full compliance with the Board's key operating principles, including accountability, transparency, responsibility and equality. It is thanks to his efforts that the Company has integrated sustainability principles and goals into its strategy and day-to-day operations.

He passed his chairman's baton to Xavier Rolet, former CEO of the London Stock Exchange Group. Prior to his appointment Xavier Rolet had chaired the Risk Management Committee of the Board of Directors. Committed to the Company's values, Xavier Rolet sets great store by improvements made by his predecessor. In his new role, he is going to focus on organic growth, diligent implementation of the investment programme, continued sustainable development and innovations, which are key to adding value to the Company.

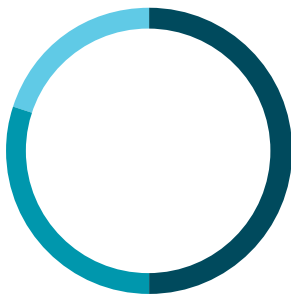
ROLE OF INDEPENDENT DIRECTORS

Starting from 2011, when the Company established the Board of Directors, the number of independent directors and their authority have been steadily growing. Independent directors make a valuable contribution to the Board's decision-making as their opinions rely solely on professional skills and expertise, as well as a comprehensive study of the matter. Their position is unbiased, independent and free from the influence of other members of the Board and the Company's management, and they are primarily focused on improving the Company's performance. At present, seven of the ten directors are independent, which is well above the average in Russia (38% according to Spenser Stuart research in 2019) and at par with the best global practices. Independent directors chair five of the six Board committees.

They are world-class experts with unique competencies and a track-record in investment and management of major businesses, financial and research organisations and government agencies. They are equipped with a full set of knowledge and skills needed to propel the Company and its Board of Directors forward and foster dialogue with stakeholders at various levels.

Board of Directors nominees and members are assessed against the independence criteria set out in the Regulation on the Board of Directors and the Moscow Exchanges rules. The assessment is performed twice a year by the Remuneration and Human Resources Committee. In 2019, the Board of Directors' special resolution recognised the independence of two directors, Sven Ombudstvedt and Marcus Rhodes, even though they met the formal criterion of being affiliated with the Company (an 8-year tenure on the Board of Directors).

Board of Directors: period of service %



<3 years	50
4-7 years	30
>7 years	20

Board of Directors: key competencies %



Strategy	19
Finance and audit	19
Chemistry and mining engineering	19
Environment, health and safety	15
Human resources	11
Risk management	11
Law and corporate governance	7



ONBOARDING OF NEWLY ELECTED DIRECTORS

Despite the fact that there were no changes in the Board composition in 2019, the Remuneration and Human Resources Committee updated the Onboarding Programme for New Board Members. This is done annually to provide them with an effective tool to gain an insight into the Company's operations. As part of the onboarding programme, newly appointed directors visit the Company's production sites and meet with functional managers. In August 2019, for example, the members elected to the Board of Directors in 2018 visited PhosAgro sites in Kirovsk and Apatity (Murmansk region) where, apart from learning about the Company's key asset, they took part in the celebrations of the Miner's Day.

PROFESSIONAL DEVELOPMENT AND TRAINING OF THE BOARD OF DIRECTORS

The Company views commitment to continuous professional growth as a cornerstone of good corporate governance. By expanding their knowledge and skills, directors add value to the Board of Directors and the Company on the whole. An annual performance assessment highlights the need for the qualification upgrade and training of the Board members, with a focus on the following areas:

- industry trends in Russia and abroad;
- risk management;
- current legislative and stock exchange requirements;
- Board operation trends in Russia and abroad.

The assessment held in 2019 identified another focus area for the Board of Directors, which is cyberrisks and cybersecurity. To meet this need, the Company engaged one of most reputable companies in this domain to conduct a training workshop for the Board of Directors and the top management in May 2019. On top of that, the Board of Directors regularly receives newsletters from the Company, including quarterly newsletters on corporate governance and weekly updates on the developments in the chemical and related industries.

COMPOSITION OF THE BOARD OF DIRECTORS

An external assessment of the Board's performance and an annual self-assessment show that its composition is fully balanced. In 2019, there were no changes in the Board of Directors composition. However, there were significant changes to its committees in May 2019, with a new Sustainable Development Committee set up by the Board of Directors. These measures gave a significant boost to the Board of Directors' performance.

Board of Directors: independence %



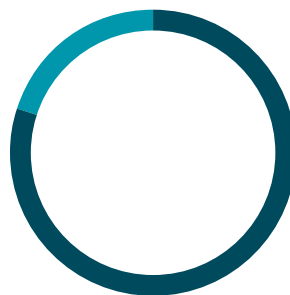
Independent	70
Executive	20
Non-executive	10

Board of Directors: place of residence %



Russia	50
Europe	40
USA	10

Board of Directors: gender split %



Men	80
Women	20

Board of Directors: age %



50-60	50
60+	30
40-50	10
Under 40	10

**BOARD OF DIRECTORS**

Information on Members of the Board of Directors

**XAVIER ROLET****CHAIRMAN**

Title	Independent director
Year of election	2018
Equity interest / Stake of ordinary shares	None
Date of birth	12 November 1959
Education	KEDGE Business School (France) Master's degree in Management Science and Finance
	Columbia Business School (USA) MBA in International Finance
	Institute for Higher National Defence Studies (IHEDN) (France) Post-graduate degree
1994 – 1996	Credit Suisse Managing Director
1997 – 2000	Dresdner Kleinwort Managing Director
2000 – 2007	Lehman Brothers (New York and London) Senior Executive
2007 – 2009	Banque Lehman Brothers S.A. (France) CEO
2009 – 2017	London Stock Exchange Group (LSEG) CEO
2011 – Present	Columbia Business School Member of the Board of Overseers
2013 – 2017	HM Treasury Member of the Financial Services Trade and Investment Board
2014	European Securities and Markets Authority (ESMA) Member of the Securities and Markets Stakeholder Group
2014 – 2017	Bank of England Governor's Financial Services Forum
2017 – 2018	London Stock Exchange Group (LSEG) Advisor

2017 – 2019	Department for International Trade (London) Member of the Committee of Expert Advisors
2018 – 02/2019	Verseon Non-executive director
2018 – 2019	PhosAgro Chairman of the Risk Management Committee
2018 – Present	Shanghai Institute of Finance for the Real Economy — SIFRE Expert Advisor
2019 – 2020	CQS Management Ltd. CEO
2019 – Present	PhosAgro <ul style="list-style-type: none"> Chairman of the Board of Directors Member of the Risk Management Committee
2019 – Present	Public Investment Fund – Saudi Stock Exchange (Tadawul) Member of the Board of Directors

KEY COMPETENCIES:

- Strategy
- Finance and audit
- Risk management
- Law and corporate governance
- Chemistry and mining engineering

**ANDREY G.
GURYEV****DEPUTY CHAIRMAN****Title** Non-executive director**Year of election** 2013**Equity interest /
Stake of ordinary
shares** None**Date of birth** 24 March 1960**Education** **Plekhanov St Petersburg State Mining Institute (Technical University)**
Degree in Economics and Management of Mining and Exploration Enterprises**Central State Institute for Physical Education****2006 – Present** **Russian Chemists Union**
Vice President**2001 – 2013** **Federation Council of the Federal Assembly of the Russian Federation**
Member of the Federation Council of the Russian Federation**2013 – Present** **PhosAgro**
• Deputy Chairman of the Board of Directors
• Member of the Strategy Committee**06/2017 – 06/2018** **AgroGard-Finance**
Member of the Board of Directors**06/2018 – Present** **AgroGard-Finance**
Chairman of the Board of Directors**KEY COMPETENCIES:**

- Strategy
- Chemistry and mining engineering
- Human resources

**ANDREY A. GURYEV****Title** Executive director**Year of election** 2013**Equity interest / Stake of ordinary shares** None**Date of birth** 7 March 1982**Education** **University of Greenwich (UK)**
Bachelor's degree in Economics
Academy of National Economy under the Government of the Russian Federation
PhD in Economics**2011 – 2013** **PhosAgro AG**
Deputy CEO for Sales and Logistics**2011 – Present** **Moscow Rhythmic Gymnastics Federation**
President**2012 – Present** **Andrey Guryev Charitable Foundation**
Chairman of the Management Board**2012 – 2014** **Investment Trading Bank**
Member of the Board of Directors**2012 – Present** **PhosAgro-Region**
Member of the Management Board**2013 – Present** **PhosAgro**
Member of the Board of Directors**2013 – Present** **PhosAgro**
• CEO
• Chairman of the Management Board
• Member of the Strategy Committee
• Member of the Environmental, Health and Safety Committee
• Member of the Risk Management Committee**2014 – 2016** **PhosAgro-Cherepovets**
Member of the Management Board**2014 – Present** **Russian Chess Federation**
Member of the Board of Trustees**2015 – Present** **Russian Olympians Foundation**
• Member of the Council of Trustees**2015 – Present** **Russian Union of Industrialists and Entrepreneurs**
Member of the Management Board**2016 – Present** **Russian Association of Fertilizer Producers**
President**2016 – Present** **Russian Rhythmic Gymnastics Federation**
• Chairman of the Board of Trustees
• Vice President**2016 – Present** **International Fertilizer Association (IFA)**
Member of the Board of Directors**2016 – Present** **Miners of Russia non-commercial partnership**
Deputy Chairman of the Supreme Mining Council**2019 – Present** **Russian Union of Industrialists and Entrepreneurs**
Member of the Management Board Bureau**KEY COMPETENCIES:**

- Strategy
- Finance and audit
- Chemistry and mining engineering
- Environment, health and safety

**MIKHAIL
RYBNIKOV**

Title	First Deputy CEO	2015 – 2017	PhosAgro-Cherepovets Chairman of the Management Board
Year of election	2016	2016 – Present	PhosAgro Member of the Board of Directors
Equity interest / Stake of ordinary shares	0.0258%	2016 – Present	PhosAgro-Region Member of the Management Board
Date of birth	30 November 1975	2017 – 2018	Apatit • CEO • Chairman of the Management Board
Education	Lomonosov Moscow State University Master's degree in Economics	2018 – 2019	Apatit Member of the Management Board
2011 – 2013	PhosAgro-Region Member of the Management Board	2018 – Present	Samoilov Scientific Research Institute for Fertilizers and Insectofungicides Member of the Board of Directors
2012 – 2015	PhosAgro AG • CEO • Chairman of the Management Board	2018 – Present	PhosAgro First Deputy CEO
2012 – 2017	PhosAgro-Cherepovets CEO	2019 – Present	Apatit Advisor to the CEO (part-time)
2013	Moscow Exchange Member of the Board of Directors		
2013	Apatit Member of the Board of Directors		
2013 – 2016	PhosAgro-Cherepovets Member of the Board of Directors		
2013 – Present	PhosAgro • Member of the Management Board • Chairman of the Environmental, Health and Safety Committee • Member of the Strategy Committee • Member of the Sustainable Development Committee		

KEY COMPETENCIES:

- Strategy
- Finance and audit
- Chemistry and mining engineering
- Environment, health and safety

**SVEN
OMBUDSTVEDT**

Title	Independent director
Year of election	2011
Equity interest / Stake of ordinary shares	None
Date of birth	27 July 1966
Education	Pacific Lutheran University (USA) Bachelor's degree Thunderbird School of Global Management Master's degree in International Management
2008 – 2011	Saferoad AS Member of the Board of Directors
2010 – 2013	Western Bulk Member of the Board of Directors
2010 – 2017	Norske Skogindustrier ASA CEO
2011 – 2019	PhosAgro Chairman of the Board of Directors
2011 – Present	PhosAgro <ul style="list-style-type: none"> Member of the Audit Committee Chairman of the Strategy Committee Chairman of the Risk Management Committee
2017	Norske Skogindustrier ASA Special Advisor
2017 – 2019	Norske Skog AS Chairman of the Board of Directors
2017 – Present	Norske Skog Norway AS Member of the Board of Directors
2019 – Present	Norske Skog ASA CEO

KEY COMPETENCIES:

- Strategy
- Finance and audit
- Chemistry and mining engineering

**IRINA
BOKOVA**

Title	Independent director
Year of election	2018
Equity interest / Stake of ordinary shares	None
Date of birth	12 July 1952
Education	Moscow State Institute of International Relations (Russia) International Relations John F. Kennedy School of Government at Harvard University (USA) Leadership and Economic Development University of Maryland School of Public Affairs (USA) Ford Foundation Fellow
1989 – 1989	University of Maryland School of Public Affairs (USA) Ford Foundation Fellow
1995 – 1997	Ministry of Foreign Affairs of the Republic of Bulgaria <ul style="list-style-type: none"> Secretary of the Council of Ministers of Bulgaria for European Integration Deputy Minister of Foreign Affairs of the Republic of Bulgaria
1991 – 1992	National Assembly of the Republic of Bulgaria
2002 – 2005	Member of the National Assembly
2005 – 2009	UNESCO <ul style="list-style-type: none"> Ambassador of Bulgaria to France and Monaco Permanent Delegate of Bulgaria
2009 – 2017	UNESCO Director-General
2018 – Present	Ban Ki-moon Centre for Global Citizens Member of the Board of Directors
2018 – Present	PhosAgro <ul style="list-style-type: none"> Member of the Board of Directors Member of the Remuneration and Human Resources Committee Chair of the Sustainable Development Committee
2018 – Present	International Automobile Federation Member of the Board of Directors

KEY COMPETENCIES:

- Environment, health and safety
- Human resources



JAMES ROGERS

Title	Independent director	11/2018 – Present	Sirius International Insurance Group, Ltd Member of the Board of Directors
Year of election	2014	12/2018 – Present	Ananti Inc Director
Equity interest / Stake of ordinary shares	0.0064%	2006 – 2015	CQS Cayman Limited Partnership Advisor
Date of birth	19 October 1942	2011 – Present	Forbes & Manhattan Advisor
Education	Yale University (USA) Bachelor's degree	06/2017 – 06/2018	AgroGard-Finance Member of the Board of Directors
	Balliol College, University of Oxford (UK) Bachelor's / master's degree in Philosophy, Politics and Economics	2012 – Present	Santiago Gold Fund Advisor
1986 – Present	Virtus Total Return Fund Inc. Director	2013 – 01/2018	Laguna Bay Pastoral Company Pty Ltd Advisor
1988 – Present	Virtus Global Dividend & Income Fund Inc. Director	02/2014 – Present	Genagro Limited Advisor
1990 – Present	Beeland Interests Inc. Director	07/2015 – 01/2017	Latitude Technologies Limited Senior Advisor
2007 – Present	Beeland Enterprises Inc. Director	04/2017 – Present	AgriTrade Resources Ltd Advisor
2007 – Present	Beeland Holdings Pte Ltd. Director	08/2017 – 08/2018	ITF Corporation Advisor
2012 – 2019	Spanish Mountain Gold Limited Director	10/2017 – 10/2018	Global Blockchain Technologies Corp Advisor
2012 – Present	Geo Energy Resources Limited Non-executive director	2019 – Present	Spanish Mountain Gold Limited Advisor
06/2013 – 06/2014	Fab Universal Corp Independent director	2019 – Present	Nanomedics Co. Ltd External director
2014 – Present	PhosAgro <ul style="list-style-type: none"> Member of the Board of Directors Chairman of the Remuneration and Human Resources Committee Member of the Audit Committee 		
2014 – 2019	Sinofortune Financial Holdings Limited Non-executive director		
2015 – 2016	TLV Holding Limited Advisor		
2016 – Present	Duff & Phelps Select Energy MLP Fund Inc. Director		
2016 – Present	Virtus Global Multi-Sector Income Fund Trustee		
03/2016 – 04/2018	Crusader Resources Limited Non-executive director		
08/2017 – Present	AgroGard-Finance Independent director		
01/2018 – 2019	Ocean Capital Advisors LLC Director		
09/2018 – 2019	Quantum Digital Asset Management Pte Ltd Member of the Board of Directors		

- KEY COMPETENCIES:**
- Finance and audit
 - Human resources
 - Risk management
 - Law and corporate governance

**MARCUS RHODES****NATALIA PASHKEVICH**

Title	Independent director
Year of election	2011
Equity interest / Stake of ordinary shares	0.000644%
Date of birth	31 May 1961
Education	Loughborough University Bachelor's degree in Economics and History of Economics Institute of Chartered Accountants in England and Wales Qualified as chartered accountant, member
2008 – 2015	Rosinter Restaurants Holding Member of the Board of Directors
2008 – 2016	Cherkizovo Group Member of the Board of Directors
2008 – 2015	Tethys Petroleum Limited Member of the Board of Directors
2011 – Present	PhosAgro <ul style="list-style-type: none"> Member of the Board of Directors Chairman of the Audit Committee
2014 – Present	QIWI Group (QIWI plc) Member of the Board of Directors
2014 – 2017	Zoltav Resources Inc. Member of the Board of Directors
2017 – Present	SIA Enterprises Limited Honorary treasurer
08/2018 – 2019	Rustranscom Plc Non-executive director

KEY COMPETENCIES:

- Law and corporate governance
- Risk management

Title	Independent director
Year of election	2017
Equity interest / Stake of ordinary shares	None
Date of birth	5 November 1939
Education	Leningrad Mining Institute PhD in Economics, professor
1999 – Present	St. Petersburg Mining University First Vice Rector
2017 – Present	PhosAgro <ul style="list-style-type: none"> Member of the Board of Directors Member of the Environmental, Health and Safety Committee

KEY COMPETENCIES:

- Chemistry and mining engineering
- Human resources



ANDREY SHARONOV

Title	Independent director
Year of election	2017
Equity interest / Stake of ordinary shares	None
Date of birth	11 February 1964
Education	Ufa Aviation Institute Aviation Instrument Making
	Russian Academy of Public Administration under the President of the Russian Federation Law
2010 – 2013	Government of Moscow Deputy Mayor for Economic Policy
2011 – 2014	National Research University Higher School of Economics Member of the Supervisory Council
2011 – Present	National Research University Higher School of Economics Professor (part-time) at School of Finance of the Faculty of Economic Sciences
2011 – 2015	Bank of Moscow Member of the Board of Directors
2013 – 2016	Moscow School of Management SKOLKOVO Rector
2013 – 2016	MC Eko-Sistema Chairman of the Board of Directors
2014 – 2015	ALROSA Member of the Supervisory Board
2014 – Present	MC NefteTransService Chairman of the Board of Directors
2014 – Present	Sovcomflot Member of the Board of Directors
2016 – Present	SKOLKOVO Endowment Fund Head
2016 – Present	Present Association for the Development of Moscow School of Management SKOLKOVO Executive director

2014 – 2019	NOVATEK Member of the Board of Directors
2015 – 2018	VTB Bank Member of the Supervisory Council
2015 – 2017	Rosgeologia Member of the Board of Directors
2015 – 2016	Moscow Exchange Member of the Supervisory Board
2016 – Present	Moscow School of Management SKOLKOVO President
2017 – Present	PhosAgro <ul style="list-style-type: none"> • Member of the Board of Directors • Member of the Audit Committee • Member of the Remuneration and Human Resources Committee • Member of the Sustainable Development Committee
2018 – Present	Medicina Chairman of the Board of Directors
2019 - Present	En+ Group <ul style="list-style-type: none"> • Independent director

KEY COMPETENCIES:

- Finance and audit
- Law and corporate governance
- Human resources



D&O LIABILITY INSURANCE

Directors and officers liability for damage caused to third parties by their duties is insured by SOGAZ (contract No. 18 DO 0028 in effect from 1 June 2018 to 31 May 2019, contract No. 19 DO 0020 in effect from 1 June 2019 to 31 May 2020) and is covered up to USD 75 mln (in rouble equivalent) and extended by USD 2 mln for independent directors. Apart from directors liability, the above contracts include the liability of the Company's officers. (since 2012).

BOARD OF DIRECTORS REPORT

According to Section 172 "Duty to promote the success of the company" of the UK Companies Act 2006, PhosAgro's Board of Directors acts in good faith to promote the success of the Company for the benefit of all shareholders of PJSC PhosAgro, taking into account possible long-term consequences of its decisions for the society and the environment, as well as the interests of the Company's employees and other stakeholders.

For the members of PhosAgro's Board of Directors, these standards mean that the Company's stakeholders should be interacted with responsibly and that their interests should be respected to the maximum extent possible. In 2019, under the guidance of the Board of Directors' Sustainable Development Committee, stakeholders were identified and surveyed in order to define aspects of the Company's activities that were significant to them. These aspects have since been given maximum attention, both in terms of information disclosure and intensifying work in the relevant areas. For detailed information on interaction with key stakeholders, recognition and consideration of their interests, see the Stakeholders section of this annual report.

The opinion of our employees is essential for us, which is reflected, in particular, in one of our strategic objectives – increasing the loyalty and satisfaction of our staff. Analysis of employee satisfaction and loyalty surveys is reviewed annually by the Remuneration and Human Resources Committee of PhosAgro's Board of Directors. Analysis of hotline complaints and respective management response is reviewed by the Audit Committee of PhosAgro's Board of Directors on a quarterly basis. The said committees are composed solely of independent directors.

Although at the moment we do not apply such practices as appointing directors from among the employees or appointing a non-executive director responsible for interaction with employees for considering their standpoint when managing the Company, we consider it effective and are actively involved in a dialogue with all

major management issues with the trade union organisation (Minudobreniya Association), which has historically been an equal partner for the Company's management and an authorised representative of employees in collective bargaining, review and resolution of labour disputes.

In addition, heads of each production site of the Company regularly (at least twice a year) visit all business units and hold meetings with employees, at which they inform the staff about the Company's performance, implemented measures, and plans for production and social development. A key component of such meetings is face-to-face conversation between managers and teams. Everyone has an opportunity to ask questions or make a proposal aimed at improving the technology and personnel working conditions. Based on employees' suggestions and comments, an action plan for improving organisational and technological processes is then developed and implemented.

New strategy

In March 2019, the Board of Directors approved PhosAgro's Strategy to 2025 taking into account recommendations of the Strategy Committee issued in late 2018 – early 2019. As part of the approval, it determined the metrics subject to monitoring, as well as the frequency and the procedure for such monitoring. This resolution formalised the management duty to submit, twice a year, strategy progress reports to be pre-reviewed by the Strategy Committee and finally reviewed by the Board of Directors.

Sustainability management

In 2019, the Board of Directors placed a special emphasis on sustainability management, which was, first and foremost, incorporated into the Company's Strategy to 2025 as a standalone section defining goals and initiatives in this domain. The Board of Directors also approved the updated Personnel Management Policy and transparency statement in accordance with the UK Modern Slavery Act 2015, along with the amended Environmental Policy. The said documents were developed by the Company's management based on the analysis of local corporate documents and procedures needed to ensure PhosAgro's compliance with the applicable EU laws on human rights in supply chains. Moreover, all Board meetings held following the setup of the Sustainable Development Committee included reports from its chairman on the results and plans in this area.

Strengthened role of committees

In 2019, the Board of Directors also focused on a more in-depth review of matters at committee meetings, followed by chairman reports to the Board summarising key statements, conclusions and proposals. As a result, the reporting year saw an improvement in the quality of materials provided to the Board of Directors in the form of chairman reports.

New dividend policy

An important milestone in the Board of Director's work was the approval of the new dividend policy aimed at boosting the Company's investment appeal.

Corporate governance assessment and development

In March 2019, the Board of Directors reviewed the report on the corporate governance quality taking into account MSCI and Sustainalytics ratings and the previous year's self-assessment of compliance with the Corporate Governance Code approved by the Bank of Russia on 21 March 2014. Noting a high level of such compliance, the Board of Directors also analysed the governance quality criteria, which for certain reasons were not met fully or partially, and agreed on an improvement plan.

The early 2019 self-assessment and the subsequent recommendations of the Remuneration and Human Resources Committee were also subject



to review by the Board of Directors in the reporting year. The self-assessment was held in the form of a directors' survey based on PwC's methodology approved by the Board of Directors in 2017.

February 2020 saw KPMG conduct an external assessment of the Company's Board of Directors. The independent consultant recognised the Board's high efficiency and a strong engagement of its members.

KPMG also highlighted a balanced split between executive and independent directors and confirmed that they have the required skills, competencies and expertise. In terms of independence and the presence of foreign directors, PhosAgro is almost on a par with foreign industry leaders and ahead of the Russian players. The current Board's composition is fully in line with the Company's needs, which contributes to well-reasoned decision-making.

The efficiency of the Board's key functions was also highly rated by the independent consultant. The Board of Directors discusses a wide range of matters to ensure the effective governance of the Company's operations.

Stakeholder engagement

In 2019, the Board of Directors strengthened its dialogue with stakeholders. In addition to the participation in the Annual General Shareholders' Meeting and the visit to the sites in Kirovsk and Apatity, the Board's independent directors took part in the Investor Day held in September in London. As part of it, they presented PhosAgro's new strategy and dividend policy to the investment community.

Miscellaneous

Apart from the above matters, the Board of Directors reviewed the Company's amended budget for 2019 and the 2020 budget and approved the Internal Audit Department's report for 2019 and the 2020 plan. On a quarterly basis, it also discussed a number of other matters such as the approval of the Company's reports, the progress against the 2019 budget and the results of risk monitoring. Where necessary, the Board of Directors considered matters relating to the approval of significant transactions and interested-party transactions, convening of general shareholders' meetings and other matters within its remit under the Charter.

In 2019, the Board of Directors continued to foster cooperation with the Company's functional units by reviewing reports and issuing recommendation for such functions as procurement, project management, IT and global projects. On top of that, it reviewed and provided opinion on the external assessment of the internal audit, risk management and internal control functions.