



# CORPORATE GOVERNANCE FRAMEWORK

102-16  
102-18

**PhosAgro is a public company, whose shares are included in Moscow Exchange’s Level 1 quotation list, and whose depositary receipts are traded on the London Stock Exchange. The listing of securities on Russian and foreign stock exchanges imposes stricter requirements to corporate governance.**

The Company’s corporate governance framework relies on the principles and recommendations set forth in the Bank of Russia’s Corporate Governance Code, other relevant requirements of the regulator (Bank of Russia), the Listing Rules of the Moscow and London stock exchanges, and the Global Reporting Initiative (GRI) disclosure standards.

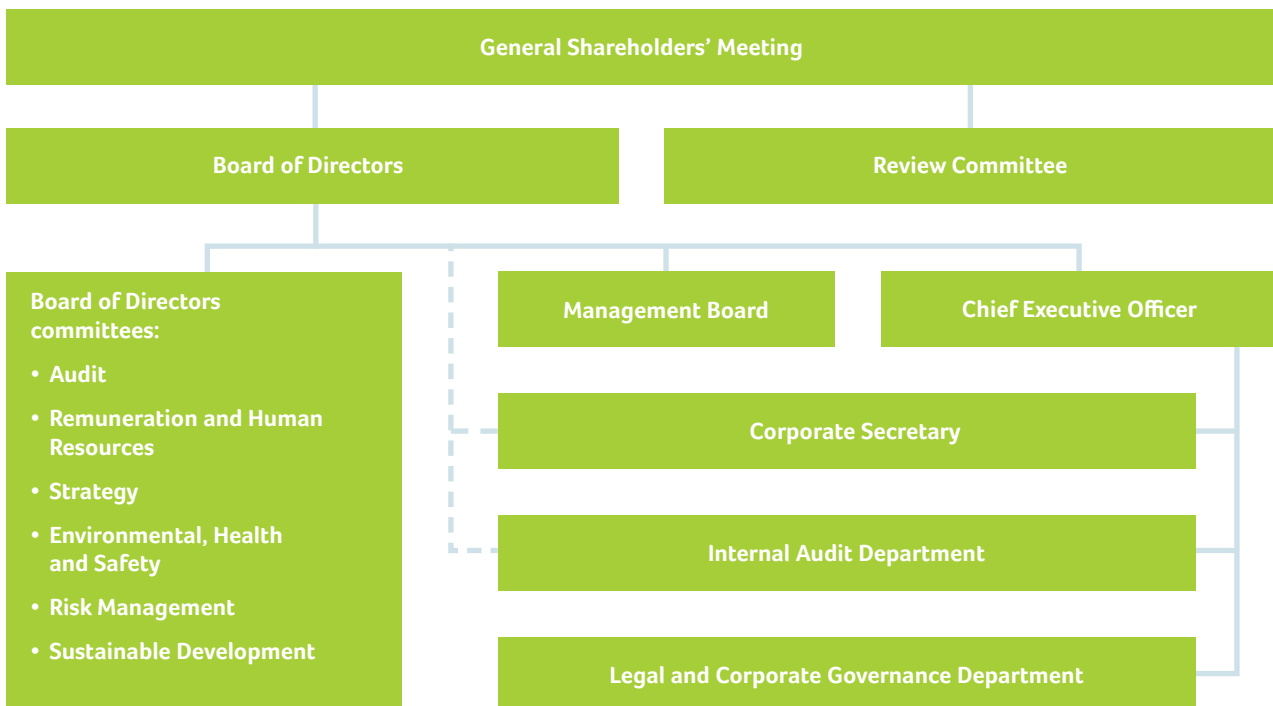
The Company is constantly developing its corporate governance framework to improve its internal efficiency and external competitiveness, which

includes improved perception of corporate governance practices by stakeholders. One of the criteria to assess corporate governance maturity is the degree to which it complies with the recommendations of the Bank of Russia’s Corporate Governance Code.

The Company sees its commitment to the highest corporate governance standards as key to building a transparent, responsible and trustworthy governance framework to ensure further growth and sustainable financial strength.

PhosAgro’s corporate governance principles, structure, practices and procedures are set forth in its Charter and other bylaws of the Company.

## CORPORATE GOVERNANCE STRUCTURE





## OUR PRINCIPLES

### Accountability

The Board of Directors is accountable to PhosAgro's shareholders for formulating and implementing the Company's long-term strategy, setting control points for, and the assessment of, management performance. Executive bodies report to the Board of Directors and the General Shareholders' Meeting.

### Equality

PhosAgro's corporate governance framework is designed to ensure equitable treatment and protect the rights of all shareholders. The Board of Directors provides timely support to every shareholder should their rights be violated. The Company prevents any discrimination on the basis of gender, colour or religion. We strive to give equal opportunities to every employee. At PhosAgro we believe that professionalism, sustainably strong performance and adherence to corporate values are the necessary and sufficient conditions that guarantee promotion and career advancement.

### Transparency

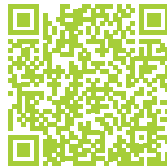
PhosAgro ensures a reliable and adequate disclosure of, and free access, to the information relating to its operations, such as financial updates, social and environmental indicators, ownership structure and corporate governance.

### Responsibility

The Company's material decisions affect a wide range of stakeholders including its employees and their families, local residents, shareholders, investors, government agencies and non-governmental organisations. We respect the rights and interests of the above stakeholders and are strongly committed to protecting them to the fullest possible extent. We also keep looking for ways to foster communication and collaboration with all stakeholders.



<https://phosagro.ru/upload/iblock/c0d/c0d09d91657a2a4cca4b50c55db795de.pdf>



<https://phosagro.ru/upload/iblock/64d/64d8bd7a93664921b15c71d630372238.pdf>

## GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the Company's highest governing body. The meetings are convened by the Board of Directors at least once a year. The Annual General Meeting takes place between 1 March and 30 June. For more information, see the Regulation on the General Shareholders' Meeting.

In May 2019, the Annual General Shareholders' Meeting was held in the form of joint presence to elect a new Board of Directors and Review Committee, determine the Board of Directors' remuneration, distribute the 2018 profit, including dividend payouts, and resolve on other matters within its remit. The reporting year also saw three extraordinary General Shareholders' Meetings whose main agenda item was a vote on interim dividends.

### RESPECT FOR SHAREHOLDERS' RIGHTS

One of the Company's priorities is strict compliance with corporate laws, the regulator's recommendations and best practices for minority shareholders' protection.

We acknowledge the shareholder right to prepare for a meeting in advance. To this effect, we provide timely and unimpeded access to meeting details and materials, both for the previous and upcoming meetings, at the General Shareholders' Meeting section of the corporate website. We also give our shareholders an opportunity to email their questions to the executive bodies and the Board of Directors to the dedicated addresses available in the Corporate Secretary and the General Shareholders' Meeting sections of the corporate website: [ks@phosagro.ru](mailto:ks@phosagro.ru) and [osa@phosagro.ru](mailto:osa@phosagro.ru) (for questions on the General Shareholders' Meeting). The materials comprise a meeting notice indicating contact phone numbers and the place where the meeting materials are available for review.

Starting from 2019, the annual meeting materials also specify the person who put forward an agenda item or a candidate to the Board of Directors. Besides, if the general meeting is to discuss net profit distribution, the materials must include rationale for the proposed distribution and the Board of Directors opinion on whether the proposal complies with the dividend policy and reflects the Company's current financial standing. In line with the best practices, the Company provides the shareholders authorised by law with access to the list of persons entitled to participate in the general meeting at any time, from the preparation of the list to the end of the meeting.