



# REMUNERATION REPORT

## PRINCIPLES FOR REMUNERATION OF THE BOARD OF DIRECTORS

When deciding on a Board composition, the General Shareholders' Meeting approves the amount and the rules for determining and paying remuneration and compensation to its members. The remuneration offered by the Company to directors creates sufficient motivation for them to work effectively, allowing the Company to attract and retain competent and skilled professionals. At the same time, the Company avoids higher-than-necessary remuneration.

During their term of office, directors receive remuneration and compensation for the expenses they incur while discharging their duties. Fixed (quarterly) remuneration is paid to independent Board members only. Additional (quarterly) remuneration is paid to the chairmen of Board committees who are independent directors and the non-employee directors of the Board of Directors. Remuneration is due within 20 days from the end of the reporting quarter.

The Chairman of the Board of Directors who is an independent director receives fixed (quarterly) remuneration equivalent to USD 90,000 for a full quarter at the official exchange rate set by the Bank of Russia on the last day of the relevant quarter. Other independent directors are paid an equivalent of USD 45,000 for a full quarter at the official rate set by the Bank of Russia on the last day of the relevant quarter.

Additional (quarterly) remuneration is payable to the chairmen of Board committees who are either independent directors or non-employee directors in an amount equivalent to USD 30,000 for a full quarter at the official exchange rate set by the Bank of Russia on the last day of the relevant quarter. If such independent or non-employee director chairs two or more committees, the additional (quarterly) remuneration is increased to USD 45,000 for a full quarter at the official exchange rate set by the Bank of Russia on the last day of the relevant quarter.

The Company compensates directors for actual expenses incurred by them while performing their respective functions. The compensation is payable within 20 days of the month following the reporting month based on requests submitted by the Board members to PhosAgro's sole executive body, with supporting documents attached.

## BOARD OF DIRECTORS REMUNERATION

Members of PhosAgro's Board of Directors may receive remuneration and compensation for the expenses incurred during their term of office if so resolved by the General Shareholders' Meeting. According to the Company's Corporate Governance Code, the Board remuneration shall be in line with current market trends and shall be sufficient to enable the Company to attract, motivate and retain highly skilled professionals to help drive the future growth and performance. At the same time, its size shall not exceed the amount needed to achieve this.



In 2019, the total remuneration paid to PhosAgro's Board of Directors was RUB 109,762,000 (excluding reimbursed expenses). The amount of remuneration and additional compensation due to PhosAgro's CEO is regulated by a contract between them and the Company, which is signed by the Chairman of the Board of Directors. The total remuneration reflects the CEO's qualifications and their personal contribution to the Company's financial results.

## MANAGEMENT BOARD REMUNERATION

The remuneration paid to the CEO and six other Management Board members who represent the senior management team for their services to the Company during the year ended 31 December 2019 was RUB 451.2 mln (in 2018 – RUB 185.6 mln).

The remuneration due to the Company's senior executives consists of a monthly base salary plus additional compensation payable twice a year. Additional compensation is linked to achieving the Company's key performance indicators (KPIs) and accomplishing additional tasks and objectives, as determined by the Board of Directors and the CEO for the reporting year or quarter. KPIs for each individual senior manager are set by period and mainly take into account metrics related to operational efficiency and individual contribution to the corporate growth and strategic performance. The Company calculates the additional annual compensation using EBITDA for the reporting period as resolved by the Board of Directors.

## Board of Directors remuneration, RUB

Name	2017	2018	2019
Total	65,472,631.92	97,317,831.89	109,761,832.04
Igor Antoshin	4,749,761.34	—	
Sven Ombudstvedt	19,376,953.47	22,957,434.00	22,871,844.00
James Rogers	16,147,461.81	19,131,195.00	19,059,870.00
Ivan Rodionov	6,458,984.49	2,959,284.38	
Marcus Rhodes	16,147,461.81	19,131,195.00	19,059,870.00
Andrey Sharonov	2,592,009.00	11,478,717.00	11,435,922.00
Xavier Rolet	—	11,784,706.71	21,339,381.35
Irina Bokova	—	9,875,299.80	15,994,944.69