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Approved by the Board of Directors of PJSC Uralkali
(Minutes No 400 dated 26.11.2021)

The Tax Policy of PJSC Uralkali

PJSC Uralkali (hereinafter, Uralkali or the Company) is one of the world's leading producers and exporters of potash. The Company accounts for a significant share of global potash output through an efficient implementation of its key business processes, from mining of potassium ore to shipments of finished products to customers around the world. Uralkali has entities in more than 10 different countries.

As the largest taxpayer in Russia and a leading taxpayer in the Perm Region, Uralkali is a major contributor to budget revenues on the local, regional and federal levels. It also plays an important role in the socio-economic development of the Perm Region by taking an active part in various support programmes including charity initiatives. A consistent and balanced tax policy is an integral element of the Company's corporate strategy, which in turn aims to facilitate a comprehensive development of Uralkali and help it maintain its leading industry position.

The purpose of this Policy is to define the key tax activities of Uralkali and its subsidiaries, which were designed in strict compliance with applicable national and international rules and regulations.

This Policy is based on the following key principles:

- Unconditional and timely compliance with tax legislation;
- Use of a multi-level system to monitor tax-related decisions;
- Use of a conservative approach to management of tax risks;
- Pursuit of fair and efficient taxation;
- Rejection of aggressive tax planning schemes and offshores to minimise tax obligations;
- Extraction of the tax benefit and preference potential in operating jurisdictions;
- Maintenance of professional and proper relations with tax bodies.

Efficient arrangement of tax activities

Tax-related activities of the Company are based on unconditional and timely conformance to tax laws. The role of Uralkali's tax function is to support and monitor compliance with tax regulations in all operating jurisdictions, and also to improve the overall operating and financing efficiency of the Company.

The organisational structure of the Company includes a number of special departments, which are manned by highly qualified and experienced specialists and are responsible for the following aspects of tax activities:

- Tax support of business solutions
- Monitoring of application of legally allowed tax benefits and preferences
- Monitoring and analysis of tax risks
- Formulation of the Company's position on ambiguous tax matters;
- Monitoring of changes in Russian and international legislation, positions of supervisory bodies, and legal precedents;
- Monitoring of budgetary settlements;
- Liaising with tax authorities; monitoring and support of tax audits;
- Support of judicial tax disputes;
- Liaising with external and internal auditors on tax audits during audits;
- Participation in legislative activities.

Methodological support to foreign entities is provided by competent specialists in tax laws of respective jurisdictions.

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Uralkali adopts a multi-level system of monitoring of tax-related decisions. Every new transaction is analysed in terms of possible tax implications and risks. Decisions on ambiguous tax positions are made / approved at different levels including the accounting, tax and legal functions. Also, calculations of tax payments and completeness of actual tax payments are additionally checked by internal and external audits during IFRS and RAS audits.

In Russian entities of Uralkali, book-keeping for tax purposes and preparation of tax statements are managed by internal accounting functions of the Company or by the specialised Common Service Centre. In foreign entities of Uralkali, these activities are performed by internal accounting functions of by specialised external organisations.

The Company provides regular training to employees to maintain the necessary level of competence and up-to-date knowledge in order to be able to address tax-related tasks.

To avoid breaching this Tax Policy, the Company implemented special controls. In the event of a violation, corrective measures are developed and implemented in line with internal regulations of the Company. Where necessary, controls are updated or new regulations are created.

Management of tax risks

Uralkali follows a conservative approach in management of its tax risks. The Company observes tax and disclosure laws and regulations in every operating jurisdiction, and submits all necessary tax declarations and statements, calculated and pays applicable taxes, levies and duties as required by national legislation of countries of its operations.

The level of tax risks acceptable for the Company is low. Tax risks are continuously monitored by the tax function. In management of tax risks, all entities of Uralkali apply conservative principles, of which a key principle is conformance to tax legislation of Russia and other jurisdictions of operations.

Tax risks are assessed and managed within the existing risk management system adopted by Uralkali.

The Company aims to identify and assess its tax risks in a timely manner, and to promptly perform necessary mitigation actions. Where there is uncertainty in how specific tax regulations should be applied, the Company may engage external consultants or consult with competent authorities to support its decisions.

Tax laws are prone to frequent changes and differences in interpretation. Similarly, changes are introduced from time to time to dual taxation treaties. Therefore, the Company regularly monitors changes in legislative changes, positions of supervisory bodies and legal precedents, and also analyses possible tax implications and risks in order to understand how these can be minimised. This monitoring and control are in place in every operating jurisdiction of the Company. If necessary, the Company is always ready to reconsider its position and clarify its tax obligations.

Uralkali gives special attention to its direct counterparties. The Company does not enter into agreements with counterparties if there are reasons to believe that such organisations may be involved in tax evasion schemes. Also, to avoid transactions that may create adverse consequences for the Company, special internal controls were developed and implemented.

Tax planning

In its tax planning activities, Uralkali aims to ensure fair and efficient taxation but without using an aggressive tax policy. The Company does not use aggressive tax planning schemes that would contradict the tax laws of the operating jurisdictions and does not use low-tax jurisdictions to minimise its tax obligations.

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At the same time, the Company applies legally allowed tax benefits and preferences. To improve tax regulations and avoid uncertainties related to certain regulations, Uralkali participates in drafting new or amending existing tax laws in Russia through its membership in relevant associations.

A more detailed analysis of factors affecting the applicable tax rate is described in Note 24 to Uralkali's IFRS consolidated financial statements published on the Company's official website.

Compliance with rules related to transfer pricing, dilution of taxable base and exempting profits from taxation

Uralkali supports the efforts of the Organisation for Economic Cooperation and Development (OECD) to achieve a global consensus to create a fair, stable and sustainable global tax system. In particular, the Company observes the arm's length principle in transboundary intragroup transactions. In such transactions, prices are determined on the basis of an analysis of functions, assets and risks of the parties involved, which is further supported by an economic analysis of similar transactions between non-connected parties.

Uralkali also adheres to the rules aimed at preventing dilution of taxable base, as profits are distributed and taxed where the value of corresponding assets is created. Most taxes are paid in Russia, where the Company's main production assets are located. The Company does not employ artificial structures to reduce its tax burden. In particular, it does not enter into transactions with connected organisations so as to dilute its taxable base or move profits to jurisdictions with lower tax rates.

In every of its operating jurisdictions, Uralkali complies with national transfer pricing laws and OECD's recommendations. In particular, in Russia the Company prepares and submits to tax authorities a country report on an annual basis.

Transparent relations with tax authorities

Uralkali pushes for professional and proper relations with tax bodies in its operating jurisdictions, for an effective handling of disputes through explanation and substantiation of its position, for timely submission of tax statements in full compliance with tax laws, for a prompt response to requests from tax authorities, and for clear communications. The Company is also committed to establishing a partner dialogue with fiscal authorities on the basis of mutual respect, transparency and trust so as to ensure stability of relations in the future.

Uralkali continuously liaises with tax authorities during desktop and field tax audits and when responding to requests submitted outside the scope of tax audits. Where possible, the Company seeks to obtain preliminary views and rulings of tax authorities. If the Company does not agree with the position of tax authorities, it is ready to defend its position including by judicial means.

Conclusion

Uralkali will update this Tax Policy when required.

This Tax Policy is published on the official website of the Company at www.uralkali.com and is thus available for all interested parties.

This Tax Policy is approved by the Board of Directors. Management of the Company assume responsibility for compliance with this Tax Policy.