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APPROVED
By the resolution of the Board of Directors of PJSC Uralkali
Minutes No 322 dated 29.08.2016

REGULATIONS
ON THE APPOINTMENTS AND REMUNERATION COMMITTEE OF THE BOARD OF DIRECTORS OF THE PUBLIC JOINT STOCK COMPANY URALKALI

Moscow
2016

1 General provisions

1.1 These Regulations on the Appointments and Remuneration Committee (hereinafter, the Regulations) constitute the main regulatory document governing activities of the Appointments and Remuneration Committee of the Board of Directors of the Public Joint Stock Company Uralkali (hereinafter, the Committee) and define the objectives, mandate, functions and establishment procedure of the Committee.

1.2 The Committee is an advisory body of the Board of Directors and was established for the purpose of reviewing matters within the mandate of the Committee as per these Regulations. The Committee is not a body of the Company; therefore, the Company does not assume any civil rights or obligations through the Committee.

1.3 Activities of the Committee are governed by the current legislation of the Russian Federation, the Charter of the Company, resolutions of the Board of Directors and these Regulations.

1.4 For the purposes of these Regulations, all references to the Company are references to the Public Joint Stock Company Uralkali (hereinafter, Uralkali or the Company); all references to the Charter are references to the current edition of the Charter of the Company; all references to the Board of Directors are references to the Board of Directors of the Company; and all references to internal documents of the Company are references to the duly approved and active regulations, which are mandatory in the Company.

2 Mandate and functions of the Committee

2.1 The mandate (competence) of the Committee includes recruitment of qualified specialists into the Company, create necessary incentives for successful performance of members of Company's governance bodies with the aim of implementing its strategic plans and ensuring succession of management.

2.2 **The Committee has the following functions:**

Functions within the Remuneration Policy of the Company:

a) Develop and periodically review the Company's remuneration policy in relation to members of the Board of Directors, members of the collective executive body (hereinafter, the Management Board) and the sole executive body of the Company (hereinafter, the General Director);

b) Monitor implementation of the remuneration policy and various incentive programmes;

c) Provide a preliminary assessment of the annual performance of the Management Board and the General Director of the Company in line with the remuneration policy;

d) Develop terms and conditions for early termination of labour contracts with members of the Management Board and the Chief Executive Officer, including all financial obligations of the Company and conditions for such obligations;

e) Develop recommendations for the Board of Directors in relation to the size of remuneration and bonus payment principles for the corporate secretary (or members of a subdivision acting as the corporate secretary);

f) Monitor disclosure of information related to remuneration of members of the Board of Directors, the General Director, members of the Management Board in line with requirements of applicable laws and internal documents of the Company;

Functions within succession planning, professionalism and effectiveness of the Board of Directors:

a) Annually perform a detailed formalised self-assessment or an external assessment of effectiveness of the Board of Directors as a whole, the board committees and individual members of the Board of Directors and its committees; following such assessments, determine priorities to enhance the composition of the Board of Directors;

b) Plan for new appointments, including appointments to ensure continuity of activities, for the positions of members of the Management Board, the General Director, development of recommendations for the Board of Directors in relation to candidates for the position of the corporate secretary (or the head of the structural subdivision performing the corporate

secretary's functions), members of the executive body of the Company, the sole executive body of the Company and other key officers (if certain employees are classified as such);

c) Liaise with shareholders (not limited by major shareholders) in selecting candidates to the Board of Directors; review professional qualifications and independence of all nominated candidates to the Board of Directors on the basis of information available to the Committee;

d) Develop voting recommendations for shareholders for elections of members of the Board of Directors;

e) Define the list of information to be provided to newly appointed / elected members of the Board of Directors, the General Director, members of the Management Board; develop a document describing rights and obligations of directors as insider persons of the Company, their duties related to information disclosures, and legal liability for failure to meet these obligations and duties, as well as any other necessary information for new key members;

f) Determine key terms of engagement agreements with members of the Board of Directors (if applicable), Management Board and the General Director;

g) Develop a list of annual KPIs (including weight and target values of such KPIs) for the General Director and all or some members of the Management Board and key officers (at the discretion of the Committee) in the form of efficiency charts and taking into account the targets set for the Company by the Investment and Development Committee of the Board of Directors for the respective calendar year;

h) Participate in drafting key terms of the collective bargaining agreement of the Company;

i) Develop recommendations for the Board of Directors to approve the organisational structure of the Company for the N-1 (General Director minus one) level;

j) Develop proposals to create or abolish board committees, and proposals regarding the size and individual members of board committees.

2.3. The Committee, at its own discretion or at an initiative from the General Director, is entitled to exercise authorities specified in Items a-j of Section 2.2 of these Regulations (if applicable) in relation to management of key subsidiaries of the Company.

2.4. The Committee also takes part in the development of internal documents of the Company within the mandate of the Committee.

2.5. If under these Regulations an issue does directly fall under the mandate of the Committee, members of the Committee may reasonably interpret the provisions of these Regulations, giving due consideration to the goals and objectives of the Committee and the specifics the issue in question in order to quickly and efficiently review this issue and to make appropriate recommendations.

2.6. Upon a resolution by the Board of Directors or at an initiative of the General Director, the Committee may be asked to review other matters.

3 Membership of the Committee

3.1 The Committee has at least three members. The composition of the Committee is determined in line with mandatory requirements of applicable laws, executive authorities governing financial markets, other regulators and/or stock exchanges, where securities of the Company are traded.

3.2 The Chairperson of the Board of Directors of the Company may not be the Chairperson of the Committee.

3.3 The Committee may engage experts who are not members of the Committee and who have the necessary knowledge and professional experience.

3.4 The Chairperson and any member of the Committee have the right to apply on behalf of the Committee to the General Director with a request to engage / appoint an existing specialist of the Company as an expert on issues being reviewed by the Committee. Members of the Committee are prohibited from having a personal interest in engaging any particular specialist of the Company.

3.5 The General Director of the Company, members of the Board of Directors of the Company who are not members of the Committee, members of the Management Board of the Company, other employees of the Company, members of the Revision Commission of the Company, the auditor

of the Company and any other employees of the Company may be invited to attend meetings of the Committee.

4 Establishment of the Committee

4.1 The decision to establish the Committee, as well as the decision on its membership and personal composition is adopted by the Board of Directors.

4.2 The Board of Directors may introduce changes to the personal composition of the Committee at any time.

4.3 Level of education, professional training and work experience in areas within the mandate of the Committee, as well as any other special knowledge which is necessary for the Committee members in order to execute their duties, must be taken into account when electing the Chairperson and members of the Committee.

5 Meetings of the Committee

5.1. The meetings of the Committee must be held at least once every three months.

5.2. The agenda of the meetings is determined by the Chairperson of the Committee. Any member of the Committee as well as the General Director of the Company have the right to propose additional agenda items provided the proposed matters are within the mandate of the Committee. The agenda of meeting may be amended only if the meeting is attended by all members of the Committee. Any item may be removed from the agenda upon mutual agreement of the members of the Committee present at the meeting.

5.3. The members of the Board of Directors who are not members of the Committee, the General Director of the Company, the members of the Revision Commission, and the auditor of the Company may formally request the Chairperson of the Committee to review any matter within the mandate of the Committee. The proposed matter may be reviewed either at the nearest scheduled meeting of the Committee or, if the matter is especially important and urgent, at an ad hoc meeting of the Committee.

5.4. Committee meetings are called by the Chairperson of the Committee at his/her own initiative or upon a request from a member of the Committee or from the General Director of the Company. If the request involves a matter within the mandate of the Committee and requires, as may be deemed by the Chairperson of the Committee, a prompt review, the Chairperson of the Committee must call a Committee meeting within five business days. If the Chairperson of the Committee renders the issue not urgent, it will be included in the agenda of the next scheduled meeting of the Committee. The Secretary of the Committee is the Secretary of the Board of Directors unless another person is appointed to this position by the Committee.

5.5. Members of the Committee must be notified that a meeting has been called and receive all relevant information materials by e-mail at least three business days prior to the scheduled date of the meeting. If the majority of the members of the Committee agree, the indicated date may be changed. The Chairperson of the Committee must take all necessary action to ensure that members of the Committee have been notified in a proper and timely manner. Invitations to the General Director of the Company, to members of the Management Board of the Company, to members of the Revision Commission of the Company and to other employees of the Company as well as invitations to experts must allow the invitees a reasonable amount of preparation time for the meeting in question. Committee meetings are held in the form of a joint presence of the members (in praesentia) or by a poll in writing (in absentia). Meetings in praesentia also include meetings where participants connect by video or in another way that makes it possible to identify the remotely connecting members of the Committee and to have real time discussions.

5.5.1. The content of information (materials) required by members of the Committee to form an informed decision on agenda items, the form of the information (verbal or written) and the persons responsible for provision of this information (materials) are determined by the General Director of the Company.

5.5.2. The Secretary of the Committee must inform in advance the persons responsible for provision of information (materials) which is required by members of the Committee in order to make informed decisions on agenda items of the proposed date and agenda of the meeting.

5.5.3. The information (materials) which must be provided to members of the Committee in order to make informed decisions on agenda items must be approved by the General Director for the Company. If internal documents of the Company provide for a special approval procedure for certain information (materials), then this information (materials) may be provided to the Committee only after the special approval procedure has been properly completed.

5.5.4. The duly approved information (materials) which must be provided to Committee members in order to make informed decisions on agenda items must be provided by the responsible person to the Secretary of the Committee at least three business days prior to the date of the meeting in Russian and English. If the information (materials) is provided only in English or Russian, this information (materials) must be provided to the Secretary of the Committee at least five business days prior to the scheduled date of the meeting to give sufficient time to arrange for translation of the information.

5.6. Persons invited to participate in a meeting as well as the members of the Committee may submit their written opinion on agenda items.

5.7. The quorum for a Committee meeting is at least half of the elected members of the Committee. Written opinions of the members of the Committee who are absent at the meeting are taken into account during counting of votes and determining the presence of the quorum.

5.8. All decisions of the Committee are adopted by a majority vote of the members of the Committee taking part in the meeting; each member of the Committee has one vote. Should there be an equality of votes; the Chairperson of the Committee has the deciding vote.

5.9. At a meeting of the Committee, all members of the Committee must declare their interest (if any) in the matters to be discussed at the meeting.

5.10. The Committee may instruct its members to conduct a detailed review a specific matter within the mandate of the Committee and inform the Committee of the results of such detailed review.

5.11. Meetings of the Committee are conducted by the Chairperson who organises minuting of the meeting and signs the minutes. During a meeting, opinions from members of the Committee and invitees are heard and reflected in the minutes of the meeting (or are attached to the minutes).

5.12. The minutes of the meeting are prepared in one counterpart and are kept by the Secretary of the Board of Directors who must provide access to the minutes and the materials reviewed at the meeting to members of the Board of Directors.

5.13. The minutes of the meeting are prepared not later than within three days after the meeting.

5.14. The minutes of the meeting must contain:

- -the time and venue of the meeting (the date and time of receipt of voting ballots if the meeting was held in absentia);
- the list of persons present at the meeting including the invitees (persons who have mailed in their voting ballots);
- the list of persons providing written opinions on items of the agenda;
- the agenda of the meeting;
- items put to the vote and the results of voting on these items;
- resolutions passed by the Committee.

5.15. Following the meeting, the Committee may issue its recommendation (hereinafter, the Recommendation). The Recommendation on a particular item is submitted at the meeting of the Board of Directors reviewing this particular item. The Recommendation reflects the opinion of the Committee as a whole. If the opinions of the members of the Committee differ, individual opinions of the Committee members may be separately indicated in the Recommendation.

5.16. The Recommendation is signed by the Chairperson of the Committee. Materials reviewed by the Committee at the meeting may be attached to the Recommendation. The Chairperson of the Committee is responsible for timely submission of the Recommendation to the Board of Directors. Recommendations reviewed by the Board of Directors may be attached to the minutes of the relevant meetings of the Committee and the Board of Directors.

6 Rights and duties of the members of the Committee

6.1. Members of the Committee must:

- Fully participate in the work of the Committee;

- Analyse documents provided in preparation for the meetings of the Committee and at the meetings of the Committee;
- Promptly inform the Committee of any personal interest in any decision to be taken by the Committee;
- Avoid actions that may compromise the integrity of the Committee or question the professionalism of its members.

6.2. Members of the Committee have the right:

- To request information and documents within the mandate of the Committee from the Board of Directors, the Management Board, the General Director, the Revision Commission, and the Auditor of the Company.

7 Remuneration of Committee members

7.1. Members of the Committee are entitled to receive remuneration for their work on the Committee in line with the Regulations on Remuneration and Compensation payable to members of the Board of Directors of PJSC Uralkali.

8 Committee's relations with other bodies of the Company

8.1. The Chairperson of the Committee is responsible for technical and procedural aspects of the Committee's relations with other bodies of the Company.

8.2. Executive bodies of the Company must inform the Committee of any significant changes falling under the mandate of the Committee.

8.3. The Chairperson of the Committee must inform the Board of Directors of the work/performance of the Committee.

9 Final provisions

9.1. These Regulations are approved by the Board of Directors. Any and all changes and amendments to these Regulations must be made on the basis of a respective resolution by the Board of Directors.