PLEASE NOTE: TEXT OF THIS DOCUMENT IN ENGLISH LANGUAGE IS A TRANSLATION PREPARED FOR INFORMATION PURPOSES ONLY. THE TRANSLATION MAY CONTAIN DISCREPANCIES AND OMISSIONS AND DOES NOT REPLACE THE RUSSIAN TEXT OF THIS DOCUMENT. IN ANY AND ALL CASES THE TEXT OF THIS DOCUMENT IN RUSSIAN LANGUAGE SHALL PREVAIL.

APPROVED:
General shareholders meeting of PJSC Uralkali
Minutes № 57 dated 29.06.2018

REGULATIONS

ON REMUNERAITON AND REIMBURSEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS OF PUBLIC JOINT STOCK COMPANY URALKALI

(new edition)

Perm Region, Berezniki
2018

Contents

1. General provisions 3

2. Remuneration of members of the Board of Directors 4

4. Procedure of payment of remuneration 5

5. Reimbursement of expenses and insurance of the property interests of Board members 5

6. Approval and amendment of these Regulations 5

1. General provisions

1.1. These Regulations have been developed in compliance with the Federal Law "On Joint Stock Companies", the Charter of the Public Joint Stock Company Uralkali (hereinafter the Company) and the Regulations on the Board of Directors of the Company, and regulate the terms and conditions, the amount and the procedure of remuneration of the members of the Board of Directors for their service on the Board and reimbursement of their expenses incurred in connection with their service on the Board of Directors of the Company.

1.2. Independent and non-executive directors are entitled to remuneration for their service on the Board of Directors. All members of the Board of Directors are entitled to the reimbursements specified in Section 5 of these Regulations.

1.3. Remuneration and reimbursements are paid from the profits of the Company unless other sources are specifically indicated under the laws of the Russian Federation or memorandums of the authorized government bodies.

1.4. The amounts of remuneration and reimbursements estimated in these Regulations must be indicated in the budgets of the Company.

1.5. All remuneration and compensation amounts payable to each individual for the purposes of business and tax accounting of the Company (including personalized accounting) and under these Regulations shall be increased by the amount equal to the personal income tax, which is withheld from the corresponding individual by the Company as the source of income, in compliance with Russian laws. The size of such remuneration and compensation is calculated in accordance with the following formula:

P(gross) = P (net)/ (100% - % of PIT);

WHERE:

P (gross) is the amount of remuneration and reimbursements for the purpose of accounting and tax accounting (including personalized accounting) of the relevant individual;

P (net) – is the amount of remuneration and reimbursements actually paid in compliance with the Regulations;

% of PIT – PIT withholding rate in compliance with the laws of the Russian Federation.

1.6. Remuneration and reimbursements are paid in Russian rubles at the exchange rate set by the Central Bank of the Russian Federation for the date of payment of remuneration and (or) reimbursement or in any other currency upon request of the recipient of the remuneration. The date of payment is the date when the relevant cash amount is debited from the bank account of the Company.

For the purpose of these Regulations, the following members of the Board of Directors are regarded as independent directors:

- Those members who are not affiliated with the Company;
- Those members who are not affiliated with a material shareholder of the Company;
- Those members who are not affiliated with a material counterparty of the Company;
- Those members who are not affiliated with a competitor of the Company;
- Those members who are not affiliated with government or municipal authorities;
- Those recognized as independent by a majority vote of members of the Board of Directors regardless of this person's conformity with one or several independence criteria.

1.7. For the purpose of these Regulations, the affiliation criteria and the materiality criteria in relation to shareholders and/or counterparties of the Company are determined in compliance with the Code of Corporate Governance recommended by the Bank of Russia, unless indicated otherwise in these Regulations.

In addition, for the purpose of these Regulations, the following are not considered to be independent directors:

- Individuals who are (1) employed by a material shareholder of the Company, (2) employed by an affiliate of a material shareholder of the Company, (3) individuals to whom a material shareholder of the Company or an affiliate of a material shareholder of the Company can issue mandatory instructions in compliance with an agreement/contract (except when these individuals are regarded as affiliates due to the fact that they are members of the Board of Directors);
- Other individual/entity not considered to be independent in compliance with a decision of the Board of Directors passed by the majority of the elected members of the Board of Directors.

1.8. For the purpose of these Regulations, the following individuals are considered to be non-executive directors: those members of the Board of Directors who do not conform to one or several independence or affiliation criteria and are not the General Director and/or a member of the Management Board of the Company. A member of the Board of Directors who is the General Director and/or member of the Management Board of the Company is an executive director.

1.9. Remuneration and reimbursement payments are made by bank transfer to the bank accounts indicated by the Board members.

2. Remuneration of members of the Board of Directors

2.1. The remuneration of Board members (except the Chairperson, whose remuneration is regulated by Section 3 of these Regulations) consists of:

- Remuneration for service on the Board of Directors (base remuneration);
- Remuneration for additional duties (additional remuneration).

2.2. The amount of annual base remuneration is an equivalent of US$ 120,000 (one hundred twenty thousand US dollars).

2.3. Additional remuneration is paid for the following additional duties:

2.3.1. Serving as the Chairperson of the Audit Committee or Chairperson of the Nomination and Remuneration Committee of the Board of Directors. The annual amount of this type of remuneration is an equivalent of US$100,000 (one hundred thousand US dollars) for chairing each of the indicated Committees;

2.3.2. The amount of annual remuneration for serving as the Chairperson of a Board Committee except those indicated in p. 2.3.1 hereinabove is an equivalent of US$ 60,000 (sixty thousand US dollars) for chairing each of the indicated Committees;

2.3.3. The amount of annual remuneration for serving as Deputy Chairperson of the Board of Directors is an equivalent of US$ 240,000 (two hundred forty thousand US dollars);

2.3.4. The amount of annual remuneration for serving as senior independent director is an equivalent of US$130,000 (one hundred thirty thousand US dollars).

2.4. If a Board member has several additional duties, the amounts of additional remuneration for each of the additional duties shall be summed up.

2.5. Board members entitled to remuneration have the right to waive base and/or additional remuneration by submitting a written notice stating such waiver addressed to the Chairperson of the Board of Directors.

3. Remuneration of the Chairperson of the Board of Directors

3.1. The amount of the annual remuneration of the Chairperson of the Board of Directors (hereinafter annual remuneration) is an amount equivalent to US$1,000,000 (one million US dollars). The terms of base remuneration of Board members indicated in Cl. 2.2. of these Regulations do not apply to the remuneration paid to the Chairperson of the Board of Directors.

3.2. If the Chairperson of the Board of Directors performs additional duties, he/she is paid remuneration in the amount specified in Cl. 2.3 hereinabove in compliance with the procedure specified in Section 4 of these Regulations.

4. Procedure of payment of remuneration

4.1. Base remuneration, additional remuneration and annual remuneration are paid to the members of the Board of Directors and the Chairperson of the Board respectively every month in equal portions not later than fifteen (15) days after the last day of the month following the month for which remuneration is incurred. Per a written request of a director receiving remuneration the amount of the remuneration can be paid in a lump sum or otherwise.

4.2. Base remuneration, additional remuneration and annual remuneration are paid to Board members and the Chairperson of the Board of Directors during the period of their service on the Board, specifically: from the date of their election to the Board of Directors and/or the date of their election as Chairperson, Deputy Chairperson, member or Chair of a Board Committee, until the date of expiration of the indicated duties.

5. Reimbursement of expenses and insurance of the property interests of Board members

5.1. Members of the Board of Directors are reimbursed from their travel expenses (travel to and from the location of the meeting of the Board of Directors), accommodation costs and costs not related to participation in Board meetings but connected with the business of the Company. Members of the Board of Directors are reimbursed for the expenses incurred by them within reasonable limits. Members of the Board of Directors are entitled to use the same types of vehicles and hotels that are permitted by the internal documents of the Company for senior management of the Company.

5.2. Expenses are reimbursed in compliance with expense reports (documents confirming the expenses incurred) within ten (10) days of the date of submission of the indicated documents to the accounting department of the Company.

5.3. The Company insures the property interests of the members of the Board of Directors related to any losses which may be incurred in connection with their official duties, including the costs of legal defense, the cost of investigations and the amounts of awarded damages.

5.4. The Company may execute a Deed of Indemnity with a member of the Board of Directors – i.e. an agreement to indemnify the member of the Board of Directors against all costs and losses incurred in connection with all claims, actions, investigations, demands and cases of material liability which may occur in connection with the official duties of the relevant member of the Board of Directors or member of a Board Committee.

6. Approval and amendment of these Regulations

6.1. These Regulations are approved by the General shareholders meeting of the Company.

6.2. The resolution to approve these Regulations must be carried by the majority vote of the shareholders owners of voting shares of the Company who are present at the general shareholders meeting.

6.3. Proposals to amend these Regulations or to approve a new edition of the Regulations must be made in compliance with the procedure specified under the Charter of the Company as regards to entering items on the agenda of the general shareholders meeting.

6.4. If certain provisions of these Regulations come into conflict with the law of the Russian Federation, these provisions will become invalid and until the necessary amendments have been made to the Regulations the parties concerned shall abide by the laws of the Russian Federation.