APPROVED
By resolution of the Board of Directors of PJSC Uralkali
Minutes of the Meeting No. 306
dated 24 August 2015

REGULATIONS
ON THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF PUBLIC JOINT STOCK COMPANY URALKALI

Moscow
2015

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Public Joint Stock Company "Uralkali"

1 General provisions

1.1 These Regulations on the Audit Committee (hereinafter the Regulations) comprise the principal regulatory document for the Audit Committee of the Board of Directors of the Public Joint Stock Company "Uralkali" (hereinafter the Committee) and set forth the objectives and terms of reference of the Committee as well as the procedure of establishment of the Committee and its membership and area of activity.

1.2 The Committee is an advisory body of the Board of Directors established for the purpose of conducting a preliminary review of issues pertaining to the competence of the Committee in compliance with 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 The Committee is regulated by the current legislation of the Russian Federation, the Charter of the Company, the 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"; all references to the Charter are references to the current edition of the Charter of the Public Joint Stock Company "Uralkali", all references to the Board of Directors are references to the Board of Directors of the Public Joint Stock Company "Uralkali", and all references to internal documents of the Company are references to the duly approved and implemented current regulations which are mandatory in the Public Joint Stock Company "Uralkali".

2 Purpose and terms of reference of the Audit Committee

The main purpose of the Committee is to preliminarily review all issues connected with the oversight of the Company's financial and economic activity, including internal control and risk management systems, functional management of the internal audit function of the Company, the financial statements of the Company, all issues connected with the engagement and performance of the external auditors of the Company, issues pertaining to corporate governance and compliance of the activities of the Company with the applicable legislation.

2.1. **Terms of reference of the Committee**:

In the sphere of reporting:

1) Control of the completeness, accuracy and reliability of the financial statements of the Company;
2) Monitoring of any formal announcements (statements/information) of the Company pertaining to the financial results of the Company, review of substantial assumptions in relation to financial (accounting) statements contained in such communications;
3) Preliminary review of the Company's reports and drafts of audit reports prior to their submission for review by the Board of Directors;

In the sphere of risk management and internal controls, in the sphere of corporate governance:

4) Control of the reliability and effectiveness of the risk management system and internal controls;
5) Assessment of the performance of internal controls implemented in the Company and preparation of proposals to improve them, analysis and assessment of compliance with policies in the sphere of risk management and internal controls;
6) Preparation of recommendations to approve key risk charts of the Company, monitoring of measures to reduce key risks and development of recommendations to adjust such measures;

In the sphere of internal and external audit:

7) Ensuring that the functions of internal and external audit are independent and objective;
8) Functional supervision of the Internal Audit Department of the Company, including approval of work plans and key performance indicators for the Department, approval of the structure and budget of the Department, regulations on the Department, review of the reports and assessment of the performance of the Department;
9) Review of matters pertaining to the appointment of (dismissal of) the head of the Internal Audit Department and the amount of his/her remuneration;
10) Monitoring and review of matters pertaining to the performance of the function of internal audit in the Company;
11) Assessment of independence, objectivity and absence of a conflict of interest with respect to the external auditors of the Company, including assessment of candidates proposed as auditors of the Company including recommendations in relation to appointment, reappointment and removal of the external auditor, approval of the remuneration and the terms of engagement of the external auditor;
12) Supervision of the process of external audit and participation in the settlement of any disputes in compliance with regulatory and professional requirements, evaluation of the quality of audits and evaluation of the audit report prior to its submission for review by the annual general shareholders meeting;
13) All non-audit services provided by the Company's auditors have to be pre-approved by the CEO of the Company. Individual contracts with the Company's auditors for non-audit services exceeding USD 500,000 have to be pre-approved by the Chairman of the Audit Committee. The auditors of the Company's financial statements shall report at least on an annual basis to the Audit Committee about the non-audit services provided to the Company.

In the sphere of public reporting:

14) Organization of effective cooperation between the internal audit department and the external auditors of the Company;
15) Review of policies in the sphere of internal audit (regulations on internal audit) and other documents pertaining to the terms of reference of the Audit Committee; monitoring of the Company's compliance with applicable laws and requirements of stock exchanges as well as the internal regulations of the Company;

In the sphere of corporate governance and prevention of unethical practices and fraud by the employees of the Company and third parties:

16) Control of the reliability and effectiveness of the system of corporate governance of the Company, development of recommendations to improve the system.
17) Control of the effectiveness of the system of alerts of potential cases of unethical practice of fraud by the employees of the Company (including unlawful usage of insider or confidential information) and third parties and other violations in the Company; control of the implementation of measures adopted by executive management of the Company in the framework of the indicated system;

In the sphere of the conclusion of Strategic Transactions:

18) Consideration and drawing up of recommendations for the Board of Directors on the conclusion of Strategic Transactions (as defined in Article 9 hereof).

2.2. If under these Regulations an issue is not directly attributed to the terms of reference of the Committee, the 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 special character of the issue at hand in order to quickly and efficiently review this issue and to make appropriate recommendations regarding it.

2.3. Upon the decision of the Board of Directors the Committee may be asked to review other issues.

3 Membership of the Committee

3.1 The Committee shall have at least three members. The Committee is established in compliance with the relevant requirements of the law, executive financial markets authority or other regulators and/or stock exchanges where the securities of the Company are listed.

3.2 The Chairman of the Board of Directors may not be the Chairman of the Committee.

3.3 The Committee may invite experts who are not members of the Committee and who have the necessary knowledge and professional experience to work on the Committee.

3.4 The Chairman and all members of the Committee have the right to apply to the General Director with a request to engage/appoint a specialist of the Company as an expert on issues being reviewed by the Committee. Members of the Committee are prohibited from having a vested (personal) interest in inviting any particular specialist of the Company invited as an expert.

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 the 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 make changes to the personal composition of the Committee at any time.

4.3 The education, professional training and work experience in the spheres pertaining to the terms of reference 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 Chairman and the 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 Chairman of the Committee. Each member of the Committee as well as the General Director of the Company have the right to propose additional issues to be included on the agenda if these issues pertain to the competence of the Committee. The agenda of meeting may be amended in cases when all members of the Committee are present at the Committee meeting. Any issue may be removed from the

agenda upon mutual agreement of the members of the Committee who are 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 Chairman of the Committee to review any issue pertaining to the competence of the Committee. Such issues may be reviewed either at the nearest scheduled meeting of the Committee or, if the issues are especially important and urgent, at a special Committee meeting.

5.4. Committee meetings are called by the Chairman of the Committee at his own discretion or at the request of a member of the Committee, at the request of the Chairman of the Board of Directors, or at the request of the General Director of the Company. If such requests to call a Committee meeting made by a member of the Committee or by the General Director of the Company contain issues which pertain to the competence of the Committee and need to be urgently discussed, in the Chairman's opinion, the Chairman of the Committee must call a Committee meeting within five (5) business days. If the issues contained in the requests to call a Committee meeting, in the opinion of the Chairman, do not need to be discussed urgently, these issues shall be included on the agenda of the next scheduled meeting of the Committee.

5.5. The members of the Committee must be notified before the Committee meetings are held, and must receive all relevant materials by e-mail not later than three (3) business days prior to the date of the meeting. If a majority of the members of the Committee agree, the indicated date may be changed. The Chairman of the Committee must take all necessary action in order to ensure that the members of the Committee have been notified in a 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 requesting their participation in the Committee meetings must allow the invitees a reasonable amount of preparation time for the Committee meeting in question. Committee meetings are to be held in the form of a joint presence of the members (meeting) or in absentia (by poll). Meetings held in the form of a joint presence of the members (meeting) also include meetings carried out by means of video-conferencing and other accepted methods of telecommunication which make it possible to identify the members of the Committee and to make possible a discussion the issues on the agenda in real time.

5.5.1. The nature and content of information (materials) needed by the members of the Committee to make decisions concerning the agenda items, the form of provision of such information (oral or written) and the persons responsible for the provision of such information (materials) are determined by the General Director of the Company.

5.5.2. The Secretary of the Committee shall inform the persons responsible for the provision of materials (information) required to make decisions regarding the items of the agenda of the meeting and of the scheduled date of the Committee meeting and its agenda in advance.

5.5.3. The person responsible for the provision of information (materials) which must be provided to the members of the Committee to make decisions concerning the items on the agenda must obtain the approval of the General Director of the Company. If a special procedure of approval of certain information (materials) is required under the Company's internal regulations prior to its submission for review by the Committee,

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such information (materials) can be provided to the Committee only after it has undergone the required approval procedure.

5.5.4. The information (materials) which must be provided to the members of the Committee to make decisions regarding certain agenda items, which has been properly approved, must be provided by the person responsible for its provision to the secretary of the Committee not later than 3 (three) business days prior to the scheduled date of the Committee meeting in Russian and English languages. If such information (materials) is provided by the person responsible for its provision only in Russian or only in English, such information (materials) must be provided to the Secretary of the Committee at least 5 (five) business days prior to the scheduled date of the Committee meeting in order to make sure that the information (materials) is translated into English or Russian, respectively.

5.6. The persons invited to participate in the meetings as well as the members of the Committee may submit their written opinion concerning the issues of the agenda.

5.7. The quorum of a Committee meeting is achieved by 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 when finalizing the results of voting and determining whether or not the meeting has achieved a 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 a tie in the vote; the Chairman of the Committee has the deciding vote.

5.9. All information on possible personal interest of any Committee member in the settlement of any issue reviewed by the Committee must be disclosed at the meeting.

5.10. The Committee may charge the members (member) of the Committee with the task of analyzing a specific issue pertaining to the competence of the Committee and of informing the Committee of the results obtained.

5.11. The meetings of the Committee are chaired by the Chairman who organizes the keeping of the minutes and signs the minutes of the meeting. During Committee meetings the opinions of the members of the Committee and the invitees are heard and reflected in the minutes of the meeting (enclosed in the minutes of the meeting). The duties of the Secretary of the Committee are discharged by the Secretary of the Board of Directors.

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

5.13. The minutes of the Committee meetings are prepared not later than three (3) days following the date of the meeting.

5.14. The minutes of the meeting of the Committee must contain:

- the time and venue of the Committee meeting (deadline for the receipt of voting ballots in cases when the meeting is held in absentia (absentee voting);
- the list of persons present at the meeting including the invitees (persons who have mailed in their voting ballots, written opinions);
- the list of persons providing written opinions on the items of the agenda;
- the agenda of the meeting;
- issues put to the vote and the results of voting on these issues;
- adopted resolutions.

5.15. Based on the results of the Committee meeting, the Committee may prepare a recommendation of the Committee (hereinafter the Recommendation). The Recommendation on a particular issue is submitted at the meeting of the Board of Directors reviewing this particular issue. 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 Recommendations.

5.16. The Recommendation is signed by the Chairman of the Committee. Materials reviewed by the Committee at the meetings may be enclosed to the Recommendation. The Chairman of the Committee is responsible for timely submission of the Recommendation to the Board of Directors. Recommendations reviewed by the Board of Directors must be enclosed 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. The members of the Committee must:

- Fully participate in the work of the Committee;
- Analyze 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 the adoption of any decision;
- Avoid taking actions which may compromise the integrity of the Committee or cast discredit on the professionalism of its members.

6.2. The members of the Committee have the right:

- To request that the Board of Directors, the Management Board, the General Director, the Revision Commission and the Auditor of the Company should provide information and documents pertaining to the terms of reference of the Committee.

7. Remuneration of the members of the Committee

7.1. The members of the Committee are entitled to receive remuneration for their service on the Committee in compliance with the Regulations on Remuneration and Compensation paid to the members of the Board of Directors of PJSC "Uralkali".

8. Collaboration of the Committee with other bodies of the Company

8.1. The Chairman of the Committee is responsible for the technical and procedural issues related to collaboration of the Committee with other bodies of the Company.

8.2. The executive bodies of the Company must inform the Committee of any significant changes related to the issues pertaining to the terms of reference of the Committee.

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

9. Special procedure of work of the Committee in drawing up recommendations on the conclusion of a Strategic Transaction

9.1. For the purpose of these Regulations a strategic transaction is a transaction (or a series of interrelated transactions) (hereinafter a Strategic Transaction) in which the Company and/or another company in respect of which the Company is entitled directly or indirectly to administer votes attaching to 50 percent or more of the voting shares/participation interests (hereinafter a Subsidiary) is involved as a party, beneficiary, intermediary or representative, which is not an intra-group transaction and:

1) is related to (a) transfer of the right of ownership or Control (as defined below) of 10 per cent and more of the total number of votes attaching to the voting shares of the Company and/or (b) a transaction (series of interrelated transactions) whereby a person or a group of persons acquire the right to directly or indirectly dispose of 10 per cent and more of the total number of votes attaching to the voting shares of the Company; or
2) is aimed at the acquisition by the Company or a Subsidiary of voting shares of the Company constituting (i) 5 per cent or more of the total number of voting shares of the Company; or (ii) for the price or with the value exceeding 500 mln US dollars, where such acquisition does not fall under the procedures provide for by Chapter IX and Chapter XI.1 of Federal Law No. 208-FZ on Joint Stock Companies dated December 26, 1995.

9.2. For the purposes of this Article 9 Control is determined as:

1) The right to directly or indirectly dispose of the votes attaching to the voting shares of the Company including on the basis of property trust management agreement and/or simple partnership agreement, and/or agency agreement, and/or shareholder agreement, and/or other agreement; or
2) Ability (conditional or unconditional) to actually dispose of the votes attaching to the voting shares of the Company or ability (conditional or unconditional) to give mandatory instructions to the person who has the ability to actually dispose of the votes attaching to the voting shares of the Company.

9.3. In cases where the Company or its Subsidiary receives a proposal to participate in a transaction whose material terms generally meet the criteria of a Strategic Transaction set forth above, the General Director of the Company must immediately inform the Chairman of the Audit Committee of the Board of Directors and the Chairman of the Board of Directors of such proposal. The Chairman of the Audit Committee must call a meeting of the Committee to consider the question of qualification of the proposed transaction as a Strategic Transaction. The Committee may, at its discretion, decide whether the relevant transaction should be considered a Strategic Transaction for the purposes of these Regulations. After the Committee adopts a decision on whether to qualify the transaction as a Strategic Transaction the Chairman of the Committee informs the Chairman of the Board of Directors of such decision.

9.4. In addition to the procedure set out in Clause 9.3, the Board of Directors may consider the question of qualification of a transaction whose material terms generally meet the criteria of a Strategic Transaction as a Strategic Transaction. If the Board of Directors approves at its meeting that the transaction shall be qualified as a Strategic Transaction, the Chairman of the Board of Directors of the Company informs the members of the Board of Directors of the commencement of the work of the Committee under a special procedure.

9.5. In addition to the above general procedures, the members of the Committee may vote unanimously to classify any matter under consideration by the Committee as a matter for consideration under a special procedure established for Strategic Transactions in this Article 9.

9.6. A special procedure is a temporary procedure which must be observed only during the period of negotiating and concluding a Strategic Transaction and only in respect of the particular Strategic Transaction when only the independent members of the Board of Directors may participate in the work of the Committee. Members of the Committee have the right to invite the Chairman of the Board of Directors and other members of the Board of Directors to participate in meetings of the Committee regarding issues related to the Committee's recommendation to the Board of Directors regarding the Strategic Transaction, in which case

the Chairman of the Board will have a consultative vote while other members of the Board of Directors will not be entitled to vote. In order to ensure maximum efficiency of the work of the Committee, the period for the preparation for and conduct of Committee meetings may be reduced in comparison to the timing indicated in Clause 5.5 hereof.

9.7. The work of the Committee on issues (including requirements regarding the composition of the Committee and conduct of Committee meetings) which are not directly related to the Strategic Transaction and pertain to the general terms of reference of the Committee as set forth in Clause 2.1, paragraphs 1-17 of these Regulations follows the general procedure in compliance with the provisions of Articles 3 to 8 of these Regulations, including situations where regular matters are dealt with by the Committee and matters related to the conclusion of a Strategic Transaction are reviewed by the Committee during the same meeting.

9.8. Under the special procedure established in this Article 9 the Committee prepares a recommendation in relation to the conclusion of the Strategic Transaction and presents it at the meeting of the Board of Directors.

9.9. If, for the purpose of the special procedure of work of the Committee, the total number of independent directors is less than the number required in Clause 3.1 of these Regulations, the resolutions of the Committee will be considered passed if they are adopted unanimously by all the independent directors. This rule applies only to issues that are directly related to the Strategic Transaction.

10. Final provisions

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 the relevant decisions of the Board of Directors.