APPROVED
By the resolution of the Board of Directors of OJSC "Uralkali"
Minutes of the Meeting No 286
dated 19 December 2013

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

Moscow
2013

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 Open 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 Open Joint Stock Company “Uralkali”; all references to the Charter are references to the current edition of the Charter of the Open Joint Stock Company “Uralkali”, all references to the Board of Directors are references to the Board of Directors of the Open 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 Open Joint Stock Company “Uralkali”.

2 Purpose and terms of reference of the Audit Committee

The main purpose of the Committee is to review all issues connected with the Company’s 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. The role and responsibilities of the Committee include:

1) Review of the Company’s internal financial controls and the Company’s internal control and risk management systems;
2) Making of recommendations concerning the approval of the risk maps of the Company, monitoring of the effectiveness of measures to minimize key risks and making of recommendations concerning corrective action plans;
3) Review of the effectiveness of the Company’s internal controls and preparation of proposals concerning their improvement;
4) Assessment of candidates proposed as auditors of the Company; to make 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;
5) Review and monitoring of the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements; participation in conflict resolution;
6) Development and implementation of policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm;
7) Preparation of recommendations and reports to the Board of Directors identifying any matters with respect to which the Committee considers that action or improvement is needed;
8) Evaluation of the auditor’s report before their (its) submission to the Annual General Meeting of Shareholders;
9) Monitoring of the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance, review of the significant financial reporting judgments contained in them;

10) Preliminary review of the statements of the Company and draft audit representation letters prepared by the external auditor, discussion of the indicated information with the executive bodies of the Company prior to their submission to the Board of Directors;
11) Monitoring of compliance of the activities of the Company with the norms of applicable legislation and with the internal documents of the Company;
12) Overview of the status of corporate governance in the Company; making of recommendations for improvement;
13) Monitoring and review of the effectiveness of the Company’s internal audit function;
14) Functional management of the department of internal audit of the Company including approval of plans, key performance indicators, structure and budget of the department, regulations of the department, review of reports of the department and assessment of the department’s performance;
15) Making of recommendations concerning the internal documents of the Company pertaining to the terms of reference of the Audit Committee.

2.2. If under these Regulations an issue is not directly attributed to the competence 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 has at least three members.

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 adopted 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 upon request of the members of the Committee or upon 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. 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. 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 list/content of information (materials) required by the members of the Committee to form an informed decision on the issues on the agenda, the form of the information (oral 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 the persons responsible for provision of information (materials) which is required by the members of the Committee in order to make informed decisions on agenda issues of the planned date of the Committee meeting and its agenda in advance.

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

5.5.4. The information (materials) which must be provided to Committee members in order to make informed decisions on agenda issues, which has been properly approved, must be provided by the person responsible for information provision to the Secretary of the Committee not later than 3 (three) business days prior to the date of the meeting of the Committee in Russian and English. If the information (materials) are provided by the person responsible for information provision only in English or only in Russian, this information (materials) must be provided to the Secretary of the Committee not later than 5 (five) business days prior to the scheduled

date of the meeting in order to have the information (materials) translated into Russian or English accordingly.

5.6. The persons invited to participate in the meetings as well as the members of the Committee may submit their written opinion on 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 an equality of votes; 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 Secretary of the Board of Directors is also the Secretary of the Committee.

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 meeting of the Committee (the date and time of receipt of voting ballots if the meeting is 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 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 OJSC “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. 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 the relevant decisions of the Board of Directors.