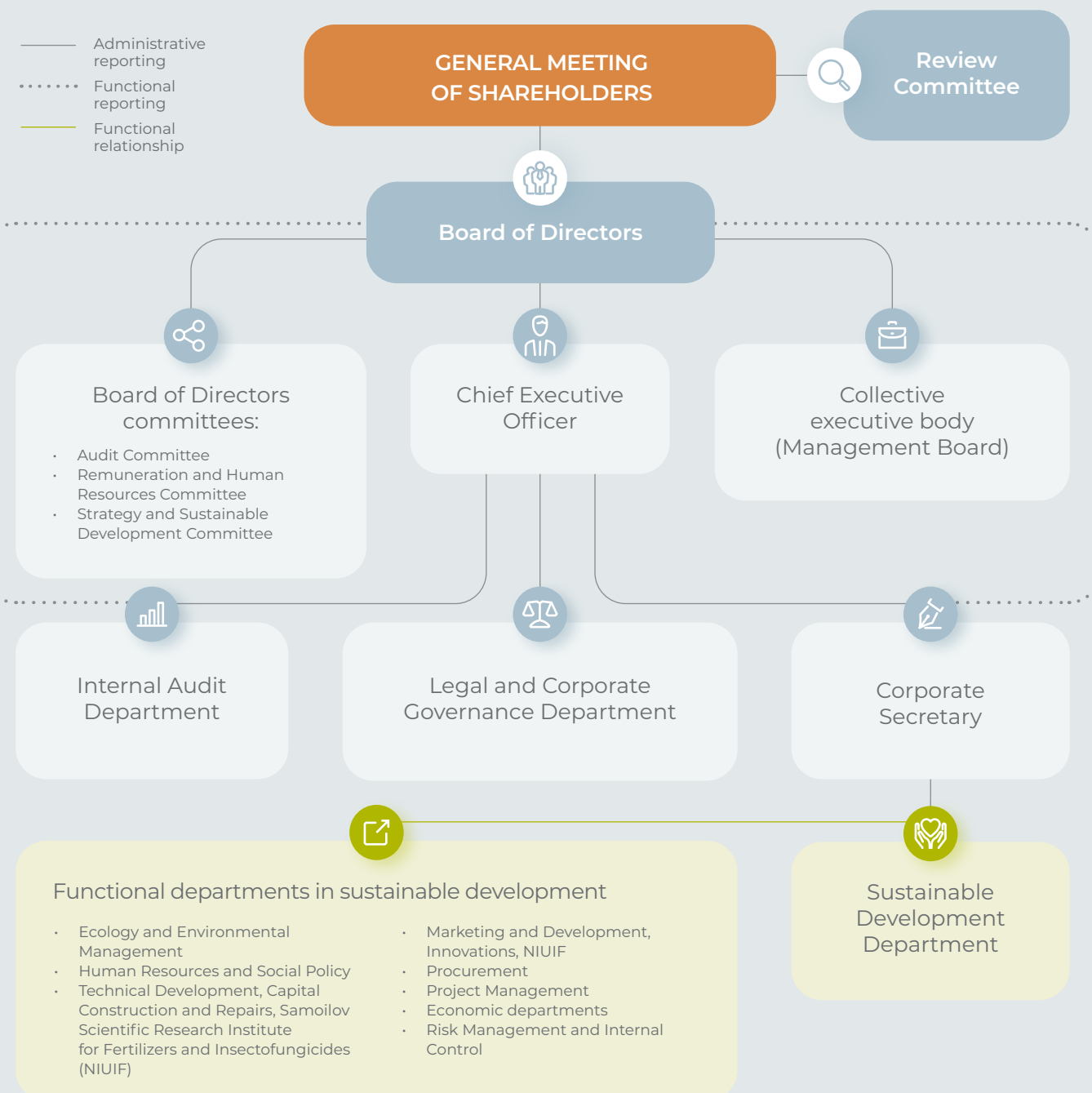


Corporate governance structure

Structure of corporate governance and sustainability management

GRI 2-9



Corporate governance assessment

When assessing the quality of the Company's corporate governance, the recommendations of the Corporate Governance Code (the "CGC") and the UK Corporate Governance Code (UK CGC, FRC, 2018) are adopted as best practices. The actual compliance with the CGC is measured on an annual basis and disclosed in a dedicated report (report on compliance with the principles and recommendations of the Corporate Governance Code, hereinafter the "CGC Report"), which is subject to review by the Audit

Committee of the Board of Directors and approval by the Board of Directors, and forms a part of the Company's annual report.

In February 2023, the Audit Committee of the Board of Directors reviewed the results of the improvement plan implementation in 2022, analysed the developments of the degree of compliance with the CGC principles, as well as the assessment of the disclosure quality to explain non-compliance or partial compliance.

Following a review of the corporate governance quality assessment, the Board of Directors approved the CGC compliance report for 2022 and issued a positive assessment of compliance with the CGC recommendations. Furthermore, the Board of Directors praised progress against the 2022 Corporate Governance Practice Improvement Plan, and approved the improvement plan for 2023.

Over the past three years, PhosAgro has demonstrated a high level of compliance with the CGC recommendations.

CGC section	Total number of matters	Full compliance			Partial compliance			Non-compliance		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
1. Shareholders' rights	13	11	11	11	2	1	1		1	1
2. Board of Directors	36	33	32	30	3	4	5			1
3. The Company's Corporate Secretary	2	2	2	2						
4. Remuneration	10	5	8	8	4	2	2	1		
5. Risk governance and internal control	6	6	6	6						
6. Information disclosure	7	7	5	7		2				
7. Material corporate actions	5	3	5	5	2					
Total	79	67	69	69	11	9	8	1	1	2
Percentage of compliance with CGC principles		85	87	87	14	11	10	1	1	3

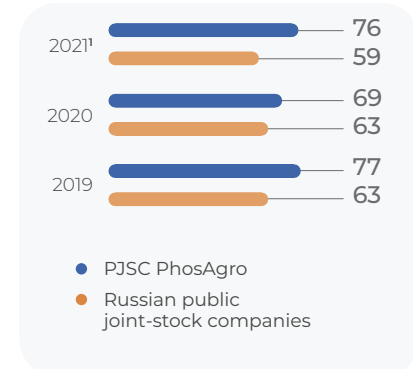
Compliance with CGC principles at PhosAgro and other Russian companies, %



¹ Based on the Bank of Russia's annual reviews of corporate governance practices in Russian public companies

For every case of partial compliance or non-compliance, PhosAgro specifies the measures taken to mitigate the associated risks in the CGC Report. In 2021, the quality of PhosAgro's disclosure to explain the non-compliance (partial non-compliance) with the recommendations of the Code, according to the Bank of Russia, improved from 69 to 76%, while the average level in the Russian Federation declined from 63% to 59%.

Degree of disclosure to explain non-compliance (partial non-compliance) with CGC principles at PhosAgro and other Russian companies, %



Results of implementing the CG improvement plan developed and approved by the Board of Directors in the analysis of the 2021 CGC Report

Review and approval of the tax strategy	The document was approved by the Board of Directors on 3 November 2022
Amendments to the information policy detailing the process for providing data on shareholder requests	The document was approved by the Board of Directors on 3 November 2022
Amendments to the Regulations on the Remuneration and Human Resources Committee reflecting the conditions (events) for reviewing the compensation policies	Amendments not approved. The Company proceeded from the fact that the responsibility to regularly revise the policy, which is specified in the Regulations on the Remuneration and Human Resources Committee of the Board of Directors, implies ensuring that it is updated and meets the current needs of the Company
Return to the practice of individual assessment of the Board members when assessing the Board performance in general	It was resolved to refrain from individual assessments for the purposes of the Board's 2022 performance assessment
ADDITIONAL MEASURES IMPLEMENTED	
Expanding the scope of the annual reports to include the Board of Directors' viability statement, the going concern assumptions, consideration given to key stakeholders' voice in the Board's discussions and decision-making, information about significant external appointments of the Board members	Underway since April 2021
Expanding disclosure on the remuneration system as a whole, the KPI system and their alignment with the strategy	Underway since April 2021
Updating PhosAgro Hotline Regulations	The document was approved by the Board of Directors on 18 August 2022
Updating the Regulations on the Board of Directors and Regulations on committees of the Board of Directors	The document was approved by the Board of Directors on 18 August 2022
Updating PhosAgro's Inside Information Regulations	The document was approved by the Board of Directors on 3 November 2022
Updating the Board's Modern Slavery Act Transparency statement	The document was approved by the Board of Directors on 20 December 2022

Key actions

approved by the Board of Directors upon review of the 2022 CGC Report which are aimed at improving the governance quality in 2023:

- upon the re-election of the Remuneration and Human Resources Committee in 2023, the Board of Directors will seek to staff the Remuneration and Human Resources Committee with independent directors only;
- as part of the next amendments made to the Regulations on the Remuneration and Human Resources Committee (presumably in 2023), a clause on conditions (events) for reviewing the compensation policies will be introduced;
- in 2023, the Company will resume the practice of assessing each Board member individually, as part of the evaluation of the quality of the work of the Board of Directors.



¹ The most recent year assessed by the Bank of Russia.

Changes in self-assessment as regards compliance with corporate governance principles

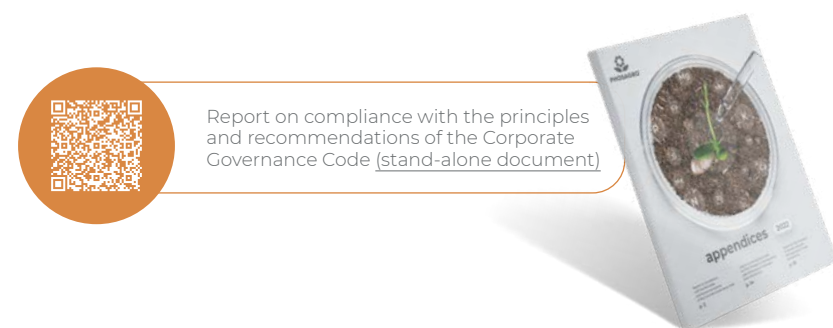
No.	Number and brief description of the principle	Old status	New status	Comments
1	1.1.2. Publishing of a general meeting notice on the company's website at least 30 days prior to the date of the general meeting of shareholders	●	●	<p>Criterion 1 is partially complied with. A notice on one of the three General Meetings of Shareholders held in 2022 was published 27 days (not 30 days) before the Meeting date. This was due to the necessity to align the General Meeting's agenda with Article 42 of Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995 based on the Bank of Russia's improvement notice, which was received after the Board of Directors approved the agenda. Hence, a new Board meeting had to be convened to amend the net profit distribution item of the General Meeting's agenda by specifying the applicable net profit distribution period.</p> <p>That said, PhosAgro did not breach the shareholder notification timeframe in accordance with Article 52 of the same Federal Law.</p> <p>Going forward, PhosAgro will seek to respect applicable timeframes for serving (publishing) General Meeting notices as required by laws and the Corporate Governance Code.</p>
2	1.1.5. Ability for shareholders to freely exercise their rights to vote	●	●	<p>Formally speaking, the criterion is not complied with, as PhosAgro's Charter does not provide for online ballot completion on the website. However, the vast majority of the Company's shareholders hold their shares through nominee shareholders (with the exception of only 24 out of 231,000 shareholders, or less than 0.01%) and can take advantage of remote voting by instructing their nominees accordingly (proxy voting) and thus freely exercise their voting rights in a simple and convenient way. Going forward (for example, if the number of shareholders who do not use nominee shareholding services increases drastically), PhosAgro may once again consider an option of electronic voting.</p>
3	1.2.1. A transparent and clear mechanism for determining the amount of dividends and payment thereof	●	●	<p>In the reporting year, explanations on the proposed net profit distribution procedure (including the amounts paid as dividends and profits allocated for the Company's own needs) and its conformity with PhosAgro's dividend policy were included in the materials for the General Meeting of Shareholders.</p>

- Full compliance
- Partial compliance
- Non-compliance

No.	Number and brief description of the principle	Old status	New status	Comments
4	2.3.2. Availability of information on nominees to the company's board of directors to shareholders	●	●	<p>The criterion is partially complied with, as the shareholders were not provided with the findings of an assessment completed by the Board of Directors or its Remuneration and Human Resources Committee to determine whether the professional qualifications, experience and skills of nominees to the Board of Directors meet the current and potential needs of PhosAgro. This was due to the short period of time left between the repeated final date for submitting agenda proposals in the run-up to the Annual General Meeting of Shareholders and proposals on nominees to the Company's Board of Directors, on the one hand, and the date of the Board meeting convened to review these proposals, on the other hand.</p> <p>In 2023, the shareholders will be provided with the findings of an assessment completed by the Board of Directors or its Remuneration and Human Resources Committee to determine whether the professional qualifications, experience and skills of nominees meet the current and potential needs of PhosAgro. Going forward, the Company will also seek to make this information available to the shareholders in the run-up to the General Meetings of Shareholders focusing on the election of Board members.</p>
5	2.8.2. Performance of the remuneration committee	●	●	<p>Criterion 1 was not complied with, as one of the members of the Remuneration and Human Resources Committee does not meet the independence requirements. The Committee was drawn from the members of the newly elected Board of Directors. The directors were selected based on their experience, professional background, skills and knowledge so that they could best meet the Committee's goals and objectives.</p> <p>Once the General Meeting of Shareholders elects new members of PhosAgro's Board of Directors in 2023, the Board will seek to staff the Remuneration and Human Resources Committee with independent directors only.</p> <p>Criterion 2 was not complied with to the extent that the Remuneration and Human Resources Committee is chaired by a director who does not meet the independence requirements. However, the director's competencies, professional experience and dedicated skills enable him to run the Committee in the most efficient manner. Upon the re-election of the Remuneration and Human Resources Committee in 2023, the Board of Directors will seek to elect an independent director as the Chairman of the Remuneration and Human Resources Committee.</p> <p>Criterion 3 was not met with respect to the failure to define in the Company's internal documents the conditions (events) upon the occurrence of which the Remuneration and Human Resources Committee of the Board of Directors considers the revision of PhosAgro's policy on remuneration of the Board members, members of executive bodies, and other key executives. The Company proceeded from the fact that the responsibility to regularly revise the policy, which is specified in the Regulations on the Remuneration and Human Resources Committee of the Board of Directors, implies ensuring that it is updated from time to time and meets the current needs of PhosAgro. As part of the next amendments made to the Regulations on the Remuneration and Human Resources Committee or upon approval of a new version of the Regulations (presumably in 2023), a clause on conditions (events) for reviewing the compensation policies will be introduced.</p>

No.	Number and brief description of the principle	Old status	New status	Comments
6	2.8.5. Composition of committees of the Board of Directors	●	●	Criterion 1 was not complied with to the extent that the Remuneration and Human Resources Committee is chaired by a director who does not meet the independence requirements. However, the director's competencies, professional experience and dedicated skills enable him to run the Committee in the most efficient manner. Upon the re-election of the Remuneration and Human Resources Committee in 2023, the Board of Directors will seek to elect an independent director as the Chairman of the Remuneration and Human Resources Committee.
7	2.9.1. Evaluation of the quality of the work of the Board of Directors	●	●	Criteria 1 and 3 were fully complied with. Criterion 2 was not met with respect to the failure to conduct individual assessment of each member of the Board of Directors in 2021 (for 2020) and 2022 (for 2021). Individual assessment of each Board member was deemed irrelevant by the Remuneration and Human Resources Committee, as 70% of directors working at the Board starting July 2022 were newcomers. In this context, the Board of Directors did not see any risks in failing to complete individual assessments for each member of the Board. In 2023, the Company will resume the practice of assessing each Board member individually, as part of the evaluation of the quality of the work of the Board of Directors.
8	6.3.1. Providing shareholders with access to information at their requests	●	●	Relevant amendments were added to PhosAgro's internal documents (the Regulations on the Information Policy).
9	6.3.2. Providing shareholders with access to information at their requests	●	●	Relevant amendments were added to PhosAgro's internal documents (the Regulations on the Information Policy).

- Full compliance
- Partial compliance
- Non-compliance



General Meeting of Shareholders

The activities of PhosAgro's supreme governing body – the General Shareholders' Meeting – are governed by the Regulations on the General Meeting of Shareholders. In June 2022,

the Annual General Meeting of Shareholders was held in absentia to elect new members of the Board of Directors and Review Committee, determine the Board of Directors' remuneration, and resolve on other matters within the Meeting's remit.

The reporting year also saw two extraordinary General Shareholders' Meetings convened to vote on declaration (payout) of interim dividends.



Full text of PhosAgro's Regulations on the General Meeting of Shareholders is available on the official [website of the Company](#)

Board of Directors

The Board of Directors plays a key role in PhosAgro's corporate governance system. Its activities are governed by the Regulations on the Board of Directors.

In 2022, amid significant changes in the operating environment, the Board of Directors continued to set the Company's strategic

direction and make key decisions.

Throughout the year, the Board focused on maintaining the continuous operation of the Company's production assets, supporting established supply chains and building new ones. The Board of Directors of PJSC PhosAgro underwent notable changes both in terms of its composition

and agenda and structure of committees. The Board's responsibility to the government, shareholders, employees, communities in the regions of PhosAgro's footprint and other stakeholders for the Company's operational, financial, environmental and social performance remained unchanged.



Full text of PhosAgro's Regulations on the Board of Directors is available on the official [website of the Company](#)