

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

Number and brief description of the principle	Criteria to evaluate compliance with the corporate governance principle	Status of compliance
2.8.2. Performance of the remuneration committee	<p>1. The board of directors has established a remuneration committee comprising solely independent directors</p> <p>2. The remuneration committee is chaired by an independent director who is not the chairman of the board of directors</p> <p>3. The company's internal regulations set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code, as well as the conditions (events), upon the occurrence of which the remuneration committee considers revising the company's remuneration policy for members of the board of directors, executive bodies and other key executives</p>	<p>2022: Non-compliance</p> <p>2023: Partial compliance</p>

Comments

Criterion 1 was only partially complied with, as one of the members of the Remuneration and Human Resources Committee does not meet the independence requirements. The Committee's composition was drawn from the post-election Board, considering attributes most conducive to achieving the Committee's objectives, such as relevant experience, education, and expertise.

Once the General Meeting of Shareholders elects new members of PhosAgro's Board of Directors in 2024, the Board will seek to staff the Remuneration and Human Resources Committee with independent directors only.

Criterion 2 is partially complied with, as the Chairman of the Remuneration and Human Resources Committee is not an independent member of the Board of Directors. Nonetheless, the individual in question is a seasoned HR management expert whose perspective on Board meeting agenda items has always relied only on professional expertise and insight, independent of other Board members or Company management team.

The Committee Chairman does not concurrently serve as the Chairman of the Board of Directors.

Upon the re-election of the Remuneration and Human Resources Committee in 2024, the Board of Directors will seek to elect an independent director as the Chairman of the Remuneration and Human Resources Committee.

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 and meets the current needs of the Company. When deliberating on amendments to the Regulations on the Remuneration and Human Resources Committee or the adoption of a new version of the Regulations (anticipated in 2024–2025), specific triggers (events) for reviewing the above policy will be incorporated into the draft documents.

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 March 2023, 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 three extraordinary General Shareholders' Meetings convened to vote on payout of interim dividends.



For the full text of PhosAgro's Regulations on the General Meeting of Shareholders, please visit the official website of the Company.

BOARD OF DIRECTORS

In 2023, the Board of Directors continued to oversee strategic focus areas and key decision-making within its scope of functions. 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.

