

## Activities of the Board committees

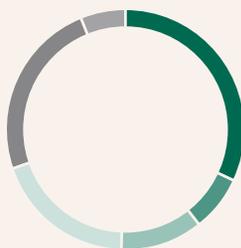
### Members

As of 24 March 2014

### Matters considered

#### Audit Committee

Paul Ostling (Chairman)  
Sir Robert Margetts  
Gordon Sage  
Anna Kolonchina



- Risk management and internal control 32%
- External audit 7.5%
- Internal audit 11.3%
- Reporting 19%
- Corporate governance 24.2%
- Monitoring of KPIs 6%

### Targets for 2013:

- continue monitoring of risk minimisation plans;
- development of recommendations to approve the IFRS annual and semi-annual reports and the annual report;
- review of the risk matrix;
- monitoring of the quality of corporate governance;

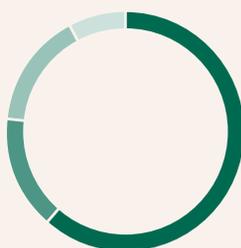
✓ Achieved

### Targets for 2014:

- continue monitoring of risk minimisation plans;
- development of recommendations to approve the IFRS annual and semi-annual reports and the annual report;
- update of the risk matrix;
- monitoring of the quality of corporate governance;
- monitoring of the compliance system.

#### Corporate Social Responsibility Committee

Sir Robert Margetts (Chairman)  
Paul Ostling  
Gordon Sage  
Viktor Belyakov  
Anton Averin



- Health, Safety and Environment 61.5%
- Social matters 15.4%
- Accidents and injuries 15.4%
- Activity plans and reports 7.7%

- development of recommendations to issue the Sustainability Report
- monitoring of the Company's HSE performance in 2013;
- monitoring of stakeholder engagement in regions where Company operates;
- monitoring of HSE activities in 2013;

✓ Achieved

- consideration of issues related to production waste management;
- review of the Company's HSE activities and performance;
- monitoring of stakeholder engagement in regions where the Company operates;
- review and monitoring of the energy saving programme;
- consideration of issues related to mine safety.

#### Appointments and Remuneration Committee

Pavel Grachev (Chairman)  
Paul Ostling  
Sir Robert Margetts  
Gordon Sage  
Anna Kolonchina



- Achievement of KPIs Recommendations to approve KPIs 23.5%
- HR-related projects 35.3%
- Development of the Board's performance review procedure 11.8%
- Composition of the Board committees 5.8%
- Other matters 23.6%

- assessment of management's 2012 performance charts;
- consideration of the succession plan;
- consideration of headcount issues related to labour productivity;
- review of the labour market and salary levels in the Company;
- development of recommendations on key appointments to management bodies of the Company.

✓ Achieved

- assessment of management's 2014 performance charts;
- consideration of issues related to the talent pool and the succession plan;
- development of a long-term incentive plan for management;
- monitoring of headcount issues;
- development of recommendations on key appointments to management bodies of the Company.

#### Investment and Development Committee

Anton Averin (Chairman)  
Paul Ostling  
Sir Robert Margetts  
Gordon Sage  
Anna Kolonchina  
Pavel Grachev



- Investment projects 31.4%
- Budgeting 11.4%
- Dividends 5.7%
- Market development projects 14.2%
- Strategy 14.2%
- Other matters 23.1%

- consideration of specific functional strategies and the current long-term strategy of the Company;
- follow-up of the project to optimise the repair and maintenance system;
- monitoring of investment projects' efficiency;
- monitoring of the budgeting process;
- consideration of strategic initiatives and proposals on new investment projects.

✓ Achieved

- consideration of specific functional strategies and the current long-term strategy of the Company;
- monitoring of the project to optimise the repair and maintenance system;
- monitoring of investment projects' efficiency and the budgeting process;
- consideration of strategic initiatives and proposals on new investment projects;
- consideration of marketing projects and distribution development plans.

## The Audit Committee's report for 2013

The Audit Committee is a consultative body of the Board of Directors, which was created to consider matters falling under its competence pursuant to the Regulations on the competence of the Audit Committee. The Audit Committee's activities are governed by recommendations and requirements of the Russian financial market regulator, requirements of the Moscow and London Stock Exchanges, the Charter of the Company, resolutions of the Board of Directors, and the Regulations on the Audit Committee of the Board of Directors.

The Audit Committee acts under the Regulations on the Audit Committee of the Board of Directors, which were approved in their current wording on 19 December 2013.

The Committee's area of competence mainly covers public reports, internal and external audit, risk management and internal controls, corporate governance and legal and regulatory compliance.

As of 1 January 2013 and 31 December 2013, the Audit Committee had the following members:

- Paul Ostling (Chairman of the Committee, independent director, expert in finance);
- Sir Robert Margetts (senior independent director);
- Anna Kolonchina (non-executive director);
- Gordon Sage (independent director).

Following the AGM held in June 2013, Anna Kolonchina was replaced on a temporary basis by Vladislav Mamulkin.

The Audit Committee held seven meetings in 2013. In addition to these regular meetings, the Chairman of the Committee held a number of meetings with the Company's financial and risk management officers, as well as with external consultants to discuss various issues.

Throughout 2013, the Committee has been monitoring the development and implementation of an enhanced compliance system. It also looked at internal audit issues. In particular, Uralkali engaged Deloitte under a co-sourcing arrangement.

As part of its work, the Audit Committee focused on the preparation of recommendations for minimising potential adverse consequences to the Company arising from the termination of its cooperation with JSC Belaruskali through BPC and

the subsequent arrest of the former CEO of the Company, and conducted a comprehensive review of these developments with the input of external advisers.

The Audit Committee recommended to the Board the commissioning of ZAO PricewaterhouseCoopers Audit to conduct the audit of the 2013 corporate financial statements. This was subsequently approved by the Board at the AGM held on 4 June 2013.

On 4 June 2013, the Board of Directors determined the fees of ZAO PricewaterhouseCoopers Audit for the audit and review of the Company's 2013 IFRS accounts in the amount of RUB 32,800,000 excluding VAT and including overheads.

The actual amount paid in 2013 to ZAO PricewaterhouseCoopers Audit and its affiliates was RUB 54,598,443, including:

Company	Payments for audit services (RUB)	Payments for consulting services (RUB)
ZAO PriceWaterhouseCoopers Audit	37,512,200	16,584,226
PriceWaterhouseCoopers Russia B.V.	0	502,016
Total	37,512,200	17,086,243

The Committee concluded that the ratio between fees for audit and consulting services (69% to 31% respectively) did not compromise the impartiality and independence of the auditor of the Company's financial statements.