

**PLEASE NOTE: THE TEXT OF THIS DOCUMENT IN ENGLISH IS A TRANSLATION PREPARED FOR INFORMATION PURPOSES ONLY. THE TRANSLATION MAY CONTAIN DISCREPANCIES AND OMISSIONS AND DOES NOT REPLACE THE RUSSIAN TEXT OF THIS DOCUMENT. IN ANY AND ALL CASES THE TEXT OF THIS DOCUMENT IN THE RUSSIAN LANGUAGE SHALL PREVAIL.**

**LAIR Consulting Group**

## **Valuation Report**

**No A-25497/17**

in relation to one ordinary share in PJSC Uralkali, which is part of a 100% block of shares

PJSC Uralkali is located 63, Pyatiletki St., Berezniki 618426, Perm region, Russia.

**Date of the valuation:** 16 October 2017

**Date of the report:** 30 October 2017

**Prepared by:** LAIR LLC

**Customer:** PJSC Uralkali

St. Petersburg, 2017

**PLEASE NOTE: THE TEXT OF THIS DOCUMENT IN ENGLISH IS A TRANSLATION PREPARED FOR INFORMATION PURPOSES ONLY. THE TRANSLATION MAY CONTAIN DISCREPANCIES AND OMISSIONS AND DOES NOT REPLACE THE RUSSIAN TEXT OF THIS DOCUMENT. IN ANY AND ALL CASES THE TEXT OF THIS DOCUMENT IN THE RUSSIAN LANGUAGE SHALL PREVAIL.**

LAIR Consulting Group (the Company) is one of the largest appraising organisations in Russia. Our history goes back to 1995, which is basically when the Russian appraising sector was beginning to form. Today, we have over 80 full-time surveyors, most of who have academic degrees and are active and chartered members of the Royal Institution of Chartered Surveyors. Over 40 of our specialists have a top category certification from Eurasian Organisation of Economic Cooperation, are qualified as experts by the Russian Ministry of Economic Development, and are also members of seven self-regulating organisations in Russia.

LAIR is ISO 9001:2009 certified and is licenced to handle state secrets and work with nuclear energy facilities.

The Company's contributory liability is covered by the RSO Euroins LLC insurance company for RUB 1,000,000,100, while the cumulative liability of the specialists is insured for RUB 741,850,000.

Ever since rating of valuers and consultants was introduced in Russia, LAIR has been in Russia's Top 10 list according to the Expert RA rating agency's data.

In the 2014 and 2015 ratings, LAIR became number one company in Russia in terms of the business potential of Russian valuers (Rossiyskaya Gazeta, No 6717 dated 7 July 2015 and No 7014 dated 6 July 2016). On two occasions, we won the national award in audit, valuation, expert review and consulting from the Russian Professional Union of Audit, Valuation, Expert and Consulting Organisations. In 2015, LAIR won the Big Consulting award under the Leader of the Valuation market category.

We have active cooperation with a large number of state-owned corporations, industrial groups and leading financial institutions including Gazprom, NK Rosneft, Lukoil, Rosseti, RusHydro, InterRao, Russian Railways, Rostekh, Rosnano, Rosatom, Almaz-Antey, Housing Mortgage Lending Agency, Rosavtodor, MOESK, Mosenergo, AFK Systema, VTB Bank, VEB, Sberbank, Rosselkhozbank, Raiffeisen Bank, UniCreditBank and others.

To date, we have prepared over 25 thousand valuation reports in relation to businesses, properties and other assets, as well as cadastral valuation reports.

**PLEASE NOTE: THE TEXT OF THIS DOCUMENT IN ENGLISH IS A TRANSLATION PREPARED FOR INFORMATION PURPOSES ONLY. THE TRANSLATION MAY CONTAIN DISCREPANCIES AND OMISSIONS AND DOES NOT REPLACE THE RUSSIAN TEXT OF THIS DOCUMENT. IN ANY AND ALL CASES THE TEXT OF THIS DOCUMENT IN THE RUSSIAN LANGUAGE SHALL PREVAIL.**

M. Shvetsova  
Director for Legal and Corporate Affairs  
PJSC Uralkali

#### Cover Letter

Dear Marina,

In accordance with the Valuation Services Agreement No \_\_\_\_ dated \_\_\_, LAIR LLC estimated the market value of one ordinary share in PJSC Uralkali, which is part of a 100% block of shares (the Subject Property). The valuation was performed in line with applicable laws, regulations and standards:

- Federal Law No 135-FZ “On valuation activities in Russia” dated 29 July 1998;
- Federal Valuation Standard 1 (FSO 1) approved by Order No 297 “On approval of the federal valuation standard “General concepts in, approaches and requirements to valuations” (FSO 1)” dated 20 May 2015 of the Ministry of Economic Development;
- Federal Valuation Standard 2 (FSO 2) approved by Order No 298 “On approval of the federal valuation standard “Purpose of valuation and types of value (FSO 2)” dated 20 May 2015 of the Ministry of Economic Development;
- Federal Valuation Standard 3 (FSO 3) approved by Order No 299 “On approval of the federal valuation standard “Requirements to valuation reports (FSO 3)” dated 20 May 2015 of the Ministry of Economic Development;
- Federal Valuation Standard 8 (FSO 8) approved by Order No 326 “On approval of the federal valuation standard “Valuation of businesses (FSO 8)” dated 1 June 2015 of the Ministry of Economic Development;
- Standards and rules of valuating activities in self-regulating appraising organisations.

From our calculations and analysis we concluded that the market value<sup>1</sup> of one ordinary share in PJSC Uralkali, which is part of a 100% block of shares (as of 16 October 2017 and rounded-off) is:

**RUB 135.30 (one hundred and thirty-five roubles 30 kopecks).**

This cover letter is not a valuation report but is an introduction thereto. Detailed characterisation of the Subject Property, a market review, description of calculations and necessary substantiations are presented in relevant parts of the Valuation Report. The Valuation Report is only to be read and interpreted in full and with regard to all assumptions and limitations contained therein.

Should it become necessary, we will be happy to provide any additional explanations or comments.

We appreciate the opportunity of having been of help,

Best regards,

A. Smirnov  
Director, LAIR LLC

---

<sup>1</sup> According to Article 149 “Operations exempted from VAT” of the Russian Tax Code: “Item 2. Exempted from VAT in Russia are sales (including transfer, implementation and provision for own needs) of... 12) stakes in authorised (joint) capital of organisations, units in unit investment funds of cooperatives and unit investment funds, securities and forward transaction instruments (including forward, futures contracts and options”. It should be remembered when applying Subitem 12 of Item 2 of Article 149 that sales and purchases of securities performed on a company’s own behalf and at its own expense will be tax exempt. Any other operation with securities including preparation, storage, administration of a register of holders of registered securities, on the basis of valid agreements, entries regarding transfers of ownership, disclosure of securities movement information, and custody services shall be taxable according to the general procedure.