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Approved by the Board of Directors
PJSC Uralkali
(Minutes No. 352 dated 16.11.2018)

Evaluation of a major transaction

The present Evaluation of a major transaction (hereinafter, the Evaluation) is approved by the Board of Directors in compliance with p. 2 Art. 78 of the Federal Law *On Joint Stock Companies* and must be enclosed with the information (materials) which must be provided to the shareholders in preparation for the Extraordinary General Shareholders Meeting (hereinafter, the EGM) of PJSC Uralkali (hereinafter PJSC Uralkali, the Company) where a major transaction (series of interrelated transactions) the subject matter of which is property with the value that exceeds 50% of the book value of the assets of the Company according to its accounting (financial) statements as of the last reporting date will be considered for approval (subsequent approval).

Preamble

In accordance with p. 3 Art. 49, p. 3 Art. 79 of the Federal Law *On Joint Stock Companies* and subparagraph 14 p. 8.5 of the Charter of PJSC Uralkali, the Board of Directors shall submit for EGM approval a major transaction (series of interrelated transactions) – Additional Agreement (hereinafter, the Additional Agreement) dated October 10, 2018 to the Uncommitted Revolving Credit Facility Agreement dated April 19, 2017 (hereinafter, the Agreement), approved by the decision of the Annual General Shareholders Meeting of PJSC Uralkali on June 20, 2017 (Minutes of the Annual General Shareholders Meeting No. 55 dated June 20, 2017), between PJSC Uralkali, Sberbank (Switzerland) AG as agent bank, the following creditors: Sberbank (Switzerland) AG and Public Joint Stock Company Sberbank of Russia and Sberbank (Switzerland) AG as hedge provider, interrelated with the current (and properly approved by the authorized bodies of the Company) non-revolving credit facility agreements between PJSC Uralkali and Public Joint Stock Company Sberbank of Russia: #8-NKL dd. July 1, 2013, #5674 dd. December 19, 2013, #5877 dd. March 24, 2016 and # 5878 dd. March 24, 2016 (with amendments and addenda thereto).

The Board of Directors periodically reviews various financing options for the Company at its meetings. The most preferable financing instruments are those that provide the Company with flexibility in terms of drawing on the credit and using and repaying the credit amount, with due consideration for the cost of such financing and the Company’s compliance with its other obligations (covenants). In turn, the Company is constantly looking for new sources of financing, taking price as well as non-price factors, such as the partner bank’s reliability and previous experience of collaboration with said bank, into account.

Evaluation of the major transaction's feasibility

The Additional Agreement indicated above provides for changes to the following principal (essential) terms of the previously concluded Agreement:

- The amount of financing has been increased – Total Commitments under the Agreement has been increased to US$1,250,000,000 (one billion two hundred fifty million US dollars)
- Repayment terms:

  - If the repayment date falls on a date 36 months (inclusive) or less after the drawdown – the repayment shall be made in one sum on the date of repayment
  - If the repayment date falls on a date more than 36 months after the date of the drawdown, the repayment shall be made in equal portions: on the last day of each quarter following the 36-month period from the date of the drawdown until the date of repayment and on the date of repayment (at the end of the period of each financing transaction under the Agreement (hereinafter the Loan Transaction);
- the repayment term for the Loan Transactions (period of financing) has been extended until July 1, 2023.

Considering the criteria for the selection of financial instruments indicated above and the credit terms under the Additional Agreement subject to EGM approval, the Board of Directors believes the conclusion of the Additional Agreement to be expedient. It is the opinion of the Board of Directors that the terms of the transaction, including:

- the fact that the credit terms have been improved - the amount of financing and the term of use of the credit amounts under the Agreement have been increased;
- the fact that the credit facility is a revolving one and that is has an availability period of 3 years and an unlimited number of drawdowns at any time within the period of availability;
- the fact that there is no unused limit fee;
- the fact that the interest rate is not fixed, which, should the market conditions improve, would allow the Company to drawdown the credit line at a current market rate that is acceptable for PJSC Uralkali;
- the fact that the arrangement fee is payable only upon drawdown;

provide the Company with flexibility in using the credit amounts under the Agreement and provide the Company with an opportunity to drawdown the credit on most favorable terms.

Information concerning the expected consequences of the major transaction for the Company

Based on the information available to the Board of Directors, the Board of Directors believes that the Additional Agreement will not result in any negative consequences for the Company and will not result in any violation of the Company's current financial obligations (covenants). The consequences of the indicated transaction appear to be favorable for PJSC Uralkali, given the fact that an opportunity to use the indicated instrument will enable the Company to have access to financing on favorable terms. The Company is planning to use the indicated amounts to finance the current activities of the Company, for investment purposes and for the purpose of repaying and re-financing the current debts of the Company.

The principal terms of the Additional Agreement will be included in the draft resolution of the EGM, the wording of the resolution of the EGM which must be provided in electronic form (as electronic documents) to nominal holders of shares registered in the share register of the Company (enclosed) and in the voting ballots approved by the Board of Directors.