

**Explanatory Note to
items 7, 8 of the Agenda of
the Annual General
Meeting of Shareholders of
PJSC ALROSA**

The members of the Supervisory Board and the Auditing Committee of PJSC ALROSA (hereinafter, the Company) are elected annually by the Annual General Meeting of Shareholders (Subclauses 4 and 9, Clause 1, Article 48 of the Federal Law *On Joint-Stock Companies*).

The Company's shareholder(s) collectively holding at least two per cent of the Company's voting shares, have the right to propose nominees to the Company's Supervisory Board and Auditing Committee within 75 days after the end of the financial year (Chapter 1, Article 53 of the Federal Law *On Joint-Stock Companies*, and Clause 11.3.1.2. of the Company's Charter).

On 21 March 2017, the Company's Supervisory Board considered, in due time, the candidates proposed by the Company's shareholders, and resolved to add them to the list of nominees to the Supervisory Board and the Auditing Committee to be elected at the Annual General Meeting of Shareholders.

Considering the above, the Company's General Meeting of Shareholders is requested to elect members of the Company's Supervisory Board and the Auditing Committee for the 2017–2018 corporate year.