

APPROVED

by the resolution of the extraordinary  
General Meeting of Shareholders of the  
PJSC ALROSA dated

\_\_\_\_\_, 2017

(Minutes # 36)

**REGULATIONS  
ON THE AUDITING COMMITTEE  
OF PJSC ALROSA**

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## **1. General Provisions**

1.1. The Auditing Committee of the PJSC ALROSA (hereinafter, the "Company") is an elective body exercising control of financial and economic activities of the Company.

1.2. In its activities, the Auditing Committee shall be guided by laws of the Russian Federation, the Articles of Association of the Company, these Regulations and other internal documents of the Company, as well as resolutions of the General Meeting of Shareholders of the Company.

1.3. The competence of the Auditing Committee shall be determined by laws of the Russian Federation and the Articles of Association of the Company. The operating procedures of the Auditing Committee shall be determined by these Regulations.

1.4. The Auditing Committee of the Company is independent of any Company executives or management bodies and shall be accountable to the General Meeting of Shareholders of the Company.

1.5. By its resolution, the General Meeting of Shareholders may decide to pay remuneration to the members of the Auditing Committee and (or) to compensate their expenses related to performance by them of their functions as members of the Auditing Committee. The amount of such remuneration shall be recommended by the Supervisory Board and established by a resolution of the General Meeting of Shareholders.

1.6. The remuneration may be paid to the members of the Auditing Committee for the following activities:

- Participation in the work of the Auditing Committee;
- Performance of any additional duties related to chairing the Auditing Committee.

The members of the Auditing Committee may also receive compensations of their expenses related to execution by them of their powers.

It is not allowed to pay any other remunerations and compensations in relation to performance by any member of the Auditing Committee of his/her powers.

1.7. No remuneration to the members of the Auditing Committee or compensation of expenses related to execution by the members of the Auditing Committee of their duties shall be paid to:

- The Chairman and members of the Auditing Committee having the status of a government or municipal employee – in compliance with effective laws of the Russian Federation;
- The Chairman and members of the Auditing Committee in relation to whom there is a legal limitation or prohibition on receipt of any payments from commercial organizations.

1.8. The terms and conditions, the size and the calculation procedures of the remuneration and the terms and conditions of compensation of expenses related to execution of the powers of the member of the Auditing Committee, shall be regulated by separate Regulations.

## **2. Election Procedures of the Auditing Committee**

2.1. The Auditing Committee with the membership of 5 persons shall be elected by the General Meeting of Shareholders for a term till the following General Meeting of Shareholders in the order stipulated by laws of the Russian Federation and the Articles of Association of the Company.

2.2. No shares held by the members of the Supervisory Board or any other persons holding office in the management bodies of the Company may participate in the voting on the election of the members of the Auditing Committee.

2.3. Any members of the Auditing Committee may be re-elected an unlimited number of times.

2.4. The members of the Auditing Committee shall not be members of the Supervisory Board at the same time or hold any other office in any management bodies of the Company or be included into the Counting Commission of the General Meeting of Shareholders.

2.5. The powers of any individual members or the whole membership of the Auditing Committee may be terminated earlier by a resolution of the General Meeting of Shareholders.

2.6. In the event of early termination of the powers of any member of the Auditing Committee or his/her retirement from the membership of the Auditing Committee, the powers of all the other members of the Auditing Committee shall not be terminated.

2.6.1. "Retired" members of the Auditing Committee shall be interpreted as those who voluntarily resign their powers and those who are dead.

2.6.2. Any member of the Auditing Committee shall be recognized retired beginning from the day following the receipt day by the Auditing Committee and the Company of his/her notice of voluntary resignation or from the day of his/her death.

2.7. In case the membership of the Auditing Committee becomes less than one half of the membership as stipulated by the Articles of Association, the Supervisory Board shall call an extraordinary General Meeting of Shareholders for electing new membership of the Auditing Committee. The remaining members of the Auditing Committee shall perform their functions till the new membership of the Auditing Committee is elected by the extraordinary General Meeting of Shareholders.

## **3. Chairman and Secretary of the Auditing Committee**

3.1. The Chairman of the Auditing Committee shall head the Auditing Committee. The Auditing Committee shall elect the Chairman from among themselves, upon his/her consent by a majority of the total votes of the Auditing Committee, at the first meeting of the Auditing Committee.

3.2. The Chairman of the Auditing Committee shall do the following:

- Form and approve the agenda of the meeting of the Auditing Committee;
- Call and moderate the meeting of the Auditing Committee;
- Organize everyday activities of the Auditing Committee;

- Represent the Auditing Committee at the General Meeting of Shareholders, at meetings of the Supervisory Board and management bodies of the Company;
- Invite any representative of the Auditing Committee as an invited person to meetings of the Supervisory Board of the Company on issues related to the competence of the Auditing Committee;
- Sign documents of the Auditing Committee;
- Submit the act resulting from the audit and the opinion of the Auditing Committee to the Audit Committee at the Supervisory Board for preliminary consideration and development of recommendations to the Supervisory Board, 15 working days before the meeting of the Supervisory Board considering the issue about preliminary approval of the annual report of the Company;
- If necessary, invite any persons who are not members of the Auditing Committee, such as: members of the Supervisory Board of the Company, executives of the Company, representatives of the Auditor of the Company, experts, consultants and any other persons, to meetings of the Auditing Committee.

3.3. The Auditing Committee may release the Chairman of the Auditing Committee from the performance of his/her duties and elect a new one. The relevant decision shall be taken by a majority of votes of those members of the Auditing Committee who are present at the meeting.

3.4. The Chairman of the Auditing Committee may voluntarily resign from his/her powers to remain a member of the Auditing Committee beginning from the receipt day by the Auditing Committee of his/her notice of resignation.

3.5. The Auditing Committee shall elect Vice Chairman of the Auditing Committee from among themselves by a majority of the total votes of the Auditing Committee, to perform the duties of the Chairman of the Auditing Committee in case of the Chairman's absence (vacation, illness, business trip, etc.).

3.6. The Auditing Committee may elect Secretary of the Auditing Committee. The Secretary of the Auditing Committee does not have to be a member of the Auditing Committee.

3.7. The Secretary of the Auditing Committee shall be elected on the proposal of the Chairman of the Auditing Committee by a majority of the total votes of the Auditing Committee.

3.8. The Auditing Committee may re-elect the Secretary of the Auditing Committee at any time, by a majority of the total votes of the Auditing Committee.

3.9. The Secretary of the Auditing Committee shall do the following:

- Carry out record management and storage of minutes and other documents of the Auditing Committee;
- Keep the minutes of meetings, issue extracts from the minutes and copies thereof;
- Organize preliminary notification of the members of the Auditing Committee of the Company about meetings of the Auditing Committee and provide materials to the members of the Auditing Committee;
- Perform any other assignments of the Chairman of the Auditing Committee related to organizational support of the activities of the Auditing Committee and preparation of its meetings.

#### **4. Meeting and Decision Making Procedures of the Auditing Committee**

4.1. Meetings of the Auditing Committee shall be held in accordance with a schedule to be approved by it independently; the schedule shall set out the order and periods of audits (inspections) of financial and economic activities of the Company.

4.2. Any decisions made by the Auditing Committee shall be executed in the minutes of the meeting to be signed by the Chairman and the Secretary (if any) of the Auditing Committee who shall be held responsible for the correctness of the minutes.

4.3. The Auditing Committee shall hold its meetings before starting an audit (inspection) and as a result of it, and in any other cases that may require a joint decision of the Auditing Committee.

4.4. The first meeting of the Auditing Committee shall be held within one month after the date of the General Meeting of Shareholders at which the members of the Auditing Committee are elected, following a notice (stating the place and the time of the meeting) to be sent by the Company at least 10 days before such meeting.

4.5. Meetings of the Auditing Committee of the Company shall be held in the form of joint presence of the members of the Committee and (or) absentee voting in the following cases:

4.5.1. A meeting of the Auditing Committee shall be held for discussing the items on the agenda and for making decisions on the issues put to the vote;

4.5.2. Following a decision of the Chairman of the Auditing Committee, a meeting of the Auditing Committee may be held in the videoconference mode or with the help of any other communication facilities (i.e., the meeting during which the members of the Auditing Committee in different locations use videoconference communications enabling them to hear the reporter, ask question to the reporter, make proposals on the draft decision of the issue under consideration). The meeting of the Auditing Committee held in the videoconference mode or with the help of any other communication facilities shall be a meeting held in the form of joint presence. The place of the meeting held in the videoconference mode or with the help of any other technical facilities shall be the location of the person in the chair of the meeting of the Auditing Committee.

4.5.3. Absentee voting of the Auditing Committee is allowed on issues of election of the Chairman of the Auditing Committee or approval of an audit (inspection) plan. In the event of absentee voting on any issues discussed by the Auditing Committee, its members shall submit their decisions in writing.

4.6. A notice of the meeting of the Auditing Committee shall be sent to each member of the Committee in writing at least 10 days before the date of such meeting. The notice shall include the following information:

- The time and place of the meeting;
- The issues to be discussed.

The notice shall include all materials attached that are required in relation to the items on the agenda of the meeting.

A decision to call the meeting (absentee voting) of the Auditing Committee signed by its Chairman shall be sent to each member of the Auditing Committee by

mail, facsimile or using any other communication means that ensure authenticity of the sent message and confirmation of the receipt or shall be handed in to such member personally (at the discretion of the Chairman).

4.7. The meeting of the Auditing Committee shall be competent (have a quorum) if at least three members of the Auditing Committee participate in it.

4.8. Any decisions of the Auditing Committee shall be taken and any opinions and acts shall be approved by a majority of votes of those members of the Auditing Committee who are present at the meeting. When taking decisions at the meeting, each member of the Auditing Committee shall have one vote. No member of the Auditing Committee is allowed to assign his/her vote to any other person, including any other member of the Supervisory Board. In case of a tie vote, the vote of the Chairman of the Auditing Committee (or any other person acting as Chairman) shall be the casting vote.

4.9. When establishing a quorum and voting results, a written opinion of any member of the Auditing Committee who is absent from the meeting of the Auditing Committee due to a reasonable excuse (such as: business trip, vacation, illness) shall be counted, subject to the condition that such opinion is received by the Auditing Committee before the beginning of the meeting. In his/her written opinion, the member of the Auditing Committee shall unambiguously determine his/her position on the issue by stating whether he/she votes "FOR" or "AGAINST" the proposed draft decision or whether he/she "ABSTAINED" from deciding.

4.10. The members of the Auditing Committee shall have the right to express a special opinion on the items on the agenda of the meeting of the Auditing Committee in case they disagree with the decision of the Auditing Committee, and to demand that their special opinion should be attached to the minutes of the meeting and advised to the General Meeting of Shareholders, the Supervisory Board, the Executive Committee, the Director General – Chairman of the Executive Committee of the Company and the initiators of the meeting.

4.11. Persons who are not members of the Auditing Committee may be present at the meeting of the Auditing Committee: members of the Supervisory Board of the Company, the Director General – Chairman of the Executive Committee, members of the Executive Committee of the Company, the Corporate Secretary, any other persons as invited by the Chairman of the Auditing Committee (representatives of the Auditor of the Company, experts, consultants).

4.12. The members of the Auditing Committee shall have the right to demand calling a meeting of the Committee at any time in case of revealing any violations that require an immediate decision.

## **5. Documents of the Auditing Committee**

5.1. The following shall be documents of the Auditing Committee:

- Minutes of the meeting (absentee voting) of the Auditing Committee;
- Acts executing the results of audits (inspections);
- Opinions of the Auditing Committee;
- Other documents.



5.2. The minutes of the meeting of the Auditing Committee shall be compiled within 3 days after such meeting. The minutes shall be signed by the Chairman and the Secretary (if any) of the Auditing Committee.

5.3. The minutes of the meeting of the Auditing Committee shall state the following information:

- The date, time and place of the meeting;
- The persons present at the meeting;
- The agenda of the meeting;
- The issues put to the vote;
- Information about those speaking and the essence of the speeches;
- The results of the voting (with the number of votes "FOR", "AGAINST" and "ABSTAINED") and the decisions taken;
- The persons who expressed their special opinion on the taken decisions.

Any materials that formed the basis for the decisions shall be attached to the minutes, such as: opinions, acts summing up the results of audits (inspections), written opinions of those members of the Auditing Committee who were not present at the meeting due to a reasonable excuse, written special opinions of members of the Auditing Committee, other documents.

5.4. The act of the audit (inspection) and the opinion of the Auditing Committee shall be formed within 10 working days after the audit (inspection) is completed.

The act of the audit and the opinion of the Auditing Committee shall be signed by all those members of the Auditing Committee who carried out the audit (inspection) and by the Chairman of the Auditing Committee.

5.5. The executive of the executive management body of the Company who is in charge of financial and economic activities of the Company shall be made familiar with the act of the audit (inspection); the fact of such familiarization shall be confirmed by the signature of the mentioned executive on the act of the audit.

In case of an audit held in a branch, representative office or any other separate subdivision of the Company, the head (or deputy head) and the chief accountant of the relevant branch, representative office or any other separate subdivision of the Company shall be made familiar with the mentioned act to add to the executive mentioned in the first paragraph of this clause; the fact of such familiarization shall be confirmed by the signatures of the mentioned persons on the act of the audit.

5.6. The act of the audit of the Auditing Committee shall include the following information:

- The time and place of the audit (inspection);
- The members of the Auditing Committee who participated in the audit (inspection);
- The ground for the audit (inspection);
- A description of any found violations of any laws and other regulatory legal acts, requirements of the Articles of Association and internal regulatory documents of the Company and the persons who allowed for such violations;



- References to the specific provisions of laws and other regulatory legal acts, the Articles of Association and internal regulatory documents of the Company, violation of which the audit revealed;
- In the event any risks are revealed in the activities of the Company, analysis of the causes of the rise of such risks and recommendations for mitigating them;
- Recommendations on how to eliminate the violations and drawbacks and to prevent them in future;

5.7. The opinion of the Auditing Committee shall include the following information:

- The membership and the election date of the Auditing Committee, the regulatory frameworks for its activities;
- The audited period;
- The place and date of the opinion of the Auditing Committee;
- Confirmation of reliability of the data included into the annual report of the Company and into the annual accounting reports of the Company;
- Any facts of violation of the accounting, reporting and report presentation procedures as established by legal acts of the Russian Federation and of any legal acts of the Russian Federation related to financial and economic activities;
- Conclusions on the results of the completed audit (inspection);
- Recommendations on how to eliminate the violations and drawbacks and to prevent them in future;
- The requests for information (documents and materials) made in the course of the audit (inspection);
- Any refusals to submit information (documents and materials);
- Information about any written explanations received from members of the Supervisory Board, executives and employees of the Company;
- Information about any demands of the Auditing Committee for calling a meeting of the Supervisory Board and an extraordinary General Meeting of Shareholders;
- Information about involvement of any specialists in certain areas of financial and economic activities who do not hold any office in the Company into the work of the Auditing Committee and about the contracts concluded and performed with them.

5.8. Other documents of the Auditing Committee shall be executed in any free form and signed by the Chairman of the Auditing Committee.

5.9. The Chairman and (or) the Secretary of the Auditing Committee shall submit the originals of the documents of the Auditing Committee to the Corporate Secretary of the Company for storage and execute a relevant act thereof.

5.10. The Company shall make the opinions of the Auditing Committee available for its Shareholders in the order and to the extent stipulated by laws of the Russian Federation.

5.11. Following a written request by a Shareholder, the Company shall provide copies of the opinions of the Auditing Committee to such Shareholder against a fee.

The size of the fee shall be established by the Company and shall not exceed the costs of copy making and the costs related to sending such copies by mail.

## **6. Audit Procedures of the Auditing Committee**

6.1. When conducting any audits (inspections) of the financial and economic activities of the Company (any of its subdivisions), the Auditing Committee may organize its work by area as listed below to enable auditing of the organization procedures of the system of internal controls:

- Compliance with laws of the Russian Federation, resolutions of the General Meeting of Shareholders of the Company, decisions of the Supervisory Board and directions expressed in the acts of prior audits (inspections);
- Compliance with the Articles of Association and internal regulatory documents of the Company;
- Observance of the rules established by the Articles of Association and other documents of the Company by the members of the Supervisory Board, the Executive Committee and executives of the Company, to render impossible, among other things, any actions in excess of their powers in disposal of Company's assets, conduct of deals and any other financial operations on behalf of the Company;
- Correct statement of the size of the authorized capital in the reports, legality and expediency of decisions to make any amendments as to its size;
- Timely and correct presentation of all financial operations in accounting and statistic reports in compliance with the established rules and regulations;
- Correct charging of costs (expenses) to the self-cost of the products (works, services), calculation and presentation of financial results of the Company in the profit and loss account;
- Calculation of the size of the dividend to be paid to the Shareholders on the ordinary shares and correct determination of the size of payments related to the privileged shares;
- Safety of monetary funds and material values; legitimate expenditure of monetary funds in accordance with approved budgets;
- How expedient and efficient the decisions are taken about participation of the Company in investment projects and involvement of third-party investors;
- How justified and needed establishment and termination of the activities are of any branches, representative offices or other separate subdivisions of the Company;
- How commissions of the President of the Russian Federation and the Government of the Russian Federation charged to the Company in the established order, are performed.

6.2. When conducting any audits (inspections) of any branches, representative offices or other separate subdivisions of the Company, the Auditing Committee shall check the following, to add to the above-mentioned areas:

- Safety of the assets registered in the subdivision, legality and business expediency of its expenditures, observance of financial discipline and economy in expending the funds assigned by the Company for the activities of such subdivision;
- Correct maintenance of the accounting records of the property and reliability of the established reports to be submitted to the company;
- How directions are performed that were expressed in the acts of prior audits (inspections).

6.3. Upon request of the Auditing Committee of the Company, any executives who hold office in the management bodies of the Company shall submit documents related to the financial and economic activities of the Company.

Upon requests and demands of the Auditing Committee, minutes of meetings of the Supervisory Board, committees at the Supervisory Board and management bodies of the Company shall be submitted to the Auditing Committee.

6.4. A request for information to the Company shall be executed proceeding from proposals about the list of requested data of those members of the Auditing Committee who participate in the audit (inspection). The request for information shall be signed by the Chairman of the Auditing Committee and sent to the executives of the Company.

6.5. In its work, the Auditing Committee shall follow a plan to be approved by it independently and to establish the order and the time-frames of audits (inspections) of the activities of the Company as a whole and of its branches, representative offices or other separate subdivisions. If necessary, audits may be planned of any separate areas of the financial activities of the Company and of performance by its branches, representative offices or other separate subdivisions of the recommendations formed as a result of prior audits.

The Auditing Committee shall consider the work plan, the order of the audits (inspections), and the schedules and programs thereof, as well as its proposals developed as a result of its audits and inspections, at its meetings.

6.6. The work plan of the Auditing Committee shall include a mandatory audit of the results of the financial and economic activities of the Company over the relevant year.

The Auditing Committee shall submit the act summing up the results of the audit and the opinion of the Auditing Committee about the reliability of the data included into the annual report of the Company and in the annual accounting reports of the Company, among other things, to the Audit Committee at the Supervisory Board for preliminary consideration and development of recommendations for the Supervisory Board, 15 working days before the meeting of the Supervisory Board at which the issue of preliminary approval of the annual report of the Company should be considered.

6.7. An extraordinary audit (inspection) of the financial and economic activities of the Company may be conducted at any time on the initiative of the Auditing Committee, a resolution of the General Meeting of Shareholders, a decision of the Supervisory Board or if requested by any Shareholder (Shareholders) of the Company who hold in aggregate at least 10 (ten) percent of the voting shares in the Company following a relevant request:

- To initiate an audit (inspection) of the financial and economic activities of the Company, the General Meeting of Shareholders or the Supervisory Board shall send its decision to carry out (initiate) such audit in the form of the minutes (copy of the minutes, extract from the minutes) of the relevant management body, to the Auditing Committee. The minutes (copy of the minutes, extract from the minutes) shall be delivered to the Chairman of the Auditing Committee;
- To initiate an audit (inspection) of the financial and economic activities, the Shareholder (Shareholders) shall send a written request for such audit to the Chairman of the Auditing Committee; the request shall include the following information:

(1) The personal name, the first name and the patronymic (the corporate name) of the Shareholder (Shareholders) submitting the request;

(2) Information about the shares (quantity, category, type) held by the Shareholder (Shareholders);

(3) A motivated justification of the need of the audit.

The request shall be signed by the Shareholder or his/her/its representative. In case the request is signed by a representative, a proxy or a notarized copy thereof shall be attached to it. If the Shareholders who initiate the audit are legal entities, the signature of the person acting by the charter of such legal entity but without a proxy shall be certified by the seal of such legal entity.

If the request is signed by a representative of a legal entity who act on behalf of such legal entity by proxy, such proxy or a notarized copy thereof shall be attached to the request.

- The Auditing Committee shall be entitled to take a decision to conduct an extraordinary audit (inspection) of the financial and economic activities on its own initiation (following a proposal by any member of the Auditing Committee, among other things).

6.8. Within 15 (fifteen) working days after the submission of the relevant request to the Chairman of the Auditing Committee, the Auditing Committee shall decide to conduct the extraordinary audit (inspection) of the financial and economic activities of the Company and determine the period thereof or to declare a motivated refusal to conduct such audit (inspection).

6.9. The initiators of the extraordinary audit (inspection) of the financial and economic activities of the Company shall have the right to withdraw their request at any time before the decision is taken by the Auditing Committee to conduct such audit (inspection), by giving a written notice thereof to the Chairman of the Auditing Committee.

6.10. The Auditing Committee may refuse to conduct an audit (inspection) of the financial and economic activities in the following cases:

- The parties who submitted the request for the audit (inspection) of the financial and economic activities, are not entitled to initiate such audit (inspection);
- An audit (inspection) has already been conducted and the relevant opinion has been approved by the Auditing Committee on the facts that form the grounds for the submission of the request to conduct the audit (inspection);

- The request is incompliant with laws of the Russian Federation.

6.11. The Auditing Committee shall inform the Shareholder (Shareholders) who submitted the request to conduct the audit (inspection) about its refusal to conduct the audit (inspection) of the financial and economic activities within 3 working days after the date of the relevant decision in a letter, to be signed by the Chairman of the Auditing Committee or another person acting as the Chairman of the Auditing Committee.

6.12. As a result of each audit (inspection), the Auditing Committee shall execute an act of the audit and an opinion of the Auditing Committee to be signed by the Chairman and those members of the Auditing Committee who conducted such audit (inspection). The act of the audit and the opinion of the Auditing Committee shall be considered at a meeting of the Auditing Committee and submitted to the Company and the Audit Committee at the Supervisory Board within 15 working days after the completion of such audit (inspection).

6.13. In case any members of the Auditing Committee disagree with the act/opinion of the Auditing Committee, such members shall be entitled to execute a special opinion and request that it should be attached to the opinion/act of the Auditing Committee.

6.14. In order to support the activities of the Auditing Committee, the Company shall provide required premises and access to such premises, as well as technical facilities and materials to the Auditing Committee.

6.15. The Auditing Committee shall work within the working hours.

## **7. Rights and Obligations of the Auditing Committee**

7.1. In performance of its powers, the Auditing Committee shall be guided by the requirements of laws of the Russian Federation, the Articles of Association of the Company, these Regulations and other internal documents approved by the General Meeting of Shareholders, and the resolutions of the General Meeting of Shareholders.

7.2. The Auditing Committee shall have the right to do the following within its competence:

- In the course of the audit (inspection), demand that any management bodies and executives should submit information (documents and materials) required for the audit;
- Receive oral and written explanations from any members of the Supervisory Board, executives and employees of the Company on issues arising in the course of the audit;
- Inform the Supervisory Board of the Company and/or the Director General – Chairman of the Executive Committee of the Company about all cases of non-fulfillment by any employees of the Company including those performing management functions, of the requests of the Auditing Committee related to submission of required documents and about refusals to provide explanations on an issue risen by the Auditing Committee;
- Request in the order established by effective laws of the Russian Federation, the Articles of Association and internal documents of the Company, that a meeting of



the Supervisory Board or an extraordinary General Meeting of Shareholders should be called;

- Put the issue of measures to be taken and deadlines for elimination of violations found by the Auditing Committee before the Supervisory Board and the executive bodies of the Company;
- Enter proposals aimed at elimination of any violations and disadvantages found in the course of the audit in the financial and economic activities of the Company;
- If necessary, involve any experts into an audit (inspection) for whose labor input the Company shall pay;
- Propose items to the agenda of the General Meeting of Shareholders and the Supervisory Board.

7.3. The members of the Auditing Committee shall be obliged to do the following:

- Conduct regular (at least once a year) audits (inspections) of the financial and economic activities of the Company, its branches, representative offices or other separate subdivisions. To sum up the results of the audit (inspection) of the financial and economic activities of the Company, the Auditing Committee shall compile an opinion to include the following:
  - (1) Confirmation of reliability of the data included into the reports and other financial documents of the Company;
  - (2) Information about violation facts of any regulations on maintenance and presentation of accounting records and reports as established by legal acts of the Russian Federation and of any legal acts of the Russian Federation in the course of the financial and economic activities;
- Execute control of elimination of any drawbacks and violations revealed as a result of audits and of fulfilment of the recommendations of the Committee related to elimination thereof;
- Participate in audits (inspections) in strict compliance with the decisions of the Auditing Committee about the procedures of any such audit (inspection);
- Submit the act summing up the results of the audit and the opinion of the Auditing Committee to the Audit Committee at the Supervisory Board for preliminary consideration and development of recommendations for the Supervisory Board, 15 working days before the meeting of the Supervisory Board at which the issue of preliminary approval of the annual report of the Company should be considered;
- Comply with the requirements for confidentiality of the commercial secret, disclose no information that is confidential and no insider information that may become known to the members of the Auditing Committee in the course of performance of their functions;
- Duly study all documents and materials related to the audit object;
- Register and reflect objectively any violations of regulatory legal acts, the Articles of Association, internal documents of the Company by any employees and executives of the Company, revealed in the course of the audit (inspection);

- When exercising their rights and performing their duties, act in good faith and reasonably in the interests of the Company;
- Timely advise the results of the conducted audits (inspections) of the activities of the Company, opinions of the Auditing Committee, recommendations on elimination of the causes and conditions facilitating violations of financial and business discipline, to the Supervisory Board and management bodies of the Company;
- Attend the General Meeting of Shareholders on whose agenda an item is put related to the activities of the Committee within its competence, and answer questions asked by the participants in the Meeting.

7.4. The members of the Auditing Committee shall not exploit or allow to exploit the resources of the Company for personal purposes.

7.5. The members of the Auditing Committee shall be liable for the objectiveness and good faith of conducted audits of the financial and economic activities of the Company and for the confidentiality of the commercial secrets held in the documents made available to the Auditing Committee.

## **8. Final Provisions**

8.1. These Regulations shall come into effect from the date of the approval by the General Meeting of Shareholders of the Company.

8.2. Where, in pursuance of duly made amendments to any laws of the Russian Federation, any particular clauses of these Regulations come into conflict therewith, such clauses shall be null and void and the activities of the Auditing Committee shall be regulated by the relevant norms of effective laws of the Russian Federation.

8.3. In case of any contradiction between these Regulations and the Articles of Association of the Company, the Articles of Association of the Company shall prevail.

8.4. After the approval of these Regulations, the Regulations on the Auditing Committee approved by the resolution of the extraordinary General Meeting of Shareholders of the Company dated 05.04.2011 (Minutes #26) as amended by the resolutions of the annual General Meeting of Shareholders of the Company dated 28.06.2014 (Minutes #32) shall lose force.