

Approved by the Resolution of the
Annual General Meeting of
Shareholders of PJSC ALROSA
on __.__.2017
(Minutes No. ____ dd. __.__.2017)

Amendments to the Code of Corporate Governance of PJSC ALROSA

1. Subparagraph 4 of clause “b” of the article 4.1.3 shall be amended as follows:

“4) When passing resolutions on increasing or decreasing the authorized capital, on authorization or subsequent approval of major transactions and related-party transactions it is necessary to provide justification of the need for passing appropriate resolutions and explanation of consequences for the Company and shareholders in the event of their passing;”

2. Subparagraph 6 of clause “b” of the Article 4.1.3 shall be amended as follows:

“6) When passing resolutions on authorization or subsequent approval of related-party transactions it is necessary to provide a list of persons recognized as related parties, indicating the grounds under which these persons are recognized as related parties.”

3. Subparagraph 7 of the clause “b” of the article 5.7.3 shall be amended as follows:

“7) Authorization or subsequent approval of major transactions, material related party transactions, approval of other Company’s major transactions¹ (hereinafter major transactions approval)”

4. Clause “b” of the article 10.2.1 shall be amended as follows:

“b) According to the procedure established by the legislation for passing resolutions on authorization or subsequent approval of major transactions the Charter regulates the Company’s transactions simultaneously being major transactions and related-party transactions but which according to the legislation are not subject to authorization or subsequent approval as related-party transactions.”

5. Clause “d” of the article 10.2.1 shall be amended as follows:

“d) Consent to approve all major transactions must be obtained before their execution.”

6. First paragraph of the article 10.2.10 shall be amended as follows:

“10.2.10. In practice, there are situations when during passing resolutions on issues of authorization or subsequent approval of related-party transactions at the General Meeting of Shareholders, there are participating shareholders who formally do not relate to persons interested in transactions but actually considered related parties due to certain affiliation aspects. The similar situation may occur during consideration of related-party

¹ Major related-party transactions and other transactions which are considered by the Supervisory Board according to the Company’s Charter.

transactions at a meeting of the Supervisory Board. In these conditions such authorization or subsequent approval of related-party transactions may be the beginning of a corporate conflict in the Company.”

7. Clauses “a”, “b” of the article 10.2.10 shall be amended as follows:

“a) Non-participation of an actually interested shareholder or a Supervisory Board member in passing of resolution on issues of authorization or subsequent approval of a transaction is an appropriate corporate governance practice in case of absence of formal interest, but in the presence of conflict of interests or other factual interest in the approved transaction.

“b) The Supervisory Board, in case of revealing actual interest in the transaction before its approval, shall reflect such circumstances in materials on this issue and recommend actually interested shareholders and members of the Supervisory Board not to participate in passing a resolution on authorization or subsequent approval of the transaction.”

President of PJSC ALROSA

Sergey Ivanov