

**APPROVED**  
**by the resolution of the General Meeting of Shareholders**  
**of "ALROSA" Company Limited (Closed Joint-Stock Company)**  
**dated 29 June 2002 (Minutes No.16)**

**REGULATIONS**  
**ON PROCEDURE OF CONVENING AND HOLDING OF**  
**MEETINGS OF THE SUPERVISORY BOARD OF**  
**"ALROSA" COMPANY LIMITED**  
**(CLOSED JOINT-STOCK COMPANY)**

## **1. General Provisions**

1.1. These Regulations are adopted in pursuance of clause 1 of Article 68 of the Federal Law On Joint-Stock Companies.

1.2. The Supervisory Board shall conduct general management of Company's activities, excluding any matters of competence of the General Meeting of Shareholders as fixed by the Federal Law On Joint-Stock Companies and the Charter of the Company.

1.3. In the course of its activities, the Supervisory Board shall be governed by the laws of the Russian Federation, the Charter of the Company, the present Regulations and other internal documents of the Company to the extent related to activities of the Supervisory Board, approved at a General Meeting of Shareholders.

## **2. Procedure of Convening of Meetings of the Supervisory Board**

2.1. Meetings of the Supervisory Board shall be convened on initiative of the Chairman of the Supervisory Board, on request of his deputies, other members of the Supervisory Board, the President of the Company, the Executive Committee, the Auditing Committee and the external Auditor of the Company, no later than 20 business days before the meeting. Together with passing the resolution on convening of a meeting, a resolution on the form of the meeting of the Supervisory Board shall be passed as well.

2.2. A request for convening a meeting shall be made by the initiators in writing by registered mail, sent at the address of the Supervisory Board with acknowledgement of receipt, or shall be submitted to the administration of the Supervisory Board. The date of making a request for convening a meeting of the Supervisory Board shall be fixed as the date of the acknowledgement of receipt or the date of its submission to the administration of the Supervisory Board.

2.3. The agenda of the Supervisory Board shall be subject to approval of the Chairman of the Supervisory Board. In case the Chairman is absent, the agenda shall be approved by any of his permanent deputies.

2.4. The following persons shall be entitled to enter items into the agenda of the Supervisory Board:

- the Chairman, the Vice Chairmen and other members of the Supervisory Board;
- the Board of the Company;
- the President of the Company;
- the Auditing Committee of the Company;
- the external Auditor of the Company.

Any proposals relating to drawing up the agenda shall be presented at the address of administration of the Supervisory Board no later than 20 days prior to the date of the meeting.

2.5. A permanent Vice Chairman of the Supervisory Board shall preliminarily consider any proposals received; such Vice Chairman shall draw up draft resolution and shall submit the same to the Chairman for signing. The resolution on inclusion of a proposal into the agenda or on refusal to include it into the agenda shall be passed within five business days.

2.6. A resolution to refuse including any item into the agenda may be passed in the following cases:

- the due term for making proposals as fixed by the present Regulations is not observed;
- the persons initiating entering of an item into the agenda are not entitled to do so;
- the due procedure of making proposals as fixed hereby is not observed.

A resolution on refusal shall be notified to the initiator of the proposal into the agenda within 3 days upon passing of such resolution.

2.7. A notice of the meeting of the Supervisory Board shall be forwarded to each member of the Board in writing no later than fifteen days prior to the date of the meeting. The notice shall specify:

- the time and place of the meeting;
- questions introduced for debate.

The notice shall be attached any necessary materials relating to the items of the agenda.

## **3. Supervisory Board Meetings Procedure**

3.1. The Chairman of the Supervisory Board shall preside at the meeting; if the Chairman is absent, one of the Deputies of the Chairman shall take the chair.

3.2. Any matters not specified in at meetings of the Supervisory Board. If necessary, any meeting may be adjourned upon consent of all the members of the Supervisory Board present.

3.3. In case the Supervisory Board passes a resolution by an absentee voting, voting ballots (if any) signed by the Chairman, or by a permanent Vice chairman of the Council on the instruction of the Chairman, and information (if any) necessary for passing a resolution, shall be dispatched by registered letter or shall be personally delivered to members of the Supervisory Board against a receipt no later than on the

fixed due date for providing voting ballots to the members of the Supervisory Board. The date of actual notifying the members of the Supervisory Board shall be fixed as the date of dispatching or the date of personal delivery of the documents.

3.4. The final date for acceptance of ballots (written opinions) may not fall earlier than on the expiration of 5 days and later than 10 calendar days after the fixed date of ballots delivery.

3.5. The date of actual submission of voting ballots (written opinions) shall be fixed as the date of their dispatch by mail by the Supervisory Board or the date of their direct delivery at the addresses specified in the resolution on convening the meeting in the form of absentee voting.

3.6. Members of the Supervisory Board ballots (written opinions) of which have been submitted no later than on the fixed final date for ballots acceptance, shall be deemed participating in voting.

3.7. According to the results of the absentee voting (by enquiry), the Secretary of the Supervisory Board shall draw up a relevant report. Resolutions passed by the Supervisory Board at a meeting held in the form of absentee voting, as well as the results of voting shall be dispatched to the members of the Supervisory Board by registered letter or shall be delivered personally to them against receipt, within 3 calendar days after signing the minutes of meeting of the Supervisory Board.

3.8. Quorum and the procedure of passing resolutions by the Supervisory Board shall be as fixed in the Charter of the Company.

#### **4. Minutes of Meetings of the Supervisory Board**

4.1. Minutes shall be taken at any meeting of the Supervisory Board.

4.2. Minutes of any meeting of the Supervisory Board shall be drawn up no later than within three days after the meeting. Any minutes shall specify:

- the date, serial number and the place of the meeting if held in the form of joint in-person presence;
- persons present at the meeting;
- the agenda of the meeting;
- matters put to vote and the results of their voting;
- resolutions passed.

Minutes of the meeting of the Supervisory Board shall be signed by the Chairman of the meeting who shall bear responsibility for correctness of the minutes.

4.3. In case the Supervisory Board passes resolutions by absentee voting, opinions of the members of the Council in writing signed by them (or ballots for voting) shall be attached to the minutes.

The minutes shall be attached with a specific opinion of a member of the Supervisory Board on the items of the agenda, if any has been represented in writing.

4.4. On request, minutes of meetings of the Supervisory Board shall be made available to the Auditing Committee, the external Auditor. The Company shall provide Shareholders with access to minutes of the Supervisory Board, as well as shall be obliged to give them copies of such documents for consideration, under conditions and in the order as fixed by article 91 of the Federal Law On Joint-Stock Companies.

The consideration charged by the Company for providing copies of documents may not exceed the cost of their making and dispatching by mail.

4.5. Minutes of meetings of the Supervisory Board shall be kept at location of the administration of the Supervisory Board.

4.6. Audio recording shall be conducted at meetings of the Supervisory Board; the records shall be kept in the order fixed for minutes keeping.

#### **5. Final Provisions**

5.1. Where, in pursuance of duly made amendments to any laws or other normative acts of the Russian Federation, any particular articles of the present Regulations come into conflict therewith, such articles shall be null and void, and, prior to entering amendments into the Regulations, the General Meeting of Shareholders shall be governed by the laws and other normative legal acts of the Russian Federation to the extent of such invalid articles.

5.2. Any amendments and supplements to the present Regulations shall be made by resolution of the General Meeting of Shareholders of the Company.